S. PRT. 111–23

# EXECUTIVE SESSIONS OF THE SENATE FOREIGN RELATIONS COMMITTEE (HISTORICAL SERIES)

## VOLUME XX

## NINETIETH CONGRESS

SECOND SESSION

**1968**

## MADE PUBLIC 2010

Printed for the use of the Committee on Foreign Relations

U.S. GOVERNMENT PRINTING OFFICE

34–737 WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
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# PREFACE

The price of the Vietnam War weighed heavily on the Foreign Relations Committee throughout 1968. At their concluding executive session hearing, Senator John Sparkman, as acting chairman, labeled the year "a rocky road." It began with the committee's investigation into the Gulf of Tonkin incident, which had led Congress to pass the resolution that President Lyndon Johnson used as a declaration of war in Vietnam. The investigation's findings contributed to a serious erosion of the committee's confidence in the information it received from the Johnson administration. Many Senators who had voted for the Gulf of Tonkin Resolution in 1964 had come to regret their vote and complained of having been deceived. In an executive session on January 24, Senator Albert Gore, Sr., warned: "If this country has been misled, if this committee, this Congress, has been misled by pretext into a war in which thousands of young men have died, and many more thousands have been crippled for life, and out of which their country has lost prestige, moral position in the world, the consequences are very great." In another session, on September 24, even the prominent hawk Senator Stuart Symington when discussing foreign aid and the war, lamented ". . . this stupid war and the cost of this stupid war and what it is doing to our economy, . . .."

In January, the North Koreans seized the U.S.S. *Pueblo* and held its crew prisoner until the end of the year. Senator Karl Mundt told Secretary of State Dean Rusk that he considered it a great mistake for the United States "to go engaging in provocative missions of this type" while waging a war in Vietnam and dealing with troubling events in the Middle East and elsewhere around the world. Like the rest of the nation, the committee's attention at the start of the year was focused on the desperate military situation at Khe Sanh, which American forces were determined to hold at all costs. Then unexpectedly on January 20, 1968, the Vietcong launched its major Tet offensive, raiding South Vietnam's provincial capitals, major cities, and even the U.S. embassy in Saigon. Although American forces repulsed the Tet offensive and won the battle militarily, the enemy's resilience belied the administration's optimistic predictions. On February 27, the respected television new anchorman Walter Cronkite, reporting from Vietnam, offered the assessment that "we are mired in stalemate." It was the same conclusion reached by members of the Foreign Relations Committee who had visited Vietnam. Earlier, on February 7, Senator Joseph Clark had reported to the committee that he had asked the commander of American troops in Vietnam, Gen. William Westmore-

land, "if there would be a military victory in this war, and he said, no."

In their closed sessions, members of the committee expressed frustration that Secretary of State Dean Rusk regularly did television interviews about the Vietnam war at the same time that he declined to appear before a public hearing of the committee "because he didn't want to discuss the war question and answer on television." Some, like Majority Leader Mike Mansfield worried that challenging Secretary Rusk at a public hearing would "add to further divisiveness in this country," while Senator Wayne Morse insisted that Americans were entitled to a public discussion of war policy. Chairman J. William Fulbright accused President Johnson of not consulting committee members and therefore having "isolated himself from communication with other people who do have a responsibility in this government." Rusk testified several times in executive session during 1968, as did the outgoing Defense Secretary, Robert McNamara, who testified in a stormy executive session on February 20 about the Gulf of Tonkin incident.

The committee sparred with the administration over whether to conduct their Vietnam hearings in public or in closed session. For some Senators it was a matter of constitutional prerogative, for others it was a threat to national unity in wartime. Those who argued they had a duty to dissent were accused of aiding and abetting the enemy. Senator Gore responded to those who argued that Senators must yield their doubts to achieve unity and victory by asking "What kind of victory? Will it be Pyrrhic?" He had reached the conclusion that "this Congress either ought to declare war or undeclare war" in Southeast Asia.

Relations between the Foreign Relations Committee and the Johnson administration had deteriorated steadily. The president broke off relations with Chairman Fulbright because of his outspoken criticism of American foreign policy. The committee felt equally suspicious about administration spokesmen. On April 3, Senator Gore opposed a suggestion to have former American Ambassador to South Vietnam Henry Cabot Lodge speak to the committee. "He has been here, and been here, and been here," said Gore. "He has been wrong in every estimate he has given us. Why do we have to listen further?" The political and diplomatic situation shifted only after President Johnson announced that he would not stand for reelection and called a halt to bombing in an effort to bring the North Vietnamese and Viet Cong to peace negotiations.

Wartime economics became a recurring issue for the committee throughout the year. As the Vietnam conflict drained away more federal resources, taxes rose and budgets for other programs had to be cut. At that time, the United States' balance of trade revenues were shifting from surplus to deficit. At a hearing on May 24, Senators questioned the value of foreign aid programs at a time when domestic programs were shrinking. They quizzed administrative officials on the economic benefits of such foreign aid in terms of American jobs, exports, and taxes, of various economic treaties and financial support for international development banks. "We are running out of money," Senator Symington warned Treasury Department officials. Chairman Fulbright added his concern about "the overall disarray of our finances" and his annoyance over "a

disposition on the part of the administration to make commitments and so on without reference to this committee or of the Senate. We read nearly every day about some agreement that has been made." These concerns resulted in Congress slashing the administration's foreign aid requests for 1968. As the chairman bluntly explained, this was "not because we are not interested in foreign countries but because we think our own country is going to pot financially."

The selection of transcripts for these volumes represents the editor's choice of material possessing the most usefulness and interest for the widest audience. Subheads, editorial notes, and some documents discussed in the hearings, are added to bring the events into perspective. Any material deleted (other than "off the record" references for which no transcripts were made) has been noted in the appropriate places, and transcripts not included are represented by minutes of those sessions, in chronological sequence. Unpublished transcripts and other records of the committee for 1968 are deposited in the Center for Legislative Archives of the National Archives and Records Administration, where they are available to scholars under the access rules of that agency.

In accordance with the general policy of the series, portions of the volume were submitted to the Department of State and Department of Defense, the Central Intelligence Agency and the National Security Agency for review and comment. The name of a then active-duty naval officer who confidentially offered testimony about his experiences during the Gulf of Tonkin incident has also been deleted for reasons of personal privacy.

This volume was prepared for publication by Donald A. Ritchie of the Senate Historical Office.

JOHN F. KERRY

# THE GULF OF TONKIN

[EDITOR'S NOTE.—In 1964, with little debate only two dissenting votes, the Senate enacted the Gulf of Tonkin Resolution authorizing President Lyndon B. Johnson to take "all necessary measures to repel any armed attacks against the forces of the United States and to prevent further aggression." At the time, Senators operated under the assumption that North Vietnamese gunboats had conducted an unprovoked attack on American naval vessels in the Gulf of Tonkin. After President Johnson used the Gulf of Tonkin Resolution as the equivalent of a declaration of war, doubts began to surface in the Senate. On Feb. 20, 1968, the Senate Foreign Relations Committee conducted a public hearing into the Gulf of Tonkin incident, calling Defense Secretary Robert McNamara and General Earl G. Wheeler, Chairman of the Joint Chiefs of Staff, to testify. The committee filed no report on the hearing, and not until June 1970 did the Senate repeal the Gulf of Tonkin Resolution. The first naval officer who testified at this executive session, but not at a public hearing, is not identified to protect the officer's personal privacy.

**Wednesday, January 10, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 2:45 p.m., in room 1215, New Senate Office Building, Senator J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senator Hickenlooper.

Also present: Mr. Marcy and Mr. Bader of the committee staff.

The CHAIRMAN. Mr. [Deleted], we are very appreciative of your coming to give us what information you have about your experiences in the Gulf of Tonkin and in the Navy.

This is an informal or rather executive committee of a subcommittee of Senator Hickenlooper and myself of the Foreign Relations Committee.

We would appreciate it if you would just tell us about your experience in the Navy and whatever is relevant to your experience in the Gulf of Tonkin.

Would you proceed. Would you give us a little personal background of when you got in the Navy just for the record.

**STATEMENT OF [DELETED]**

Mr. [Deleted]. I am from around here, as a matter of fact.

The CHAIRMAN. Your name is [deleted]?

Mr. [Deleted]. I go by [deleted].

The CHAIRMAN. Where were you born?

Mr. [Deleted]. In [deleted].

The CHAIRMAN. You were?

Mr. [Deleted]. And lived close to, in my younger years, in [deleted].

The CHAIRMAN. When were you born?

Mr. [Deleted]. [Deleted].

I graduated from [deleted], and went into the Peace Corps, where I was stationed in Ghana, and also worked back here in the Washington office, where I was there for two years.

When I graduated [deleted], I registered with the Officer Candidate School and the Peace Corps at the same time, and had been toying with both opportunities, and was obligated to—and managed to get a waiver on the OCS business, and went into the Peace Corps., and then went into the Navy after my Peace Corps experience.

The CHAIRMAN. When did you go into the Navy?

Mr. [Deleted]. In 1962, spring—no, 1963, March 1963.

The CHAIRMAN. 1963.

Mr. [Deleted]. Right; and reported aboard the *Edwards* on September 4, 1963, *Richard S. Edwards,* stationed in San Diego, which was one of the ships involved in what is referred to, as I believe, the third Tonkin Gulf incident in September, September 18, 1964.

I am currently out of the Navy and back [Deleted].

The CHAIRMAN. Were you an officer?

Mr. [Deleted]. I was an officer, right.

The CHAIRMAN. What was your rank?

Mr. [Deleted]. I am [deleted] in the Ready Reserve. At the time of the incident I was an [deleted].

The CHAIRMAN. [Deleted]?

Mr. [Deleted]. Right.

COMMUNICATIONS OFFICER

The CHAIRMAN. What were your duties on the *Edwards*?

Mr. [Deleted]. I was [deleted] officer, which involves—well, I was two things. I was [deleted] officer because I had gone to [deleted], upon graduating from Officer Candidate School, as a sort of what they referred to as a 90-day wonder thing, it is not really that, but you go for three months, and you receive a commission after three months. I was sent directly to a ship.

The CHAIRMAN. To the *Edwards*?

Mr. [Deleted]. I stayed on the *Edwards* I stayed on the *Edwards* during my entire active duty experience, and I was assigned the duties of [deleted] officer about three months after reporting aboard. Before that time I was the [deleted] officer and the [deleted] officer.

The CHAIRMAN. What does a [deleted] officer do?

Mr. [Deleted]. In my case, and in the case of an officer on a destroyer, he supervises all the [deleted].

The CHAIRMAN. All the [deleted]?

Mr. [Deleted]. Yes, sir.

Senator HICKENLOOPER. How do you mean supervisors, carry the messages or does he have responsibility for [deleted].

Senator HICKENLOOPER. I was just wondering how you got that job after such a short time in the Navy.

FROM SAN DIEGO TO SUBIC BAY

Mr. [Deleted]. It is, well, I was assigned to [deleted] officer billet because, you know, there is a tremendous turnover in the Navy, and especially on a destroyer. The ship left for overseas on August 6, as a matter of fact it left the morning of the reprisal bombings, from San Diego.

The CHAIRMAN. August it left from where?

Mr. [Deleted]. It was August 5, I guess, yes, August 5, it left San Diego.

The CHAIRMAN. 1964 you left San Diego.

Mr. [Deleted] Yes. I had been aboard for eleven months.

Senator HICKENLOOPER. I see. I lost track.

The CHAIRMAN. I see you left San Diego on August 5, 1964, and proceeded directly to Tonkin Gulf?

Mr. [Deleted]. No. We proceeded directly to Subic Bay. If you will remember, there was some press coverage of this, I believe Life Magazine ran quite a story.

We steamed, because this occurred, our departure was scheduled for August 6, we actually left a day early because of the bombing incidents and the reprisal, and I remember the headlines the morning we left, it was a great dramatic connection, the press were all down there, because four ships were steaming, were supposedly, you know, to steam directly to Subic Bay, which was in the Philippines.

The CHAIRMAN. Yes.

Mr. [Deleted]. Of course, the launching point for most of our activities in the Vietnam area, naval activities.

The CHAIRMAN. What did you do at Subic Bay?

Mr. [Deleted]. In Subic, well, six hours after we left San Diego we were given the message to proceed with the Carrier *Ranger*, four destroyers, composing Destroyer Division 172, we were told to proceed directly to Subic Bay rather than, you know, stopping off at Hawaii, which, is the normal procedure.

As it turned out we did stop off in Hawaii for about six hours, which is extremely unusual, but we stopped off for sort of a general briefing, at the Commander-in-Chief of the Pacific Fleet Headquarters at Pearl Harbor.

Then we steamed at full boiler operation, just all stops out, for Subic Bay.

We arrived, I think it took us about ten or twelve days. It was one of the fastest transits that a carrier and its escorts made across the Pacific.

The CHAIRMAN. You were with the *Ranger* at the time?

Mr. [Deleted]. Yes, with the *Ranger*.

At Subic Bay, my memory is a little bit hazy on this, but I think we were at Subic for about a week, and we had gone out. on local operations.

ESCORTING AN AMPHIBIUS FLEET

It has come back. We went over to Vietnam, and we escorted a flotilla of amphibius ships that were off Danang and, at that time, this was before the great buildup around Danang. There had been a lot of military activity, and we escorted amphibius, an amphibius

fleet that was waiting, there was some sort of word in intelligence reports about, you know, about a possible landing, Marine landing at Danang, and this flotilla was off the coast, and we were there for about, oh, about six days performing anti-submarine guard duty, you know, with the sonar, going to detect submarines and this kind of thing.

We were sent back to Subic, and the day we arrived back we were released sort of, as you know, in an ordinary kind of fashion. We were released because we were replaced by another ship, which ordinarily was to do this kind of thing.

A DESOTO PATROL OPERATION

We went back to Subic Bay, which is about a day's steaming, and the night of the morning we arrived, we received a message indicating that we would be assigned with the *U.S.S. Morton* to a DESOTO patrol operation, and those of us who had read intelligence reports understood the word "DESOTO" patrol to mean, this is the coded word for the kind of activity that the *Maddox* and *Turner Joy* were engaged in in their first tour up into the Tonkin Gulf.

Now, from here on everything that I would say would be—I am committed to classification of Top Secret. The captain briefed us, briefed the officers, and also over the ship's communications system which goes to all the officers and men, said that all the activities on this DESOTO patrol were to be considered Top Secret, and that the only thing that—anything that happened should not be reported without, you know, clearance through himself, and the classification on the DESOTO patrol was Secret, I think the word was classified Secret, and then later, because it was used on, I believe, a television address by the President, it was actually released to the press the word ceased to be classified but, of course, the activities continue to be classified, [deleted]. so what I am saying concerning these matters would be considered Top Secret.

Mr. MARCY. I just wonder at this point if the record should not show that all Senators are authorized to receive Top Secret information, and that both Bill and I have similar clearances from the Department of Defense, as does the reporter.

The CHAIRMAN. Yes.

Mr. MARCY. The verbatim reporter.

The CHAIRMAN. Yes. The record will so show.

Mr. MARCY. Excuse me.

The CHAIRMAN. Go ahead, Mr. [deleted].

THE SECOND INCIDENT

Mr. [Deleted]. Most of the messages we received, and I have a file of these, a file of these—I collected when aboard ship——

Senator HICKENLOOPER. When was this? This was after the *Maddox* incident?

Mr. [Deleted]. Right. The *Maddox* incident occurred on the day we left San Diego, in other words, the day we steamed overseas.

Senator HICKENLOOPER. Oh, yes.

Mr. [Deleted]. We were assigned to a second patrol.

Senator HICKENLOOPER. What is the relevance of this?

The CHAIRMAN. I do not know. I have to listen to what he is going to tell us.

Mr. [Deleted]. Well, the second incident was reported immediately as an incident similar to the first where menacing contacts, hard contacts on the radar scope, threatening contacts, actually closed—they were high-speed craft, and we fired upon them, the *Edwards* and the *Morton* together fired around 200 rounds in the Tonkin Gulf in defense, you know, of the ships.

The CHAIRMAN. Wait a minute. I lost the chronology.

Mr. [Deleted]. Okay. I am trying to establish the relevance.

The CHAIRMAN. Well, we do not have to develop it in advance. That will come out——

Mr. [Deleted]. Okay.

The CHAIRMAN [continuing]. If there is any, later.

You were at Subic Bay, and you were assigned to the DESOTO patrol.

Mr. [Deleted]. Right.

The CHAIRMAN. Could you describe very briefly what the DESOTO patrol was?

Mr. [Deleted]. Yes.

The CHAIRMAN. And then we will go on to where you got into it.

GATHERING RADAR INTELLIGENCE

Mr. [Deleted]. The only information that I personally had access, to as to what the DESOTO patrol, was that it was really twofold: It was designed to gather intelligence through electronic devices, to gather radar intelligence.

The CHAIRMAN. Which you had on your ship?

Mr. [Deleted]. The *Morton* had it, the other ship had it. We actually did not have it. We were, according to the captain who described our function, as riding shotgun, and in my discussion I would like to refer to, I would like to actually use, to quote the actual phrases because I think the vocabulary that is used in this kind of situation, you know, might be significant.

The CHAIRMAN. Sure.

Mr. [Deleted]. We were to ride shotgun with the *Morton*. The *Morton* had on-board a commodore, a man with the rank of captain, who administratively was the commander of a division of destroyers, four or five destroyers.

Our ship was simply to go up there, and we were the guns. If the *Morton* got into trouble, you know, we were more guns so that, you know, there would be less chance of an attack being successful against one of the ships.

The CHAIRMAN. Yes.

Mr. [Deleted]. So our job, in a sense, was, the function was fairly simple. It was simply, you know, to——

The CHAIRMAN. Did you follow the *Morton*?

Mr. [Deleted] [continuing]. To follow the *Morton*, right.

The commodore was calling the tactical plays. In other words, he would say what course we would go on, what direction we would go on. We made several tours around the Tonkin Gulf in international waters as defined.

IN INTERNATIONAL WATERS

The CHAIRMAN. Did you go in close to the coast at any time?

Mr. [Deleted]. At times we passed islands, which we passed within several miles of islands, where radar installations are kept. But we never went in closer than twelve miles, to may knowledge. We never went in within what we define as international—what they define as international waters.

The CHAIRMAN. Yes.

On what date did you begin the patrol?

Mr. [Deleted]. We were scheduled to begin earlier than we actually began because we had very bad weather. There was a typhoon which came into the South China Sea, and actually went up through the Tonkin Gulf area.

I think we were scheduled originally to go on the 15th of September, we actually got what they referred to in the message, we actually got what they called the green light on the 18th, and these messages were always—they originated from the Commander of the 7th Fleet, with the White House as an information addressee. [Deleted] the Commander of the 7th Fleet, and he was the action officer, and we went up, we rendezvoused, we met the *Morton* at what is termed Yankee Station, which is a carrier orientation point below the 17th Parallel off the Coast of South Vietnam. It is north of Danang but south of the border if carried out into the gulf.

We rendezvoused here with the *Morton*, and waited for the bad weather to clear up, so we had about three days of this sort of anxious, you know business of wondering, you know, whether we were going to go up, and what was going to happen when we did go up, and this kind of thing. You know, there is a psychology of anxiety here.

The man who was in command of this particular DESOTO patrol, Captain Holifield, was a——

The CHAIRMAN. Captin Holifield. He was on the *Morton*?

Mr. [Deleted]. He was on the *Morton*, right. He was a, sort of an eager kind of fellow, and he was very——

Senator HICKENLOOPER. Was his rank that of a captain?

Mr. [Deleted]. He was a captain, yes, his rank was, right. I am not referring to him as a skipper.

Senator HICKENLOOPER. Normally he is a commander.

Mr. [Deleted]. Normally a commander of the destroyer. Captain Hortfield was a captain, he was in command. Captain Holifield made it very clear to the *Edwards* this was a very important operation.

PASSING INFORMATION BETWEEN SHIPS

One of the first things we did, we rendezvoused in what most of us considered very dangerous circumstances. we passed a package of secret information concerning the nature of the DESOTO Patrol by guy line. It took about four hours, and it was—the lines kept breaking, you know. It is one of the things that stands out in my memory. The lines kept breaking, and the commodore himself kept hollering over a megaphone, you know at the sloppy handling of the lines and this kind of thing.

This was at the end of the typhoon. It was very rough seas. Anyway, we finally got this package transferred.

Senator HICKENLOOPER. You say package?

Mr. [Deleted]. It was a package of documents.

Senator HICKENLOOPER. Of written documents?

Mr. [Deleted]. Right.

The CHAIRMAN. From whom to whom?

Mr. [Deleted]. It was addressed to the *Edwards,* and it contained information——

Senator HICKENLOOPER. Where did it originate?

Mr. [Deleted]. This is what I really cannot remember. I am not too clear because there were several things. For one thing, there was a radio frequency plan or the operation. In other words, what particular frequencies would be used for transmission. [Deleted].

The other information concerned general intelligence reports of the North Vietnamese coast where radar installations were located, and this kind of thing.

This went to what we called a combat information center, which was the radar center, and it sits behind the bridge of the ship, where the actual ship handling goes on. We have a combat information officer, and I will talk about him in a few moments.

MESSAGES CONCERNING THE MADDOX AND TURNER JOY

The other information was message traffic concerning the *Maddox* and the *Turner Joy* business, just describing what happened; about, you know, what kind of contacts there were, the PT boats, a description of the PT boats. There were packets concerning the kind of PT boats that the North Vietnamese used in these waters, and this sort of thing.

These were transferred. Some of the traffic dealt with rules of engagement. I remember this very specifically. Almost all the traffic related to this, and when I say traffic, I mean messages coming into the communications center. It would deal with rules of engagement; when a commander officer could order, you know, the attack, order guns to be fired against an attacking vessel, and, you know, whose approval he had to get, and this kind of thing, and essentially it defined when the security and the safety of the ship is immediately involved, that this warrants all measures at hand, and this kind of thing.

Then there were rules of engagement about aircraft, because destroyers are able to control the operations of aircraft by radio, because they have a radar scope, and what they call an air search radar, and they can often see things that the pilots cannot see and, as a matter of fact, you know, on the dog fights that happened in North Vietnam at that time, they were being controlled from the ground essentially where, you know, you would have a ground controller on the destroyer telling a pilot where he is, how far he can go, where he cannot go, you know, like where the Chinese border is, and this kind of thing.

So that it was important for us to have all this information about the rules of engagement, you know, whether the pilot could go over the Chinese border or where they could go, and this kind of thing.

So this was handed to us in this packet.

The CHAIRMAN. This package was sent from the *Morton* to the *Edwards*?

Mr. [Deleted]. Right.

The CHAIRMAN. That is what you are talking about.

Mr. [Deleted]. Right.

The CHAIRMAN. The lines were simply the means of getting it to you that you mentioned were broken, is that correct?

Mr. [Deleted]. Yes.

What I am talking about, these are just ropes that go across between the two ships.

The CHAIRMAN. Ropes. The package simply contained all of the orders that you were to follow, is that right?

Mr. [Deleted]. Yes.

The CHAIRMAN. Okay.

Mr. [Deleted]. And this was essentially, as far as we were concerned, as far as we know, what the DESOTO Patrol was all about.

The CHAIRMAN. Yes.

SHOWING THE FLAG

Mr. [Deleted]. I think I started on this, it seems to me that my impression was at the time from what the captain said and what the information said, that the DESOTO Patrol had two functions. One was to gather intelligence information; two, was to assert our right to international waters because, you know, allegedly the attack on the *Maddox* and the *Turner Joy* occurred beyond the twelve-mile limit. It was international waters and, therefore, it was regarded, you know, as a hostile action against United States forces.

And there was a big thing when we finally did go up there was a big business about showing the flag, and we showed, instead of showing the regular colors, we showed what we call the holiday colors, the holiday flag, which is much larger so that, you know, everybody would see this was a U.S. ship in the Tonkin Gulf. This was evidently part of the point.

Mr. BADER. Would you tell the Senators what sort of equipment was aboard the *Morton*.

POSSIBLY MISTAKEN FOR SOUTH VIETNAMESE SHIPS

Senator HICKENLOOPER. Just before that, this holiday flag business, do you have any information as to whether or not the holiday flags were flying on the *Essex*——

Mr. MARCY. The *Maddox* and the *Turner Joy*.

Senator HICKENLOOPER. I say, do you have any information on that?

Mr. [Deleted]. No.

Senator HICKENLOOPER. The reason I asked that, there were some stories in the paper, you know, that the North Vietnamese thought they were South Vietnamese ships. That is an incident.

Go ahead.

Mr. [Deleted]. Yes, we were aware of South Vietnamese operations at the time.

The CHAIRMAN. South Vietnamese operations.

Mr. [Deleted]. Right. What they called, they are essentially patrol boats with 40mm guns, and I was aware from message traffic

that these were going across the 17th Parallel and hitting gun installations along the North Vietnamese coast. This was before—well, I do not want to be committed now on time because I am not so sure. In December these were quite regular, these operations, in December of 1964, when we were preparing to go on another one of these patrols, which was never ordered.

At the time of our patrol, around the middle of September, I do recall a discussion in the message traffic about whether South Vietnamese boats would go up instead of the U.S. destroyers, and obviously it was resolved that we would go up, and these would not interfere.

But I do not, I cannot recall if any activities on the part of the South Vietnamese boats going up at this time or not. All the message concerning the South Vietnamese activities came from MAC/V, and it was as though this was—in Saigon, and it appeared that this was their business. But we did get it over the, you know, general traffic which we got off of the teletype which is classified Secret.

[Deleted] Top Secret messages relating to this, just general descriptions of these activities, the fact that we should be careful.

We had an identification code which was explicitly for DESOTO Patrol operations to be used between South Vietnamese boats and the destroyers so there would be no confusion, and later on in December there was confusion between South Vietnamese PT boats and our ship, and an incident was avoided only at the last minute.

Mr. BADER. This means that in the DESOTO Patrol ships that were up in the Gulf of Tonkin they had the means of identifying and communicating with, if necessary, South Vietnamese patrol craft that were up in North Vietnam?

Mr. [Deleted]. Yes. I know we had it in December, and I just cannot, I would not, want to say if we had it in September or not. I believe we did, but I am not sure.

The CHAIRMAN. You have got this package on the 19th of September, you say?

Mr. [Deleted]. No, this was about the 15th. It was a good three days before we actually went up.

The CHAIRMAN. Then on the 18th you went up?

Mr. [Deleted]. On the 17th.

THE THIRD INCIDENT

The CHAIRMAN. Was this when the third incident occurred?

Mr. [Deleted]. We went up on the 17th, and the third incident occurred on the 18th.

The CHAIRMAN. About where approximately did it occur?

Mr. [Deleted]. About thirty miles to sea.

The CHAIRMAN. Off North Vietnam?

Mr. [Deleted]. Off North Vietnam.

The CHAIRMAN. What happened?

Mr. [Deleted]. This was at night. We were on what they called port and starboard watches, which means you are on for six hours and you are off for six hours, and my duty station was the bridge. I was what they called a junior officer of the deck and tactical communicator, and I was the one who talked to the other ship, the *Morton* in this case, over radio telephone, so that, you know, our

maneuvers would be coordinated; also all the information about firing guns and this kind of thing would come over this thing. So my job was to do this.

I was asleep, I was off my watch at about eight o'clock on the night of the 18th, when the general quarters was sounded. An alarm goes through the whole ship, sending everybody to their battle stations.

So when I got up onto the bridge, I did not actually see the radar scope, but the discussion was that we were being attacked by menacing vessels, and there was evidence on the radar screen to this effect.

The person who was on the radar screen was an officer who had been on-board for about four months, who actually picked up these contacts at the very beginning, a very junior officer.

He later on became the combat information officer who was in charge of radar and this kind of thing. But I think it is just, again for the psychology of this thing, I do not like to go into personalities, and I will go into them anonymously, but I think it is interesting this was a person who, in a way you would describe if you could type him as a romantic sensationalist, and this kind of thing. It was right down his line to be the first to spot, you know, menacing craft.

But I do not want to belabor that because this was a subjective judgment.

The CHAIRMAN. This was about eight or nine o'clock at night?

Mr. [Deleted]. Yes.

The CHAIRMAN. A dark night?

Mr. [Deleted]. Yes. It might have been later, but probably around nine o'clock.

The CHAIRMAN. That was the occasion for the general alert?

NO VISUAL SIGHTINGS

Mr. [Deleted]. That was the occasion for the general alarm.

Shortly after I got up on the bridge they were firing these, what they called warning shots. Holifield gave the order, the *Morton* tried to fire, and they had a jammed gun, so the commodore on the *Morton* told us to fire warning shots at these contacts which were then about five miles, 10,000 yards or five miles, and closing.

Now, I was on the bridge, and I had the radio-telephone, and I could look at the radar scope, and I had been watching these contacts, as the junior officer of the deck, contacts similar to these all day which were, they were what we called spurious, you know. There were no visual sightings of these things. Normally four miles, you an see four miles perfectly at sea, and you can see what you are looking at. But there were contacts on the radar screen which were not apparently anything. Occasionally a fishing stakes would show up as a ship. Of course, this would be stationery.

This is very shallow water. I think in your book on The Arrogance of Power you talked about dragons being the playthings of shrimp in shallow waters, and this is, you know it is, a great metaphor, but what I am trying to describe——

The CHAIRMAN. But you were thirty miles off-shore?

Mr. [Deleted]. We were thirty miles off-shore, but there are still fishing stations out there, but this was thirty-five fathems, some-

times twenty fathems, sixty feet—well, that is a hundred feet. I would say this was shallower than that. This was about sixty feet. A fathom is six feet. But this was actually shallower, because the Tonkin Gulf, it silts up from the Red River.

SHALLOWNESS OF GULF OF TONKIN AFFECTS RADAR

The CHAIRMAN. You say you had seen these pots on the radar scope during the day, and there was net anything there visually?

Mr. [Deleted]. Yes. They could have been fishing stakes. They could have been, but they did have motion to them, so my specialty was not radar, and I am not prepared to discuss technically what some of the problems are, but there were problems, and with the radar, with picking up these objects that could not be identified, and yet it should have been visually——

Senator HICKENLOOPER. Do big fish show up at a distance on radar scopes?

Mr. [Deleted]. My own feeling was that what they were seeing were big flocks of cattle egrets.

The CHAIRMAN. What are they?

Mr. [Deleted]. Which are a bird I was familiar with in Ghana. They are all through the tropics. They fly in a V-formation. They probably fly at about twenty or thirty knots, and they migrate at this time of year in September, all of September and October, they migrate from the south part of China down into Southeast Asia; they go to Indonesia, into Hainan Island, and they go into the southern part of South Vietnam. Of course, they fly in V-formation so they leave a kind of wake effect, and I have seen these once or twice on radar, I have seen flocks of birds on radar.

I have seen fish on radars, I have seen whales and so forth.

Senator HICKENLOOPER. You get those on sonar.

Mr. [Deleted]. Whales and porpoises.

Senator HICKENLOOPER. Yes.

Mr. [Deleted]. But I really must emphasize that radar in the Tonkin Gulf is quite different from radar in any other body of water that I have experienced. I am sure it is similar, say, in the Gulf of Thailand where you have similar conditions of shallowness. Maybe it had something to do with the temperature layer and similar effects, but again I am not an expert on radar, but I do know after the incident the CIC officer——

U.S. SHIP FIRED ROUNDS

The CHAIRMAN. Describe the incident as fully as you can before you go after it. What happened? They thought they saw something?

Mr. [Deleted]. Yes. At least, we must have, I think the *Edwards* fired over 100, and I think the *Morton* fired—I know the *Edwards* fired more than the *Morton*, but there must have been close to 250 rounds fired by both ships.

These were five-inch and three-inch. The five-inch gun is used, for, they use it for shore bombardment, and it has a slightly longer range. It has about, well, it can have a range of about twelve miles.

The three-inch guns are shorter, and usually use fragmentation bombs for anti-personnel.

The CHAIRMAN. These were fired by radar, radar-directed?

Mr. [Deleted]. Right, they are directed by the radar, and these fire control systems are very sophisticated, and also very—they operate spuriously, and ours, the *Morton*'s did not operate at all well that night. As a matter of fact, they could not get off the warning shot that they were supposed to fire. Our warning shot, according to the gunnery officer, hit the target, whatever it was, the first shot hit the target.

Several shots later, to show you how difficult it is to operate these guns effectively, one shot exploded about fifteen yards from the ship, and there was a fellow under the depth charge racks on the stern who felt this thing go off very close to him, and it was a sort of scary business.

Another fellow, the supply officer, who was down in the compartment, I remember his station was down inside the ship, and he described this thing as just a horrendous explosion, and the gunnery officer later corroborated one of the gunnery rounds did go down.

The directory officer accidentally tipped the director, which is the radar control device, and it went straight down.

A lot of the, shells evidently hit the target, and the accounts later read that the targets disappeared or dispersed, you know.

But there was one visual sighting made by an officer whom I knew quite well, and a roommate. He was one of the gunnery officers, one of the men who mans one of these directors. He claims to have seen a PT boat. But he is an extremely near-sighted person, and he would be the last person that you wanted to get, visual evidence of anything from. He was considered, you know, considered, to a certain extent, a risk to be an officer on the deck, and he claims to have had a visual sighting, and I doubt very much that he could have seen a PT boat at five miles or four miles in the night the way he described it, and of all people he is the most near-sighted I have ever known in the Navy anyway.

Senator HICKENLOOPER. Was he using glasses, binoculars?

Mr. [Deleted]. He was using binoculars, right. He would man the director. I understand in the report of the, the formal report, that followed this, which I have not seen but which an investigation was held on at Cubi, I understand from Mr. Bader, this evidence was discarded.

BOARD OF INQUIRY CONCLUDED NO ATTACK OCCURRED

Mr. BADER. Senator, I should say for the record that the Navy Department provided us with the full results and text of a board of inquiry that was held on this so-called third incident. It was convened, a formal board, under Admiral Guest. It was convened at Cubi Point, and they sent seven days, I believe, investigating all of the evidence appropriate to this incident, and came to the conclusion that there had been no attack.

Senator HICKENLOOPER. Has that been reported publicly?

Mr. BADER. No sir.

Mr. [Deleted]. The press reports that I have read, which is really what my information of this sort comes from, said that there were two definite contacts that were menacing the ships, and this was the Pentagon release, the Defense Department release.

Mr. BADER. Now, the board of inquiry did say they felt that two of the seven——

Senator HICKENLOOPER. Is this board of inquiry, is that still classified?

Mr. BADER. Yes, I believe it is, Senator.

Senator HICKENLOOPER. Then I do not believe I would discuss it here at this meeting. You are not cleared for this information now.

Mr. [Deleted]. Yes. That is why I wanted to clear up the classification at the very beginning.

Mr. BADER. I am sorry, I thought we were in a much higher classification.

Senator HICKENLOOPER. No, he is not classified at this time to receive that information.

Mr. [Deleted]. Yes, this is probably true.

Mr. BADER. My apologies.

Senator HICKENLOOPER. So far as I know. That is no reflection on you, it is just a matter of keeping the lines clear.

CREATING RADAR IMAGES

The CHAIRMAN. You were there, what you knew, and you were there on the bridge, and you saw the radar, did you not?

Mr. [Deleted]. I looked at the radar occasionally. It was very difficult to make any sense of the radar because the ships were moving so fast. Ships when they are moving at twenty-seven knots, thirty miles an hour, and they are making sudden turns, which is what you do when you unmask your guns, so you can get them out in the proper direction of the contacts when they make these turns they create radar images all over the place. It is really, I cannot emphasize too much how confused a radar picture at night with fast-moving vessels really is. Just the wake of the ship turns up.

The CHAIRMAN. They catch up their own wake in the radar.

Mr. [Deleted]. Yes, especially if they turn quickly. They have a term for it, but I cannot remember the term, and it causes a whirlpool actually, and this essentially shows up on the radar, and lots of things show up on the radar. You get double images. You can get images from other ships. The *Morton* would project its own image, and then another image, which was, in fact, the *Morton,* because of the image it is a kind of a resident image, a kind of double image.

So the combat information officer, the one who had been on the ship for three years, who left shortly after this incident, told me confidentially later that he did not think that there were any contacts out there either. It was almost—it was not even a formal discussion, but it was just sort of a, you know, sort of a nod of the head saying, "You know I don't think there was anything out there." Again that is hearsay kind of stuff.

The CHAIRMAN. The only one who did was the, who really thought so, was this man whom you say is near-sighted, whom you said he thought he saw it.

Mr. [Deleted]. But again he is a very young fellow and new on the ship, and sort of immature about things like this, and I certainly—I was on the bridge, I was in a position to see things visually, I had binoculars.

The CHAIRMAN. Yes.

Mr. [Deleted]. And I was quite interested in seeing if there was something really out there, and I did not see anything, and I have

20–20 vision, 15–20 vision, and I know that I have good eyesight for most of these things.

Mr. MARCY. Senator, could I interrupt to say that we ought to bring this to a head as soon as we can because the other gentleman has to catch a 4:30 plane, and you probably want to spend fifteen or twenty minutes with him.

The CHAIRMAN. All right.

NO EVIDENCE OF AN ATTACK FOUND

Let me ask you just one or two other questions. This took place on the night of whatever it was, the 17th or 18th, and it went on for what, over a period of an hour?

Mr. [Deleted]. I would say about an hour and a half, the firing.

The CHAIRMAN. And then you broke it off?

Mr. [Deleted]. Broke it off. We went back the next morning and looked for evidence that we, you know, could find, of pieces of boat and this kind of thing.

The CHAIRMAN. Did you find anything?

Mr. [Deleted]. Found nothing. I was amazed that we went back in the morning, at first light, you know, when we got the first light, and we looked for oil slicks and things like this, and there was no evidence of this. I did not see any bird feathers, either. There was just nothing there. They broke this off very quickly, I was really amazed at this. They only did this for a couple of hours.

The CHAIRMAN. A couple of hours?

Mr. [Deleted]. Yes, in the middle of the morning.

The CHAIRMAN. Was the original contact, did it originate the *Morton* or with the *Edwards*?

Mr. [Deleted]. *Edwards*. Then the *Morton* picked it up.

The CHAIRMAN. And then the *Morton* picked it up.

Mr. [Deleted]. Yes.

COMPARISON TO MADDOX AND TURNER JOY

Senator HICKENLOOPER. Do I understand, then, Mr. [Deleted], or Senator Fulbright, either one, that the gist of this is that you are attempting to illustrate the fact that in your opinion things like this can happen without any real substance?

Mr. [Deleted]. Yes.

Senator HICKENLOOPER. To the alleged attack.

Mr. [Deleted]. Right.

Senator HICKENLOOPER. That you can be misled on these matters. You are not attempting to say anything about the *Maddox* and the *Turner Joy* from first-hand knowledge.

Mr. [Deleted]. Right. I know nothing about the *Maddox* and *Turner Joy* except that the second incident, as I read about it in the paper and then read the reports, that this was under investigation.

Senator HICKENLOOPER. So that what you are saying——

Mr. [Deleted]. It sounded so similar to my situation.

Senator HICKENLOOPER. You believe you were in a similar situation where you are convinced from all you saw and know that there actually was no attack, that is, no hostile vessel out there.

Mr. [Deleted]. I am personally convinced, and I am also aware I am a partial observer on this, and I do not have all the evidence.

I do know in the intelligence report the airplane sighted wake, and they did have some radar from PT boats, but it was way off, and, you know, there are lots of fishing traffic around there. I mean a wake is a wake.

The CHAIRMAN. Did you ever at any time see a PT boat?

Mr. [Deleted]. I never have seen one.

The CHAIRMAN. You never saw one at any time.

Did you in your capacity [deleted] officer ever hear anyone or know one from the *Turner Joy* or *Maddox*?

Mr. [Deleted]. No.

POOR COMMUNICATIONS

The CHAIRMAN. Did you receive any briefing with regard to the or Maddix Incident?

Mr. [Deleted]. A very quick briefing about, you know, sort of very general stuff about what communications they had and this kind of thing, but nothing specific.

Our communications at the time, and maybe it is worth sort of speaking very generally on this, were very bad. We were not equipped—it is very crude in the sense that we were not equipped—for telegraphic, teletype communication, not telegraphic but teletype. You had to do everything by encoding and decoding laboriously through machines these things, so classified information would take from thirty minutes to an hour to get out, and the *Morton* had a lot of trouble I understand, getting, you know, information about this incident to higher command. They had what they called, a voice network which was called the "High Command Network" and, you know, it was a new sort of thing which they had set up especially for this DESOTO Patrol business.

The CHAIRMAN. Did your officers on the *Edwards*——

Mr. [Deleted]. It did not work.

The CHAIRMAN [continuing]. The next day or at any time, did they discuss this matter and reach any opinion as to whether or not there had been an incident, there had been an attack?

Mr. [Deleted]. The captain discussed it with the operations—he did not discuss it with me, he discussed it with the operations officer, The CIC officer, who was the radar officer, who is the operations officer, is sort of generally in charge of, exercises—[deleted]. He is what is called a department head. He is in charge of both radar and radio, and these were witnesses at the Cubi Point investigation, I understand. The combat information officer and the operations officer and the captain, and possibly the gunnery officer, I am not sure—probably not—and these were the only people who formally discussed it.

Senator HICKENLOOPER. They had more information than you had?

Mr. [Deleted]. No, they did not have more information than I had.

Senator HICKENLOOPER. Did you see all the communications, radio——

Mr. [Deleted]. [Deleted].

Senator HICKENLOOPER. Radio and radar——

Mr. [Deleted]. Right.

Senator HICKENLOOPER [continuing]. Reports?

REPORTS FROM PILOTS

Mr. [Deleted]. Right. They did have access later to the reports that came in from the pilots who came out to survey the scene.

The CHAIRMAN. Did you bring in pilots?

Mr. [Deleted]. They brought in pilots, right. They brought in pilots from the *Constellation*, I believe.

The CHAIRMAN. That night?

Mr. [Deleted]. That night.

The CHAIRMAN. Did the pilots report anything?

Mr. [Deleted]. Again, the only thing I remember seeing——

The CHAIRMAN. Well, to your knowledge.

Mr. [Deleted]. To my knowledge they reported sighting a wake which had a direction, and the captain told me this in discussion actually. The wake had the direction of going off into the distance, you know in a general direction away from our engagement. The captain told me at one point or he seemed to be sort of concerned about there having been anything either, and he was very glad to get hold of some information from the pilots that there might have been something, and this wake was part of the corroboration, and the other corroboration was some electronics which indicated that a radar which they usually use on PT boats was located near the shore, and that this radar had been picked up at the same time, but this could be coincidental. We picked up lots of this kind of radar, and it is very possible—I read, you know, I read the reports from Radio Hanoi saying that they had sighted explosions off, in, you know, out in the Tonkin Gulf, and it is very possible when they saw these explosions they were getting ready for anything, and they could have turned on all sorts of radar.

The CHAIRMAN. They saw your shells.

Mr. [Deleted]. They saw our shells go off, I imagine, and this is my own feeling, and what I am saying is, you know, subjective. I do not know. I am only telling you what I feel and, you know, I was there and have some evidence.

THE CASE IS CLOSED

The captain's favorite phrase for a long time after this, and I want to get back to vocabulary, if you will pardon the expression, it is a direct quote, he would keep saying after this, "Don't look up a dead rabbit's ass."

The CHAIRMAN. What does that mean?

Mr. [Deleted]. He is from Cody, Wyoming.

Senator HICKENLOOPER. I do not know what you would see if you did.

Mr. [Deleted]. The idea was, the phrase was translated, I was not so sure what it meant, either, which translated to me meant "Don't go back over something that you know is, closed," is a closed case.

The CHAIRMAN. Don't try to reopen it.

Mr. [Deleted]. Yes.

The CHAIRMAN. That is a new one on me.

Mr. [Deleted]. It was a new one on me, too, but it was a favorite expression.

Senator HICKENLOOPER. I never heard that, but I have heard the anal extremity of another animal referred to.

The CHAIRMAN. Mr. Bader?

Mr. BADER. Just one question. Senator, I might say, just one question, I might say the conclusions of the Cubi Point investigations were released by the Defense Department.

Senator HICKENLOOPER. Okay. I would say it is a highly technical objection one way or the other, but I just do not want to get into a field that might still be classified.

Mr. BADER. Yes, sir.

Senator HICKENLOOPER. And I think he loses his right to discuss things in which he was not a direct participant, and which happened at a later date, at some other time, and where he was not consulted, and that is all. I want to keep our skirts clear here if possible.

The CHAIRMAN. Have you got a question?

ELECTRONIC EQUIPMENT ABOARD

Mr. BADER. Just one question. Could you describe very briefly what sort of equipment was aboard the *Morton* when you rendezvoused with it?

Mr. [Deleted]. I do not know. It was a black box. It was referred to as the black box. It was supervised by a Marine intelligence, I guess he was a communications officer, a lieutenant, which would be, yes, he was a full lieutenant, and he had, I think there was another officer, a lieutenant JG with him, as a matter of fact, and a couple of electronic technicians, and, as I understand, it was ECM, what they called electronic counter measures equipment, which is highly sensitive equipment that can pick up radio broadcasts and can tell what frequencies they are, it can pick up radar.

Senator HICKENLOOPER. Do you know what came over that instrument, the messages that came over that instrument?

Mr. [Deleted]. No, and they had their own message system, their own telecommunications network, which was on another ship, but we did have one of these on our own ship later, in December, we went back on a similar—we prepared to go back on a similar patrol. We were told, as a matter of fact, to expect—we were told by a new commodore, a new operational commander, to expect a similar patrol.

The CHAIRMAN. And you had one of the black boxes?

Mr. [Deleted]. In December, and we had one of the black boxes.

The CHAIRMAN. Supervised by a Marine?

Mr. [Deleted]. Supervised by a Marine, [deleted].

Mr. BADER. These were under the control of the MAC/V?

Mr. [Deleted]. Yes.

The CHAIRMAN. Who is MAC/V?

Mr. BADER. Military Assistance group in South Vietnam.

Mr. [Deleted]. Which was the original military setup in Saigon, which was there before I came there.

THE INCIDENTS SEEMED SIMILAR

Senator HICKENLOOPER. [Deleted], I take it you have read the quite detailed statements of Ambassador Stevenson at the U.N. Security Council, have you not, on the incidents of the *Maddox*——

Mr. [Deleted]. Only as newspaper reports because I was overseas at the time.

Senator HICKENLOOPER [continuing.] Of both the *Maddox* and the *Turner Joy*?

Mr. [Deleted]. No, I have not read the details.

Senator HICKENLOOPER. Then time does not permit, because I was going to ask you if you did not think there was a pretty positive and detailed statement of what went on and must have had some pretty strong foundation for them to be made officially to an international body like the U.N., Security Council?

Mr. [Deleted]. Yes. The first *Maddox* and *Turner Joy* incidents occurred in the daylight, and they had photography, I understand, and I certainly have no questions about this.

The second incident is the one which seems to be receiving some attention, and it did seem very similar to my incident. I have not had access, you know, to any of the hard information on the *Maddox* and *Turner Joy*. When I read your, you know, the account of your investigations in the newspaper, I have never discussed any of these matters with anyone else, they have sort of been swimming around in my mind, and I was concerned about it.

The CHAIRMAN. You never had any discussion with any member of the crew of the *Maddox* or the *Turner Joy*?

Mr. [Deleted]. No.

The CHAIRMAN. Anything else you have got, Bill?

Mr. BADER. No, sir.

The CHAIRMAN. Well, thank you very much, [deleted]. You are nice to come here.

The next witness is Mr. John White.

Mr. White, I wonder if you would give your full name and residence, a little bit, just to identify yourself.

**STATEMENT OF JOHN WARREN WHITE**

Mr. WHITE. My name is John Warren White. I live at [deleted] Connecticut.

The CHAIRMAN. Where were you born, Mr. White?

Mr. WHITE. I was born in New York City. Do you want other biographical information?

The CHAIRMAN. Just a little. You were in the Navy?

Mr. WHITE. Yes.

The CHAIRMAN. Where did you go to school, and when you were in the Navy, and just tell us briefly.

Mr. WHITE. I am 28 years old. I was educated at Dartmouth College from which I graduated in 1961. I attended Dartmouth on an ROTC scholarship, so right after graduation I went into the Navy for four years active duty, and then I had two years Reserve time. I am now working as a high school teacher of English in Cheshire.

The CHAIRMAN. You entered the Navy in 1961?

Mr. WHITE. Right, active duty. I entered in 1957 when I signed into the ROTC program.

The CHAIRMAN. Active duty in 1961.

Mr. WHITE. Right.

The CHAIRMAN. How were you assigned, what happened?

Mr. WHITE. I was first assigned aboard a destroyer in Newport, Rhode Island, as, well, working in a number of positions, primarily

anti-submarine warfare and gunnery, although the following year I also branched into nuclear weaponry, and so for the last three years of my active naval experience I was active in anti-submarine warfare and nuclear weaponry.

The CHAIRMAN. When did you leave the Navy?

Mr. WHITE. I was released from active duty in June of 1965.

The CHAIRMAN. 1965.

Mr. WHITE. However, I still had Reserve time to fulfill my six-year obligation.

The CHAIRMAN. I see.

Mr. WHITE. I have resigned my commission now.

NOT DIRECTLY INVOLVED IN TONKIN GULF INCIDENTS

The CHAIRMAN. Were you at any time in the Tonkin Gulf?

Mr. WHITE. No. At no time was I directly involved in the events at Tonkin on August 2 or 4.

The CHAIRMAN. What was the Pine Island?

Mr. WHITE. A seaplane tender which is a pretty large ship, about 600 feet long, and we were the flagship for an admiral who wore several hats. Our primary duty was to provide a base of operations and repairs for seaplanes.

The CHAIRMAN. And you were on the Pine Island?

Mr. WHITE. That is right.

The CHAIRMAN. But it did not go into the Gulf of Tonkin?

Mr. WHITE. That is correct.

The CHAIRMAN. Where did it go?

Mr. WHITE. On August—well, during the Tonkin events we were located at Iwakuni, Japan, which is in the south part of the main Island of Honshu.

At that time when radio messages indicated a possible state of war impending, we immediately switched into a state of greater readiness, got under way [deleted] then proceeded to Danang, South Vietnam, and we arrived there on August 15.

The CHAIRMAN. August 15.

How did you get to Danang without going through the Tonkin Gulf?

Mr. WHITE. Senator, Tonkin Gulf is north of the——

The CHAIRMAN. 17th Parallel?

Mr. WHITE. Well, I believe this is, Tonkin is located between an island and the mainland, and Danang is located to the south of this island which, as I understand it——

The CHAIRMAN. You mean the Island of Hainan, is that what you are calling it?

Mr. WHITE. I believe so.

The CHAIRMAN. What do you know, if anything, about the incident of in August, between the *Turner Joy* and the *Maddox*?

CLASSIFIED RADIO MESSAGES

Mr. WHITE. I should say that whatever I could say would be limited just to the events of August 4. My knowledge of the first one, although there has been publicly acknowledged by North Vietnam, from just what I have read in the papers——

The CHAIRMAN. Yes.

Mr. WHITE [continuing.] Concerning those events on August 4, Senator, I had access to the classified radio messages which were sent by those destroyers in the performance of my duties on the Pine Island. I had to read secret messages. These radio reports were classified Secret, and in reading my own messages pertaining to my duties, I did read some of the messages sent by the destroyers which we monitored.

The CHAIRMAN. Yes.

Mr. WHITE. These messages indicated, and here I am giving Secret information——

The CHAIRMAN. Yes.

Mr. WHITE. Is this permissible?

The CHAIRMAN. Yes. This committee receives Secret information.

Mr. WHITE. The messages indicated very large numbers of torpedoes being fired at the ship. The first messages indicated this, and the number, the figure, that I recall, is 34. I could be wrong in this. I would be on firmer ground just to say a significantly large number of torpedoes, 30 or more, and then several hours later a message came from a destroyers, and I cannot identify which one, indicating possibly no torpedo attack at all; that the torpedoes earlier reported might simply have been a mistake on the part of the destroyer sending the message.

I believe the words that I recall at—I cannot say with accuracy what the words were, just generally indicating the possibility that there was no attack.

The CHAIRMAN. Well, where were you, I mean did you receive these messages while you were in Subic Bay, the Pine Island was in Subic Bay?

Mr. WHITE. I do not recall, Senator.

The CHAIRMAN. But you received them while you were—what were your duties while on the Pine Island?

Mr. WHITE. My position was called nuclear weapons officer, and by that I had—I mean to say I was responsible for the training and readiness of what were called the special weapons.

The CHAIRMAN. How did you happen to see these communications?

Mr. WHITE. Well, all secret radio messages are contained on one message board which an enlisted man routes to various officers on the ship, containing, and the board contains all kinds of messages.

The CHAIRMAN. I see.

Mr. WHITE. So some pertained to me, and in looking through them I did see these other messages.

The CHAIRMAN. And the first ones indicated, this was on August 4, that there were a number of torpedoes, and then subsequently—this was on the evening of the 4th, was it not?

Mr. WHITE. I do not recall the time of the message.

The CHAIRMAN. That is when the attack was supposed to have taken place.

Mr. WHITE. So I understand.

The CHAIRMAN. And then subsequent messages indicated it may have been a mistake?

Mr. WHITE. Correct.

CONVERSATION WITH MADDOX CREW MEMBER

Mr. CHAIRMAN. Did you ever talk to anyone who actually was on the *Maddox* or the *Turner Joy*?

Mr. WHITE. Yes, I did.

The CHAIRMAN. Who?

Mr. WHITE. I talked to a sailor in Longbeach Naval Shipyard in March of—let me make that February or March of 1965. I do not recall the exact time, but it was about six months after the Tonkin events.

This man was dressed in a chief petty officer's uniform. I met him just by chance as I was walking through the shipyard one day toward the main gate. As I turned a corner or rather as he turned a corner, we met. We proceeded toward the main gate together, and as we walked along we talked. I do not recall what his name was, and I am not certain that I really did know his name. In other words, we might not have exchanged names, we just kind of made small talk as we walked along.

But in the course of our conversation he indicated to me that he was on-board the *Maddox,* and he told me he was a sonar man, so he would have been a chief petty officer sonar man aboard the U.S.S. *Maddox*.

He also told me that he had been in sonar, in the sonar room during an attack. Now, I say an attack because I am not certain which he was talking about. I can only assume, surmise, that it was the August 4 events that he refers to, since there is no doubt about the first one.

All right. He told me he was in sonar during the attack, and that his duty during the general quarters condition onboard the ship during an experience such as that would be to evaluate the visual presentation on a sonar scope, which he said he did, and on the basis of his experience and what he saw on that scope at that time, he said there were no torpedoes being fired at the ship. This is the evaluation that he made during the attack, and he said he reported this to the bridge, and so that the commanding officer of the *Maddox* would have received a report from his experienced sonar man saying there are no torpedoes in the water.

I do not know if anything appeared on the scope or if something did it would have been evaluated as simply a false image, but this is just guesswork on my part. I do not know what he saw.

The CHAIRMAN. But he said he did not see anything.

Mr. WHITE. He said there were no torpedoes, he evaluated the whole picture as no torpedoes.

DIVULGING SECRETS

Senator HICKENLOOPER. Did that appear to you as rather peculiar that an utter chance acquaintance, just one sailor to another on the street, that he would divulge all that information to you within a few minutes?

Mr. WHITE. Yes——

The CHAIRMAN. Were you in uniform, too?

Mr. WHITE. Oh, yes, I was a lieutenant, junior grade.

The CHAIRMAN. You were still on active duty?

Mr. WHITE. No, sir; I have resigned my commission.

Mr. MARCY. Then.

The CHAIRMAN. Then, at that time.

Mr. WHITE. I was on active duty, right. My ship was at the Long Beach Naval Shipyard. I have learned since from newspaper paper accounts that the *Maddox* and *Turner Joy* were there also at this time on return from Vietnam.

But in answer to your question, Senator, yes, it is a little improbable if you are not in the context of the immediate situation. But two sailors in uniform, walking along together for ten or fifteen minutes in a situation such as I described it, would be quite natural to talk about events, especially the more recent exciting events of one's life. If I could offer——

Senator HICKENLOOPER. No wonder the Russians find out everything we do with those kinds of loose lips we have around the armed services.

Mr. WHITE. One other thing, too, that I might mention, and this is just an evaluation of the whole experience. It seemed to me though that he was a little, I use the word "miffed," that his professional judgment had been doubted by the commanding officer. In other words, the tone of voice, the attitude, was one of——

Senator HICKENLOOPER. Isn't that occasionally the attitude of subordinates in almost any branch of the service, the old man doesn't know a damned thing?

Mr. WHITE. It could be, yes, except——

Senator HICKENLOOPER. Not all. I think that gets out and about once in a while——

Mr. WHITE. This man had several what are called hash marks, I believe, on his uniform.

The CHAIRMAN. What is that?

Mr. WHITE. A gold stripe on the arm indicating four years of service, so he would have been an experienced petty officer.

Senator HICKENLOOPER. That is why it was rather surprising that he would talk.

The CHAIRMAN. He was, was he, a regular Navy man as far as you know?

Mr. WHITE. I would assume so, yes.

The CHAIRMAN. Bill, do you have any questions?

Mr. BADER. No, sir.

STEVENSON MADE SPECIFIC ACCUSATIONS

Senator HICKENLOOPER. Have you read the statement of Adlai Stevenson before the Security Council?

Mr. WHITE. No. Senator, I have not.

Senator HICKENLOOPER. Well, the reason I asked that is because he is so specific—of course, everyone realizes he was not there, and he had to get this information from some place else, but he makes these positive statements, and this is after a considerable period of time, and I mean in some detail about machine gun fire.

Mr. WHITE. Is this on August 2 or August 4?

Senator HICKENLOOPER. On August 2, machine gun fire on August 2 he talks about:

Two of the attacking craft fired torpedoes which the *Maddox* evaded by changing course. All three attacking vessels directed machine gun fire at the *Maddox*.

Now, it is the August 4 incident you have been talking about?

Mr. WHITE. That is correct.

Senator HICKENLOOPER. Correct. It is not the 2nd.

The CHAIRMAN. It was the 4th.

Senator HICKENLOOPER. It would seem to me it would have been very difficult to be terribly mistaken that vessels change course to avoid torpedoes, that would be pretty evident if they did, but that referred to the 2nd, the incident of the 2nd, not the 4th necessarily.

The incident on, the 4th, according to his statement before the United Nations, was that:

> At 2:35 p.m., August 4, when it was nighttime in the Gulf of Tonkin, the Destroyers *Maddox* and the *C. Turner Joy* were again subject to an armed attack by an undetermined number of torpedo boats of the North Vietnamese Navy. At this time the American vessels were sixty-five miles from shore, twice as far out on the high seas as on the occasion of the previous attack. At this time numerous torpedoes were fired. The attack lasted for over two hours.

NOT A SHADOW OF A DOUBT

Those are some pretty positive statements by a person in the echelon of national representation that Adlai Stevenson had at the United Nations.

Mr. WHITE. Did you say pretty positive or preposterous?

Senator HICKENLOOPER. No, I said pretty positive, very positive. I said that as alliteration. That is not very helpful and understanding in my speech. It is a positive statement or they are positive statements. He said:

> There no longer could be any shadow of doubt that this was planned, deliberate military aggression against vessels lawfully present in international waters, and so on.

That is one of the things that, I think, has concerned us, which is the definite and detailed statements which were presented to an international body based not upon his knowledge, of course, but upon the reports and the information coming from out there.

I understand you are repeating what you were told, I mean, you are repeating what this man alleged to you.

Mr. WHITE. That is correct.

OFF-HOURS SKUTTLEBUT

Senator HICKENLOOPER. So it is not your statement. But I always take with a grain of salt—I should not say that, but a little more requirement of proof about some of the skuttlebut that goes on in the off-hours or when people are reminiscing about some of their experiences as to how many times they were shot at.

Mr. WHITE. I understand. The significance of what I had to say, if it is significant at all, is that the man who told me this, claiming he was a chief petty officer, chief sonar man on the *Maddox*, if it is so he would have been the most knowledgeable in that whole situation.

Senator HICKENLOOPER. Well, he would, without doubt, if he were genuine—without doubt he would have been in a position to have observed what or heard what the sonar reported, and should have been in the position to interpret it.

Mr. WHITE. Yes.

Senator HICKENLOOPER. There is no question about that. But I take it that he would not necessarily be the sole recipient of all of the information that went to make a decision here.

Mr. WHITE. Oh no, no. I could not claim that, but concerning the presence or absence of torpedoes in the water, the chief sonar man in sonar during the attack is the one in the best position to know.

Senator HICKENLOOPER. I do not disagree with you on that at all. It is a rather interesting thing. Of course, we are dealing with, almost with a ghost here. You do not know who that man is, where he is now.

Mr. WHITE. Correct.

Senator HICKENLOOPER. You do not know anything about him. So——

IDENTIFYING THE INFORMANT

The CHAIRMAN. Could you by chance describe him a bit?

Senator HICKENLOOPER. It is hearsay.

The CHAIRMAN. Was he an old man, a young man, middle-aged or what? Can you remember that?

Mr. WHITE. Senator, I could only describe him in such general terms that it could apply to 10,000 petty officers in the Navy.

Senator HICKENLOOPER. Do you think you could recognize him if you saw him again?

Mr. WHITE. I seriously doubt it.

Mr. MARCY. If I showed you a list of the names of the sonar men, I take it you would not recall his name?

The CHAIRMAN. How many sonar men would be on a boat like that?

Mr. WHITE. It varies depending on the mission of the ship, the needs of the service at the time, perhaps. There is a need for more sailors in a particular area of the world or particular fields so that they might not be up to their normal complement, but my experience leads me to guess nine or ten, including a chief petty officer, several or I will say two——

The CHAIRMAN. Did you have sonar men on your boat?

Mr. WHITE. Not on the Pine Island, no. There was no sonar on the Pine Island.

I saw a newspaper account in which it was reported that a third-class petty officer actually manning the sonar scope said there were torpedoes in the water. It is improper for a third-class to say something like that during a general quarters condition. It is not his duty or responsibility to make an evaluation like that. It is the responsibility of the sonar supervisor, who would be the chief petty officer or the ranking sonar man on-board.

The CHAIRMAN. Anything else?

Mr. BADER. No.

The CHAIRMAN. Carl?

Mr. MARCY. No.

Senator HICKENLOOPER. Nothing from me.

The CHAIRMAN. Anything further, Mr. White, you would like to say?

INTENTIONS BEHIND THE TESTIMONY

Mr. WHITE. Yes, sir; I do have to catch a plane. I would like to make a statement of my intentions underlying the letter which I wrote to the Register. I really did not know that it would have the widespread precipitating action that it did.

My intention, Senator, was to help you, if it could amount to that, because of your remark about the Gulf of Tonkin resolution replacing the Constitution is what really focused my feelings on the matter.

But I also want to say if in any way my brief experience several years ago has been colored or exaggerated or distorted because of my later developed opinions or beliefs, then I can only be publicly—make a public admission of my guilt in this matter because I think it is wrong for me to let the facts be distorted by my personal feelings, so I hope that I have recalled accurately everything in this matter.

The CHAIRMAN. Well, I think it is perfectly proper for you. You are a free American citizen. You are as interested in this business as, we are, and it is perfectly proper for you to say what you believe and what you think, so long as you tell the truth.

Mr. WHITE. Yes, but not to confuse the two.

The CHAIRMAN. Yes.

Well, thank you very much.

Mr. WHITE. All right, sir.

The CHAIRMAN. Thank you for coming down.

Mr. WHITE. Thank you.

[Whereupon, at 4:00 p.m., the committee was adjourned.]

# BRIEFING ON LAOS SITUATION

[EDITOR'S NOTE.—American military leaders had expected the massive air strikes they were conducting to cripple the North Vietnamese and Vietcong, but the Communists were able both to replenish their supplies and protect their forces by crossing the border with neutral Laos and Cambodia. Unable to destroy the enemy's main forces, American troops increasingly found themselves bogged in a stalemate. The Joint Chiefs of Staff began pressing the administration for authority to bomb the Ho Chi Minh Trail and to attack North Vietnamese sanctuaries in Laos and Cambodia. William H. Sullivan, a career Foreign Service officer, served as American Ambassador to Laos from 1964 to 1969, when he became Deputy Secretary of State for East Asia and Pacific Affairs.]

**Friday, January 19, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 3:30 p.m., in Room S–116, The Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, and Senators Sparkman, Symington, Hickenlooper, Aiken, Mundt, Case, and Cooper.

Also present: The Honorable William B. Macomber, Assistant Secretary of State; Mr. Martin Herz, Country Director for Laos, Department of State.

Mr. Marcy and Miss Hansen, of the committee staff.

Senator SPARKMAN. Gentlemen, suppose we take our seats, and I hope the chairman will be here soon, and other Senators, Senator Hickenlooper, Senator Aiken, Senator Case, Senator Cooper, Senator Fulbright have all indicated that they would be here and Senator Williams of Delaware indicated that he would, if he could.

So they will be coming in, Mr. Ambassador.

We are delighted to have you with us. We would be glad if you would start off with a statement, if you have any statement to make to us, and then the various members will want to question you.

## STATEMENT OF THE HONORABLE WILLIAM H. SULLIVAN, UNITED STATES AMBASSADOR TO LAOS

Ambassador SULLIVAN. Fine.

Mr. CHAIRMAN, I don't have any prepared statement, and I am willing to talk and be interrupted as thoughts occur to the members here.

[Discussion off the record][1]

Senator SPARKMAN. You go right ahead. We understand in case there is any emergency.

Ambassador SULLIVAN. I have been absent from Vientiane for almost a month now. I came home to spend the Christmas holidays with my youngsters, my wife and I spent three weeks with them and just here for a week and then going back at the end of the week to Laos.

The situation in Laos, I think, can be discussed in three dimensions: The political and economic and the military.

I would say at the outset that unfortunately the military overweighs and burdens all the other aspects of Laos.

Laos, as you know, is a primitive country, a country that under French colonialism was not accorded much assistance or much development and, therefore, Laos is struggling at the earliest levels of attempting to become a nation state in this part of the world at this time of history.

Politically, of course, the situation is rather unique in that the Government is nominally a coalition government, which includes communist membership. The communists have been absent from Vientiane and have not performed their functions in this government since 1964. Nevertheless, they have not completely cut their ties, they have not established a separate liberation front type of government. They do maintain the status of being ministers, but ministers in absentia. They stay either in their caves or back over in Hanoi.

The communist group in Laos is a very small group. I should think in terms of those who are politically active in Laos there are probably no more than about a hundred.

Now, they have been able to recruit military people to assist them up to about 30,000, but in terms of political activists a very small group. So that the Government, when we talk of the Government, when we talk of those elements of the Government, those ministers, who are non-communists, and who are under the leadership of Prince Souvanna Phouma.

ROLE OF SOUVANNA PHOUMA

Now, Prince Souvanna Phouma is a nationalist, a man who, with his brother, led the independent movement against France, had to go into exile for awhile, and later came back and has established, I think, as the leading political figure in the country, both internationally accepted and domestically accepted.

Internationally, when I say he is accepted, I mean that he has the status of support—I was just saying that Souvanna Phouma has the status of being an accepted nationalist and particularly important is that he is accepted as such by the Soviet Union and by the United States.

The Lao look upon their international status as being guaranteed by the understandings that have been reached between the United States and the Soviet Union in 1962 and they consider that the acceptance by these two governments constitutes a support ulti-

[1] No transcripts were made of "discussions" off the record.

mately against the Chinese, but some restraint also against the North Vietnamese.

Senator SPARKMAN. Is the Government conducted primarily by Souvanna Phouma, that is our man, isn't it?

Ambassador SULLIVAN. Yes, sir.

Senator SPARKMAN. Do the other princes, they are both princes; all three of them are princes, aren't they?

Ambassador SULLIVAN. Yes.

Senator SPARKMAN. Do they interfere with the Government? Do they participate with the Government in any way, I mean actively?

Ambassador SULLIVAN. Well, of the two princes, one is half brother Souphanouvong, who was with the communists. He is not in Vientiane and has not actively involved himself or participated except to send unpleasant letters and make nasty broadcasts.

The third prince is Prince Bon Oum from the south. He no longer takes an active political role but members of his family, members of his political following, are very active in the Government and his nephew, Sisouk na Champassak, the Minister of Finance, is Souvanna's own choice to succeed him as Prime Minister some day.

So you can see that system, that has held as far as politics is concerned.

Senator SPARKMAN. Yes.

A GENERATIONAL TRANSITION

Ambassador SULLIVAN. Now, what Souvanna is doing, he is 66 years old, and he is thinking in terms of passing on his leadership to someone else, he is thinking in terms of Sisouk and he is bringing in young men into the Government. He has brought four young state secretaries into the cabinet, all of whom are 40 years old or younger. He has six people altogether in his cabinet who are under the age of 45. He is making the transition, therefore, to a new generation.

The people he has in his cabinet, these young men he brought in, intelligent men, university trained and most of them we would say honest.

So with the hope of moving from a transition of Souvanna's generation to a younger generation is a feasibility.

The interesting political fact that may begin to have some bearing on this is the strength and size and perhaps political ambitions of the army. Because of the military situation, they have to maintain a larger army than would be normal. These people have access to a good budget which gives them strength. They have a lot of young men with them and there are a lot of political ambitions among them. They can't agree among themselves on a single leader, so I wouldn't expect the army to pull off a coup and take off the country as they did in Indonesia or Thailand but they have to be reckoned with.

Senator AIKEN. You mean they have access to their budget, you mean their budget?

Ambassador SULLIVAN. Yes.

Senator AIKEN. We don't put much in there.

Ambassador SULLIVAN. We do put equipment, military equipment, into the army, but they support their army entirely out of their own budget. It consumes over 60 percent of their budget.

Senator AIKEN. It does? It does ours, too.

Ambassador SULLIVAN. Well, that is one of the other things we have in common. [Laughter.]

LAOTIAN ECONOMY

Ambassador SULLIVAN. Now, on the economic side, if I could touch on that briefly, on the economic side, Laos has never been a country of self-sufficiency, and what our hope has been is to try to assist them to move from the subsistence economy of theirs to a market economy, built largely around the production of rice, the rice they can sell to the international market, earn international exchange and hopefully get some of the international gold. We do believe they will be able to meet their economic needs by—I was just talking, Senator, about the possibility of Laos becoming, economically being able to stand on its own feet one day, and I would say that for the first time we now see some prospect of that.

It has been based largely around the development of these new strains of rice.

In the current cultivation of rice, from the very primitive way it is done in Laos they get about 1.7, 1.9 metric tons to the hectare.

As I say, these former rice strains get about 1.9 to a hectare ton, metric ton. This new rice which has been largely developed with American technicians in the Philippines, produces about six to seven metric tons per hectare.

Senator SPARKMAN. Six or seven?

Ambassador SULLIVAN. Six to seven tons, yes, sir.

Senator AIKEN. It is a short stick stem rice.

Ambassador SULLIVAN. That is right, it doesn't get blown off in the wind. It takes four months so you can get two crops. The other rice takes longer.

Senator SPARKMAN. Is that from this country or Mexican rice?

Ambassador SULLIVAN. It is developed in the Philippines.

Senator SPARKMAN. Yes.

Senator AIKEN. Mr. Marcos is very proud of it.

Ambassador SULLIVAN. The Philippines should be given a great deal of credit, but it is basically a Rockefeller Foundation exercise.

Senator COOPER. Six or seven metric tons per crop.

Ambassador SULLIVAN. Per crop. So you have two to three per year, you are getting 14.

Senator AIKEN. You can get two crops up in Laos.

Ambassador SULLIVAN. We can get two crops if they are irrigated and we can get by with a small land irrigation project.

INCREASING RICE PRODUCTION

Senator SPARKMAN. Where is the principal rice growing, is it in southern Laos?

Ambassador SULLIVAN. All along the Mekong Valley. You see the Mekong Valley extends practically the full length of Laos. But if you get down at the base here, this Champassak, for example, this is the area just to the west of it, and Savannakhet is the big area, the Vientane Plains and up in Sayaboury is also a big area.

Senator HICKENLOOPER. The hectare is 2.2.

Senator SPARKMAN. Two and a half.

Ambassadar SULLIVAN. Almost two and a half.

In any event what we are talking about is the possibility of increasing the production by something in the nature of seven, six times.

Senator HICKENLOOPER. Let me ask you, Is this production of six or seven tons per hectare, is that the 220 bushel corn we get out in the Middle West?

Ambassador SULLIVAN. I am afraid I don't know.

Senator HICKENLOOPER. They will set aside a certain plot and nurse it like a sick baby.

Ambassador SULLIVAN. I see what you mean.

Senator HICKENLOOPER. And they put all the fertilizer, and they will irrigate it and they baby it along and they only have about three acres and they get 225 bushels on that and they get the price. The rest of the farm will get about a hundred.

Have they done that in an area-wide field or is it specialized plots?

Ambassador SULLIVAN. We are talking about experimental plots but what we are also talking about, Senator, is introducing us into areas which will be given specialized treatment. In other words, they will have to have a little irrigation and they will have to have——

Senator AIKEN. They figured 35 bushels to the ton, six tons, 210 bushels. Two and a half acres it is a big profit.

Ambassador SULLIVAN. It is a big profit.

Senator HICKENLOOPER. It is a wonderful profit. All I am saying, Are we being deluded? Not by you, but are we being deluded by these figures? They go out and plant this rice and get six or seven tons an acre. They can get three tons to the acre compared to what they are getting now.

Ambassador SULLIVAN. It is an improvement. I am sure they will not get the high figure of some seven to eight tons that come under the best experimental crops because they are the best plots that are chosen, but they will still get we feel five to six times what they are growing at a minimum by using this type of rice, by using this type of irrigation, this type of fertilizer.

HELPING LAOTIANS CONVERT FROM SUBISTENCE ECONOMY

Now the essence of what we are trying to do, of course, is help these people convert from the subsistance economy in which they grow just enough to eat to a market economy where they start growing for scale so they can get foreign exchange. For this purpose we have a considerable AID mission there and all the work we are doing, whether it is working on roads or others, is all directed toward this one end, toward getting them into the business of being able to earn their own way, earn foreign exchange and hopefully to be able to take care of themselves. We don't believe that the amount they can earn is going to be enough so that they can have major saving, but if they earn $30 million of hard currency a year—$30 million to $35 million is range of their required imports—it is a very small country, and for such things as the development of the Mekong Valley, the dam projects that we are thinking about there that will require international financing from other sources because you cannot get the savings from people in the country.

But on the economic side, as I say, it is the first time we are beginning to see some hope of light. The great burden, of course, which is holding it up is the war. The tremendous expenditures for—that they make from their own budget for the army. The manpower drain that the army takes away from agriculture, and the refugees who are created by the war, who are non-productive and therefore a burden on the state.

LAOTIAN ARMY

Senator AIKEN. How much is their army?

Ambassador SULLIVAN. Their army is about 73,000 men, which is not very large, but when we are thinking in terms of a state of two and a-half, three million people it is quite a large percentage.

Senator HICKENLOOPER. The stories we used to hear about Laos as compared to Vietnam was that the Laotian soldiers would go out in the jungle and they would have 30 rounds of ammunition apiece and they would jump behind trees over a hill and just shoot the ammunition and come running back to the village and say they had a great battle and killed all the enemy and came back to rest and have a holiday.

Is there anything to that nowadays?

Ambassador SULLIVAN. Well, Senator, up until about four days ago I would have said, vigorously said the Lao army has made great strides forward.

Senator HICKENLOOPER. Mostly it was making strides backwards.

DEBACLE IN NAM BAC

Ambassador SULLIVAN. And the record has proved clear in the last couple of years. As a matter of fact, they have regained considerable territory and been able to consolidate and hold it. But last weekend they had a considerable debacle up in Nam Bac.

Senator AIKEN. How serious was it?

Ambassador SULLIVAN. I can't really give you an assessment.

Senator AIKEN. How did they get in there, was that the Pathet Lao?

Ambassador SULLIVAN. I think probably the troops that hit them there were the North Vietnamese. It is in this area fairly close to Dien Bien Phu.

Senator SYMINGTON. How far is it, Mr. Ambassador?

Ambassador SULLIVAN. Can you see Luang Prabang?

Senator SYMINGTON. I can't see it, but I know where it is on this map.

Ambassador SULLIVAN. If you go from Luang Prabang and move on your map toward Dien Bien Phu, which is slightly northeast of it.

Senator SYMINGTON. You and I were there last January, Luang Prabang.

Ambassador SULLIVAN. Yes.

Nam Bac, you can see to the left of that river. It runs up about halfway between, you see Ban Nam Bac on your map.

The CHAIRMAN. Yes, to the left of the river.

Ambassador SULLIVAN. Yes, sir, exactly northwest.

The CHAIRMAN. And just right to that Red River Plain. Ban Nam Bac.

Senator HICKENLOOPER. I don't see it on that map at all.

Ambassador SULLIVAN. You have the small map.

Senator SYMINGTON. I see Luang Prabang, which way is the other place?

Ambassador SULLIVAN. Almost straight north and a little bit east. See that red airplane just above Luang Prabang.

The CHAIRMAN. Then look to the right and down.

Senator AIKEN. Has the airport been completed?

Ambassador SULLIVAN. At Luang Prabang; yes, sir.

Senator AIKEN. And the bridge?

Ambassador SULLIVAN. The bridge, too.

Senator SYMINGTON. Bill, where is that 36 you wouldn't let me go, is that around there?

Ambassador SULLIVAN. That is out to the east there, sir. You see, that sign out there that says Hua Mong. You look almost straight across to east of Luang Prabang and a little to the north, that is about where Site 36 is.

LAOTIAN TROOPS HAVE IMPROVED

Well, on the military side, to answer your question obliquely, Senator Hickenlooper, these troops, these forces, have improved. This particular engagement looks like a pretty bad show. They went up in there in '66 and they were—they took the area but they didn't take the high ground to defend it and they never did move out to take the high ground so, therefore, they were caught in a position and when the North Vietnamese came down from Dien Bien Phu there they were, and they scattered, and we don't, I don't think there has been much personnel lost.

I think the troops——

Senator HICKENLOOPER. They never got close enough to go to shoot at each other?

Ambassador SULLIVAN. I don't think there was much of an engagement this time; no, sir. That has not been the rule in some of the fighting and I might say we shouldn't consider that there is only one caliber and one quality of troops from in Laos because some of the best jungle fighters and guerrillas, I would say, in the world are some of these Little Meo tribesmen up in the northeast.

Senator SYMINGTON. Where is that fellow Pao?

Ambassador SULLIVAN. He is up in the northeast, you can see his headquarters on this map. It is north.

Senator SYMINGTON. We went to his headquarters and you were very high on him. I wondered where he was when this went on.

Ambassador SULLIVAN. Well, he was on the other side of the river. This was not in his bailiwick.

Senator SYMINGTON. I see

Ambassador SULLIVAN. In fact, his forces had come to help out and have managed to extricate some of these people who were fleeing. His people are warriors, they are a warrior caste, they are a warrior tribe and they are trained guerrillas, and they give a good account of themselves. Their ratio of combat against the North Vietnamese has been about five to one, and I think the North Vietnamese have a very healthy respect for these fellows.

IMPACT ON VIETNAM WAR

Senator SYMINGTON. Mr. Chairman, as I understand it, he would take questions. Is that right?

The question I would like to ask and the reason I am so glad you are here, I would like the record to show I have never seen a more efficient operation than the one Ambassador Sullivan runs in Laos, and he also knows the Thai situation, and the situation in Vietnam.

What effect will the defeat of our friends in Laos have on our conduct of the Vietnamese war which is worrying us all so much?

Ambassador SULLIVAN. Senator, I don't think there will be very much direct relationship between that, those two events.

I think there is a relationship in the situation that we see the North Vietnamese coming down out of Dien Bien Phu out of their country into Laos to attack and defeat Lao forces and take a sector of Lao terrain.

Senator SYMINGTON. Let me ask you this question: As you know, we are spending hundreds and hundreds of millions of dollars putting in a Maginot line in here and cease fire and doing a lot of things to try to prevent the Ho Chi Minh and Sihanouk trails being used. Is this particular move an effort to preserve a way of getting into Vietnam?

Ambassador SULLIVAN. No, sir, I don't think so.

Senator SYMINGTON. Thank you.

Ambassador SULLIVAN. I think this is territory which is close to Dien Bien Phu and they are somewhat sensitive to them. I think it is territory in which their friends, the Pathet Lao, formerly had some control. They came back to attack it. I think it is part of basically an attack on the morale of the Lao people to demonstrate to them the Lao government is not able to provide them absolute security in places of their own territory.

Senator AIKEN. Will they proceed to Luang Prabang?

Ambassador SULLIVAN. I would doubt it, Senator.

Senator AIKEN. Does Luang Prabang have any defenses?

Ambassador SULLIVAN. It has defenses of a natural sort and there are several mountain ridges of considerable height between that area at Nam Bac. It has troops there and it has a small air unit there. I think the reason that constrains the North Vietnamese more than anything else they like to fight a guerrilla type warfare. To come down to Luang Prabang they would have to be out in the open and conventional and exposed as open invaders.

WHY LAOTIAN SOLDIERS FLEE

Senator COOPER. Can I ask a question, Mr. Chairman?

I remember 1962 before the last agreements, something like this happened before.

Ambassador SULLIVAN. Yes, sir.

Senator COOPER. Government troops, under the so-called strongman, fled across the river, and they fled the capital defenses, they had negotiations.

According to the newspaper accounts, three or four thousand troops advised and trained by the U.S. advisers, equipped with howitzers and Wessins, and ammunition, according to the news-

paper reports, these troops just fled and abandoned the howitzers and abandoned the ammunition and no fight at all after five or six years of our training.

You said awhile ago that Souvanna Phouma was considered and accepted as a nationlist and fighting for that country. How do you explain the fact that these people flee again after they are trained?

Ambassador SULLIVAN. I would like just to correct the record, we do not have a military training and advisory organization in Laos.

Senator COOPER. Thank you.

Ambassador SULLIVAN. And we, therefore, do not have advisers with these troops. We don't have advisers with them. However, some of these units probably had been trained in Thailand under American supervision, but we don't have people with them. We don't have a military advisory group there.

Senator COOPER. I know you don't.

Ambassador SULLIVAN. The Lao are very gentle people, peaceful people. They can provide people who will fight under certain leadership but by and large they don't like fighting, and under these circumstances my guess would be that the soldiers in the field did not have that particular confidence in the officers who were commanding them, they were willing to stand and fight against North Vietnamese fanatics. The leadership of the troops is very much the key to whether or not these men would stand or fight or whether they would run.

In this instance, I feel it was the latter.

ANOTHER VIETNAM?

Senator COOPER. I will ask just one more question as related to the question Senator Symington asked.

He asked what effect would this have in our relationships with Vietnam? Is this just another repetition of events in Vietnam?

Ambassador SULLIVAN. Well, these events, that is to say the North Vietnamese actions against Laos, have been going on for as many years as the actions in South Vietnam have been going on. The balance over the past four years has been in favor of the Lao. This is one instance in which the favor has quite clearly run to the North Vietnamese, but on balance I think it still leaves a record intact of the Lao having had a better record than the North Vietnamese during that period.

Senator SPARKMAN. All right, Mr. Ambassador, go ahead. Do you have anything else?

TWO WARS IN LAOS

Ambassador SULLIVAN. I would say maybe just to explain a little more and to talk to Senator Cooper's question, there are really two wars going on in Laos. In Laos the North Vietnamese, the people who live in the area of North Vietnam have historically shown hostility toward this part of Laos and since the communists have taken over North Vietnam they have used the traditional pattern of setting up a front movement and providing assistance and setting up a military cadre and whatnot. In that area contiguous to North Vietnam where we are looking, they do have an interest in establishing a political base and hoping to move onward.

The other area which is the area down south, so-called Ho Chi Minh Trail, is more directly connected with the North Vietnamese operation in South Vietnam. There is very little political activity. They use it as a logistics route to bring their equipment down from the north to the south so the fighting that has been going on down in that area is going on not for the political purpose of being some North Vietnamese control over Laos but holding some territory which is valuable to them. That is the military picture of Laos.

The preponderance of strength, after all there are 19 million people living in North Vietnam, less than three million in Laos. The lines of communication that the North Vietnamese can attack at will anywhere in Laos make it almost impossible for the Lao with less than three million people and less than 75,000 troops to sustain a real concrete defense against them. The best they can do is harass as guerrillas.

Senator SYMINGTON. May I ask a question?

MOVING AMERICAN FORCES INTO VIETNAM

Mr. Ambassador, We have been all over this before many times, and this is not a record that is published on any basis, and I would just ask respectfully, but very sincerely, how, far would they have to succeed before we would have to begin to move our own military forces in there, if we wanted to save the country, on a different basis than we are operating today with your people and the agency and so forth?

Ambassador SULLIVAN. That would be a very serious judgment, as you know, that would require looking at a lot of circumstances.

Senator SYMINGTON. I ask this because we had Mr. Richard Helms of the Central Intelligence Agency who will come before this committee on Tuesday, and I was distressed to see the extent of the map that was colored showing the amount that still was under control of the Pathet Lao and the communists.

Ambassador SULLIVAN. Well, certainly it is fairly extensive. As you know, the population live very largely in the river valley, the Mekong Valley, and I would say between 75 and 80 percent of the population are under government control. The Pathet Lao, however, and the North Vietnamese are able to wander through these hills up in the area contiguous to North Vietnam.

If they came down into the valley, if they came out of the hills and came down in conventional force to the valley in the first place they would have to come down in quite considerable force, I believe, because they would have to come down out of those areas into an area where they would be susceptible to air action because the Lao air force can and has blunted them when they have come down before into the valley, and if they came down and established themselves in the valley and constituted by their presence there is a direct threat to Thailand, they would be deliberately upsetting the balance upsetting the applecart, changing the picture and it would present the President with a very, very serious situation.

As you may recall, in 1961, Senator Cooper was suggesting President Kennedy was faced with the same decision and we sent Marines into Thailand at that time. Some influence must have been brought to bear to get the North Vietnamese to drop back, I suspect the Soviets didn't want it to spread at that time. I think the

Soviets would still have some interest. And I think there are, in other words, restraints upon the North Vietnamese quite apart from military, which would give them pause before coming down to an area where it is so flagrantly facing us with a contest of this type.

DANGER TO SOUVANNA PHOUMA

Senator SYMINGTON. You wouldn't want to say, for example, how long Souvanna Phouma could—where it would be a physical danger to his position at Vientiane or Luang Prabang anyway?

Ambassador SULLIVAN. If they took one of these big cities like Luang Prabang, certainly they took Vientiane in the center of the country.

Senator SYMINGTON. Yes. This is pretty close, Ban Nam Bac is pretty close to Luang Prabang.

Ambassador SULLIVAN. As the crow flies, it is not so far. But I suggested there are very serious or ranges and mountains in between there.

Senator SYMINGTON. How far as the crow flies?

Ambassador SULLIVAN. As the crow flies, it is about 40 miles.

SOVIET INFLUENCE

Senator AIKEN. What influence does Russia have in there now?

Ambassador SULLIVAN. The influence that the Soviets have with the Lao is an interesting one. It is the influence and interest they have as being a great power and a great power that is in apparent agreement with us on the idea of neutralizing Laos and, therefore, the Lao people and Lao government wish in no way to irritate the Soviets. The Soviets, on the other hand, maintain very little posture, they do not provide any direct assistance that we know of to the enemy forces, to the communist forces, they do not provide any aid or other economic assistance or any very active diplomacy with the Lao government.

But the Soviet posture there is a potential one. It is one of agreeing with us on the neutrality of Laos and agreeing with us apparently in defiance of the Chinese to try to maintain the independence of Laos, and in that sense the Lao regard the Soviets not unlike the way the Indians would regard the Soviets and ourselves, as being two pillars of their hope for maintaining independence and maintaining it against the ultimate threat of the Chinese.

U.S. OBLIGATIONS TO LAOS

Senator COOPER. What does the Government there consider the obligation of the United States with respect to them?

Ambassador SULLIVAN. I think I can say we have given them no reason to feel that we have any obligations toward them and they are quite aware of this. I have never put any of the assistance we have given them on the basis of an obligation, and they have never taken any commitments to us or we to them in terms of terms. We have no formal agreements, no military assistance pacts or anything of that sort.

This is done very much on an ad hoc proposition and they are aware there is no binding undertaking by us with respect to Laos.

They are not members of SEATO, we have no bilateral undertaking or commitment.

Senator AIKEN. That is correct, but I thought you said a moment ago that they considered or they thought the Soviet Union and the United States were the protectors of their neutrality.

Ambassador SULLIVAN. Yes, sir, we are all signatories of the 1962 agreements. Those agreements obligate us to respect the neutrality of the country and they obligate the Soviets, too. But there is no, I assumed you meant did we have any bilateral undertakings.

Senator AIKEN. No, I just wondered whether they consider we have any responsibility to protect them against any aggression.

Ambassador SULLIVAN. They take the position, although legalistically I think it is a little difficult for them to establish it, they take the position that the 1962 agreements bind all the signatory powers, all 13 signatory powers, to assist Laos in case any one of the 13 is committing aggression against them.

Now, the North Vietnamese are committing aggression, but we don't consider that this creates a legal obligation to any of the other 13 powers except within the frame of the agreement which is that they should, the powers should, then consult together and there is supposed to be some action by the co-chairmen, the British and the Soviets, and action by the ICC with the Indian chairman.

These, unfortunately, have not produced consequences that we would have liked.

LAOTIAN AGRARIAN ECONOMY

Senator SPARKMAN. Is there an appreciable amount of industry in Laos?

Ambassador SULLIVAN. No, sir.

Laos is, as I say, a rather primitive subsistence economy.

Senator SPARKMAN. I know it. And isn't it a rather passive sort of a country, I mean is there much zip and zoom of the people?

Ambassador SULLIVAN. No, they are very charming, pleasant, lovable, gentle people, but I can't say they have got much zip and zoom. They do work hard growing rice. It is a backbreaking job, as you know, and that is their primary economic activity. They also cut lumber, and they do mine some tin, but these are very minimal. But they don't have either the organization or the capital investment to get into industry and they do have great problems.

As you see, they are a land-locked country and the problem of transporting anything in or out is a real problem.

Senator AIKEN. Do they still raise poppies?

Ambassador SULLIVAN. Yes, sir, the Meos still raise poppies. But that is not, surprisingly enough in terms of that activity, the opium that they get from those poppies they pretty much use themselves and use as raw opium. They are not in the great rackets of the refined production of heroin that gets into the international trade. That comes out of the Chinese either in China or in Burma and in the north.

LAOTIAN RELATIONS WITH THAILAND

Senator AIKEN. They don't have any difficulties in Thailand?

Ambassador SULLIVAN. No, there is no great love lost between the Thai and the Lao but they don't have any current difficulties.

Senator AIKEN. What is your opinion of the situation in Northeast Thailand?

Ambassador SULLIVAN. Well, I can't pretend to be very much an expert on that, Senator. But the situation there, I think we should understand the background is compounded of a number of things. One is that the people who live in northeast Thailand are very largely ethnically Lao. That is to say, the old Lao kingdom used to extend on both sides of the river, and these people who lived in Thailand for a number of generations nevertheless are treated sort of as second-class citizens and this has caused some discontent among these people and I think that is one of the reasons for discontent, then.

Senator AIKEN. Laos has no trouble with Cambodia?

Ambassador SULLIVAN. No, sir.

U.S. ECONOMIC SUPPORT FOR LAOS

The CHAIRMAN. How much economic support are we putting into Laos now?

Ambassador SULLIVAN. Our figures last year was about $56 million, Senator.

The CHAIRMAN. $56 million? What is their total national budget?

Ambassador SULLIVAN. Their national budget is less than that. Their national budget is around $36 million.

The CHAIRMAN. Where does the 20 go?

Ambassador SULLIVAN. Well, I think I can explain, there are about three different categories.

Senator SPARKMAN. Give it to us.

Senator AIKEN. I would like to know.

Ambassador SULLIVAN. There are three different categories of our assistance. One is emergency assistance to refugees. Now, that is very costly because most of these refugees are up in the hills and you fly the rice in to them and otherwise provide them with the wherewithal of living. It is not only expensive to purchase the rice and triple sack it and hire planes to drop it.

Senator HICKENLOOPER. How did they live before we gave it to them?

Ambassador SULLIVAN. They lived in territory occupied by the North Vietnamese and in that territory they cultivated their own rice and had their own livelihood, but they have been shoved out of that, and into territory that is not their normal habitat.

Senator AIKEN. We have one dam up in there, don't we?

Ambassador SULLIVAN. There is a dam that is in the process of bids, they are being let this month or next month.

Senator AIKEN. I see.

Ambassador SULLIVAN. Nam Ngum Dam. That will be a hydroelectric one. That we have made a contribution to that, hydroelectric, we have made a contribution of half the cost running about 15 or 16 million. Anyway, a third goes to taking care of refugees of economic assistance.

Roughly a third goes to our contribution to an instrument called the foreign exchange operations fund. Now, this is something that was set up by the International Monetary Fund. We and the Brit-

ish and the Japanese and the Australians and the French each contribute to it. What this is is a fund that constitutes an intervention device in the market. We go in and purchase kip for hard currency whenever the value of the kip seems to fluctuate. This is a way to, in effect, having imports that mop up the inflationary pressure that come from this huge military budget for an army that is there for unproductive economic purposes.

The other third goes into what we call development projection, and this involves such things as education, irrigation work, agricultural improvements, the construction of feeder roads, the construction of main roads, public health services, the whole spectrum of activity in a country that is in such a low state of development that really is not able to help itself.

Senator HICKENLOOPER. Let's get some facts now that we only have Republicans here. [Laughter.]

Senator CASE. It isn't because I want to reduce the preponderance of Republicans, but I have to go.

Ambassador SULLIVAN. Thank you, Senator.

COMMUNIST INFLUENCE IN LAOS

Senator COOPER. You said there were communists in the Government. Who is the real leader?

Ambassador SULLIVAN. I think the real leader is the Secretary-General of the Party, a man named Kagsone, who is half Vietnamese, half Lao. The nominal leader, figurehead is Prince Souvanouvang.

Kagsone is a member of the Lao Dong, a member of the communist party and he just doubles in brass running the Lao branch.

Senator COOPER. Thirty thousand included, are they Pathet Lao?

Ambassador SULLIVAN. Yes, sir, those troops, those are the troops that we would ascribe to the Pathet Lao movement. That is to say, Lao forces who are fighting against the Government. They are supplemented by a considerable number of North Vietnamese forces.

Senator AIKEN. We have been hearing about bombing the Ho Chi Minh Trail. What attitude has Russia or China or North Vietnam taken now? What are they doing about it? Are they fighting?

Ambassador SULLIVAN. I think we might start first with the attitude that Souvanna takes toward it and see how it fits with the others.

Souvanna's view is that he wishes us to maintain air attacks against the trucks and troops that are infiltrating into his country.

However, he wishes us not to admit this publicly because if we admit it, publicly we then bring down the wrath of the Russians on us.

Senator AIKEN. Real secret.

Ambassador SULLIVAN. Well, it is a little more subtle than that, Senator, because I will take—to give the example of what the Russian attitude is, the Russian ambassador came to me one day with a press statement that he felt, that indicated an official admission by Secretary McNamara that we were doing the bombing. But what in effect he said to me was, "Whatever you are doing, don't admit it officially," this is the essence of it. That is the Soviet view, I think.

Senator HICKENLOOPER. It has been their view a long time, if we admit it officially they have to do something about it.

Ambassador SULLIVAN. That is it exactly. It is a challenge to our face. From the North Vietnamese point of view, of course it is costly to them, they are running trucks down there and they are getting the trucks destroyed and this is a very costly exercise.

The Chinese, I am sure, press the North Vietnamese to keep doing it and to press the Soviets to condemn us for it and when the Soviets don't do it they consider the Soviets as running as collaborators.

Senator HICKENLOOPER. Does the Chinese propaganda blanket the country like Cambodia?

Ambassador SULLIVAN. Yes, sir, very effective.

Senator HICKENLOOPER. Not at all careful about the truth?

Ambassador SULLIVAN. Yes, sir, in any language.

DIFFICULT OPERATION

Senator SYMINGTON. Perhaps I am responsible for getting you to come up here and I say that because I am very proud of the job you are doing in Laos.

Ambassador SULLIVAN. Thank you.

Senator SYMINGTON. In the last 12 months I twice visited with Ambassador Sullivan in Vientiane and we have been all over this country together.

It is a difficult operation. He directs it just as much really in Laos as Westmoreland and Bunker do in Vietnam. But what worries me is that it is getting negative now from the military standpoint, and regardless of the economy and the politics of the situation, we have got a military and big war on our hands right next door to what you are doing in Laos and the story is that most of the equipment that is going into Vietnam is coming through Laos to the South Vietnamese—I mean the North Vietnamese, in North Vietnam and the Vietcong so my primary interest is what is the change since we last talked, which is last September? I am sure the committee would be very interested in that aspect of it.

BOMBING THE HO CHI MINH TRAIL

Ambassador SULLIVAN. If I may give you some figures which obviously are very, very sensitive, but they are figures that I consider significant, and I just have been over reviewing these with the Joint Chiefs and they accept them as being accurate, the bombing campaign against the Ho Chi Minh Trail, and I am sorry you can't use these on the floor of the Senate, Senator——

Senator SYMINGTON. This is a completely executive hearing.

Ambassador SULLIVAN. The bombing campaign against the Ho Chi Minh Trail has produced in just the last month of December, has produced destruction of 900 trucks. In the months of November, 700, and since the beginning, since we left you in September there have been about 2,000 trucks destroyed on that trail in Laos.

Now, that doesn't mean that some of these haven't gotten through. But there are two factors on this, one, that they have been destroyed on the trail; and, two, they have been destroyed in the northern reaches of the trail in Laos so they have been destroyed before they have gotten down to the areas where they are

pushing on through into the first military zone in the northern part of South Vietnam.

This means that there is not a Red Ball Express that goes from one end of the trail to the other as convoy. They go down shuttle service, and hop from one cave complex to another. This means that the air action has been quite effective in this dry season, and in my judgment will have some considerable effect on the ability of the enemy to carry out large unit operations in the northern parts of South Vietnam.

As you probably know, they are different than we in the way they handle their, maneuver their troops and handle their logistics. We put our troops in and bring our logistics in to meet them. They put their logistics in first and cache it away and marry up their troops in it and then do battle on the site.

Now, I think they are having trouble getting some of the equipment down and the arms down into the divisions for those troops which Westy[2] is worrying about, which are coming in around Sanh and if we could preclude a good portion of that equipment coming down they may not be set in the position that is that they can carry out their activity, that they doubtless have in mind either at Khe Sanh or wherever they are going to do that action in the northern portion of the First Corps.

So this has been, I would say, the major military change in the situation since we last saw you, Senator. It has been a positive one.

The negative change has been this Nam Bac thing, and I am not yet prepared to say this is a complete disaster, but it certainly deflates me considerably.

IN THE EVENT OF A DISASTER

Senator SYMINGTON. If it is a major disaster, where do we go from there? What would happen afterwards?

Ambassador SULLIVAN. In any event, it isn't of such majority that it really is going to change the balance in Laos. I don't think very many people, I have yet to see an inventory of what equipment that was lost. The principal loss was morale and this is the question of how you get that intangible re-instituted.

Senator SYMINGTON. I would like to ask one more. What reaction, in your opinion, would Souvanna Phouma have to this?

Ambassador SULLIVAN. Well, so far, the cables we have seen from Vientiane, his first reaction was one of considerable gloom. He flew up to the area and when he came back he was in good fighting trim and saying, "All right, we have taken a tough one, but let's go on and let's absorb it and go along with it."

So I would think, I haven't seen any cables today,——

Mr. HERZ. There doesn't seem to be any panic atmosphere.

Ambassador SULLIVAN. I must say there is a certain seasonality. In the dry season, the North Vietnamese always come in and attack and our friends lose some territory and people. But in rainy season they go back, but the net advantage over the year we have more than we have lost, and we are still ahead.

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[2] Gen William Westmoreland, who commanded the Military Assistance Command Vietnam (MACV).

A MAJOR ARTERY OF SUPPLY

Senator AIKEN. Was the Ho Chi Minh Trail a major artery of supply for the Vietcong?

Ambassador SULLIVAN. Was it or is it?

Senator AIKEN. Was it or is it? That completes my question.

Ambassador SULLIVAN. It always has been.

Senator AIKEN. Yes.

Ambassador SULLIVAN. And it is now one of the major arteries. It used to be at one stage, I would say, the major one. Now, they have added certain logistics support and assistance from Cambodia. Previously; they used to bring their rice and everything as well as their armament and weapons and equipment down the Ho Chi Minh Trail. Now, they have sort of divided up the logistics base. They are bringing the hard stuff, the hardware, down the trail but they get most of their rice and medicine and whatnot out of Cambodia, so it is still an important one but it isn't the exclusive one.

AIR AMERICA

Senator MUNDT. Do you have an operation over there called Air America?

Ambassador SULLIVAN. Yes, sir.

Senator MUNDT. Is that our operation, and what is it?

Ambassador SULLIVAN. It is our operation. I am sure that the actual status of this company, it is a private company incorporated here in Washington, but I think its board of directors have something to do with one of the committees that Senator Symington sits on.

Senator SYMINGTON. Senator Mundt. too.

Senator MUNDT. I don't know much about it. Do they engage in bombing?

Ambassador SULLIVAN. No, sir. They are hired, chartered by us, just as though it were a commercial operation.

Senator MUNDT. Like the Flying Tigers?

Ambassador SULLIVAN. Yes, sir, and they carry equipment for our aid program and also carry equipment and so forth for the CIA operation. But they are not engaged in combat operations. There are no Americans who fly Laotian planes, and this is, we have another company that does exactly the same thing as Air America, and it is Continental Air Services, which is a wholly owned subsidary of Continental Airlines, a perfectly legitimate commercial operation. And I am told by one of my lawyers if you examined the books of Air America it is perfectly legitimate commercial operation.

AIR ACTIONS NEAR CHINA

Senator MUNDT. Was there any truth in the press reports that planes from Laos were bombing China?

Ambassador SULLIVAN. We have nothing to confirm this. There were some air actions by the Lao Air Force in the area contiguous to China up in Nam Tha while this Nam Bac battle was going on. And it is conceivable that they sprayed close enough to the border that they may have dropped something on the other side of China. The Lao denied this, and we have no way, once these pilots go out,

there is no radar or anything that keeps a scope on them, so you can't really tell, but they were close enough so that it is a conceivable error that they got into it. They certainly wouldn't have done it deliberately. They have T–28's, trainer aircraft, that have been converted to carry bombs.

Senator MUNDT. Are they fighting?

Ambassador SULLIVAN. They are doing all the fighting.

Senator MUNDT. In connection with the logistics training?

Ambassador SULLIVAN. Through the Ho Chi Minh Trail they do some guerrilla harassment down there, but the odds in favor of the North Vietnamese forces, the concentration of North Vietnamese forces there, the short lines of communications between North Vietnam and the trail make it possible for them to reinforce rapidly, make it impossible for the Lao to have the ability to operate.

Senator MUNDT. The 900 trucks were all knocked out by us?

Ambassador SULLIVAN. All knocked out by our Air Force.

LAOTIAN CASUALTIES

The Lao, we should understand that on occasion the Lao Army in its performance, the Lao are suffering about 2,000 killed a year. Now, 2,000 killed out of a population of two and a-half, three million, would be something equivalent, if my mathematics is not too rapid, but something equivalent to better than a hundred thousand Americans killed a year relative to our operation, so it is no joke to them.

Senator MUNDT. Are they being killed by Laotians?

Ambassador SULLIVAN. Mostly by communists.

Occasionally the Pathet Lao get into a fight, but they are not aggressive, either.

Senator HICKENLOOPER. If you know the statistics, that is not par for the course over there.

Ambassador SULLIVAN. You mean historically over the years.

Senator HICKENLOOPER. Over the years.

Don't they kill each other in the hills over land, wine, women and song, kill, tribal wars up there?

Ambassador SULLIVAN. Well, fighting has been going on historically in this part of the world for a long, long time, but at that pitch and at that level of intensity, no.

They have had a natural history of, a long history of warfare, but this is a higher level of activity.

Senator HICKENLOOPER. It is a little different level.

SUPPOSE PEACE HAPPENS

Senator MUNDT. Let me ask you this, Ambassador Sullivan, suppose peace happens over there with our side on top, what would be the condition of Laos?

Ambassador SULLIVAN. If we assume that the peace is also extending to Laos, the North Vietnamese in addition to ceasing their operation in South Vietnam cease their operations in Laos?

Senator MUNDT. Well, I assumed that, but I also felt that there was some civil war going on in Laos. This coalition, or whatever it is, doesn't work very well.

Ambassador SULLIVAN. That is right. But the Lao communist group doesn't amount to a hill of beans if they don't have the North Vietnamese backing up their cadre.

Senator MUNDT. They wouldn't be able to sustain it.

A GUERILLA WAR MIGHT CONTINUE

Senator SYMINGTON. Can I ask this question: In August, South Vietnam's Defense Minister, General Cao Van Vien, warned that unless the North Vietnamese and the Viet Cong guerrillas were deprived of their supply routes and their sanctuaries in Laos and Cambodia, the war "could continue another 20 or 30 years."

Senator MUNDT. Who said that?

Senator SYMINGTON. South Vietnam Defense Minister, Karl. It is quite a broad statement.

Ambassador SULLIVAN. I think a war at a guerrilla level of intensity, if they make up their mind to do it, could continue for a great many years in Vietnam and it could continue even if they didn't have sanctuaries in Laos and Cambodia, because they have a great many internal——

THE ISRAELI GENERAL

Senator SYMINGTON. The Israeli General Dayan said if they went to guerrilla warfare it was published in the Washington Post they would never beat them.

Ambassador SULLIVAN. I think there is a lot to that. But it would be a different level of warfare, and probably would require a different level of U.S. commitment or at least entail different level of U.S. commitment, U.S. forces.

But a sanctuary in this rugged part of the world can be on one side of the border or it can be inside the Vietnamese order. They have not succeeded in eliminating all the sanctuaries in South Vietnam. The Hoxai area, which is between Danang and Laos.

Senator SYMINGTON. I remember when we saw Souvanna Phouma in Luang Prabang, maybe it was the second time, he was apprehensive about this McNamara line, Maginot line.

AN ANTI-INFILTRATION BARRIER

The other question is what is the status of and Premier Souvanna Phouma's attitude toward the U.S. proposal to build an anti-infiltration barrier along the Northern border of South Vietnam?

He is reported to have opposed it.

Well, he did. He was very worried the day we talked to him about it on the ground that it would enlarge the Vietnam conflict at a time when we are all trying to limit and contain it.

What is his feeling about it, Mr. Ambassador?

Ambassador SULLIVAN. I think he has had the concept explained to him a little more specifically and clearly, so he realizes that it isn't the sort of Maginot line that he felt it was at that stage.

Secondly, I think that he recognizes that, as we do, that the sort of installations which are going to be put in there are not going to result in forcing or pushing the operation over into Laos, so he has become quite more relaxed on the whole thing. He would be, and,

as you know was, agitated by anybody reviving the idea of sort of a Maginot line which General Ky has spoken about, but that is not what, Secretary McNamara has had in mind.

U.S. MILITARY SUPPLIED TO LAOS

Senator SYMINGTON. May I proceed? I have a letter here to your chairman from the Secretary of Defense as of January 20, 1967, in which he says:

"Last year we transferred the Vietnam Military Assistance Program in the defense budget," and therefore we recommended what he did, which was to include the Laos and Thailand requirements in the regular defense budget, and presumably that will be done this year.

With that premise, could you fill us in on what we are supplying Laos now roughly?

Ambassador SULLIVAN. In the way of military equipment?

Senator SYMINGTON. Yes.

Ambassador SULLIVAN. The bulk of our supplies to Laos in the way of military equipment are air ammunition, aircraft, T–28s. And then, beyond that it is very much the unsophisticated equipment which is routine—rifles, uniforms—equipment of that type for the troops.

Senator SYMINGTON. Would you care to tell us roughly what that is in dollars and cents?

Ambassador SULLIVAN. In dollars and cents I think that it has run up—and I would have to be corrected on it—something like $73 million in fiscal 1967.

Senator SYMINGTON. $72 million.

Ambassador SULLIVAN. $72 million or $73 million.

The CHAIRMAN. For what the military?

Senator SYMINGTON. Military.

Ambassador SULLIVAN. And that primarily is the cost of aircraft and the cost of air ammunition and to some extent the cost of heavier ammunition such as artillery.

The CHAIRMAN. And $56 million is on top of that.

Ambassador SULLIVAN. Yes.

The CHAIRMAN. Making a total of one——

Ambassador SULLIVAN. Nearly $130 million.

The CHAIRMAN. $127, $128 million.

Senator SPARKMAN. Is that military to Laos?

Ambassador SULLIVAN. Yes, sir.

Senator SPARKMAN. I thought you said a while ago they support their military and we did not.

Ambassador SULLIVAN. No, the question of whether we supplied material for their armed forces budget.

Senator SPARKMAN. I see this item is material.

Senator SYMINGTON. I mentioned this morning in a hearing, the annual cost of military assistance appropriations in Laos is less than our daily cost in Vietnam, and it seems to me that Ambassador Sullivan has done at least as well if not slightly better in Laos than we have done so far in Vietnam. Of course he has got more competition in Vietnam.

IMPACT OF U.S. ECONOMIC AID

What impact is the U.S. economic assistance program making in Laos for fiscal year 1967? Economic assistance is about $55 million; per capita gross national product, $66.

Ambassador SULLIVAN. The impact, as I say, is directed toward trying to shift Laos from a subsistance economy to a market economy in agricultural terms. But that has absorbed only about one-third of our aid budget. The other two-thirds is absorbed in keeping alive the refugees and in a sense keeping the value of the kip from spiraling to inflation, so in many ways honestly the measure of our economic assistance, the result of our economic assistance, is the viability of the Lao nation as a state. If it survives, it is due to our assistance for it, but I do believe we are making some assistance in the development side.

MEKONG RIVER PROJECT

Senator SYMINGTON. On February 5 the King broke ground for the Nam Ngum Dam and hydroelectric complex, one of the Mekong River development projects, to furnish power to Laos and Thailand. Senator Cooper and I went out with Mr. Eugene Black of the World Bank. How is the Mekong River project progressing?

Ambassador SULLIVAN. The Nam Ngum Dam of course would be the first dam, not a mainstream dam, but on a tributary. The bids for that construction, I believe, are being let this month. All the preliminary survey work has been done, and the dam itself should be completed by 1972.

Senator SYMINGTON. Who is putting up the money for that?

Ambassador SULLIVAN. We are putting up one-half and the other countries that are contributing, I am not sure I can name all of them, but the Japanese are a major contributor, the Dutch put in $4 million.

Senator SYMINGTON. How much did we put in in money?

Ambassador SULLIVAN. Ours will be about $16 million, I think.

Senator SYMINGTON. $16 million.

Ambassador SULLIVAN. What we did was pledge half, Senator. We can't give you the exact costs yet.

Senator SYMINGTON. Would you locate that?

Ambassador SULLIVAN. Down here, here is Vientane, and the dam is about in there.

INTERNATIONAL CONTROL COMMISSION

Senator SYMINGTON. How effective is the International Control Commission in Laos and what is the status of its finance? And how much reliance can be placed in such control commission in Southeast Asia?

Ambassador SULLIVAN. Well, the status of it in Laos is pretty dormant. Its last constructive function was about two years ago when it submitted a report, a majority report, with the Indian and Canadian members signing and the Pole absenting himself, reporting a North Vietnamese attack against Lao Military Academy at Dong Hene. Since then, as a result of a certain amount of ire that was expressed by the Russians toward the Indians, our Indian colleague has declined to stick his neck out and take any action, ac-

tion which would be accessible to him, under the rules of procedure. It could rule as a majority rule leaving the Pole aside, so I feel we have to say that as of the moment the commission is not performing its task, is not being useful in Laos.

Our general feeling is it should be preserved nevertheless potentially to be used at whatever time we may have some political solution in the area.

Now the question of its finances, its financial crisis stems from the fact that the Chinese Communists and the North Vietnamese refuse to meet their contributions. Therefore roughly one-fourth of its annual budget is never subscribed and each year it falls behind that amount.

The co-chairmen, the British and the Russians, constantly seek some salvation jobs, and we are making some contributions now, and they are cutting down on some expenses. It stays afloat but just about.

As far as the general conclusion of what this sort of instrument can perform in the future in Southeast Asia, I do not mean to say this as Senator Cooper leaves, but it depends very much upon his Indian friends. If the Indians would have the courage to actually sign to what they privately admit and what they admit and see going on, then I think it could have a considerable effect of moral suasion and perhaps even causing some of these violations to be broken up. But unless the Indians are willing to do this, it is pretty much noneffective.

Senator SYMINGTON. You are going back and we are staying here. This will be my last question, Mr. Chairman, at this time, anyway.

WHO IS THE ENEMY?

What should we watch for, in your opinion, as to further disintegration? Naturally all of us are apprehensive that this could entail further investment on the part of America in treasure and people, military people, et cetera, et cetera. If it continues to disintegrate, what should we look for? Who is the enemy? Who is the Laotian enemy of Souvanna Phouma who might give trouble? Is it Kong Le or who? What is the thing from your standpoint you would like us to watch as you go back and we stay here?

Ambassador SULLIVAN. Well, internally on the political side I don't really think Souvanna has a great deal of political trouble against him. One of the reasons is that if the situation deteriorates militarily, nobody really wants to step into a situation that is hard and getting worse. They would just as soon leave him sitting with that baby.

I do not believe there is any active political opposition of an articulated type against him that you could focus on one person right now.

There are some ambitious people in the army, but they premature so far as this is concerned.

So in terms of the political structure, I do not consider Souvanna is in any trouble. I think the trouble that could be visited upon him would come from the Russians in case the Russians felt that we were transgressing what they would consider the limits of their tolerance in Laos or in case Souvanna and the North Vietnamese became embroiled even further and the Russians threw more of their

weight behind the North Vietnamese, so I think his troubles would be external rather than internal. The thing to look for as an indication militarily is quite clear. If they move toward the Mekong Valley, we are in trouble.

HOW REAL IS LAOTIAN NEUTRALITY?

Senator SYMINGTON. We talk about the neutrality of Laos. How effective is that? How real is that neutrality?

Ambassador SULLIVAN. I think that is a rather special definition as far as the Lao consider it. When they talk of whom they are neutral between, it is between the United States and the Soviet Union. They make no bones of being neutral in terms of their attitude towards the Chinese Communists.

On the other hand, they undertake not to sign or agree to any military alliances or engage in any military coalitions or military groups which the Chinese could regard as being unneutral against them.

So it is sort of a narrow definition and it is pretty much the definition that was defined in the 1962 agreements, neutrality in a very strictly defined legalistic sense.

Senator SYMINGTON. Here is a rather theoretical question but one I am sure is prepared because of our respect for you round here. What do you think of neutralization generally as a device for eliminating conflict?

Ambassador SULLIVAN. If you could have genuine and general neutralization including North Vietnam, I think that would be dandy. But I think neutralization depends on a number of factors and I think they depend either on geography, as in the case of Switzerland, that will help you maintain it, or they depend on sort of a fulcrum of forces that will hold you in a neutral position because nobody wants to upset it to their advantage.

Now in the case of Laos as between us and the Soviet Union, they may be able to get poised on that sort of thing if the North Vietnamese would leave them alone. If the other countries of Southeast Asia could find the same sort of agreement and could agree on it, it might be sort of a solution, but it is a long ways from there.

Senator SYMINGTON. Thank you, sir.

Mr. CHAIRMAN. I have covered all the waterfront that I wanted to cover.

A MILITARY OR A POLITICAL CONCLUSION

The CHAIRMAN. Mr. Ambassador, you have been associated with this area a long time. I wonder, if I could ask you some general questions about it. Maybe you have answered these. I regret that I was diverted by other developments here.

How do you foresee this developing both in Laos and in Vietnam that are so closely associated. Do you foresee a very long extended war, or do you see any possibility of coming to a military conclusion or political conclusion?

Ambassador SULLIVAN. I think in all honesty I have to say that most of the signs, most of the factors, point toward a long, protracted struggle, and I think the ability of the North Vietnamese, if they wish to revert back to a lower level guerrilla type operation

and to sustain that for a long time, is already demonstrated, and undoubted.

I think in terms of the military victory, I do not believe the North Vietnamese can achieve a military victory in the field, and I think that they probably know this.

In terms of American, allied military victory, I think that there are possibilities that we could by the weight of our firepower and forces defeat militarily the main force units of the enemy which would still leave, however, those who could be the nucleus of guerrilla operations and still leave a mass of economic and social discontent which, unless it is addressed and redressed, would create a long, long suffering problem.

Now, if the North Vietnamese reached the conclusion that they wished a complete respite and they were willing to accept a political solution, I think that it would be possible for us to see very suddenly a move toward negotiations. I think that move toward negotiations would probably in itself, however, be failure to a prolonged sort of semi fight-talk, talk-fight, situation.

TERMS FOR NEGOTIATIONS

The CHAIRMAN. Well, pursuing that on, what do you think, assuming that the North Vietnamese did decide that they would not continue, at least in the form of main force activity, and you had negotiations, what kind of an outcome do you foresee that we would be willing to accept? What would be our terms for a negotiation? I realize that is speculative, but what I am trying to get in my own mind is what is this government's objective in this area, and I am not quite clear what we expect to achieve, assuming they did stop at least major fighting?

Ambassador SULLIVAN. Well, it is highly speculative to talk to that at this time, and without more reflection on what the circumstances would be.

Perhaps the best way I could answer that would be to suggest what it was that we were willing to settle for and thought we had settled for in Laos in 1962. I did have quite a bit to do with those negotiations, and I think that I could speak for the administration at that stage in saying we were quite willing to see a situation in Laos in which we withdraw all our troops from the area, provided the North Vietnamese withdraw all their forces from the area, that we were willing to take our chance in Laos on the nationalism of the Lao as represented in the person of Souvanna. The Communists, on the other hand, seem to feel that the gamble that their small Communist unit inside Laos, even without military support from the outside, could successfully manipulate Souvanna and some of his political colleagues so that they were able to dominate the situation. I think it is quite clear that they miscalculated on that. But I would immediately then say that in South Vietnam there is a much stronger Communist apparatus. There is obviously a much more forceful unit.

COMMUNIST APPARATUS IN SOUTH VIETNAM

Senator SYMINGTON. Could I ask a question there, Mr. Chair man?

But you do not think for a minute that if the North Vietnamese left South Vietnam by agreement and we left South Vietnam by agreement that the Thieu-Ky government could hold up very long, do you?

Ambassador SULLIVAN. This is what I was about to say.

Senator SYMINGTON. Excuse me.

Ambassador SULLIVAN. The Communist apparatus in the south is infinitely stronger than it ever was in Laos. So the two situations are not comparable, and I do not think I am in a position here to prejudge what the President or the administration would settle for in those sort of circumstances.

The CHAIRMAN. When you say stronger, you mean the indigenous local South Vietnamese apparatus is much stronger without the substantial support of North Vietnam.

Ambassador SULLIVAN. Than the parallel front organization in Laos.

The CHAIRMAN. In Laos.

AN ULTIMATE MILITARY SOLUTION

I find it very difficult. What bothers me is that even if we get a military victory, supposing we literally destroy Hanoi and Haiphong, all their mean of communications, and they just could not function in an organized manner, you say of course the guerrillas could still function even if we do that.

Ambassador SULLIVAN. I think so.

The CHAIRMAN. So it seems to me if that happened, in order to achieve what seems to be the objective of the Government we are going to have to stay there more or less indefinitely, is that a correct statement?

Ambassador SULLIVAN. Well, I think we are making that conclusion on the assumption that we would not operate for some political solution at some time but strictly adhering to the hope to have an ultimate military solution.

I think the administration can see quite clearly we would be willing to have a political solution.

Now you ask me to define what solution they would select. I am not able to give you an answer to that, I think. Are we going to stay there indefinitely? The answer is no, but we are going to try to get a political solution.

A GOVERNMENT THAT COULD COMMAND RESPECT

The CHAIRMAN. Maybe you can help me on this. I ask you about this because you have concentrated on this area. What kind of a political solution is helpful to this country?

Ambassador SULLIVAN. To the U.S. or Vietnam?

The CHAIRMAN. To this country and Vietnam and Laos if you like. Take Vietnam first. They are both so closely related.

Can you give me some idea of what you think would be the kind of political solution we would accept?

Ambassador SULLIVAN. I think if we could ever develop in South Vietnam through the rather massive changes that are going to be needed in the way of economic and political and social reform, if we could ever develop in South Vietnam a government that had groups in and support from the people of the country, and a gov-

ernment which could command the respect and could command the authority of the people so that they could rally the people of Vietnam to the defense of their own terrain, that a solution which withdrew military forces and which left as the only opportunity to the North Vietnamese or the other Communists the possibility of low-level guerrilla infiltration type of operation would be an acceptable solution. But this would mean that we would have to get something that would be impermeable to that type of operation, and therefore it would raise it to a level requiring people to make an open main force military invasion which would then upset your apple cart and then blow it up again.

COMPARISON TO INDONESIA

The CHAIRMAN. Do you believe that under our tutelage a government such as you have described is possible in South Vietnam?

Ambassador SULLIVAN. I certainly consider it is possible. Whether it is something that we—is going to be achievable within a time frame that is useful to us for the purposes you are discussing is another question.

The CHAIRMAN. This puzzles me very much. I try to look at this and ask what kind of a solution can we possibly achieve, political solution, that I would say is feasible—maybe "possible" is too strong a word—but it is very difficult for me to believe that a foreign country and especially in view of their experience under the French, recently a colonial area of another western power, regardless of our motives and everything else or the amount of money we spent in there, that we can create a government that would be acceptable in the sense you have described it and has the allegiance of the major and large part of the people of South Vietnam.

Ambassador SULLIVAN. I do not think we can create it, Senator. I think all we can do is with the resources that we make available is assist to be created and perhaps help clear out some of the obstacles to its creation.

I think there is no question, for example, that the Government of Indonesia, at the current state, is a nationalist government. It is a military dictatorship, but I suspect that it probably has the allegiance and support of the bulk of the people of Indonesia. It came into being without any general specific assistance from us, although I think I would argue that our presence in Vietnam probably gave certain courage to do what they do. But I think Indonesia is going to have to depend—before it gets to a stage where this becomes impermeable or adequately resistant in the terms we are talking about—it is going to have to depend upon getting some foreign assistance and some foreign association with its hopes. I think that our experience—and it was under a totally different circumstance an in a far more sophisticated society—that our experience in assisting in the creation of the current society of Japan is a lesson, a case in point. I think our land reform programs in Japan and some of the things we did during the occupation period were obviously imposed from the exterior but they have produced, I think, the roots for a stable—I hope a stable—democracy in Japan and which were definitely missing in the twenties and thirties, and I know what you mean, and I know that the circumstances in Vietnam are such that it is the most parlous sort of

chance, but I do not know who else is going to provide it for them. They are not going to have a chance entirely under their own resources. They never had it under the French of course.

So this to me is about the most satisfactory, perhaps the noblest, way we can discharge the obligations we have there is to do that.

IF THE COMMUNISTS WON A FREE ELECTION

The CHAIRMAN. Over a long period, you think it is possible to generate this kind of a government.

Let me put it another way. This may not be really an appropriate question to ask you, but do you think it would be a great disaster to us if there were free elections in South Vietnam and participation by everybody and it resulted in either a wholly Communist or partially Communist government?

Ambassador SULLIVAN. I do not think it would result, first of all, in a wholly Communist government. I think if you had elections that were really free and the participation of the Viet Cong in it, that they would have fairly healthy representation perhaps in the Assembly, the representative governing body.

I think if you got that stage, and if we got to the acceptance by the acceptance by the Viet Cong that they were going to use election processes rather than terror tactics, that then we might be able to find that this was compatible and could work along with it.

The various acceptance, genuine acceptance, of an election process would be a major step forward and would be a total change in the tactic.

I think that what really is the more serious concern is that a victory in South Vietnam by the Viet Cong through the use of terror and force rather than at the polls is the thing that has attracted our resistance and attracted our engagement.

ELECTIONS IN LAOS

The CHAIRMAN. Do they have elections in Laos?

Ambassador SULLIVAN. Yes, sir.

The CHAIRMAN. For what?

Ambassador SULLIVAN. For the National Assembly, and they had one last January 1, 1967.

The CHAIRMAN. What was the nature of the elections?

Ambassador SULLIVAN. Well, those elections are relatively free and honest, but I think you have to understand in a society such as Laos those who are agreed upon as candidates by the regional leaders and the village elders and so forth and so on are those who are going to be elected and very seldom that someone who is not part of the traditional pattern of the village and the state is going to be able to challenge and get away with it. A few of them did. A few young fellows made a challenge and went up and put on a healthy campaign and got elected, but by and large the pattern of elections is pretty much determined by some traditional patterns.

The CHAIRMAN. How many members are there?

Ambassador SULLIVAN. 59.

LAOTIAN BUDGET AND TAXATION

The CHAIRMAN. Do they exercise any independence at all from Souvanna Phouma?

Ambassador SULLIVAN. Well, the reason we had an election an January 1, 1967, was that in October of '66 the Assembly voted no on the budget and so we had to dissolve the Assembly and have the election.

The CHAIRMAN. Why would they vote no on a budget when we pay them $22 million more than for economic aid?

Ambassador SULLIVAN. Because the budget and the aid are two separate things apart. They have to pay the budget. In other words, the budget comes out of their own financing, is in kind and in material. We do not have budgetary support now.

The CHAIRMAN. No budgetary support.

Ambassador SULLIVAN. No budgetary support. They are cash grant but they are not worked in the budget. The Lao have to manage their own budget in terms of paying for their own functions and levying their own taxes. It was a tax increase they were voting against at that time more than anything else.

The CHAIRMAN. What kind of taxes are they?

Ambassador SULLIVAN. Well——

The CHAIRMAN. Excise taxes?

Ambassador SULLIVAN [continuing]. Excise taxes, import taxes, and, well, the turnover tax for forfeiture.

The CHAIRMAN. Sales tax.

Ambassador SULLIVAN. Sales taxes.

SCOPE OF AMERICAN AID

The CHAIRMAN. It is a curious situation. But our aid of, you said, $56 million is mostly in goods, usable kinds of economic goods.

Ambassador SULLIVAN. I think you were out of the room when I broke it down.

The CHAIRMAN. I had to leave.

Ambassador SULLIVAN. Roughly one-third in each. One category is for the direct material assistance to refugees. There is a great mass of refugees, and even if we resettled, as we do, around 30,000, 35,000 every year, there is still a lot you have to carry. Mostly up in the hills they have been moved out of their homes and lost their own crops and therefore at least for one rice crop season they have to have rice brought into them airdropped. The rice we send in has to be purchased, triple sacked, transported by air, and dropped, and that is a very expensive operation, it adds up to about $18 million per annum.

There is another contribution of about $17 million that is used, $13.5 million of it used to sustain our membership in an intervening fund, the Foreign Exchange Operations Fund, which was provided by the International Monetary Fund. We, the British, the French, the Japanese and the Australians all make contributions to this. This intervenes in the open market to sustain the value of the Kip in foreign exchange, and the purpose of this frankly is because the inflationary pressures by this huge military establishment, relatively huge on their budget, is such that they have excess purchasing power which has to be either mopped up by inflation

or else mopped up by imported good which require foreign exchange as a way of providing it.

And the third category goes into genuine economic development work. As I explained, this is directed toward the conversion of Laos from a subsistance economy to a market economy primarily in the international sale of rice, because they are capable of producing rice. But Laos is so far of scratch in all this we have to start off with a whole complex of things to do there. We have to educate the farmers, you have to carry out irrigation work, you have to carry out agricultural extension work, you have to build feeder roads to get the rice out from the paddy to the road and then main roads to get it to market and you have an agricultural—the whole thing is just starting from centuries of neglect and centuries of decay.

TURMOIL IN CHINA

The CHAIRMAN. Did you get to see any people in Laos who have recently been in China? Did you see any? Did you see any movement of people from Laos to China? What is your estimate of what is happening in China?

Ambassador SULLIVAN. I am not in a much better position to talk about that than you are here in Washington. The only Chinese I see who go back and forth are representatives of the Chinese Embassy who are there in Laos and who come back and forth, but they are not eloquent in speaking to me.

The CHAIRMAN. Maybe there were other people, maybe French or British or Russians.

Ambassador SULLIVAN. No, sir, very little. It is not the access——

The CHAIRMAN. Do any of you know just about what is going on in China and its significance? I am curious.

Ambassador SULLIVAN. Well, I think there is now a resurgence of the same sort of turmoil that existed last summer. It is quite clear a good portion of this turmoil was deliberately created by Mao as part of his thesis of how you rejuvenate the revolution. I think this is something which has caused a dilemma and they are torn between the pragmatism of trying to get things under control and getting it done as against committing the heresy of Mao's thinking. It is really quite a situation where in China in a great many years to come there are going to be states and societies functioning on two or three levels and plains and you are going to have a certain number of people who, perhaps, will get an exemption from the turmoil so they can carry on the things necessary to have the state carry on military and civil and so on activities, and it is rather deliberate to keep the rest of it in turmoil because of his feeling that otherwise people will fall into bourgeois revisionism and ruin him.

What that sort of schizophrenia will produce in the long run for China, I do not know, but I think it does inhibit the China policy.

I think the Chinese know this and, therefore, deliberately go back to the retrenched sort of hermit style that they used back in the imperial dynasties, and this carries with it the deliberate use of arrogance and insult and other affectations. Where it leads, I do not know, particularly when you consider the pressure of the population and resources that are just multiplying there.

CHINESE IN LAOS

The CHAIRMAN. Have they sent any Chinese people into Laos?

Ambassador SULLIVAN. Not that we can detect. As far as we can see, the Chinese pretty much have conceded Laos to be the bailiwick of the North Vietnamese.

We do not see any evidence of their coming in. Even their mission, which is located in Vientane, is not proselytized very heavily on the Chinese community.

The CHAIRMAN. Is a very large mission?

Ambassador SULLIVAN. Fairly large, yes. Relatively to what they do, the work they do.

The CHAIRMAN. Is it as large as ours?

Ambassador SULLIVAN. No, it is not as large as ours.

The CHAIRMAN. How many do we have?

Ambassador SULLIVAN. Well, in our total U.S. Government employees, U.S. employees there, we have 560. Just about 400 of those are engaged——

Mr. MARCY. Do you get a 10 percent cut or does that only apply to Vietnam?

Ambassador SULLIVAN. I do not know, Carl. The executive order indicates 10 percent cut for all missions over 100, and I am not sure whether that means——

Mr. MARCY. Except Vietnam.

Ambassador SULLIVAN. Vietnam is specifically excepted.

The State Department is only about 30, 35. I do not know what this means.

The CHAIRMAN. Well, when are you going back?

Ambassador SULLIVAN. Sunday, sir.

[Whereupon, at 5:15 p.m., the committee recessed, to reconvene subject to the call of the chair.]

# MINUTES

**MONDAY, JANUARY 23, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in public executive session at 10:00 a.m., in room S–116, the Capitol.

Present: Chairman Fulbright and Senators Sparkman, Mansfield, Gore, Lauche, Symington, Pell, Hickenlooper, Aiken, Carlson, Williams, Mundt, Case and Cooper.

Richard Helms, CIA Director, appeared for a briefing and discussion on current and future aspects of the world situation.

For a record of the proceedings, see the official transcript.

[The committee adjourned at 12:30 p.m.]

# RESOLUTION AUTHORIZING COMMITTEE INQUIRIES INTO FOREIGN POLICY

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# REPORTING ON THE STAFF STUDY OF THE TONKIN GULF INCIDENTS

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**Wednesday, January 24, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:10 a.m., in room S–116, the Capitol, Senator J. William Fulbright, (chairman) presiding.

Present: Chairman Fulbright and Senators Sparkman, Mansfield, Gore, Church, Symington, Pell, Hickenlooper, Aiken, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

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The CHAIRMAN. Well, gentlemen, I was hoping more would be here for the simple reason I didn't want to repeat too much. This is a very complicated matter. We have got one or two sort of routine business matters we might discuss before we take up the other matter, because I do think we ought to have more here. I think they will come and we could just save repetition.

We will come to order. The first matter is the resolution authorizing the continuation of the committee inquiries into foreign policy.

[Resolution follows:]

UNITED STATES SENATE

COMMITTEE ON FOREIGN RELATIONS

*Resolution*

*Resolved,* That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections l34(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make complete studies of any and all matters pertaining to the foreign policies of the United States and their administration.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1968, to January 31, 1969, inclusive, is authorized (1) to make such expenditures; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants; (3) to hold such hearings to take such testimony, to sit and act at such

times and places during the sessions, recesses, and adjourned periods of the Senate, and to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; and (4) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government, as the committee deems advisable.

SEC. 3. In the conduct of its studies the committee may use the experience, knowledge, and advice of private organizations, schools, institutions, and individuals in its discretion, and it is authorized to divide the work of the studies among such individuals, groups, and institutions as it may deem appropriate, and may enter into contracts for this purpose.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $225,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The CHAIRMAN. Mr. Marcy, will you explain the resolution?

Mr. MARCY. Yes, every year, Senators and members, it is necessary to get additional funds to keep the staff operating. These are the so-called money resolutions. Last year the committee authorized a request for $250,000. The Rules Committee cut the amount back to $225,000, and we have operated on that during the year and we have about——

Mr. KUHL. $30,000 approximately.

Mr. MARCY. We still have about $30,000 left. So we could get by with the request of $225,000 this year, and that is the form in which the resolution is drafted. I don't know whether the inclination of the committee on Rules will be to cut us back again, but I hesitate to go much below $225,000. For that this takes care of all of the clerical and professional staff assistance over and beyond the 10 that are authorized by law. The form of the resolution which is before you is the standard form which is used every year, and the only item which is changed is the money figure in section 4.

Senator MANSFIELD. I move its adoption.

Senator GORE. Seconded.

The CHAIRMAN. All in favor of the motion say "aye."

[Chorus of "ayes."]

The CHAIRMAN. Opposed, no.

[No response.]

The CHAIRMAN. The "ayes" have it. The motion is carried.

[Whereupon, at 10:15 a.m., the committee proceeded to other business.]

# REPORT ON THE STAFF STUDY OF THE TONKIN GULF INCIDENTS

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**Wednesday, January 24, 1968**

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*Washington, DC.*

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Present: Chairman Fulbright, and Senators Sparkman, Mansfield, Gore, Church, Symington, Pell, Hickenlooper, Aiken, Mundt, Case, and Cooper.

Also present: Mr. Marcy. Mr. Kuhl, Mr. Holt, Mr. Henderson and Mr. Bader of the committee staff.

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The CHAIRMAN. Let the committee come to order.

Any other committee business, Mr. Marcy?

Mr. MARCY. No, sir.

REVIVAL OF THE TONKIN GULF INCIDENT

The CHAIRMAN. Maybe I could make a few preliminary remarks although I wish the staff who has done the work on this—this is in the nature of preliminary remarks.

This matter really became, the Tonkin Gulf Incidents were revived by [deleted] in the Navy who is still in the Navy, by the name of [deleted]. He first called a member of the staff, Mr. Jones, and said that he would like to give him some information that he had been on duty in what is called [deleted] in the Pentagon during this period, and that he had considered before contacting, I believe, Ambassador Goldberg[1] and other people, but he finally decided that the best place to give his information, his views, was to this committee, and then later he came in person. He volunteered this, both by phone call and then he wrote a letter. Anyway, those are all the details of it which will be explained and you can have it very accutately.

I was in the meantime being very busy going back and forth to Arkansas. I did not personally follow it very closely, but in view of this, he first saw Mr. Jones, and then Mr. Jones thought he ought to come to my office. Mr. Marcy was there, and I believe Mr. Bader, was he not?

Mr. MARCY. Mr. Bader was there, I was not.

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[1] U.S. Ambassador to the United Nations Arthur Goldberg.

CHAIRMAN. Mr. Bader was there, and he gave this story, said it was on his conscience.

DOCUMENTS FROM THE PENTAGON

Now this man is not retired, he is in the Navy now, [deleted], and has been in how long, 20 or 30 years, something like that, a long time, and he had a lot of medals on. He was in uniform and he had quite a record apparently, being decorated several times, and he told a story about it, partly the confusion in the [deleted], as they call it. The [deleted] as I understand it, Mr. Bader will go into detail on this, I may say he has been experienced in this matter. Anyway, that was the beginning and I authorized the request of the staff for documents from the Pentagon.

I also may say that I talked with Senator Richard Russell about the matter and Senator Russell, I am skipping a little beyond this now, anyway I had a meeting with Senator Russell at Mr. Nitze's[2] request, that is Mr. Nitze requested I meet with him and Senator Russell. We did meet, and Senator Russell, in my presence, told Mr. Nitze that the Pentagon should make available to this committee all relevant documents, that is about the way he put it, and we had the meeting and then they proceeded to begin to make available all relevant documents with two exceptions, which will be developed in the course of the presentation. I will not go into it now. But they have cooperated, I must say, very well, I may say primarily because I think Senator Russell told them to but there were two documents which we have not received which they say, one is so highly classified they cannot make it available, they say. The other is it is simply the matter is under review, it is an internal document although Senator Russell said they should make it all available.

I think the best procedure——

Senator GORE. Could you identify those two?

The CHAIRMAN. I wonder if we might let it come up in the course of it because I have it sort of disjointed. If it meets with the approval of the committee, Mr. Marcy and Mr. Bader have been working on this very, very closely for some three months now, and I would like Mr. Marcy. the chief of staff, to sort of start this and read you the condensed version of the memorandum of the staff which it prepared, and Mr. Bader who did most of the work, and Mr. Marcy might give you a little fill-in on the qualifications of Mr. Bader. It so happens I think he is very highly qualified for this particular purpose.

QUALIFICATIONS OF BILL BADER

Mr. MARCY. would you take over and give us the——

Senator GORE. Mr. Chairman, why could they not move over here some place so we can see and hear them better?

The CHAIRMAN. Maybe they should.

Mr. MARCY. you sit there, and Mr. Bader is available to answer questions.

Mr. MARCY. Mr. Chairman, just a little bit about Bill Bader. He was Navy intelligence and radar officer for a period of three years

[2] Secetary of the Navy, Paul H. Nitze.

and served in the Far Eastern area, and he also was with the CIA for a period of two years, and then he was with the Department of State and came to the committee about a year and a half ago.

Now, I have put together rather a summary of this document which you have before you, and I propose to go ahead and read it and if you have any questions at any time about filling in details, either I can answer them or Bill.

The CHAIRMAN. You all have copies.

Mr. MARCY. Yes.

Senator GORE. Not of the summary.

Mr. MARCY. But you have a copy of the full document. I am going to take from this full document as I go along.

THREE ALLEGED INSTANCES OF ATTACK

I want to make clear in the first place that this concerns three alleged instances of attack in the summer and fall of 1964. The first one occurred on August 2, and there is no doubt but what this attack took place, both the United States and Hanoi agree, and the only question raised in connection with this first attack on August 2, was whether the North Vietnamese attack on the *Maddox* occurred while the *Maddox* was on a routine patrol on the high seas as the committee was told by the Secretary of Defense, Mr. McNamara.

The second attack was on the night of August 4, and the basic question there, as we see it, is did this attack occur. This is important because but for this second attack the United States would not have retaliated against North Vietnam and there presumably would have been no urgent request for the Tonkin Resolution.

The third attack occurred the night of September 17–18, and it is mentioned here because after a full investigation, the Navy concluded that the attack did not occur. So it has some probative effect on this interpreting earlier facts.

Now I refer to the first incident, the one of August 2. It was an attack on the *Maddox*. It occurred, nobody doubts it. Hanoi admitted it, and broadcast, a number of broadcasts were picked up in which they boasted of their attacks on this vessel.

Now Secretary McNamara, in referring to both instances, incidents, testified, and I am now quoting, that "The American destroyers were engaged in a routine patrol in international waters of the Gulf of Tonkin and were the victims of deliberate and unprovoked attacks. These attacks," he stated,"compelled the President and his principal advisors to conclude that a prompt and firm military response was required."

In answer to a specific question from Senator Morse, Secretary McNamara stated, and again I quote:

> Our Navy played absolutely no part in, was not associated with, was not aware of, any South Vietnam actions, if there were any.

A SPECIAL ELECTRONICS INTELLIGENCE MISSION

On the basis of the study of the ship's logs, and other official communications and documents, and this I am reading is based exclusively on documents made available to us and not upon any conversations with the commander or others that we have talked to, it seems reasonable to conclude, first, that the *Maddox* was not en-

gaged in a routine patrol but was engaged in a special electronics intelligence mission which took the ship well within what the North Vietnamese claimed as its territorial waters. Moreover, it was not routine——

Senator HICKENLOOPER. You mean within 12 miles?

Mr. MARCY. Within four miles. North Vietnam——

Senator HICKENLOOPER. Yes.

Mr. MARCY. North Vietnam claims 12. Furthermore, the mission was of such sensitivity that it has been approved by the Joint Chiefs of Staff, thus suggesting that it was perhaps not quite as routine as might be inferred.

The evidence is clear from the patrol instructions that the *Maddox* was authorized to approach to within four nautical miles of the North Vietnamese islands even though the 12-mile limit is claimed.

It is also clear that this was only the third patrol since 1962, so there should be no implication that this was, that happened——

Senator SYMINGTON. So we understand, are you talking about August 4?

Mr. MARCY. I am talking about August 2, the first incident.

Senator SYMINGTON. Yes.

Mr. MARCY. Finally, the *Maddox* mission, this is still the August 2, was authorized, and I am now quoting from the instruction, "to stimulate Chinese Communists, North Vietnamese electronic reaction."

SOUTH VIETNAMESE ATTACK ON NORTH VIETNAMESE ISLANDS

Now the second conclusion we have drawn from going through this material, and it is still related to the first incident, is that there is every reason to believe that the North Vietnamese could have concluded that the *Maddox* was involved in the South Vietnamese attack on the two islands of Hon Me and Hon Nieu. Inasmuch as the patrol of the *Maddox* covered the same area as operations conducted by South Vietnamese patrol craft—I might say these South Vietnamese patrol craft were actually PT boats supplied by the United States, trained by American military advisors, and that this was the first operation in which they had engaged in any attack on North Vietnam.

Senator GORE. They were using U.S. Navy vessels, equipment?

Mr. MARCY. These were U.S. Navy ships that had been supplied to the South Vietnamese, were carrying South Vietnamese colors and numbers and everything else, but this was military equipment which we had supplied.

Senator GORE. Since I have interrupted, you said there that one of your conclusions is that the North Vietnamese could have concluded that the patrol ship and the ships operated by the South Vietnamese could be a part of the same operation?

Mr. MARCY. That is right.

Senator GORE. And you said "could." It seems, as I read those notes, either with respect to the alleged attack on the 2nd or the 4th, there was some message that, intelligence message that, the North Vietnamese did consider one and both the second part—was that on the 2nd or the 4th?

Mr. MARCY. That was on the 1st, was it not, Bill?

Mr. BADER. It is on the 1st as well.

Mr. MARCY. I will come to that in a little bit.

Senator GORE. The reason I asked, you said they could have.

Mr. MARCY. That is right.

Senator GORE. I thought there was some intelligence report that they did consider it the same and that we knew it.

Do not let me interrupt too much.

THE CONFIRMATION CABLE

Mr. MARCY. Bill, if you will pick that up, come to that will you, the confirmation cable. Go ahead.

Mr. BADER. The first incident, the cable revealed that the American ship *Maddox* was aware that the North Vietnamese were disturbed by their presence. But there was no evidence within the cables to say that they connected the two. It is quite clear that they connected the presence of the *Maddox* and the *Turner Joy* with attacks that were going on on the 3rd and 4th of August. But the cables in the first case only revealed the North Vietnamese considered that the presence of the *Maddox* was provocative.

Senator GORE. So my point is not well taken with respect to the one on August 2?

Mr. MARCY. That is why we used the word "could."

Senator GORE. All right, fine.

Mr. MARCY. The third conclusion we reached with respect to this first incident was that the *Maddox* had ample warning from the special electronic equipment that the North Vietnamese were stirred up, and it could have broken off the patrol long before it did.

What is interesting from the cable traffic is that some ten hours before the *Maddox* was approached by the Vietnamese patrol craft it reported, that is the *Maddox* reported, that it, had information indicating "possible hostile action from the North Vietnamese," and three hours later on August 1, the *Maddox* cabled its superior, "Consider continuance of patrol presents an unacceptable risk."

Apparently this information on North Vietnamese intentions was derived from the *Maddox* special electronic equipment.

In view of the frequent references to the communications traffic, in the communications traffic to special intelligence information, an inquiry was made by the staff asking for the source and the text of this information, and the answer was that the subject of special intelligence was discussed with Senator Fulbright and no further information would be made available. I will come back to that point later so I think maybe, Senator, you might just pass over that at the moment.

A WARNING BEFORE ANY ATTACK

In response to this cable saying that there were indications of possible hostile action, the commander of the 7th Fleet authorized the ship to deviate from its mission at any time it felt the risk was unacceptable, but the *Maddox* was told to continue when "considered prudent."

Senator SYMINGTON. When was that? What is the time of that?

Mr. MARCY. Do you have the time on that one, Bill?

Senator GORE. You should have Bill over there with you.

The CHAIRMAN. Bill, why do you not move over there to Carl.

Mr. MARCY. That was 9:00 p.m. on August 1. That was 9:00 p.m. our time.

Senator SYMINGTON. In order to make it chronological if I may say so, because there was a warning before there was any attack.

Mr. BADER. Yes, it was hours before the attack.

Mr. MARCY. You all have attached to your file a memorandum called Chronology of Events in Tonkin Bay, and we translated all of the times to Washington time so it will show better the sequence, and I am now referring to page 2 of that, where it say, "9:00 p.m., Commander of the 7th Fleet ordered the *Maddox* to resume its patrol."

SECRETARY MCNAMARA MISLED THE COMMITTEE

The final conclusion we draw from these cables is that Mr. McNamara misled the committee in stating that the Navy was unaware of attacks of the South Vietnamese on North Vietnam.

I wonder if we should not perhaps read that instruction. The Commander-in-Chief of United States Forces in the Pacific on July 10, 1964, had authorized his fleet units involved in this patrol "to contact the Commander of the United States Military Assistance Group in Vietnam for additional intelligence required for prevention of mutual interference with 34A operations and such communications, arrangements as may be desired." So that in fact the military advisory group and the naval authorities knew that the South Vietnamese patrol craft were engaged in their first bombardment of North Vietnam, and this is contrary to what Mr. McNamara said at the time. You remember the statement I read where he said there was no implication that we knew of it.

Now, after the first incident, and again which no one questions, took place, it will be recalled that Secretary McNamara reminded the committee, and I am quoting now from the testimony before the committee, that:

> This was believed to be an isolated incident, perhaps a miscalculation, or a misunderstanding by the North Vietnamese, and we did not anticipate would be repeated.

The President then instructed the destroyers to attack any force that attacked them in international waters, and to attack "with the objective of not only driving off the force, but of destroying it," and, at the same time, the Department of State delivered a note of protest to the North Vietnamese Government. That note concluded with the words:

> The United Government expects that the authorities of the regime in North Vietnam will be under no misapprehension as to the grave consequences which would result from any further unprovoked offensive military action against U.S. forces.

Senator SYMINGTON. What was the time of that?

Mr. MARCY. That probably would have been on August 3, either late August 2 or early August 3.

WHO MISLED MCNAMARA?

Senator AIKEN. You say Mr. McNamara misled the committee, he gave us wrong information. Have you any information who misled Secretary McNamara?

Mr. MARCY. No.

Senator AIKEN. I see.

Mr. MARCY. Now, to refer briefly to the second incident.

The CHAIRMAN. In answer to that last question we requested, what do you call that last thing they did not give us which they say is an internal document which they would not supply? It might answer your question because he got that from——

Senator AIKEN. I am pointing out that the fellow who misled us has frequently been misled.

The CHAIRMAN. We requested, what was it we requested?

Mr. BADER. It was a study which was done, we are not certain of the date but the title was "Command and Control Problems in the Tonkin Gulf Incident of August 1964." The apparent intention of the study was to determine whether command and communications worked adequately during this six- to eight-hour period between the time the so-called second attack occurred and the decision was made to strike North Vietnam. That is, when was the cable sent, when was it received, what sort of information was going up through the system to the Secretary of Defense. I do not think there is any suggestion here since we are only dealing with documents at one level, that Mr. McNamara consciously misled the committee.

Senator AIKEN. Go ahead.

INFORMATION WAS NOT ACCURATE

Mr. BADER. It simply said the information he presented to the committee was not accurate and in keeping with the facts.

Senator SYMINGTON. What was that?

Mr. BADER. The information about the first incident was not accurate.

Senator SYMINGTON. Who said that?

Mr. BADER. I said that.

Senator SYMINGTON. Yes.

Mr. BADER. I was saying, Senator, there is no suggestion here that the information that he had available at the time was any different from what he presented to us.

Senator CHURCH. You are not saying he deliberately lied?

Mr. MARCY. That is right.

Senator GORE. Are you assuming that the Secretary did not know that the Navy was coordinated and knew about the attacks of the South Vietnamese?

Mr. BADER. I do not know, Senator. I simply do not know.

Mr. MARCY. He told the committee he did not know of it.

Senator GORE. He said the Navy did not know of it.

Mr. MARCY. That is right, he said the Navy did not know of it.

Senator GORE. Read again what he said. He did not put it "I"; he said the Navy.

Mr. MARCY. Well, in specific answer to the question that Senator Morse put to him, McNamara——

TEXT OF THE QUESTION AND ANSWER

Senator GORE. Do we have the record on what Senator Morse asked?

The CHAIRMAN. I have the original record of what Senator Morse asked.

Senator COOPER. Page 4.

Senator GORE. Let's have the question and the answer.

Mr. MARCY. I am sorry, this is a classified record.

Senator COOPER. You have it in the report, page 4.

Senator GORE. You do not have a question.

Senator COOPER. We do not have a question.

Senator SYMINGTON. It is interesting to note that the Commander-in-Chief of the Pacific Fleet is now Chief of Naval Operations.

Senator MANSFIELD. Same one?

Senator SYMINGTON. Yes, Moorer.

Senator GORE. The reason I asked the question, it is a little unfair to judge the answer without knowing the exact question.

Mr. BADER. This is the general text:

Senator MORSE. I do not propose to engage in a debate with the Secretary of State here. No useful purpose is served here.

Then he goes on to talk about the organized military operations of South Vietnam.

Senator GORE. Read it, Bill.

Mr. BADER. Finally:

No useful purpose is served here.

I disagree on the basis of the many replies presented, on the basis of his own testimony before this committee when we have asked time after time for evidence before this committee from the Secretary of State and the Pentagon Building of any proof of any organized military operation of North Vietnam into South Vietnam and you have never been able to produce a scintilla of it. We have all recognized the vicious infiltration tactics of Communist system trying to undermine South Vietnam, but it has been going back and forth across the borders, and the sad thing is we were in there all the time when, in my judgment, we should not have been in there except to keep the peace and we ought to have been at the conference table.

Secretary MCNAMARA. Mr. Chairman, may I respond to this? There have been several misstatements made and I would like to correct them for the record.

Chairman FULBRIGHT. Yes.

Secretary MCNAMARA. I would like to cover three points. First, our Navy played absolutely no part in, was not associated with, was not ware of, any South Vietnamese actions, if there were any. I want to make that very clear to you. The *Maddox* was operating in international waters, was carrying out a routine patrol of the type we carry out all over the world at all times. It "—presumably the Navy—" was not informed of, was not, aware, had no evidence of, and so far as I know today has no knowledge of, any possible South Vietnamese actions in connection with the two islands that Senator Morse referred to.

I think it is extremely important that you understand this. If there is any misunderstanding on that, we should discuss this point at some length.

Senator GORE. So it is not a question of "I," it is the Navy.

Mr. BADER. Senator Morse says "I think we should."

"Secretary McNamara. I say this flatly. This is the fact."

The CHAIRMAN. Proceed, Mr. Marcy.

THE CAUSE OF THE FIRST AMERICAN AIRSTRIKES

Mr. MARCY. I refer now to the second incident. This is important if you will recall because it was the cause of the first American air strikes against North Vietnam.

Senator GORE. This is on August 4?

Mr. MARCY. This is August 4, yes, and after that event there were 64 sorties against North Vietnamese PT bases and oil storage installations.

This second incident——

Senator SYMINGTON. Sixty-four, over what time period?

Mr. MARCY. From the *Ticonderoga* and the *Constellation*.

Mr. BADER. For a period of about 40, 50 minutes.

Senator SYMINGTON. That is what I wanted.

Mr. MARCY. This second incident was also the reason given for the beginning of substantial deployments of American forces into Thailand and Vietnam, and finally, it was important because it led finally to the passage of the Tonkin Resolution.

Before reading the conclusions of this study, I would just like to pick up some samples of the traffic, cable traffic, at this time. I am referring to the second incident.

Mr. BADER. This is the memo you now have?

Mr. MARCY. Yes, and I am starting at about page 10 and I am going to just pick up——

The CHAIRMAN. Which one of these memos?

Mr. MARCY. This is the one marked "Top Secret."

BREAKING OF THE CODE

Senator SYMINGTON. Mr. Chairman, could I ask one question here?

The CHAIRMAN. Yes.

Senator SYMINGTON. One question.

If the kernel of their protest about publicity in this matter has to do with our breaking of the code, talking strictly technically, how could the Navy not have known from the North Vietnamese even if they were not told by the South Vietnamese that an attack was going on on those islands.

Mr. BADER. A very good question, Senator. I am personally certain they did know.

Senator SYMINGTON. If they did know that somebody in the Navy lied to McNamara or McNamara lied to the committee.

Mr. BADER. One or the other.

Senator SYMINGTON. Well, the interesting angle there is I think the commanding officer in the Navy at that time in the Tonkin Gulf is now the Chief of Naval Operations, so there ought to be a way of finding that out.

The CHAIRMAN. Is that Admiral Moorer.

Senator SYMINGTON. It says here, I just noticed at 7:04 a.m. he orders a new patrol in the Gulf on the 2nd of August.

The CHAIRMAN. Which page are you on?

Mr. MARCY. I am on page 10.

The CHAIRMAN. It starts "In later cables"?

Mr. MARCY. Yes. But if you will go further down there is a section marked III, the *Maddox- Turner Joy* incident of August 4.

The CHAIRMAN. Has everybody got that?

Mr. MARCY. Instead of trying to keep read the whole thing, I am just sort of picking sections.

The CHAIRMAN. Why do you not read it—I want to get it in mind.

Mr. MARCY. All right.

THE CABLE TRAFFIC

The cable traffic here is interesting as well as informative and it will be quoted at length because it is an indication as much of American attitudes as it is a description of the course of events. On

the 2nd of August, Commander-in-Chief, Pacific Fleet (CINCPACFLT), alerted his units as follows:

1. In view *Maddox* incident consider it in our best interest that we assert right of freedom of the seas and resume Gulf of Tonkin patrol earliest.

2. For COMSEVENTHFLT. UNODIR (unless otherwise directed) conduct patrol with two destroyers, resuming ASAP (as soon as possible). When ready, proceed to Point Charlie arriving first day thence patrol northward toward Point Delta during daylight hours. Retire to the east during hours of darkness. On second day proceed to Point Delta thence patrol south toward Point Charlie retiring at night as before. On third day proceed to Point Lima and patrol toward Point Mike, retiring to east at night. On fourth day proceed to Point Mike and patrol Point November, retiring night. On fifth day, return to November and return to south through Points Oscar and PAPA and terminate patrol. CPA——

That is the closest point possible, I guess it is——

To North Vietnamese Islands four NM. Above points as specified.

GEOGRAPHIC REFERENCE POINTS

What this means is that, as mentioned, the United States Navy had established a series of geographic reference points (Point Charlie, et cetera) off the North Vietnamese Coast.

Mr. BADER. Senator, these are two of the points. Here are the two islands that were attacked by the South Vietnamese. This is the 19th parallel; the 17th parallel is two down. That is, this is entirely North Vietnamese territory.

Two of the points, this is Point Charlie, and this is Point Delta, these were the points where the American ships went to. Now Point Charlie is how many nautical miles, six, I think, six or seven nautical miles off of the North Vietnamese Coast, that is within the bounds claimed by North Vietnam. Point Delta up here, Point D is eleven nautical miles off the coast of North Vietnam. There were other such points up and down the coast. These two are illustrative because they were in the center of the area of this South Vietnamese action against North Vietnam.

It is interesting to note both of these points were established within territorial waters of North Vietnam.

Mr. MARCY. As claimed by North Vietnam.

Mr. BADER. As claimed by North Vietnam.

TERRITORIAL WATERS

Senator SYMINGTON. The question here, did the North Vietnamese say three miles and did we say 12? Are we back in that hassle?

Mr. MARCY. Senator, the U.S. Navy takes the three-mile limit to territorial waters, and a number of other countries, including the Chinese and North Vietnam and North Korea, take 12 nautical miles.

Senator SYMINGTON. How close is Point Charlie?

Mr. MARCY. Point Charlie is about eleven miles.

Mr. BADER. No, it is closer than that. It is about six to seven nautical miles.

Senator SPARKMAN. It is D that is eleven miles.

Mr. BADER. Eleven nautical miles.

Mr. MARCY. The significant thing is the instructions give the closest point of approach to the North Vietnamese Coast as eight nautical miles. This is the instruction to our vessels, and the clos-

est point of approach to the North Vietnamese Islands of four nautical miles. So the Navy is operating within its interpretation of what consists of the high seas, but it is not consistent with the interpretation of North Vietnam.

Senator SPARKMAN. That is my point.

Mr. BADER. Yes, sir.

Senator SPARKMAN. This comes up in the Korean thing.

Mr. BADER. One point that might be noted here in the original patrol instructions, of this patrol was not only for North Vietnam; it was also for China, and for, the instructions for China, the instructions were 15 nautical miles, so in the case of China we were prepared to recognize their 14 miles.

In the case of North Vietnam, we were not prepared to recognize it and these points were established as close as four nautical miles of the North Vietnamese Islands and approximately eight nautical miles from the North Vietnamese Coasts.

The CHAIRMAN. All right.

"ROUTINE PATROL"

Mr. MARCY. I am picking up about the middle of page 11. This mission was described, you will remember, to the United States Congress as a "routine patrol" and by implication was not provocative. Several hours before the commencement of the patrol the commander of the carrier task force in the area sent the following to the *Maddox* and the *Turner Joy*:

> It is apparent that DRV (Democratic Republic of Vietam) has thrown down the gauntlet now considers itself at war with the United States. It is felt that they will attack U.S. forces on sight with no regard for cost. U.S. ships in Gulf of Tonkin can no longer assume that they will be considered neutrals exercising the right of free transit. They will be treated as belligerents from first detection and must consider themselves as such. DRV PTS (patrol craft) have advantage, especially at night, of being able to hide in junk concentrations all across the Gulf of Tonkin. This would allow attack from short range with little or no early warning.

As a result of this and other traffic it was agreed that aircraft from the *Ticonderoga* and *Constellation* would remain airborne at all times to come to the rescue of the *Maddox* and *Turner Joy*, if attacked.

CURIOUS EXCHANGE OF CABLES

Perhaps the most curious exchange of cables came in the early morning of August 4. The original plan called for the *Turner Joy*, and *Maddox* patrol (DESOTO patrol) to terminate these runs into the Vietnam coast after two days. Presumably because of the lack of results, CINCPACFLT sent the following cable in the early morning of August 4:

> 1. Termination of DESOTO patrol after two days of patrol ops (operations) subsequent to *Maddox* incident as planned in Ref A (this was basic instruction for patrol), does not in my view adequately demonstrate United States resolve to assert our legitimate rights these international waters.
>
> 2. Accordingly, recommend following adjustments in remainder of patrol schedule provided para two reference B (another set of instructions) in order to accommodate COMUSMACV (Commander, United States Military Assistance Command Vietnam) request that patrol ships remain north of LAT (latitude) 19–10 North until 060600H to avoid interference with 34–A——

TO ACCOMMODATE SOUTH VIETNAMESE ACTIVITIES

Senator GORE. Would you read that, in order to accommodate what?

Mr. MARCY. In order to accommodate the Commander of the U.S. Military Assistance Command in Vietnam.

Senator GORE. Was that attacking South Vietnamese force?

Mr. MARCY. This man was aware of what the South Vietnamese patrol boats were engaged in, and this says in order to accommodate him. That is in order to accommodate the South Vietnamese activities along the coast to the North.

Senator MUNDT. How do you interpret that? Why did they use supplement? What do you mean accommodate? Is that not an unusual term?

The CHAIRMAN. Not to interfere with them, not get in their way.

Senator COOPER. May I ask this, I think I read this.

As I understood your first analysis of this, these 34–A ops, those, what do you call them, torpedo boats which had been operating in the South he wanted to keep these patroling boats north of that so they would not interfere with their operation.

Mr. MARCY. That is correct.

The CHAIRMAN. That is right, that is my understanding.

Mr. MARCY. At one point they speak of keeping them north so they would not interfere and there is another cable by being north they might draw off North Vietnamese patrol craft away from the operation.

CABLE SENT BY COMMANDER OF THE 7TH FLEET

Senator CHURCH. Who sent this cable, CINCPAC?

Mr. BADER. CINCPAC Fleet at that time was Admiral Moorer, who is now the Chief of Naval Operations; the Commander of the 7th Fleet was Admiral Jonson.

Senator CHURCH. What does the CINC part mean?

Mr. BADER. CINC, Commander-in-Chief of the Pacific Fleet.

Senator CHURCH. He is the big cheese?

Mr. BADER. Admiral Sharp, CINCPACFLT.

Senator SYMINGTON. There is Admiral Roy Jonson.

Mr. BADER. He is Commander of the 7th Fleet, so the order was Moorer-Jonson from the Pacific Fleet. Is that clear, Senator?

Senator SYMINGTON. I just want to be sure, there are two Admiral Johnsons, Admiral Johnson just retired under Admiral Sharp.

Mr. BADER. There was Admiral Roy Jonson.

Senator SYMINGTON. This was Roy Jonson?

Mr. BADER. This was Admiral Roy Jonson.

Senator SYMINGTON. This went from Admiral Moorer?

Mr. BADER. Admiral Roy Jonson was Commander of the 7th Fleet, which would put him under the Commander of the Pacific Fleet.

Senator SYMINGTON. Which was Moorer?

Mr. BADER. Which was Moorer.

The CHAIRMAN. Proceed.

Mr. MARCY. I will read the interpretation here.

DEMONSTRATION OF U.S. RIGHTS

Although complicated in language, this cable says one thing quite clearly and suggests another. It says clearly that CINCPACFLT was disappointed with the results of the mission thus far—that is, the United States had not yet "demonstrated" its resolve to assert its legitimate rights in international waters. This seems to mean that we had not as yet had the opportunity to demonstrate this forcibly. As is now known, the 34–A operations were attacks on North Vietnam by South Vietnam forces.

Senator GORE. With U.S. equipment?

Mr. MARCY. With U.S.—well, equipment had been transferred to the South Vietnamese.

The CHAIRMAN. Boats we had supplied them?

Mr. MARCY. That is right.

The CHAIRMAN. PT boats?

Mr. MARCY. This, as in the first case, indicates that the United States Naval forces knew the plans for such an attack and were being asked to move their operations further north not to interfere.

The most unusual part of this cable comes in the last paragraph:

> The above patrol will: (a) clearly demonstrate our determination to continue these operations; (b) possibly draw NVN (North Vietnamese Navy) PGMS (patrol boats) to northward away from area of 34–A ops.; (c) eliminate DESOTO patrol interference with 34–ops.

TWO OPERATIONS AT THE SAME TIME

Senator SYMINGTON. I have to ask a question there if I may, Mr. Chairman.

The CHAIRMAN. Yes.

Senator SYMINGTON. How do you coordinate that, is this a different operation of South Vietnam than the one Secretary McNamara said the Navy knew nothing about?

Mr. BADER. There are two operations in this time period of South Vietnam against these islands. The first was on the night of July 30–31, which was one. The second was on the night of August 4 and 5.

There were two operations, one on 30–31 July, if I remember correctly, it is detailed here, and the second was on August 4 and 5. So there are two separate operations mounted by the South Vietnamese.

Senator SYMINGTON. They are talking about the second one here?

Mr. BADER. In this case they are talking about the second. Although the term 34–A operations refers to both. These operations, as the memo says earlier, were organized by the United States in January and February of 1964. Military craft provided to the South Vietnamese, they were trained by the U. S. Navy in South Vietnam, and they were, these boats, operated out of Danang, and moved north for these attacks.

A BOMBARDMENT OF NORTH VIETNAM

One of the reasons why the North Vietnamese would be concerned about this is these two particular operations, that is the one of July 30 and 31 and the one of August 4 and 5, for the first time

the South Vietnamese operations included a bombardment of North Vietnam, not just interdiction and intelligence gathering.

Senator GORE. What was this date?

Mr. BADER. The 30th and 31st and the 4th and 5th.

Senator GORE. Both involving bombardment?

Mr. Bader, Which was a qualitative change.

MILITARY ADVISORS ABOARD THE MADDOX

Senator GORE. May I ask another question: A U.S. military advisor to South Vietnam, according to some note I read there, was actually aboard one of the U. S. patrol boats.

Mr. BADER. No, sir; that is not in this memo and I have seen no information to that effect that there was a U.S. military personnel aboard these South Vietnamese.

Senator GORE. No, I mean——

Mr. MARCY. He means the *Maddox* or *Turner Joy*.

Senator GORE. Let me make it plain. I read some place here, that a military, U. S. military advisor officer to the South Vietnamese operation was actually aboard the *Turner Joy* or the other one.

Mr. BADER. What it was, sir, there was a representative in fact there were probably six or seven, members of MAC/V, Military Assistance Advisory of Vietnam, were aboard the *Maddox* in both operations. From the evidence we have, they were there for the communications operations of the *Maddox* and I have seen no evidence to indicate that they were directly involved. But this goes back to Senator Symington's point, if there are members of MAC/V aboard the *Maddox* and MAC/V is organizing the training and directing the South Vietnamese operations against North Vietnam, it is really completely conceivable to me they were unaware of it.

A VERY SENSITIVE AREA

Senator SYMINGTON. The next question I was going to ask was if 34–A ops represents the entire operation, including the one on the 4th and the attack on the islands and the one on the 30th and attack on the islands, it is totally inconceivable to me from a military standpoint how the U. S. Navy would not have known of both.

Mr. BADER. It is hard for me to believe, Senator, if you look at this chart a number of hours after attacks on Hon Me and Hon Nieu, a U. S. destroyer was coming up from the South in the same direction as Danang, going directly towards the Island of Hon Nieu, and then going up to Delta and then coming back once more toward Hon Me, which was a very sensitive area so far as North Vietnam was concerned, and the operational commander of the *Maddox* was not aware of a major military operation which certainly could affect this mission going on within 12 nautical miles.

THE TWO OPERATIONS

Senator GORE. Well, to be specific, did you not read an order here to the commander of the *Maddox* to deploy in a certain direction so as to accommodate this 34–A ops?

Mr. BADER. This is the second operation.

Senator GORE. I thought we were talking about the second operation.

Mr. BADER. I am at this stage, I am talking about both operations.

Senator GORE. I see, But insofar——

Senator SYMINGTON. To be sure you get my point, if you have an over-all military campaign, McNamara testifies that the Navy knew nothing of it, and you have an over-all campaign, and the testimony is very clear based on the cables that they knew of the second aspect of it, then it is inconceivable that they did not know the first aspect of it, which he testified he did not know. He might have been misinformed.

Senator GORE. I did not understand his testimony to apply to the first.

Senator SYMINGTON. Especially as Bader says the story is moving up towards the *Maddox*.

Senator GORE. My understanding is there is no differentiation in McNamara's statement as to the events of August 2 or 4. He might. He was speaking of both.

Mr. MARCY. Yes.

Senator SYMINGTON. If that is true, the cables themselves——

Mr. MARCY. One thing, when McNamara testified before the committee on August 6, which was very, very soon afterward, so I mean in justification he did not have any channels to go over all these cables and I would just make the guess that he probably had not.

Mr. BADER. Senator, I would add one thing which nails this down.

Senator CHURCH. But he must have been informed by the Navy whether or not he had an opportunity to go over the cables, that the Navy had no knowledge of it or he would not have made such a categorical statement.

Mr. BADER. I would think so.

ADVISED IN ADVANCE

Let me bring up page 5 on this memo. There is a cable from Commander-in-Chief Pacific approving patrol, and I will read just one, this is on July 15, 1964. These are the marching orders.

Senator SYMINGTON. Is this Moorer talking who is now Chief of Naval Operations?

Mr. BADER. I will read this because I think it is important:

A. Last DESOTO patrol to Gulf of Tonkin was made in March. Weather at that time greatly precluded visual intelligence collection.

B. Now this is July 15, prior to the first incident—U.S. has stepped up assistance to RVN (Republic of Vietnam) including stationing of CVA TG (the carrier USS *Ticonderoga*) at mouth of Gulf of Tonkin.

C. There have been considerable articles in news media discussing possibility of action against NVN (North Vietnam).

D. Activity in 34–A operations has increased.

This is on July 15. These are the instructions.

Senator GORE. So they were advised not only at the time but in advance?

Mr. BADER. Exactly. There is no doubt about it. The United States Navy was completely aware of the 34 operations at least by July 15, 1964.

WAS THE MADDOX AT WAR?

Senator COOPER. May I ask a question there?

The CHAIRMAN. Yes, Senator Cooper.

Senator COOPER. This refers to the questions which have been asked by Senator Symington and Senator Gore, as to whether the *Maddox* knew of these patrols, these attacks by the torpedo boats.

What McNamara said, he said, first, that the Navy had to have knowledge of this activity. But he said, second, the *Maddox*, in the second part of his statement, he said the *Maddox* was not aware of these operations, these attacks by the patrol boats. So I think that is a question you have to ask, was the *Maddox* at war?

Senator GORE. Do you not have a cable here to the Commander of the *Maddox*?

Mr. BADER. Yes, these are the instructions to the *Maddox*.

Senator COOPER. I want to get to these.

First, you say on page 8, at the time of the attack, the first attack, by the torpedo boats, this is the second paragraph, the *Maddox* was 75 miles away.

Mr. BADER. Yes, sir.

Senator COOPER. So if it did not have prior informaition, and this attack was at night, I think it is entirely conceivable it would not have known of that attack.

IN COMMAND OF BOTH SHIPS

Now, on page 12 you said that a cable was sent from CINCPAC, that is the highest commander, is it not, in the Pacific?

Mr. BADER. The highest Navy Commander.

Senator COOPER. And according to the second paragraph that would have given the *Maddox* information of the 34–A operations if it received it. But you do not say that this message was sent to the *Maddox*. Who was it sent to?

Senator GORE. If the Senator will yield for a question.

The CHAIRMAN. Let him answer that.

Senator COOPER. You just say it was sent.

Mr. BADER. Yes, sir; it was sent to the *Maddox*. It was sent to the operational commander of the entire patrol.

Senator COOPER. That is the point.

In your statement on the page before that, you make the statement that that cable was sent to the *Maddox* and to the *Turner Joy*. But this cable which would have given notice to the *Maddox* of these operations prior to this attack, if there was an attack, it is not clear from this statement whether that actually was sent to the *Maddox* or to some intervening commander.

Mr. BADER. I will make that clear now, it was sent to the operational commander of the *Maddox*. You would have to be in the Navy to quite understand the problems. The *Maddox* and *Turner Joy*, had an officer aboard who was the destroyer commander, that is he had command of both ships and he had a particular title. This instruction was sent to him.

Senator COOPER. This was sent to the *Maddox* without question?

Mr. BADER. Yes

Senator GORE. That was really the point I was trying to bring up which was answered.

Mr. BADER. It should only be qualified——

THE IMPORTANCE OF WEATHER THE NAVY KNEW

Senator SPARKMAN. May I ask this question to try to clear my own thinking: What is the importance as to whether or not the Navy knew about this?

It seems to me its importance is——

Senator SYMINGTON. McNamara says they did not.

Senator SPARKMAN. I realize that. I know that.

It seems to me the importance of the thing was whether or not the Navy was participating in any part of it. In other words, the point he is trying to make is whether this was a routine patrol or was it a patrol out there participating in the attack on these islands.

Senator SYMINGTON. I am just thinking out loud. The question as I see it, the broad question, is whether we are attempting to get an excuse to change the policies in the Vietnam theater. Was it the operation of the Navy in conjunction with the South Vietnamese coordinated to that end?

Senator SPARKMAN. It seems to me the relevant thing was whether or not they were cooperating with South Vietnam and not whether or not they had knowledge of the South Vietnamese operations.

Senator SYMINGTON. I think they are both because one is the automatic sequel of the other.

COMPARISON TO PEARL HARBOR

Senator GORE. Would you mind restating what you think is the important thing?

Senator SYMINGTON. Well, to me all the talk is going on about the fact we were shoved in at Pearl Harbor and Pearl Harbor got us into World War II, then it was planned here in Washington and there has been a lot written about it. It seems to me the important thing here is was there, based on the testimony as against the facts as developed by the staff, and this is the only thing that worries me or really even particularly interests me, is whether there was some organized plan to have this operation developed so that the President could take a position before the country which would justify us in effect going to war. That would seem to me the kernel of it.

Do you not agree with that, Mr. Chairman?

The CHAIRMAN. Yes. But I think all of this has some relevance to that.

A DIFFERENT VIEW

Senator GORE. Well, if I may refine that a bit, the real—I guess all of us have a little different view. So far as I see it, the real question is whether or not Secretary McNamara was misled, whether the President of the United States was misled, whether this committee, the Congress, and the American people were misled.

Senator SYMINGTON. That is part of the package.

Senator GORE. I just state it a little differently.

The CHAIRMAN. Yes. And whether or not the procedures that they follow in arriving at these are at all adequate far making decisions of this kind.

STATE OF THE CONFLICT AT THE TIME OF THE INCIDENTS

Senator MUNDT. Mr. Chairman, I would like to ask Stu if I understand what he is saying, and I think I do. What we are trying to find out is whether or not this was a provoked or unprovoked or a planned or an unplanned incident contributing, as you say, to the accumulation of sentiment.

If we do that, I would like to have a little clearer recollection in my own mind as to the exact status of the war activity at the time this occurred. Do you have that, Carl, in mind, just how was the war going and how deeply were we involved, how many troops did we have?

Had we done any bombing in the North, what was the state of the escalation of the conflict at the time of these incidents?

Mr. BADER. Well, I think I can sum it up very briefly, Senator.

In the spring and summer of 1964 the Government of General Khanh was in real trouble. The Defense Department, and even in its public statement, said that the ratio was changing, that is the ratio between the forces they had committed and the committed VC forces, and that the Government of South Vietnam was in very serious trouble at that time.

General Khanh, as I remember it, was very anxious for the United States to increase its participation in the war and at that stage it was purely on, a military advisory level. As you know, this was before Pleiku, this was before the bombings in the North. The United States was not directly involved.

AMERICAN ADVISORS IN VIETNAM

Senator GORE. Before any combat troops were committed?

Senator MUNDT. How many men did we have?

Mr. BADER. August 1964?

Senator HICKENLOOPER. We had combat troops at the beginning of 1961.

Senator CASE. We did not call them that.

Mr. MARCY. We called them advisors.

Senator MUNDT. How many did we have there on the day of the incidents?

Mr. BADER. I do not know.

The CHAIRMAN. There were approximately between 15 and 17,000. I have seen these vary.

Senator SPARKMAN. Up to what now?

The CHAIRMAN. These were the troops that President Kennedy had sent over there shortly after his meeting with Khrushchev in Vietnam.

Senator MUNDT. They were in part in combat units?

The CHAIRMAN. They were called advisors, military advisors.

Senator MUNDT. They were in combat units.

Senator SYMINGTON. For example, we ran into things like this: We had military advisors in airplanes that knew how to fly the airplanes, with the South Vietnamese who were presumably the pilots of the airplanes who did not know how to fly the airplanes and

could not speak English and the Americans could not speak South Vietnamese, so any way you cut it, you did have combat troops, but the theory of it was they were advising and there were no units of ours.

The CHAIRMAN. There had been no bombing of the North?

Senator SPARKMAN. That is right.

TOTAL MILITARY PERSONNEL

Mr. MARCY. I can give you the precise figures here.

The CHAIRMAN. For the record.

Mr. MARCY. For the record, this shows Army personnel in 1960, 700; in 1961, 2,100; in 1962, 7,900; in 1963, 10,100; in 1964, 14,700.

The CHAIRMAN. That is the figure we wanted.

Mr. MARCY. In 1965, 116,800, and in 1966, 239,400.

Senator HICKENLOOPER. How many Marines and how many others?

Mr. MARCY. Well, that is just Army. I will read you the same figures giving, this would be, the total.

Senator SYMINGTON. Before you do that, is the Air Force included also?

Mr. MARCY. Senator, this says military personnel in South Vietnam; that is all I have.

Senator MUNDT. Give us the other category now.

Mr. MARCY. All right. Navy—just for 1964.

Senator MUNDT. All the way down.

Mr. MARCY. All right. 1960, I will give you the Navy figures.

Senator HICKENLOOPER. Why do you not just give us the total?

Senator MUNDT. I would like to know the way it is drawn up because it is important in the decision, I think.

Senator HICKENLOOPER. All right.

Mr. MARCY. Navy, 1960, 15; 1961, 100; 1962, 500; 1963, 800; 1964, 1,100; 1965, 8,400.

Air Force, 1960, 68; 1961, 1,000; 1962, 2,400; 1963, 4,600; 1964, 6,600; 1965, 20,600; 1966, 52,900.

Senator MUNDT. Do you have Marines?

Mr. MARCY. You have Marine Corps going from two in 1960 to 900 in 1964, to 38,200 in 1965, to 69,000 in 1966.

Senator MUNDT. Now, will you total them?

Mr. MARCY. Now, the total, 1960, 800; 1961, 3,200; 1962, 11,300; 1963, 16,300; 1964, 23,300, 1965, 184,300; 1966, 385,300.

Senator MUNDT. My final question, Carl; are those from sources now that they will not dispute? Are these from the Pentagon?

Mr. MARCY. This is from a secret report sent to the chairman of the committee on December 28, 1967.

Senator MUNDT. By the Pentagon?

Mr. MARCY. By the Pentagon.

Senator SYMINGTON. Do these figures also include Laos and Thailand?

Mr. MARCY. No, sir; I do not have those figures.

Senator SYMINGTON. Will you check that and see, because there is more Air Force in Thailand than in Vietnam, I think.

POINT OF DEPARTURE

Senator CHURCH. Is it not true, Carl, that it was not until after this attack the Gulf of Tonkin incident, that we struck North Vietnam with our own forces? Were there any attacks on North Vietnam by our military forces prior to the Gulf of Tonkin incident?

Mr. MARCY. No, sir.

Senator CHURCH. I think the significant thing is this was the point of departure. This was the incident that was used to justify the commencement of the American attack on North Vietnam.

Mr. BADER. You will remember, Senator, that in the immediate wake of the Gulf of Tonkin the forces were moved in Thailand and forces strengthened and a whole series——

Senator GORE. The real importance of this, however we characterize it, Congress was induced to pass a resolution that amounted to a declaration of war, that is so interpreted later.

The CHAIRMAN. I wonder if we should not try to proceed to get a little better in mind the actual facts the staff has developed.

Mr. MARCY. I wonder if I might not just add one figure. The last figure I gave on the total of 1966 was a total of 385,300. As of October 1967, the total was 468,600.

The CHAIRMAN. Good.

Go ahead with the way this developed. We have not come to the point, yet.

THE 7TH FLEET

Senator MANSFIELD. Let me ask one question now. Does that include the 7th Fleet?

Senator GORE. It says in South Vietnam.

Mr. MARCY. That is right. As of October.

Senator SYMINGTON. It does not include the 7th Fleet, and I wonder also about bases in Thailand which are many more.

Senator AIKEN. It does not include troops from any other nation or any troops, which may be stationed in Thailand?

Mr. MARCY. No, sir; I have the troops from other nations.

Senator AIKEN. I see.

The CHAIRMAN. Just proceed, let's see if we can get the chronological story.

Mr. MARCY. All right

NORTH VIETNAM CONSIDERED THE SHIPS ENEMIES

Continuing on page 13 about the third paragraph, on the 4th of August, some 15 hours before the second incident, the operational commander of the *Maddox* and the *Turner Joy*, who was aboard the *Maddox*, sent the following to the commander ofthe 7th Fleet:

A. Evaluation of info from various sources indicates that DRV considers patrol directly involved with 34–A ops.

Senator GORE. That was the question I asked earlier.

Mr. BADER. Yes.

Senator GORE. Is this a cable?

Mr. MARCY. Yes, sir; this is a cable. The point I was making earlier in the game this morning was we do not have such a cable for the first incident. This is just the second incident where it is dealt

with that the North Vietnamese interpreted the movement of the American ships in the 34 operation.

The CHAIRMAN. Proceed.

Mr. MARCY. North Vietnam considers United States ships present as enemies because of these ops and have already indicated readiness to treat us in that category.

B. DRV are very sensitive about Hon Me. Believe this is PT operating base and the cove there presently contains numerous patrol and PT craft which have been repositioned from northerly bases.

The conclusion of the operational United States commander aboard the *Maddox* on the basis of this information is very interesting.

Under these conditions 15 minute reaction time for obtaining air cover is unacceptable. Cover must be overhead and controlled by DDSs (Destroyers) at all times.

RADAR CONTACT

Ten hours before the second incident the *Maddox* and *Turner Joy* reported that a radar contact was paralleling the ships' movements. The carrier Ticonderoga then reported to all concerned that aircraft were ready for launch and support on short notice.

Senator GORE. What do you mean by radar contact parallel. What do you mean?

Mr. BADER. On the ship is a radarscope where a dot comes up.

Senator GORE. That is what I mean, our radar had contacted some object that was traveling parallel to our ship?

Mr. BADER. Yes, sir.

MUDDLED AND CONFUSED EVENTS

Mr. MARCY. The events during the "attack" were muddled and confused according to cables. At one point after all the firing the operational commander of both the *Maddox* and *Turner* Joy reported:

*Joy* also reports no actual visual sightings or wake.

Have no recaps of aircraft sighting but seem to be few. . . Entire action leaves many doubts except for apparent attempt to ambush at beginning.

CINCPACFLT, some five hours after the presumed attack on the United States ships and just five hours before the retaliatory air strike on North Vietnam, sent a telegram as follows——

Senator SYMINGTON. Before you leave that page, what do you mean there, "apparent attempt to ambush in the beginning" what does that mean?

Mr. BADER. This is what was meant by the commander from the cable. It is not entirely clear what he meant. I assume what he meant, the North Vietnamese boats were out at sea at night and were arranging for an ambush in some sense where they would intercept the American vessels and fire on them.

Senator GORE. One message referred to it as a planned trap.

Senator SYMINGTON. But you see my point, the *Joy* reports no actual sightings of wake, no aircraft sightings, and then how can they be thinking they will be ambushed?

Mr. BADER. I do not know. They go back to some earlier cables.

EXPLANATION OF RECAPITULATION

Senator HICKENLOOPER. What do they mean by recaps? Recapitulation?

Mr. BADER. Recapitulation.

Senator HICKENLOOPER. What did they mean by that?

Mr. BADER. It meant they had no reports from the *Ticonderoga* that any aircraft had sighted any vessels.

Senator HICKENLOOPER. Is that that they sighted once and no repeat?

Mr. BADER. No. Recaps means no reports.

Senator CASE. No recaps but seem to be a few, what does that mean?

Senator SYMINGTON. I think that is worthy of consideration too, somebody might have reported one and not have had it formally. But I do not understand "apparent attempt to ambush at beginning."

I would like to clear that up with the Navy. What does that mean? What was the ambush?

Mr. BADER. I do not know, Senator. Throughout there, Senator, the operational commander who was aboard the *Maddox* returned to this phrase that he thought that they were going to be ambushed, and in a sense apparently from either some sort of special intelligence which we are not privy to or from radar contacts that he saw around the ship, he came to the conclusion that an ambush was imminent.

Senator SYMINGTON. Well then, you never asked them to explain exactly what he meant by that phrase?

Mr. BADER. No, sir; we have never in this entire study ever actively asked anyone any questions. We did not believe our mandate went that far.

Mr. MARCY. I want to make that point clear.

This is based upon the written record and exclusively upon that. We have talked with what I would describe as volunteers, people who have come in, as the Senator described earlier. But none of that information is incorporated herein.

Senator SYMINGTON. Thank you, Mr. Chairman.

Mr. MARCY. If I can continue with the top of page——

Senator MUNDT. May I ask a question?

DRAWING CONCLUSIONS WITHOUT EVIDENCE

If you would try to follow through on it, Stu has a good point. If there is any validity at all with the hypothesis this was planned, this would indicate somebody is drawing conclusions without evidence who might have been on the plan.

Senator SYMINGTON. Or putting it this way, Carl, they might defend themselves by referring back to an apparent ambush which is something the committee has not had a chance to diagnose like it has diagnosed the rest of it.

Senator MUNDT. No wake, no planes, nothing sighted but there is an ambush out there.

Senator SYMINGTON. There was ambush. It says the ambush in the beginning.

Senator SPARKMAN. Yes. It speaks of it as if it was an actual——

Senator SYMINGTON. As if it had happened.

NO INFORMATION FROM ANYONE ON THE SHIPS

Senator SPARKMAN. Let me ask this question:

This volunteer you just referred to talking about volunteers, and this Naval officer who gave you some information, was he on either one of these ships, was he connected with the operations out there, or was he here in the Navy Department?

The CHAIRMAN. The one I referred to, he was in what they call [deleted], which is a communications center here in Washington.

Senator SPARKMAN. Yes.

The CHAIRMAN. You see where these messages came.

Mr. BADER. No volunteers have come forward who were on either ship.

Senator SPARKMAN. Have you had any information from anyone who was on either ship?

The CHAIRMAN. We have not sought that.

SEEKING CONFIRMATION OF AN ATTACK

Mr. MARCY. Page 14, this is a telegram from the commander of the Pacific Fleet to the *Turner* and *Maddox*:

> Can you confirm absolutely that you were attacked?
> Can you confirm sinking of PT boats?
> Desire reply directly supporting evidence.

Senator GORE. What hour was this, Carl?

Mr. MARCY. This was four hours before it or five hours before our retaliatory strike. In other words, about five hours after the attack and five hours before President Johnson went on the air and said our planes are retaliating.

In response (still four hours before the United States' retaliatory attack) the officer-in-charge of both the *Maddox* and *Turner* Joy, gave a very confused picture. At one point he said:

" *Maddox* scored no known hits and never positively identified a boat as such." Furthermore, "weather was overcast with limited visibility. . . air support not successful in locating targets." "There were no stars or moon resulting in almost total darkness throughout action."

He then reported:

> . . . no known damage or personnel casualties to either ship. *Turner Joy,* claims sinking one craft and damaging another.
> Finally Admiral Moorer (now Chief of Naval Operations) himself cabled to *Maddox* and *Turner Joy* requesting urgently the following information:
> Can you confirm that you were attacked by PT or Swatow (patrol boat)?

There was no answer from the *Maddox* but the *Turner* Joy did reply some three hours before the retaliatory strike by the United States that it could confirm being attacked by two PT craft on basis of following evidence: gun director and director crew (presumably by fire control radar) sighted torpedo, as did one lookout; target burned when hit. Black smoke seen by many; target silhouette sighted by "some topside personnel." On the other hand, sinking of patrol craft "only highly probable" because target tracked on radar; "shell bursts observed on radar all over contact"; hits reported visually; targets disappeared.

INSTRUCTIONS TO VESSELS

At 9:03 p.m., the commander of the 7th Fleet asked the *Turner Joy*, to amplify urgently its reports. The following is from the cable:

> Who were witnesses, what is witness reliability?—Most important that present evidence substantiating type and number of attacking forces be gathered and disseminated. Thirty minutes later the *Turner Joy*, was ordered to "locate debris to substantiate."

Senator MUNDT. Are those the instructions?

Mr. MARCY. These were the instructions going out to the vessels.

Two hours and 30 minutes after the message of the commander of the 7th Fleet, Admiral Moorer urgently asking for the information, the President appeared on television to announce that the strikes——

Senator SYMINGTON. Let's get this straight.

Senator SPARKMAN. It is a misplaced comma.

Mr. BADER. It should be Pacific Fleet and not 7th Fleet.

Senator CASE. He asked for evidence.

Senator SYMINGTON. Urgently asking for information.

Mr. BADER. It is a misprint.

Senator SYMINGTON. What was he doing there?

Mr. BADER. No, the point here, Senator, is it is a little garbled.

Senator SYMINGTON. There should be no comma after "Moorer."

THE PRESIDENT'S ANNOUNCEMENT

Mr. BADER. Two hours and 30 minutes after that message we just read, the President was on television announcing the strike.

Senator SPARKMAN. Commander CINCPAC?

Mr. BADER. Yes.

Mr. MARCY. Presumably the order, that is the order for retaliatory attack, had gone out two or three hours before the President's announcement. The air strikes took place a few minutes after midnight on August 5. It is significant to note that at only 1:11 a.m., August 5, that is, one and one-half hours after the conclusion of the attacks on North Vietnam, the *Turner Joy* responded to the urgent message from the commander of the 7th Fleet asking for further evidence that the attacks had taken place.

Unless we have not seen all the pertinent cables, it was on the basis of the above information that the United States decided to bomb North Vietnam—in spite of (a) the report of the *Maddox* that it scored no hits and "never positively identified a boat as such," and (b) the inability of the air cover to see anything in spite of numerous flares.

DEFENSE DEPARTMENT INTERVIEWED THE CREW

A few days after the second incident in the Gulf of Tonkin, the Department of Defense through the Commander-in-Chief of the Pacific, began an intensive effort to interview personnel aboard both ships and to prepare affidavits from the personnel aboard the *Maddox* and *Turner Joy*, as well as from officers aboard the *Ticonderoga*. These affidavits and reports, including the combat action reports of the *Maddox* and *Turner Joy*, were made available to the committee staff. This data is voluminous.

The information includes testimony of seamen who said they saw the silhouette of a North Vietnamese patrol craft, of pilots who said they saw wakes and fast-moving craft, and of a few officers who said they saw hits on the patrol craft. On the basis of this information, the commander of the Pacific Fleet and General Burchinal, who looked at the communications traffic, were convinced that the *Maddox* and the *Turner Joy*, had been struck.

In compiling this information——

Senator MUNDT. Struck at, you mean, not struck——

Mr. MARCY. Had been attacked. Yes. I am sorry.

In compiling this information, the Navy did not convene a formal board of inquiry as it did after the so-called third incident in the Gulf of Tonkin described below. The technique was entirely one of putting together statements, tracks of the ships, and the like. Moreover, it is curious to note that nowhere in this testimony and reports is there any statement from any sonarman aboard the *Maddox.*

Senator SYMINGTON. Was the head man, the commander of both destroyers, on the *Maddox*?

Mr. BADER. On the *Maddox*.

Senator SYMINGTON. It is rather interesting that the *Maddox* didn't talk up.

Mr. MARCY. In late August of 1964 the Defense Department released a selective list of excerpts from some of the cables sent to Washington. These excerpts, it can be fairly stated, ere highly selective giving only those sentiments which showed the *Maddox* and *Turner Joy,* had been attacked.

I don't know. Mr. Chairman, whether. I don't think there is much point in going ahead in describing the third incident, which did not——

CASTING DOUBT ON AN ATTACK

Senator SYMINGTON. I would like to ask this question before you leave it; the way the sentence reads, does that imply there were other parts of the excerpts which if given would have cast considerable doubt as to whether there had or had not been attacks?

Mr. BADER. Yes, sir, definitely, some of them are right here.

Senator SYMINGTON. That is what I was getting at.

What they did was gleaned it so that they put in all that was said about the attack, but they didn't put in anything about maybe there wasn't an attack.

Mr. MARCY. That is correct; yes, sir.

INFORMATION PROVIDED TO LIFE MAGAZINE

We came across this, Senator, an article in Life Magazine about mid-August of 1964 by a man named Wise, not the David Wise who does this espionage writing. Wise is still on the staff of Life Magazine. We have not talked to him. He is in Paris. But his story was based upon what he said were meetings with and information given to them by the intelligence branches of the Defense Department, and he had in there quotations from the cables and other communications traffic, and after we had received it in full then Bill compared what appeared in the Life Magazine, the quotations,

and we were able to establish that it was selective information that was given to the man.

Senator MUNDT. In other words, it is your position that the Life story was based on releases made by the Defense Department; not leaks?

Mr. MARCY. That is correct.

Senator MUNDT. How does that relate—how does that relate in time to the Tonkin Bay, when did we pass it?

Mr. MARCY. Afterward.

The CHAIRMAN. Afterward, about two weeks. The Life story you said, came about mid-August.

Mr. MARCY. The Life story came about mid-August, August 15.

The CHAIRMAN. Approximately two weeks.

Senator GORE. Mr. Chairman, the question I want to raise is why are these cables now classified as Top Secret when they have been given to Life Magazine at the time, I mean some of them have. Is that correct?

Mr. BADER. The excerpts are very brief, Senator.

Senator GORE. Well, are they——

Mr. BADER. They are verbatim excerpts.

Senator GORE. Are they verbatim excerpts?

Mr. BADER. Yes.

Senator GORE. They were given?

Mr. BADER. Just individual sentences.

Senator SYMINGTON. I think I can answer that. I think I can give you the Pentagon's answer to that.

They would say other parts of the cables would have shown that we had broken the North Vietnamese Code and that, therefore, they couldn't give those because we were still operating not with a broken word but with a broken code.

Senator HICKENLOOPER. Well, there is a lot to that.

Senator SYMINGTON. Yes, there is.

Senator HICKENLOOPER. There is a lot to that. We destroy ours about every time we turn around in this country by this publicity business.

Senator SYMINGTON. I remember the business of the Chicago Tribune and the Japanese Code.

Senator HICKENLOOPER. Yes, the Chicago Tribune was a famous case.

Senator SYMINGTON. I am not saying their position would be justified based on the facts.

Senator CASE. Nothing here would suggest anything like that.

Senator MUNDT. It would be interesting to know whether these excerpts of cables include anything taken from——

[Discussion off the record]

INTERROGATION OF NORTH VIETNAMESE SAILORS

The CHAIRMAN. I wish we would go on with this. I am not trying to cut anybody off but just trying——

Senator SYMINGTON. I think it is all terribly interesting. It is a magnificent staff effort.

Senator MUNDT. It surely is.

The CHAIRMAN. Go ahead, Mr. Marcy.

Mr. MARCY. I am going to skip over to page 18 and just call your attention to the fact that subsequent to these incidents we captured a North Vietnamese officer.

Senator MUNDT. What you are skipping is about the third incident?

Mr. MARCY. Yes, that is correct.

Senator SYMINGTON. What page are you on?

Mr. MARCY. Now, I am on page 18. I am just going to try to summarize this. Actually, I am on the bottom of page 17.

Mr. BADER. I think, Carl, it might be said very briefly about what this is. A number of North Vietnamese sailors and a number of officers were captured in July of 1966. They were extensively interrogated aboard an American ship.

One of the officers, a senior navy commander in Vietnam was interrogated for over a hundred hours and he gave the U.S. remarkable intelligence information, which was subsequently used to go north and destroy certain bases, particularly PT bases. This naval officer and the others who were captured, as you know they are interrogated in different places so the information can be brought together or finally asked toward the end of this intensive interrogation, what about the incidents in the Gulf of Tonkin. They all said the first incident took place. Indeed, the officer, the senior North Vietnamese naval officer, said he prepared the action report. He told the U.S. interrogators what happened, how many torpedoes were expended, what the damage was, extremely detailed analysis of the first incident, which they bragged about because—what this interrogation report at the bottom of page 18 is what this officer and his colleagues said about the second incident which, obviously, one doesn't believe communists per se, but it is interesting in this context that they made a distinction between the two, and talked about the first and gave full information about the attack, and the second they denied it completely, all of them made such an attack.

Mr. MARCY. Would it be helpful to read the conclusions, observations we have drawn?

Senator SYMINGTON. I think you ought to go ahead, based on what Bill just said, and read page 18.

NO KNOWLEDGE OF ATTACKS

Mr. MARCY. All right. Page 18, the U.S. Navy interrogation report contains the following statements:

> 1. Extensive interrogation of all potentially knowledgeable sources reveals that they have no info concerning a NVN attack on U.S. ships on 4 August 1964.

Senator SYMINGTON. Even though he gave in detail his knowledge of the attack on August 2?

Mr. MARCY. That is correct, and even though other information he had supplied was useful.

They state definitely and emphatically that no PT's could have been involved. They do have knowledge of a U.S. air attack on 5 August in which at least one and possibly three Swatow PGM's were sunk by ACFT in vicinity of the Gianh River (17–43N/106–30E). Slight damage was also inflicted by ACFT on 2 PT's this date as stated Ref Alfa.

2. The possibility that Swatows could have committed the 4 Aug attack has also been carefully explored. Here again, however, all sources disclaim any knowledge of such an attack. Based on the experience of interrogations thus far it is very possible that PT boat crews in general might not have heard of this attack since they apparently have little contact with other ship types. On the other hand, source (the North Vietnam naval commander obviously has traveled in higher circles and has proved himself exceptionally knowledgeable on almost every naval subject and event of interest. Yet he specially and strongly denies that any attack took place. When pressed further on this issue he states that if such an attack did take place, it could only have been committed by Swatow?

Senator SYMINGTON. What is a Swatow?

Mr. BADER. It is a rather large patrol craft given to the North Vietnamese by the Soviet Union. It is quite slow, 24 knots or so. It is not the kind of vessel that would attack a destroyer and it should be noted for the record that Swatows do not carry torpedoes.

Senator SYMINGTON. One final question on this: Are these statements that you have in quotes here starting at the middle of 18, are those verbatim statements of the Navy report?

Mr. BADER. They are verbatim statements out of the Navy report.

Senator SYMINGTON. All right.

The CHAIRMAN. All right, proceed.

OTHER EVIDENCE

Mr. MARCY. I think we might interrupt here for just a minute to talk about this other evidence before we draw conclusions.

The CHAIRMAN. What other evidence?

Mr. MARCY. You have in the back of your file a letter which the Chairman received on December 26th which was not signed.

Mr. BADER. This is in the addendum, sir, not in the chronology.

Mr. MARCY. Yes. It is an interesting letter to read, I will read it now or note only that this source seems to be somebody within the Department of Defense, and he told the committee to ask for certain very specific documents, and in the first paragraph or so he says "Most of the documents have been"—"What you need is the record of events at,"——

Senator HICKENLOOPER. Where are you reading from?

Mr. MARCY. I am reading now from the one marked December 26th.

Senator HICKENLOOPER. Yes, but where?

Mr. MARCY. The second, third line.

Senator MUNDT. In your addendum.

Mr. MARCY [reading].

What you most need is the record of events at and communications passing through the National Military Command and Control Center. Most of them have probably now been destroyed. However, a study was made on the basis of most of those records, fresh after the event, by the Weapons Systems Evaluation Group, entitled 'Command and Control of the Tonkin Gulf Incident, 4–5 August 1964.' This document is TOP SECRET and is *very* tightly held, partly because it is based in part on the tape recordings of conversations over the phone of the President, the Secretary of Defense, Admiral Sharpe and others during the period when the critical decisions were being made. Very probably an effort will be made to have all copies of the study destroyed when and if there is any intimation that you know of the existence of the study. The study will not disclose that the incident was a put-up job. It will disclose several embarrassing things, however. One is that the first attack, that on the *Maddox,* was very probably made because the NVN confused the *Maddox* with CIA operations which were covering SVN hit and run attacks against

NVN coastal areas. This was probably due simply to lack of coordination. Another point will be——

NO INFORMATION ON CIA ACTIVITIES

Senator SYMINGTON. Excuse me. I have to ask a question there. It is very interesting. Has the CIA got any ships out there?

Mr. MARCY. Not that we know of.

Senator SYMINGTON. Then it would be the CIA operating with the South Vietnamese directing an attack on the island at that point?

Mr. MARCY. We have no knowledge of what the CIA activities have been. We made no inquiry.

Mr. MANSFIELD. That could well by the assumption.

Mr. BADER. It could well be the assumption.

Senator HICKENLOOPER. It is always assumed that the CIA is murdering babies and things like that. [Laughter.]

WEAPONS SYSTEMS EVALUATION

Mr. MARCY [reading].

Another point will be that the attack on the *Turner Joy*, the following day, was indeed probably imaginary. After a first report of attack, there was a report that there probably had not been an attack at all. But the President was to go on the air to address the Nation about the retliatory attack that had already been planned, and after another flurry of confusion Admiral Sharpe said he thought there had been a real attack after all. At this point the Secretary of Defense decided to advise the President that the attack on the *Turner Joy* was real, and to order the retaliatory attacks and go ahead with the speech because it was getting very late for the address to the nation and moreover the retaliatory attack planes had been kept in a state of take-off readiness about the maximum time. It was clearly a case of making a definite decision when operational circumstances dictated haste but the facts suggested caution.

I think I will stop reading there because what I wanted to do was call attention to this study done by the Weapons Systems Evaluation business.

Senator SYMINGTON. Let's finish the letter, if that is in order.

The CHAIRMAN. Whatever you like.

Senator SYMINGTON. Yes.

FALSE RADAR IMAGES

Mr. MARCY [reading].

One may wonder how much the Secretary of Defense, who is a man of honor and conscience, has worried, about this since. Because later events all indicate that the second 'attack' was, at best, a trick of false radar images. And it is rumored—I do not know for sure—that the Commander of the *Turner Joy* was shortly after relieved of his command and hidden away somewhere where there would be the least chance of adverse publicity.

Senator MUNDT. Do you know whether that is true or not? Was he removed?

The CHAIRMAN. I do not know.

Mr. BADER. No, sir, we do not know.

Mr. MARCY. We made no inquiries.

Senator MUNDT. Why didn't you call up?

The CHAIRMAN. We haven't made inquiries or called up anything. This is all done quietly and I didn't propose to do anything of this unless the committee authorizes it.

Senator GORE. You authorized no interrogations?

The CHAIRMAN. We authorized no interrogations. The only ones we saw were people who asked to come. Except we asked that fellow who published a letter and one other fellow and neither of whom amount to anything, but because we thought they were in the position of volunteering.

But we haven't inquired or gone out or asked any of these people in the Navy except that fellow I mentioned, [deleted], because he asked to come see me.

A CONFUSED BUNGLE

Mr. MARCY. I am continuing now on page 2 of this letter.

I am sure if I signed this I would lose my job. But if you proceed wisely, you should be able, for the good of the country, to learn the truth of all I have suggested here, and have suggested here, and much more. The Tonkin Gulf incident, upon the basis of which resolution was so quickly obtained, was not a put-up job. But it was not the inexcusable and flagrant attack upon U.S. ships that it seemed to be and that would have justified the resolution and the retaliation had it been so. It was a confused bungle which was used by the President to justify a general course of action and policy that he had been advised by the military to follow. He, like the Secretary of Defense, was their prisoner. He got from them all the critical and decisive information, and misinformation, and he simply put his trust in the wrong people. One of the things your Committee should really look into is the constant use of security regulations to conceal the blunders and connivings in the field of national security. But I doubt that all of the power of the United States Senate could ever penetrate far enough into the supersecret world to learn much about what goes on. Right now the JSC is refusing materials in their fields that is wanted by people working on Vietnam for the Secretary of Defense, most obviously because they fear it would serve the Secretary of Defense's purposes, not theirs.

Now, my main purpose in reading this letter was to call attention to this study done by the Weapons Systems Evaluation Group, and the chairman wrote and asked for this on January 12 and the reply came in this morning.

The CHAIRMAN. Go ahead, Bill. This letter came in this morning. I have not read it.

Senator MUNDT. Carl, have you studied the phraseology and language of that letter as compared with the last letter to see whether it came from the same fellow?

Mr. MARCY. With no great confidence, it is our impression that they did not come from the same fellow at all. They were quite different in composition. That was just our feeling.

REQUEST FOR ADDITIONAL MATERIAL

The CHAIRMAN. On this point, let's take them one at a time. Clear up what we asked for and what is the response.

Mr. BADER. We asked for two things in this letter, Mr. Chairman. We asked for some additional communications traffic that came out of the communications facility—we asked for two things, we asked for a series of cables that came from the communications facilities in the Philippines, the operational cables that the *Maddox* and *Turner Joy* sent came directly to the Philippines and from that point directly transmitted to Washington. Some of them also went to the *Ticonderoga*.

What we asked for were those cables that went from the *Turner Joy* and *Maddox* and were held in the Navy collection point in the Philippines, that was one.

Two, we asked for the command and control study.

The answer to the command and control study I will give you first and then I will give you this additional information.

Senator SYMINGTON. What do you mean the command and control?

Mr. BADER. What this gentlemen mentions in his letter.

Senator SYMINGTON. Of the Weapons Systems Evaluation?

Mr. MARCY. This is the one he says probably will be destroyed if you ask for it.

Senator GORE. Let me ask you, prior to the receipt of the anonymous letter, was the staff aware that such a study had been made?

Mr. MARCY. No, sir.

Mr. BADER. No, sir.

THE SCRAPBOOK

The CHAIRMAN. Well, I was confused about what [deleted] called the scrapbook. I wonder if he didn't have this sort of thing in mind. He used a term called "the scrapbook." Do you remember?

Mr. BADER. Yes, sir.

The CHAIRMAN. What do you think that was?

Mr. BADER. I don't know.

The CHAIRMAN. Well, I don't know. They used a term they had a scrapbook which was some kind of a summary made.

Mr. MARCY. Senator, if I can say with other things we several times asked them for everything relating to the incident, sort of blanket things. One thing we learned very, very quickly that the Department of Defense does not volunteer information, and when you ask for something generally and when you say have we got it all and you get an answer Yes, but then you may go back and say specifically you want something and you can get it. But they have been cooperative when they know what you ask for.

Senator GORE. Until this.

Mr. MARCY. Until this anonymous letter came in we didn't know what to ask for.

MATERIAL "UNDER REVIEW"

Senator SYMINGTON. Can we hear the letter?

Mr. BADER. Yes. The letter is very brief. In regard to this communication study, it simply says "With respect to the remainder of your request" that is for the study "the document in question is an internal staff paper of the Joint Chiefs of Staff and it is currently under review by the Chairman."

That is one part of it.

Presumably, it doesn't say we will get it.

Senator SYMINGTON. Read the letter and say who signed it.

Senator GORE. Read all the letter.

Mr. BADER. It is to Senator Fulbright and it is signed by Jack Stempler, Assistant to the Secretary, Legislative Affairs:

DEAR MR. CHAIRMAN:

Reference is made to your letter of January 12 to Secretary Nitze requesting certain information in connection with your review of the incidents of 1964 in the Gulf of Tonkin.

I am forwarding herewith, as Tab A, 23 messages from the naval communication facility in the Philippines to Hawaii and Washington covering the August 4 incident. So that you may review in proper prespective, message 041727Z which you specifically requested, your attention is invited to messages CTG 72.1 041830 and

CTU 72.1.2 041848 which were transmitted an hour or so later and which have been previously furnished to you.

I have not seen them. That does not quite make sense. These messages included here I have not seen.

Nonetheless.

With respect to the remainder of your request, the document in question is an internal staff paper of the Joint Chiefs of Staff and it is currently under review by the Chairman.

Senator SYMINGTON. What does that mean?

Mr. BADER. I don't know, sir.

The CHAIRMAN. That means you are not going to get it.

Senator SYMINGTON. Yes, but why should we not get it, because it is under review.

DOCUMENT WITHHELD

The CHAIRMAN. Because they don't want you to get it. I remind you in the beginning a meeting was asked for by Secretary Nitze, if I would meet with him and Chairman Russell and we met in Chairman Russell's office, and he explained there was only one document that we couldn't have, that is my understanding, and Russell himself said, "I think, Mr. Secretary, you should make available to this committee all relevant document" that was my understanding, except this one, which I will refer to, if you want me to refer to it, in a moment.

Senator MUNDT. Is this the one?

The CHAIRMAN. No, this is not the one. I didn't know about this. I didn't know about the other one.

He, himself, Nitze, volunteered it, he had this one which was so secret that he couldn't—he allowed me to look at it but he couldn't give a copy and I think he said only six people or something like that in the——

Senator GORE. Can you tell us what that was?

The CHAIRMAN. Yes, I will tell you. Do you want to finish this?

Senator SYMINGTON. I want to ask this question because I think it is very important. What this currently under review is: Is it under review to be changed, and how can you change a record, a document, so the sentence worries me. I know most of this Pentagonese, I have been a good many years over there myself and 16 years on the Armed Services Committee. But what business, what difference does it make whether it is under review or not as to whether we get it or not? They must have two copies of it. Why should their reviewing it prevent us looking at it, unless he wants to change it before he gives it to us.

Senator MUNDT. Especially in view of what the anonymous writer says, if you ask for it they are going to destroy it.

Senator SYMINGTON. I think the interesting part is that the report is available.

Senator CHURCH. What did this secret document state?

The CHAIRMAN. At this meeting, he himself brought this up, after this exchange, he had a great mass of things like this. This took place before Christmas. I didn't realize it at this time, all of this business. If you like, you can take it off the record, the description of the meeting should not be, I will have to ascertain that date.

Mr. MARCY. December 16th.

The CHAIRMAN. December 16th. This was at Nitze's request. He came in to Russell's office upstairs, he had a great stack of documents, some of which, in answer to these letters, which the staff had written to him, and after this exchange with Russell and Russell said he thought he ought to give them all, and I said "shall I take these with me," and he said, "Well, no, I would rather keep them and send them to you all at once."

So he took them back, didn't give me anything at this meeting.

Later he sent a great deal of documents in answer to these letters.

What they had been doing is delaying giving us anything in response to the letters or practically nothing, until he had this meeting with Russell, is what I think he was doing.

The document which they maintain is conclusive proof——

Senator GORE. I move, Mr. Chairman, that it be on the record.

REPORT BY A PT BOAT COMMANDER

The CHAIRMAN. Put it on the record. We can take it off later if we want. I was not prepared to and capable of memorizing a message of this kind offhand. It was a relatively short message and it was an intercept by their——

Senator MUNDT. Do not take it off the record but you are not speaking loud enough.

The CHAIRMAN. It was an intercept by their electronic devices and purporting to be a report from a PT boat of the North Vietnamese reporting to his superior that they had, in effect, met the enemy, had severely damaged a boat and had knocked down two aircraft of ours. And that was really the substance of it. It was not very long, and this is from a PT boat commander that occurred on the 2nd.

Senator SYMINGTON. This is what I was referring to.

The CHAIRMAN. And this is the very highly secret one. To me—I said at the time I was struck by the "Well, obviously you knew they had not knocked down any planes nor touched your boats. How can you consider this being conclusive evidence that an attack took place because it is obviously false?"

Well, that is the way the matter was left. To me it did not seem a bit conclusive. To him—he said this is the conclusive evidence that an attack took place.

Well, it just did not appeal to me as being conclusive because they obviously knew it was false.

Senator SYMINGTON. I think, if I may say so, Mr. Chairman, you do not quite gather the import of the message. The basic import of the message and the danger of having it known about the message, it would seem to me, is the fact that whether or not the PT boat commander was or was not telling the truth, the fact that we knew what he said as evidencing the message showed that we broke the code.

The CHAIRMAN. That is what he says is the reason.

Senator MUNDT. That is true, but it certainly does not make false facts true. We knew they did not shoot it down. We knew we broke the code.

NORTH VIETNAMESE CAUGHT BY SURPRISE

Senator CHURCH. But there is this to say and that is they may have taken this as an indication that an attack had been laid on, that the PT boat commander was reporting back upon the attack, and he either thought there were those casualties or either was claiming for purposes of his own they may take the message as some evidence——

The CHAIRMAN. Since that time—I did not know enough to ask him. I did not know as much as you know here. I did not know what to ask for and I knew nothing about this, but I wondered since then if they were not referring to the next day's activity when they did shoot down two of our planes bcause we ourselves reported that.

Out of these 64 sorties that we ran the next day and which Wheeler testified to us before that we caught them completely unaware of an attack—you know, dead in the water, in their boats and we sank—we destroyed a lot of them, but in those 64, we did, somebody, they shot down two of our planes. You remember that is in Wheeler's testimony.

One of the things about Wheeler's testimony that has since occurred to me is he was so positive at the time—I mean when he was here on August 6—was that they caught the PT boats of the North Vietnamese completely unawares. The people were—not alert at all; they were all lying in their berths, and we really demolished them.

It has occurred to me since—not at that time—that if they really had an attack would they not surely expect some retaliation? Would they all be sitting in their berths without any anticipation whatever that we would do anything? It had not occurred to me at the time, but since you read this now, you think, "Well now, it is very odd if they really had engaged in an attack that within ten hours they would all go back and forget about it and leave their boats in their berths."

That is what Nitze thinks is a complete proof that all of this took place.

Senator COOPER. May I ask a question at that point?

The CHAIRMAN. Yes.

CHRONOLOGY OF THE CABLE TRAFFIC

Senator COOPER. I know that in this chronology you have given that 15 hours before the pupported attack that the boats did report there was a radar track, and then there is no other message that I can see in this record between that and the attack. Do you have any other cables or are there many other—in that time evidently something had happened because the air support had been sent. Now, are there any cables to indicate air support was asked at a certain time or what they said and all that?

Mr. BADER. The chronology, I think, Senator, in the back gives——

Senator COOPER. Before we do that, do we have other cables in that other intervening time from the time they first reported that there was a track, a radar track, or a contact or an actual attack, and if there are any, it would seem to me it would indicate what

they were seeing, whether or not they were seeing other boats, because when you read what McNamara says at the beginning, he just says at certain times the *Maddox* identified other vessels and yet there is nothing in this report to support that.

Mr. BADER. If you look on page 3 and 4 of the chronology rather than the staff memo itself, this chronology in each case reflects a cable was sent or at least in most cases reflects a cable was sent. It is done in Eastern Daylight Time.

Senator Cooper, this reflects the cable traffic as it progressed on August 4, that is in the events leading up to the attack, 12:01 a.m., but this is Washington time. But it gives the sequence. *Maddox* reports it is at vicinity of Point Delta, then it reported at 1:13 a.m. that two aircraft passed overhead and so forth.

SONAR VERSUS VISUAL SIGHTINGS

It is interesting to note, if you look on page 3 of that chronology, that at 2:35 a.m. the *Maddox* reported materiel deficiency in its sonar. This was prior to the attack. And the Department of Defense's case outside of this intelligence challenge that the ships had been attacked rests entirely on sonar reports from the *Maddox.*

Senator SYMINGTON. Not on the *Turner Joy* at all.

Mr. BADER. The *Turner Joy* never saw a torpedo on its sonar It only said—some of the officers said they had seen a wake. It is a curious situation when the *Maddox,* which was the one which was reporting the torpedoes on sonar, and the *Turner Joy* was the one that saw them visually, sonar versus visually.

Senator COOPER. Do you have the full text of these cables?

Mr. BADER. Yes, sir.

Senator COOPER. I think that would be important.

The CHAIRMAN. There is a full text, an enormous amount of documents. These are all taken from it. Mr. Bader has been working on them all the time for quite a while.

PRESIDENT JOHNSON'S ADDRESS TO THE NATION

Senator GORE. Mr. Chairman, to complete this, and to illustrate how rightly or wrongly the evidence may have been, how it was extrapolated to inflame the people and Congress, let me read a few selected sentences from the address of President Johnson on the 9th of—to the American people on television on the night of August 4th.

My fellow Americans, as President and Commander in Chief, it is my duty to the American people to report that renewed hostile actions against United States ships on the high seas in the Gulf of Tonkin have today required me to order the military forces of the United States to take action in reply. Repeated acts of violence against armed forces of the United States must be met not only with alert defenses but with positive reply.

That reply has been given as I speak to you tonight. Air action is now in execution against gunboats and certain supportive facilities of North Vietnam which have been used in these hostile operations. In the larger qense this new act of aggression, aimed directly at our own forces, again brings home to all of us in the United States the importance of the struggle for peace and security in Southeast Asia. aggression by terror against the peaceful villagers of South Vietnam has now been joined by open aggression on the seas against the United States of America.

The determination of all Americans to carry out our full commitment to the people and tf the Government of South Vietnam if will be redoubled by this outrage. Yet are response for the present will be limited and fitting. We Americans know, although others appear to forget, the risk of spreading conflict. We still seek no wider

war. And just a few moments ago I was able to reach Senator Goldwater, and I am glad to say that he has expressed his support of the statement that I am making to you tonight.

And we passed the resolution I believe the next day.

Mr. BADER. It is curious to note that the North Vietnamese strikes took place after the President spoke.

Senator SYMINGTON. I already noted that. 54s——

Senator HICKENLOOPER. An hour and a half later.

THE WISH OF THE COMMITTEE

Senator SYMINGTON. Mr. Chairman, what is your wish in this matter?

The CHAIRMAN. Before you leave, John, I want to know what the wish of the committee is.

Senator HICKENLOOPER. Well, can we finish today, or will it be this afternoon?

The CHAIRMAN. This is up to the committee. I have tried to describe how this took place. Mr. Bader happens to have been able to read these. When I first saw some of the documents, there were worse than Greek to me. I could not understand anything. He happens to have been a naval officer, CIA, and was able to decifer what happened.

I think it is entirely a matter of the judgment of the committee as to what should be done about it.

For example, do you wish to call any naval officers? Do you wish to have testimony on any of these points that have been raised?

This is simply an interpretation of a document, plus these two—three anonymous letters. There is nothing in this that, as you know, that was verbal testimony.

I may say when [deleted] came to my office, we had no reporter there but it is not available to this. There are some other letters. There is a letter from Admiral True that has come that is not included in this.

Senator SYMINGTON. Who is Mr. [deleted]?

The CHAIRMAN. Does the committee wish to go further into the matter?

THE PROCEDURE BY WHICH THE DECISION TO GO TO WAR IS MADE

Senator HICKENLOOPER. Mr. Chairman, I am asking this for information before I say whether we should go further. What is our objective? What are we seeking here?

The CHAIRMAN. The Senator from Missouri really outlines it. It seems to me one of the first and foremost objectives is how adequate is the procedure by which decisions to go to war are made. Here is an illustration of the most recent action taken by—and this committee certainly was part of it, every one of us except one voted for it, and based upon this kind of information. I mean to me it is a very serious matter how a country of this importance in the world can make a decision of this kind to go to war.

Supposing this involved some kind of an incident with Russia. It is all very well for us to sit off and take lightly jumping on a little country of 17 million people or even North Korea. Supposing an incident of comparable facts should take place with Russia?

Senator GORE. Or with North Korea?

The CHAIRMAN. Well, of course we can slam North Korea. There is no great danger. What I am talking about is an even more serious case of where, well, supposing we should go with this kind of evidence, this kind of backing, and declare war on Russia. I think that would really be something. But I think at the very least the basis for the statement made to this committee by the Secretaries of Defense, State, and General Wheeler is a very questionable one, and if we are going to accept this kind of information upon which we act as Senators, unanimously and, of course, included in this was the Committee on Armed Services, they were here, too, as you remember, represented by Senator Russell, I do not remember how many, but a number of them, and we accept this as the facts, and the country, in effect, declares war, at least—in the words of the Under Secretary of State—at least the equivalent of a declaration of war. He says that is what the Tonkin Gulf matter is. I think it is a very serious matter. We are completely in their hands in this kind of a report, if we do not at the very least take measures to see that this kind of thing does not happen again.

CONTROL AND COMMAND PROCEDURES

Senator HICKENLOOPER. Well, Mr. Chairman, the point of my question is is it leading to something, is it leading to a joint resolution. Is it leading to recommended statutory action? Is it leading only to criticism or censure? I am not proposing any particular thing except we are pointing toward here.

The CHAIRMAN. It seems to me——

Senator HICKENLOOPER. Or is it just information?

The CHAIRMAN. It seems to me the very least it could lead to is a very serious reconsideration of this, what is the name of it, evaluation control. What is this thing they are so proud of?

Mr. BADER. Command and control.

The Chairman. Command and control procedures by which decision to go to war is made.

A PRETEXT FOR GOING TO WAR

Senator CASE. Mr. Chairman, I think one of the suggestions, I do not know that it has quite been put into these words, is that the Defense Department, for purposes which it considered most patriotic and necessary, decided that the time had come to stop shilly-shallying with the commies and resist, and this was the time, and it had to be contrived so that the President could come along, and that the Congress would follow. That is one of the things.

Senator HICKENLOOPER. I think historically whenever a country wants to go to war it finds a pretext. We have had 5,000 pretexts historically to go to war.

The CHAIRMAN. I think the question is whether or not we did want to go to war. Let us assume for illustration, supposing it did not happen, would this committee have wanted to go to war. Would the committee, if they had just come up here and said, "Well, we think it is time to go to war, and we would like a declaration of war, the Government in South Vietnam is weak, it needs support, Khanh is not very strong, he is weak, and we should do something to strengthen his hand," if we put it on this basis, would the committee have or not? I think this is a great question.

Senator MUNDT. Mr. Chairman, I must say this morning's session has raised some very troublesome questions for me. I came here not believing that there was anything like the kind of evidence which this very fine job of research has produced. Faced with this much information, I think we would be collectively and individually derelict in our duty if we stopped here. The question is, What do we do? And I would like to suggest or at least it would be helpful to me if you or we would ask the staff to go through all this material which they have, some of which we have not even had a chance to read, if they have got it all, and present us a sort of a precis or brief analysis of where all this information and evidence, in their opinion, conflicts with the facts, as they have been presented to us in committee and publicly to the American people so that we can see how many areas of potential conflict they are, how serious they are, and if they have been—and as serious as they appear to be this morning, then I think the least we can do is to have some closed hearings with some of the officials who appeared before us earlier and try to reconcile their testimony. I would like to have a little more precise indication of where the points are with the evidence as it is coming here conflicts with the evidence they had given when they appeared before us earlier. It is hard for me to relate it.

The CHAIRMAN. Yes, it is a very complicated matter.

Senator MUNDT. Yes, much more serious, much more serious than I thought.

MISLED INTO WAR

Senator GORE. I think I agree in part with the Senator from South Dakota. I do not know how we can in conscience and constitutional responsibility stop here. I certainly would not wish to see us make anything public about it now because frankly I think the conclusions ought to be considered of a tentative nature. But I cannot rest easy to stop now.

If this country has been misled, if this committee, this Congress, has been misled by pretext into a war in which thousands of young men have died, and many more thousands have been crippled for life, and out of which their country has lost prestige, moral position in the world, the consequences are very great.

What I am trying to say is if this country has been misled, as this evidence would at least tentatively suggest, then we ought to determine if this misleading was deliberate, and, if deliberate, on whose part? I am not satisfied, and I am not willing to say——

Senator MUNDT. And if not deliberate, what we should do to make sure we do not make these deductions again.

Senator GORE. Yes. Let me lead to the chairman's statement.

I am not prepared to say that Secretary McNamara deliberately falsified the facts to this committee. I would say this, if I were satisfied I would speak until doomsday to his confirmation to any other place of trust. But I am not ready to reach that conclusion. If he has been misled, then we ought to know that.

Now, we heard the Majority Leader say here he was not satisfied last night that the President knew that this vessel was operating in and out off of Korea. I do not know. But was the President misled?

Senator HICKENLOOPER. Is there any question in your mind, Albert, that the President was not aware that a pattern of operations of this kind was going on off North Korea, not this particular ship being in this particular spot, no, not the longitude or latitude.

Senator GORE. I think we are entitled to know who misled whom. Obviously we were misled.

Senator HICKENLOOPER. Somebody was misled.

DEMAND THE DOCUMENT

Senator GORE. Let me go on for just a moment. This is an extremely serious matter. I am trying to say what I think we should determine first the facts before we do or say anything publicly. Let this public business be way down the line. I think, number one, it is all right to do what Karl suggests.

Number two, I think the chairman ought to insist upon having this document which we have now been denied, that he ought to go back to Senator Russell and relate to him all the facts here and have his cooperation in insisting that we have this or any other document in existence relevant to this; and then lastly, thirdly, examine the procedure, the decisionmaking procedure, by which this country can be taken into a war upon such flimsy information as now appears before the committee.

Only after we do these three things do I think we are prepared to make a decision to go any further. Let us keep it entirely within our own bosoms up until that point.

The CHAIRMAN. Well, in that connection, I wanted to ask what the committee thinks about asking Senator Russell if he would care to have someone designated by him to participate in any further hearings, and to make at least these documents that we have been talking about available to Senator Russell.

AN UNDECLARED WAR

Senator SYMINGTON. Mr. Chairman, there is one thing I think we ought to have first. In the first place, I think the problem is very serious because as it is put up by the staff, and I do not say that in the wrong way, it is justification for not declaring war, but for an undeclared war, and we are now in an undeclared war, has great disadvantages. For example, without a shadow of a doubt the thing that worried the pilots on the carrier Coral Sea last September was the fact they had so many friends as prisoners in North Vietnam and did not know how they were being treated because it is not a declared war and the Red Cross is not allowed to go in. That is just a little facet on the side of one of the problems.

LEAKS TO THE PRESS

So far as secrecy of the matter is concerned, I was very disturbed about an article which was given to me, it was in Sunday's paper, and I called up Carl Marcy about it, which looked as if this thing had leaked out, that the code would be broken if we pursue this investigation, and I asked him if he thought anybody on the staff had leaked it. I knew about the meeting, for reasons that are not important, between you and Russell and Nitze. He said no, and then he sent me an article of last summer by the Associated Press

which, in effect, reproduced much, if not most, of the information in John Finney's article in the New York Times on Sunday.

That was months and months ago. I would hope that the first witness, if we get into this thing, and I have not made my mind up yet about it, I think Albert's points are very well taken, but I know none of us want to hurt the situation the way the world is today, and, on the other hand, we do not want any more undeclared wars, but it would seem to me the first witness might be Mr. Nitze who is going to be a continuing chief link, with a new secretary coming in who is out of this entirely. Mr. Nitze was the one who met with you and Senator Russell. It seems to me you might put right up to him and make him justify why further investigation might jeopardize or be harmful, would be a better way to put it, to national security.

That story is getting around, and if it gets around and we go ahead with the hearings, we go ahead with the hearings with sort of a load on our back, but if you have a witness then we could decide as a committee whether we wanted to pursue it or not.

It is just a thought for what it is worth.

PENTAGON PUBLIC RELATIONS EFFORT

The CHAIRMAN Let make make one comment, and I want to be corrected by Bader. It is my impression that during the last two or three weeks that the Pentagon itself has been giving to its press, through its public relations certain statements seeking to anticipate anything we may do, is that not correct? They have been, as they did in that other instances in August, they have been, saying there is absolute proof and so on. Refresh my memory about that.

Mr. MARCY. Senator, as I told Senator Symington the other day, I have talked with John Finney a number of times and with other people who have been interested in what is going on. He has been very, very active in this. He has covered the Pentagon in the past, and he was the one who mentioned first to me that, he said, "What about this black box information," and I said, "What do you mean?"

He said, "Well, they are saying over in the Pentagon Building," and I say, "Who are 'they'?"

He said, Dick Frykland, "are saying they have positive proof that this incident occurred because of a black box," and so I keep asking them about the black box and they say they can't tell me anything about the black box.

Senator SYMINGTON. I wonder if you would yield to me on this. I feel morally obligated to tell the committee I have been told very possibly as a Member of the Armed Services Committee no black box business but if we went ahead with this it could be very harmful to national security. I feel morally obligated to say that because I certainly am convinced, that is in my own mind, if there was a witness the first thing we ought to find out to your satisfaction, Mr. Chairman, and to the other members of the committee as to whether or not we agree with that, and if we do agree with it then I do not think the investigation should be pursued.

Senator GORE. Well, are you talking about——

AN INVESTIGATION INTO WHETHER WE WERE DECEIVED

Senator CHURCH. Mr. Chairman, may I say a word? I think we deceive ourselves if we assume that the objective of this inquiry is related to the improvement of command and control procedures. We are always having to rely upon the information that comes to us from the administration and from the military. No one else is going to construe this inquiry in any other sense, but as an investigation to determine whether or not we were told the truth concerning this incident by the military. Whether or not it was in fact a contrived incident to justify an attack upon North Vietnam.

If we have the proof to establish one or the other, we have a case here comparable to the Dreyfuss Case, we have a case that will discredit the military in the United States, and discredit and quite possibly destroy the President.

Senator HICKENLOOPER. Or Pearl Harbor would be an illustration, too.

Senator CHURCH. That is right. In other words, we are dealing here with matters that I think go far beyond the security impact of or the immediate military consequence of whether or not we have broken a code or not broken a code. I have no doubt but what the military senses the importance of this inquiry and that every possible roadblock will be raised against our pursuit of it and every possible pressure will be placed upon us unless the military is convinced there is no case and as we pursue the investigation they can demonstrate there is no case.

I want to commend the staff for what the staff has done. But I must say that there is not sufficient evidence here to substantiate or to justify in my opinion the pursuit of an investigation in public that would hall into question the integrity of the military and the President of the United States.

COPING WITH A COVER-UP

I think there is enough evidence here to justify further inquiry on our part behind closed doors. I doubt very much if we can prove this case because I can see a hundred ways that it can be covered up, and I doubt that we will be able to cope with the cover-up, if in fact it is.

All that we have here at the moment is evidence to suggest that the Navy did, in fact, know, about South Vietnamese attacks on these islands, and we were told by the Secretary of Defense at a critical time in the hearings that the Navy did not know about these attacks.

That is one piece of evidence.

The second piece of evidence is that there is considerable confusion about whether or not there was a second attack upon our ships, and this was presented to the American people as though it were, as though the attack did in fact occur without any question.

Senator GORE. And deliberate and unprovoked.

Senator CHURCH. And, thirdly, we have evidence upon which to lead one to surmise that the Navy, at least, that the command, the Navy command, was at least interested in provoking an incident.

But I can see a hundred ways that the Navy can come up here under so serious a probe as this, and justify and clarify and explain away what happened.

All I am cautioning us is this: Let's be very careful before we take this into the open. We both understand that this is by far the most serious inquiry we have ever launched upon; and, secondly, that we have the evidence that can substantiate the charge, and otherwise we will discredit ourselves totally, and you can be sure that the big forces in this country that have most of the influence and run most of the newspapers and are oriented toward the presidency will lose no opportunity to thoroughly discredit this committee unless we have evidence.

AN EXAMINATION OF THE DECISION-MAKING PROCESS

Senator GORE. Will you yield there?

Then as I understand, you concur in points 1 and 2. I made, one, that we proceed to correlate all the evidence and information we have; number two, that we proceed entirely in the most executive sort of proceedings under the leadership of the Chairman to develop further evidence.

You stopped short of the third one, which is an examination of the decision-making process.

Senator CHURCH. I don't stop short of that. I only say that no one will regard this inquiry as really being related to other than——

Senator GORE. But so long as we hold it within ourselves we are not concerned how they regard it. It is only after we do these things we come to the decision to make it public, this is the gravest sort of decision.

Senator CHURCH. Yes.

DENIGRATING THE MILITARY

Senator SYMINGTON. If you will yield to me, nothing has been said that interferes or is against my thought that there ought to be somebody before this committee who is in a position, like Secretary Nitze, he knows this subject well, to explain why he, not the military—I am getting very, very worried in this country by the way we are denigrating the military, because if we denigrate it much further we are going to assign our children to slavery or extinction, one or the other.

The military are not the ones responsible to this. I include the non-military, the civilian heads of the Department of Defense, especially as they have made it clear in no uncertain terms that they are the ones who are running the Department of Defense in recent years.

But I do think we should not get a military person up here, we should get the Deputy Secretary of Defense to tell this committee why this investigation would hurt the United States, and that is the first witness.

I would cross that bridge first before trying to cross any others, and I couldn't possibly, because of some of the points that Frank makes that are very effective and very telling, I could not possibly go for a further investigation of this with the press and everybody watching and hoping to get a leak from a member of the committee or the staff or steal a paper or something to find out, blow up a

story, until, I could not recommend going ahead until I was satisified, and what's more important, the committee one way or the other was satisfied, that it did or did not affect the security of the country.

WHAT IS OUR OBJECTIVE?

Senator HICKENLOOPER. Mr. Chairman, this is a part of what I had in my question awhile ago as to what the objectives of this may be. Where are we going?

Now, you can't continue an investigation of this kind with all of its explosive nature without giving some kind of a statement or a report eventually.

We can't have days of investigation and days of people coming up here and documents and everything else, and then bury it back behind the barn someplace.

It has got to have some result, if we continue with it. And I think there is enough here to continue on. I don't think we can prescribe a method of conduct that will be satisfactory and successful in preventing incidents. Incidents are caused by people, and incidents are caused by men.

If this administration or any other administration or any other nation's administration wants to have a war; they could find incidents. They could create the incidents, they could be created by men, and I don't think you can write a set of rules that will guarantee against that.

But if we continue this investigation, and, again, getting back as to where are we going, what is our objective, if we continue this investigation we are going to have to say something positive about it.

We can't avoid that eventually, and then the question we have to evaluate, what we are doing in the national security, in the national interest in the light of all the emergency situations we are in right now and the emotions of the people. I think we had better think about it seriously, and I am not for closing this off necessarily. I don't know that I am necessarily in favor of going ahead with it. But we have opened a Pandora's box here now or we are apt to very soon, and I don't know that we have particularly opened it at this moment, but I will tell you if we have just about one more or two more hearings with a lot more documents and the Pandora's box will be opened, and we have to reach some conclusions.

UNABLE TO OBTAIN DOCUMENTS

Senator SPARKMAN. In this anonymous letter of December 26 reference was made to command and control study, saying you needed that. Did you get that?

Mr. MARCY. No, sir.

Senator SPARKMAN. Then in the second anonymous letter, "Why don't you ask Mr. McNamara for certain numbered documents?" Did you get that?

Mr. MARCY. Yes, we got those. We have not read those cables into the record yet.

Senator SPARKMAN. Why could you not get—why did you not get the other one that was referred to?

Mr. MARCY. I think this came up while you were out.

Senator SPARKMAN. I am sorry.

Mr. MARCY. The letter from Mr. Stempler[3] simply says, "With respect to the remainder of your request" the documents in question, the one you are referring to "is an internal staff paper of the Joint Chiefs of Staff and it is currently under review by the chairman."

Senator SPARKMAN. Chairman of this committee or the chairman of the committee over there?

Mr. MARCY. The Chairman of the Joint Chiefs.

Senator COOPER. At one point you referred to that you had asked for certain cables that had gone to the Philippines.

Mr. MARCY. Yes, Sir.

Senator COOPER. Is that in here?

Mr. MARCY. Yes, sir, they are here and they are very interesting.

Senator COOPER. Are they in this record?

Mr. MARCY. No, sir, they are not in this record.

The CHAIRMAN. They just came.

Mr. MARCY. But they are interesting.

A QUESTION OF IMPEACHMENT

Senator COOPER. I think we ought to look at those. I would like to say this as to what we can get at. If you are trying to say that this committee, the country, and the Congress were the subject of a giant hoax, of course I don't think you would ever prove that; and, second, if it were proved, then you might have a question of impeachment.

But to raise that question and not to be able to do anything about it at a time of war and everything, I think this committee would take a tremendous responsibility.

I don't believe that, myself.

Then what you are trying to prove is that there was sufficient information or that there was not an attack.

Well, I doubt if you would be able to prove that there wasn't, they didn't believe there was such an attack at the time that justified them in reporting that there was. You would have to prove that the commanders there and against all their judgment, I don't know how you prove. There is just as much evidence there was an attack as there wasn't.

What you are finally going to get at, I think, is we believe that on the basis of these facts, there wasn't enough perhaps either to retaliate or come to Congress for—there wasn't enough provocation to come to Congress for such a resolution, but, again, you are attacking the judgment of the President of the United States.

Somebody had to make this judgment and looking back, I would say looking at this incident, and looking at this proof, we had here before us today, that it wasn't sufficient to take the action that was taken or to bloom it up into such large proportions.

Comparing it to this *Pueblo* incident, the *Pueblo* incident would be, it seems to me, more provocative than this one.

The CHAIRMAN. If we know the facts.

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[3] Jack L. Stempler, assistant to the Secretary of Defense for Legislative Affairs.

Senator COOPER. If we know the facts. I would like to know what the rest of the communications said.

CONSULTATION WITH SENATOR RUSSELL

Senator GORE. Mr. Chairman, if you need instructions, I have no objection to what Senator Symington suggests. I would like to move not that we have public hearings, let that come later or you can decide that. My motion will be confined to this session, that you direct the staff further to correlate the new information and all other such information as we may have, and, second, that you confer with Senator Russell and solicit his further cooperation to develop the information which has now been denied us and any such other information that in the judgment of the two chairmen is pertinent to this issue and then let us decide later or you decide what we do about further hearings.

Senator CASE. Will the Senator yield at just one point?

With this collation and information, would it include setting in juxtaposition at the appropriate place everything stated by the administration or anybody else to the Congress and this committee at that time?

Senator GORE. Yes, as Karl stated.

Senator MUNDT. Which appears to be in conflict. I think you have to have that first before you decide to call Nitze or anybody else. That should be our first big step, so those of us who haven't read all these cables can get a good clear-cut view of whether either there are some conflicts or there appear to be some conflict between what we have been told from whatever source officially and what now appears from the record.

A LONG WAR

I don't believe anybody is talking about holding open hearings. There is a question, if I understood the impact of what the CIA Director told us yesterday we may be in for a long war, and if we don't set up some machinery to bring this into this picture a little more closely than we are we may be confronted with other areas and other problems.

Bill is right, the fact we are showing a concern about this maybe the next time the evaluation will be given to us before we are asked to vote so we know about it. I don't think it is any impact on what is going to happen on the Vietnam war regardless of how we got in. And if this is going to be a long war, we had better be developing some machinery where I think the Senate of the United States and this committee can get more adequate information and consultation than it appears we have been getting in the past.

Senator GORE. Mr. Chairman, if that be the consensus, it might be better that we not have a motion or formal point, if there is a consensus to proceed with more informal action.

Senator MUNDT. Yes.

Senator COOPER. I have to go, but I agree with Albert.

The CHAIRMAN. Before you leave, can I take it this way, that I will make available these reports to Senator Russell and more or less consult with him, I mean consult with him and say here is more or less what the staff have come up with. I know he, of

course, will be deeply concerned about the situation from the military point of view.

Senator SPARKMAN. His committee is involved.

The CHAIRMAN. His committee participated in the original hearings and, of course, I have no doubt that the military people have already discussed this with him. And then we have another meeting simply like this for further discussion while we have a chance to digest what we have heard today and take no action today.

This is considered the first meeting and you will all think about it in the meantime and you have available these matters, you have to be very careful with them, and ask the staff to try to refine down as close as they can the specific questions that might bear upon a meeting later with Nitze as to why, I mean, what happened, and why it is against the national interest to develop this, but we not ask Nitze but wait until after we have had a further hearing.

Then we could all ask Mr. Nitze about this weapons study they have not given us.

Senator MUNDT. We ought to try to get that.

The CHAIRMAN. With the cooperation of Senator Russell, I think we probably can get it.

Senator MUNDT. Right. You ought to get it regardless.

The CHAIRMAN. You ought to, but we have a very poor way of making them unless we can get Russell's cooperation.

Senator MUNDT. They didn't say really no, but the old Russian "maybe."

[The prepared documents follow:]

# United States Senate

## COMMITTEE ON FOREIGN RELATIONS

*January 17, 1968*

## STAFF MEMORANDUM

### CHRONOLOGY OF EVENTS IN TONKIN BAY

| | |
|---|---|
| 30 July 1964–5 August 1964. | Eastern Daylight time (This time is used to enable the reader to judge reaction time in Washington, DC.) |
| All distances are in nautical miles: | |
| *July 30* | |
| 1:30 a.m. | South Vietnamese patrol boats left Da Nang for attack on North Vietnamese islands of Hon Me and Hon Nieu (operation 34–A). |
| 11:21 a.m. | Attack commenced on Hon Me. |
| 1l:37 a.m. | Attack commenced on Hon Nieu. Attacks lasted approximately 30 minutes. |
| 9:00 p.m. | Attacking craft arrived back in Da Nang. |
| 9:35 p.m. | *Maddox* some 75 miles due east of 17° parallel (demarcation line) and proceeding to coast. Reports sighting several patrol (PT) craft of Sovlet origin passing within 3 miles. |
| *July 31* | |
| 12:01 a.m. | *Maddox* moving generally in direction of Point "Charlie" (19° North and l05.53° east—miles off Cap Falaise in North Vietnam). |
| *August 1* | |
| 5:00 a.m. | *Maddox* arrives in vicinity at Point "Charlie." |
| 6:00 a.m. | *Maddox* now 7 miles off North Vietnamese coast and 13 miles south of Hon Nieu, proceeding Northward toward Hon Nieu and Hon Me. |
| 8:30 a.m | *Maddox* comes within 4 to 6 miles of Hon Me and then turns southward toward Point "Charlie." |
| *August 1* | Eastern Daylight time |
| 3:54 p.m. | *Maddox* reports that intelligence information indicates possible hostile action from North Vietnam in vicinity of Point "Charlie" |
| 6:45 p.m. | *Maddox,* now a few miles southeast of Point "Charlie," reports intelligence information concerning hostile intent by North Vietnam is accurate. *Maddox* believes continuation of patrol is "unacceptable risk" and turns due east to sea. |
| 9:00 p.m. | Commander of Seventh Fleet, Admiral Roy L. Jonson, orders *Maddox* to resume patrol. *Maddox* resumes patrol and turns north toward Point "Delta" (19° 47 minutes North and 106° 08 minutes East—11 miles off North Vietnamese coast, east of Lach Chao River), arriving at 9:45 p.m. The *Maddox* then turned south heading for a point 4 miles seaward of Hon Me. |
| 11:30 p.m. | *Maddox* sighted and tracked by radar three patrol craft apparently heading toward Hon Me. *Maddox* position at time 11 miles from Hon Me. *Maddox* turns away from Hon Me and begins to return to Point "Delta." |
| *August 2* | |
| 2:00 a.m. | *Maddox* now 12 miles due east of Point "Delta," detects radar contact just North of Hon Me. *Maddox* turns southeast. |
| 2:47 a.m. | Requested air support from *Ticonderoga.* |

## STAFF MEMORANDUM—Continued

CHRONOLOGY OF EVENTS IN TONKIN BAY

| | |
|---|---|
| 3:05 a.m. | *Maddox* fired three warning shots at three North Vietnamese patrol boats that had closed to 9,800 yards off starboard quarter. |
| 3:08 a.m. | *Maddox* commenced continuous fire. |
| 3:13 a.m. | North Vietnamese boats returned fire. |
| 3:29 a.m. | Engagement ended. |
| 7:04 a.m. | Commander in Chief of Pacific Fleet, Admiral T. H. Moorer orders new patrol. |
| *August 3* | |
| 3:10 a.m. | South Vietnamese patrol boats depart Da Nang. |
| *August 3* | Eastern Daylight time |
| 11:00 a.m. | Attacks commenced on Cape Vinh Son radar station and security post off Cua Ron. It should be noted that the attacks of July 30, 1964, and August 3, 1964, were the first time that North Vietnamese positions were actually bombarded by heavy weapons. Previous raids were either for intelligence or interdiction at sea. Other operations against North Vietnam began in February 1964 at the same time as the latest series of DESOTO patrols. |
| 1:10 p.m. | Operational Commander of Task Group 72.1, consisting of *Maddox* and *Turner Joy,* tells them that on August 4 they are to remain North of 19° 10 minutes North on track between Points "Delta" and "Charlie." |
| 6:59 pm. | CINCPACFLT tells DESOTO patrol that initial plan to terminate patrol does not "adequately demonstrate. U.S. resolve to assert our legitimate rights." Accordingly CINCPACFLT recommended that patrol continue but stay far enough North to avoid interference with 34–A operation. |
| 10:40 p.m. | Operation Commander of Task Group 72.1, who was aboard the *Maddox*, reports that "intelligence information" indicates that North Vietnam considers the patrol to be part of 34–A operation. In reaction, Commander orders 15 minutes reaction time for air cover. |
| 11:46 p.m. | *Maddox* and *Turner Joy* commenced in-shore patrol. |
| *August 4* | |
| 12:01 a.m. | *Maddox* reports that it is located in the vicinity of Point "Delta" 11 miles off the North Vietnamese coast. |
| 1:13 a.m. | Two U. S. Aircraft passed overhead. |
| 2:00 a.m. | Patrol of *Maddox* and *Turner Joy* in vicinity of Point "Delta;" patrolling to 16° 10 minutes North on a southwesterly direction. |
| 2:35 a.m. | *Maddox* reports a materiel deficiency in its sonar. |
| 3:46 a.m. | Patrol passed Hon Me island at 13 miles. (Log Entries from *Turner Joy* from 4:00–6:00 a.m. are missing.) |
| *August 4* | Eastern Daylight time |
| 4:09 a.m. | Patrol arrives at Point "Charlie" 9 miles southeast of Cap Falaise—then turned eastward. |
| 7:41 a.m. | *Maddox* picked up intermittent radar contact: Not held by *Turner Joy* radar. |
| 7:45 a.m. | *Maddox* detected contact at 36.4 miles: speed 33 knots. This contact not held by *Turner Joy*. Considered a threat by *Maddox*; maximum boiler power ordered. |
| 7:45 a.m. | *Maddox* held a surface contact at range of 37 miles; within 5 minutes two more contacts on same locale. |
| 7:46 a.m. | Commander on *Maddox* evaluated situation "as a trap." *Turner Joy* still has no contacts. |

## STAFF MEMORANDUM—Continued

CHRONOLOGY OF EVENTS IN TONKIN BAY

| | |
|---|---|
| 8:07 a.m. | *Maddox* reports three radar contact merging into one at 32 miles. |
| 8:40 a.m. | *Maddox* states: "Position at 19° 11 minutes north 107° east." (About 60 miles off coast). *Maddox* says that it has received information indicating that attack is imminent and is proceeding southeast at best speed. |
| 9:00 a.m. | *Admiral Sharp, Commander in Chief of Pacific Forces, is alerted in Honolulu. |
| 9:11 a.m. | Both ships detected and tracked unknown target, designated "U" at 13 miles, speed 30 knots. |
| 9:17 a.m. | *Maddox* ordered aircraft to investigate "U"—results negative. |
| 9:30 a.m. | *Unidentified vessels begin to close in on the destroyer patrol. |
| 9:34 a.m. | *Maddox* locked on new contact designated "V" and commenced to fire. *Turner Joy* locked in contact slightly to the right of "V"—designated "V–l." |
| 9:39 a.m. | *Turner Joy* opened fire on "V–1." |
| 9:42 a.m. | *Maddox* lost contact with "V". At same time *Maddox* sonar reported torpedo. |
| 9:43 a.m. | *Maddox* changed course and transmitted torpedo warning to *Turner Joy*. |
| 9:43 a.m. | *Turner Joy* reports seeing torpedo wake. |

*Official U.S. public statement

| | |
|---|---|
| *August 4* | Eastern Daylight time |
| 9:52 a.m. | *Destroyers reported that they were under continuous attack. |
| 10:00 a.m. | *Turner Joy* changes course to evade torpedo reported by *Maddox*. *Turner Joy* did sight wake. According to reporting cable: "At no time did *Turner Joy* sonar detect torpedo noises." |
| 10:24 a.m. | *Turner Joy* continues firing. |
| 10:37 a.m. | Aircraft from *Ticonderoga* arrived. |
| 10:37 a.m. | At request of *Turner Joy* aircraft began strafing general area. |
| 11:19 a.m. | *Maddox* sonar reported torpedo. |
| 12:35 p.m. | *Maddox* tells *Turner Joy* of torpedo. |
| Luncheon | *President Johnson meets with National Security Advisers. |
| 2:30 p.m. | Operational Commander reports that *Turner Joy* is tracking two sets of contacts and claims to have positively sunk three vessels. He reports "entire action leaves many doubts except for apparent attempted ambush at beginning. Suggest thorough reconnaissance in daylight by aircraft." |
| 2:48 p.m. | *Maddox* reports "details of action present a confusing picture although certain that original ambush was bonafide." (Message received in Flag Plot at 4:34 p.m.) |
| afternoon | *President Johnson meets with Congressional leaders. |
| 5:34 p.m. | CINCPACFLT asked *Maddox* to confirm "absolutely" that ship was attacked. |

STAFF MEMORANDUM—Continued

CHRONOLOGY OF EVENTS IN TONKIN BAY

| | |
|---|---|
| 5:58 p.m. ..... | Operational Commander on *Maddox* reports that air support not successful in locating targets and *Maddox* scored no known hits. It never positively identified a boat as such. It notes, however, that "probable torpedo" detected on sonar. The first boat to close *Maddox* probably fired torpedo at *Maddox* which was heard but not seen. All subsequent *Maddox* torpedo reports are doubtful in that it is suspected that sonar man was hearing ship's own propeller beat." (This message was received in Washington at l0:59 p.m.) |

*Official U.S. public statement

| | |
|---|---|
| *August 4* | Eastern Daylight time |
| 7:06 p.m. ..... | Admiral Moorer at CINCPACFLT asks *Maddox* and *Turner Joy* to report immediate confirmation of attack by PT or Swatow. Moorer requests that answer go to *Ticonderoga* for direct reply to CINCPACFLT. |
| 7:10 p.m. ..... | *Turner Joy* responds to earlier message of 5:34 p.m. confirms being attacked by two PT craft. Gives as evidence torpedo sighted by a few members of the crew and that target burned when hit. Black smoke seen by commanding officer. Admits sinking only "highly probable." (We do not have original of this message, and our copy does not say when it was received.) |
| 9:03 p.m. ..... | COMSEVENFLT asked *Turner Joy* to urgently amplify reports. "Who were witnesses, what is witness reliability?" "Most important that positive evidence substantiating type and number of attacking forces be gathered and disseminated. |
| 9:40 p.m. ..... | *Turner Joy* ordered to "locate debris to substantiate." |
| 11:37 p.m. ..... | *President Johnson appears on television to annouce the American military response. |
| *August 5* | |
| 12:01 a.m.–12:30 a.m. | *U.S. air strikes begin. |
| 1:11 a.m. ..... | *Turner Joy* responds to message of August 4. 9:03 p.m. asking for urgent confirmation. States that torpedo wake sighted by officers—reliability good. "Estimate two P.T.'s attacked, however, must admit two factors defer—no ECM (electronic activity from P.T. boats. No sonar indication of torpedo noises." (No report of when this message was received.) |

*Official U. S. Public statement

# United States Senate
# COMMITTEE ON FOREIGN RELATIONS

*January 17, 1968*

STAFF MEMORANDUM

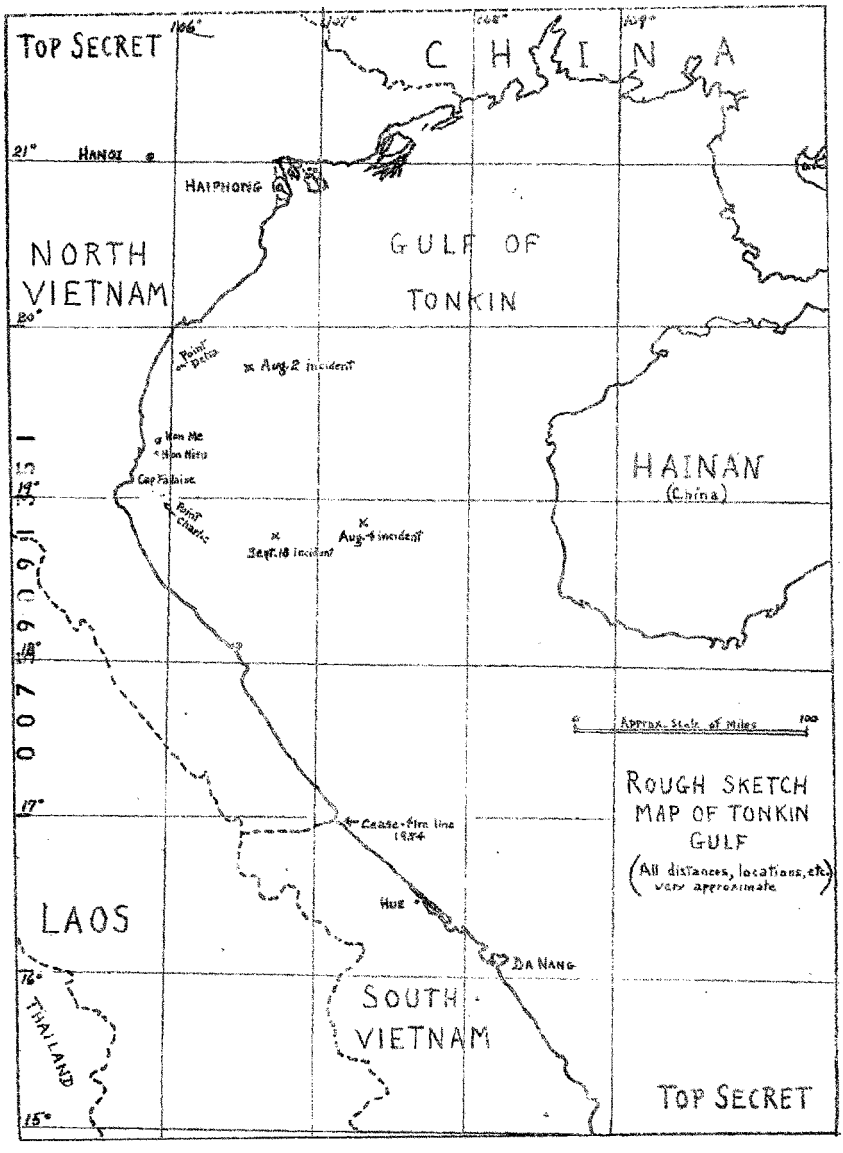
SUBJECT: The 1964 Incidents in the Gulf of Tonkin

This memorandum concerns three alleged instances of North Vietnamese attacks on American destroyers in the summer and fall of 1964.

The *first* attack occurred on August 2. 1964. The United States and Hanoi agree this attack took place. The only questions raised are whether the North Vietnamese attack on the *Maddox* occurred while it was on a "routine patrol" on the high seas as the committee was told.

The *second* alleged attack was on August 4. The question here is "Did this attack occur?" This is important because *but for* this attack the United States would not have retaliated against North Vietnam and there would presumably have been no urgent request for the Tonkin Resolution.

The *third* alleged attack was on September 17/18. It is mentioned here because after a full investigation the Navy concluded that the attack did *not* occur.


TOP SECRET
CHINA
HANOI
HAIPHONG
NORTH VIETNAM
GULF OF TONKIN
Point Patria
Aug. 2 incident
Hon Me
Hon Nieu
Cap Falaise
Point Atlantic
Sept. 18 incident
Aug. 4 incident
HAINAN (China)
Approx. Scale of Miles
ROUGH SKETCH MAP OF TONKIN GULF
(All distances, locations, etc. very approximate)
Cease-fire line 1954
HUE
DA NANG
LAOS
SOUTH VIETNAM
THAILAND
TOP SECRET

*Introduction*

In justifying the Southeast Asia Resolution at the joint hearing of the Foreign Relations and Armed Services Committee on August 6, 1964, the administration maintained that the USS *Maddox* and USS *Turner Joy,* the ships involved in the incidents on August 2 and 4, were, in Secretary McNamara's words, "engaged in a routine patrol in international waters of the Gulf of Tonkin" and were the victims of "deliberate and unprovoked" attacks.

Over the last few months the committee has received information suggesting that the incidents involving both the *Maddox* and *Turner Joy* were not as Mr. McNamara described. This information has come from a variety of sources including unsigned letters and the testimony of two former Naval officers.

On the basis of this information, as well as other letters including one from Admiral True stating flatly that the first incident on August 2 could not have happened as described, the Chairman authorized the staff to ask the Department of Defense for the relevant documents on the Gulf of Tonkin incidents. These documents include the ships' logs, comunications traffic, summary or action reports, and an analysis done by the Department of Defense and the Department of the Navy. The data includes well over a hundred cables sent to and from the ships during the time of the first find second incidents.

This information is the basis of the following comparison between the events in the Gulf of Tonkin as described by the administration and what these documents show. It is important to make it clear at the outset that the committee staff has not sought testimony or asked for information beyond requesting official records from the Department of Defense. No witnesses or participants have been questioned. Thus, the information which follows is based exclusively on official records and public government documents.

I. The USS *Maddox* and USS *Turner Joy* Incidents *as Described by the administration*

According to Secretary McNamara's testimony before the joint hearing of the Foreign Relations and Armed Services Committee, the USS *Maddox* on August 2, 1964, was about 30 miles from the North Vietnam coast on a routine patrol in international waters when at about noon local time the ship was approached by three North Vietnamese torpedo boats. Two hours later the *Maddox* reported that she was approached by a high speed torpedo boat. The ship reported that it was "the apparent intention of this craft to conduct a torpedo attack." Some twenty minutes later the *Maddox*, again according to Mr. McNamara, reported that she "was attacked by three PT craft" and that she "opened fire with her five inch battery, after three warning shots failed to slow down the attackers." Despite these warning shots, the patrol craft continued their closing maneuvers and two of them closed to 5,000 yards, each firing one torpedo. After taking evasive action, the *Maddox* alerted the USS Carrier *Ticonderoga* and planes from this Carrier moved to attack the torpedo craft. Although several of the North Vietnamese craft were damaged there was no injury to personnel on the *Maddox* and no damage to the ship.

On Monday, August 3, the President instructed the Navy to continue routine patrols in the Gulf of Tonkin and to double the force by adding an additional destroyer (the *Turner Joy*) to the patrol. The President then instructed the destroyers to attack any force which attacked them in international waters and to attack "with the objective of not only driving off the force but destroying it." At the same time the State Department delivered a note of protest to the North Vietnamese Government. The note concluded with the words "the United States Government expects that the authorities of the regime in North Vietnam will be under no misapprehension as to the grave consequences which would inevitably result from any further unprovoked offensive military action against the United States' forces."

Following the incident the *Maddox*, accompanied by its sister destroyer, the *Turner Joy,* resumed its patrol in international waters. Throughout the patrol the two ships stayed within a thousand yards of each other. The patrol was uneventful on Monday, August 3 and until the early evening of August 4. Then, according to Mr. McNamara: "The *Maddox* reported radar contact with unidentified surface vessels who (sic) were paralleling its track and the track of the *Turner Joy*. It was 7:40 p.m. when the *Maddox* reported that, from actions being taken by these unidentified vessels, an attack by them appeared imminent. At this time the *Maddox* was headed southeast near the center of the Gulf of Tonkin in international waters approximately 65 miles from the nearest land."

"The *Maddox* at 8:36 p.m. established new radar contact with two unidentified surface vessels and three unidentified aircraft. . . At 9:30 p.m. additional unidentified vessels were observed on the *Maddox* radar, and these vessels began to close rapidly on the destroyer patrols at speeds in excess of 40 knots. . . The destroyers reported at 9:52 p.m. that they were under continuous torpedo attack and were engaged in defensive counterfire. Within the next hour, the destroyer relayed messages saying that they had avoided a number of torpedos, that they had been under repeated attack and that they had sunk two of the attacking craft." Secretary McNamara testified that "The deliberate and unprovoked nature of the attacks at locations that were indisputably in international waters compelled the President and his principal advisers to conclude that a prompt and firm military response was required."

Ten hours after the attack the United States launched 64 attack sorties against four Vietnamese patrol boat bases, and against a large oil storage depot. The President also ordered a series of additional measures such as sending aircraft into South Vietnam and fighter bomber aircraft into Thailand. On August 5, the President submitted a message to the Congress requesting passage of the Southeast Asia Resolution.

Careful reading of the testimony on August 6, 1964 and May 24, 1966 shows that the administration's presentation to the joint Committee was founded on the proposition that the attacks were deliberate and unprovoked and the United States had no reasonable recourse but to attack the North Vietnam bases.

II. The Two Incidents *as Seen Through the Logs and Communications Traffic*

Mr. McNamara's contention that the *Maddox* was "engaged in a routine patrol in international waters of the Gulf of Tonkin" is not an accurate description of the *Maddox's* real mission during late July and early August of 1964. Moreover, in in responding to Senator Morse's suggestion at the hearing on the resolution that the *Maddox* was somehow involved in a prior South Vietnamese attack on the North Vietnamese island of Hon Me, Mr. McNamara said:

> Our Navy played absolutely no part in, was not associated with, was not aware of, any South Vietnam actions, if there were any. I want to make that very clear to you. The *Maddox* was operating in *international waters,* was carrying out a *routine patrol of the type we carry out all over the world at all times.* It was not informed of, was not aware of, had no evidence of, and so far as I know today has no knowledge of any South Vietnamese actions in connection with the two islands that Senator Morse referred to. (Hearings on the Southeast Asia Resolution, August 6, 1964, p.23)

The "routine patrol" description is not accurate. The Department of Defense materials reveal that the *Maddox* was engaged in an electronics spying mission along the North Vietnamese and Chinese coasts. The basic instruction for this mission (the code name DESOTO was assigned to the patrol series) was issued in January of 1964. The instruction established one-ship patrols along the Sino-Soviet Coast to collect information on both "military and civil activity of the Asiatic Communist Bloc." Ships were to patrol on a random basis once every month. Special equipment aboard included a communication van, a mobile photo unit and photographer, and, in the case of the *Maddox*, a representative of the United States military assistance group in South Vietnam.

According to the patrol instructions:

> The closest point of approach to the ChiCom coast is 15NM. CPA (closest point of approach) to the North Vietnamese coast is 8NM. CPA to North Vietnamese islands is 4NM."
>
> Note: Both the Chinese and the North Vietnamese claim 12 nautical miles as the limits of their waters. Apparently, only in the case of the Chinese was the United States prepared to accept the claim.

Among its missions the DESOTO Patrol was directed to observe the North Vietnamese junk force with emphasis on determining possible surface traffic patterns used by the North Vietnamese and Viet Cong.

In approving the patrol of the *Maddox* the Joint Chiefs of Staff on July 15, 1964 cautioned the Commander-in-Chief of the Pacific Fleet (CINCPACFLT) that the situation in the Gulf of Tonkin had become increasingly sensitive:

> A. Last DESOTO Patrol to Gulf of Tonkin was made in March. Weather at that time greatly precluded visual intelligence collection.
>
> B. U.S. has stepped up assistance to RVN (Republic of Vietnam) including stationing of CVA TG (the carrier USS Ticonderoga) at mouth of Gulf of Tonkin.
>
> C. There have been considerable articles in news media discussing possibility of action against NVN (North Vietnam).
>
> D. Activity in 34–A operations has increased. (see below)

After a considerable amount of difficulty the committee staff learned that these operations referred to as Operation 34–A were.

In February of 1964 the South Vietnamese and the United States Military Advisory Group in Saigon devised a program to hinder North Vietnam support of Viet Cong operations in South Vietnam. This program was designated as OPLAN 34–A. Under this program United States personnel were assigned to provide advice, training,

and assistance for South Vietnam maritime operations against North Vietnam. A United States Navy detachment was assigned to train and advise the South Vietnamese. For the first few months in 1964 the operations consisted of intelligence and interdiction missions. In July of 1964 the same month the *Maddox* began its patrol—the United States made available eight fast patrol craft to the Government of South Vietnam. These new craft permitted an extension northward of the attacks on North Vietnam.

On the night of 30/31 July, 1964, four of these fast patrol craft conducted operations against Hon Me and Hon Nieu Islands. These patrol craft departed their base at Da Nang South Vietnam in the afternoon ofthe 30th of July. Two of the patrol craft arrived off of Hon Me Island at 12:21 a.m. local time on the 31st of July. Because of enemy fire the plan to lead an attack was aborted. The target, however,was taken under fire with 57 mm recoiless rifle fire as well as 40 mm and 20 mm weapons.

The two other patrol craft proceeded at the same time to the eastern end of Hon Nieu Island arriving at approximately the same time as the first group arrived at Hon Me. During the ensuing bombardment of the Island a series of explosions started on the beach. The raiders left these two islands after at least thirty minutes and returned South to Da Nang arriving at approximately 10:00 a.m. local time on the 31st of July.

On the night of August 3/4, 1964, four South Vietnamese patrol craft attacked North Vietnamese radar sights and a security post. These patrol craft left their base at Da Nang at 4:00 p.m. local time on August 3, 1964. The attacks took place at around midnight on August 3/4. Patrol craft ceased fire at around 12:30 a.m. on 4 August and were returning to their base at Da Nang arriving at approximately 7:00 a.m. local time on August 4. During the withdrawal one of the patrol craft was pursued for approximately an hour by a North Vietnam patrol craft.

It is important to note that these two South Vietnam operations using U.S. patrol craft and weapons took place at the time first the *Maddox* and later the *Turner Joy* were off the coast of North Vietnam. Moreover, these attacks were of an entirely different nature from the earlier raids. These attacks *for the first time* involved the bombardment of North Vietnam.

At the time of the attacks on the North Vietnam bases the *Maddox* was some 75 miles due east of the 17th parallel—the demarcation line between North and South Vietnam—and proceeding to the coast. Therefore, Secretary McNamara was correct in reporting to the committee that the *Maddox* was some 100 to 120 miles from the Islands of Hon Me and Hon Nieu at the time the attacks took place.

At the same time, it is important to note that Mr. McNamara's contention that "our Navy . . . was not aware of any South Vietnam actions, if there were any" is not supported by the cable traffic. In addition to the Joint Chiefs of Staff's instructions, the Commander-in-Chief of United States forces in the Pacific on July 10, 1964 had authorized his fleet units involved in the DESOTO patrol to contact COMUSMACV (commander United States Military Assistance, Vietnam) for any additional intelligence required (for) pre-

vention of mutual interference with 34–A operations and such communications arrangements as may be desired."

As directed, the *Maddox* proceeded on July 25, 1964 to Keelung, Taiwan, where the ship took aboard an electronics communication facility (a large van) and operators, a MACV (Military Assistance, Vietnam) representative, and photographers. It should be noted that the *Maddox* was authorized during its mission "to stimulate CHICOM/North Vietnamese electronic reaction." In other words, the ship was authorized to provoke the electronic systems of the two countries.

On July 28, the USS *Maddox* left Keelung for its first checkpoint off the coast of North Vietnam. As noted, the *Maddox* was some 75 miles off the demarcation line at the time the July 30/31 attacks on North Vietnam took place. However, the *Maddox* was moving in the direction of Cape Falaise in North Vietnam. For the DESOTO patrols the Navy had established a series of arbitrary checkpoints—ABC, etc.—along the North Vietnam coast. The DESOTO patrols used these points as reference points during their mission.

At 5:00 a.m. on August 1 Eastern Daylight Time [EDT] the *Maddox* arrived at Point Charlie. Point Charlie is nine miles off Cape Falaise and well within the territorial waters claimed by North Vietnam. The *Maddox* then continued up the North Vietnam coast in the direction of Hon Me and Hon Nieu, the islands attacked some 40 hours before. At 8:30 a.m. EDT the *Maddox* came within four miles of Hon Me and then turned southward toward Point Charlie. It should be noted at this point that the appearance of an American destroyer along the Vietnam coast was highly unusual; only the third U.S. ship to appear since 1962. Moreover, the *Maddox* was coming from the same direction as South Vietnamese raiders using U.S. military equipment had come some 40 hours before. Finally, the *Maddox* was well within North Vietnam territorial waters. These facts could have led the North Vietnamese to believe that the *Maddox* was part of the South Vietnamese operations, or in any event was on a provocative mission.

What is interesting from the cable traffic is that some ten hours before the *Maddox* was approached by the Vietnamese patrol craft it reported that it had information indicating "possible hostile action" from the North Vietnamese. Three hours, 6:45 p.m. EDT on August 1, later the *Maddox* cabled its superior: "Consider continuance of patrol presents an unacceptable risk." Apparently this information on North Vietnamese intentions was derived from the *Maddox*'s special electronics equipment. In view of the frequent references in the communications traffic to special intelligence information, an inquiry was made asking the source and text of this information. The answer was that the subject of special intelligence was discussed with Senator Fulbright and no further information would be made available. In response, the Commander of the Seventh Fleet authorized the ship to deviate from the mission at any time it felt an unacceptable risk existed, but told the *Maddox* that when "considered prudent resume itinerary," it in other words, to continue the patrol.

The *Maddox* then returned to its original patrol schedule and turned North toward Point Delta, the point 11 miles off the North Vietnamese coast. At 9:00 p.m. EDT August 1, the *Maddox* turned

south and headed for a point four miles seaward off the North Vietnam island of Hon Me. Two hours later the *Maddox* sighted and tracked by radar three patrol craft. The *Maddox*'s position at the time was 11 miles from Hon Me. The ship then turned away from Hon Me to return to Point Delta. At 2:00 a.m. EDT August 2 the *Maddox* detected another radar contact just North of Hon Me and turned southeast. At the time of the first incident the *Maddox* was indeed 30 miles from the North Vietnamese coast.

The *Maddox*'s log presents a somewhat different picture of the first attack than Mr. McNamara gave the committee. The following is verbatim from the ship's log. The times are in military style. That is, 1630 is 4:30 p.m.

1630—went to general quarters . . . This ship is being closed by tbree patrol craft. 1642–CS (changed speed) to 25 knots . . . 1708–MT (mount) 52 and MT 53 open fire with one round a piece on patrol craft bearing 270 range, 9800 yards. 1711–MT 52, 53, 31 and 32 open fire. 1712—patrol craft returning fire.

There is no indication here that the opening rounds were intended as warning shots, as stated by Secretary McNamara.

In later cables the *Maddox* talked of warning shots but the log seems to indicate that the *Maddox* fired the first shot in an old fashioned naval engagement.

It is reasonable to draw the following conclusions from the additional information we now have on the first incident in the Bay of Tonkin:

(1) The *Maddox* was not engaged in a routine sea patrol, but in a special electronics intelligence mission which took the ship well within the North Vietnamese territorial waters. Moreover, the mission was of such sensitivity that it had to be approved by the JCS.

(2) There is every reason to believe that the North Vietnamese could have concluded that the *Maddox* was involved in the South Vietnamese attack on the island of Hon Me and Hon Nieuo.

(3) The *Maddox* had ample warning from its special electronic equipment that the North Vietnamese were stirred up and it could have broken off the patrol long before it did.

(4) Mr. McNamara misled the committee in stating that the Navy was unaware of the 34–A attacks on North Vietnam.

## III. The *Maddox– Turner Joy* Incident of August 4, 1964

The cable traffic here is interesting as well as informative and it will be quoted at length because it is an indication as much of American attitudes as it is a description of the course of events. On the second of August, Commander-in-Chief, Pacific Fleet (CINCPACFLT), alerted his units as follows:

1. In view *Maddox* incident consider it in our best interest that we assert right of freedom of the seas and resume Gulf of Tonkin patrol earliest.

2. For COMSEVENTHFLT. UNODIR (unless otherwise directed) conduct patrol with two destroyers, resuming ASAP (as soon as possible). When ready, proceed to Point Charlie arriving first day thence patrol northward toward Point Delta during daylight hours. Retire to the east during hours of darkness. On second day proceed to Point Delta thence patrol south toward Point Charlie retiring at night as before. On third day proceed to Point Lima and patrol toward Point Mike, retiring to east at night. On fourth day proceed to Point Mike and patrol Point November, retiring night. On fifth day, return to November and retire to south through Points Oscar and PAPA and terminate patrol. *CPA to North Vietnamese coast eight NM. CPA to North Vietnamese Islands four NM.* Above points as specified.

What this means is that, as mentioned, the United States Navy had established a series of geographic reference points (Point Charlie, etc.) off the North Vietnamese Coast. What CINCPACFLT was

ordering his units to do was to run toward the Vietnam coast during the day time and then retire seaward at night. The CPA in the message means "closest point of approach." In other words, the mission would bring the vessels within eight nautical miles of the North Vietnamese coast and four nautical miles of North Vietnamese islands. This mission, you will remember, was described to the United States Congress as a "routine patrol" and by implication was not provocative. Several hours before the commencement of the patrol the Commander of the carrier task force in the area sent the following to the *Maddox* and the *Turner Joy*:

> It is apparent that DRV (Democratic Republic of Vietnam) has thrown down the gauntlet and now considers itself at war with the United States. It is felt that they will attack U.S. forces on sight with no regard for cost. U.S. ships in Gulf of Tonkin can no longer assume that they will be considered neutrals exercising the right of free transit. *They will be treated as belligerents from first detection* and must consider themselves as such. DRV PTS (Patrol craft) have advantage, especially at night of being able to hide in junk concentrations all across the Gulf of Tonkin. This would allow attack from short range with little or no early warning.

As a result of this and other traffic it was agreed that aircraft from the *Ticonderoga* and *Constellation* would remain airborne at all times to come to the rescue of the *Maddox* and *Turner Joy* if attacked.

Perhaps the most curious exchange of cables came in the early morning of August 4. The original plan called for the *Turner Joy* and *Maddox* patrol (DESOTO patrol) to terminate these runs into the Vietnam coast after two days. Presumably because of the lack of results CINCPACFLT sent the following cable in the early morning of August 4:

> 1. Termination of DESOTO patrol after two days of patrol ops (operations) subsequent to *Maddox* incident as planned in Ref A (this was basic instruction for patrol), does not in my view adequately demonstrate United States resolve to assert our legitimate rights in these international waters.
> 2. Accordingly, recommend following adjustments in remainder of patrol schedule provided para two reference B (another set of instructions) in order to accomodate COMUSMACV (Commander, United States Military Assistance Command Vietnam) request that patrol ships remain north of LAT (latitude) 19–10 North until 060600H *to avoid interference with 34–A ops.* 4 August patrol from Point Delta to Charlie remaining North of 19–10 North.

Although complicated in language, this cable says one thing quite clearly and suggests another. It says clearly that CINCPACFLT was disappointed with the results of the mission thus far—that is, the United States had not yet "demonstrated" its resolve to assert its legitimate rights in international waters. This seems to mean that we had not as yet had the opportunity to demonstrate this forcibly. As is now known, the 34–A operations were attacks on North Vietnam by South Vietnam forces. This, as in the first case, indicates that United States Naval forces knew the plans for such an attack and were being asked to move their operations further north not to interfere.

The most unusual part of this cable comes in the last paragraph:

> The above patrol will: (a) clearly demonstrate our determination to continue these operations. (b) possibly draw NVN (North Vietnamese Navy) PGMS (Patrol Boats) to northward away from area of 34–A ops. (c) eliminate DESOTO patrol interference with 34–A ops.

On the fourth of August, some 15 hours before the second incident the operational commander of the *Maddox* and the *Turner Joy*

who was aboard the *Maddox* sent the following to the commander of the Seventh Fleet:

A. Evaluation of info from various sources indicates that *DRV considers patrol directly involved* with 34–A ops. DRV considers United States ships present as enemies because of these ops and have already indicated readiness to treat us in that category.

B. DRV are very sensitive about Hon Me. Believe this is PT operating base and the cove there presently contains numerous patrol and PT craft which have been repositioned from northerly bases.

The conclusion of the operational United States commander aboard the *Maddox* on he basis of this information is very interesting. "Under these conditions 15 min. reaction time for obtaining air cover is unacceptable. Cover must be overhead and controlled by DD's (destroyers) at all times."

Ten hours before the second incident the *Maddox* and *Turner Joy* reported that a radar contact was paralleling the ships' movements. The carrier *Ticonderoga* then reported to all concerned that aircraft were ready for launch and support on short notice.

The events during the "attack" were muddled and confused according to cables. At one point after all the firing the operational commander of both the *Maddox* and *Turner Joy* reported " *Joy* also reports no actual visual sightings or wake." "Have no recaps of aircraft sighting but seem to be few . . . Entire action leaves many doubts except for apparent attempt to ambush at beginning." CINCPACFLT, some five hours after the presumed attack on the United States ships and just five hours before the retaliatory air strike on North Vietnam, sent a telegram as follows:

1. Can you confirm absolutely that you were attacked?
2. Can you confirm sinking of PT boats?
3. Desire reply directly supporting evidence.

In response (still four hours before the United States' retaliatory attack) the officer-in-charge of both the *Maddox* and *Turner Joy* gave a very confused picture. At one point he said: " *Maddox* scored no known hits and never positively identified a boat as such." Furthermore, "weather was overcast with limited visibility . . . air support not successful in locating targets." "There were no stars or moon resulting in almost total darkness throughout action." He then reported: ". . . no known damage or personnel casualties to either ship." " *Turner Joy* claims sinking one craft and damaging another."

Finally Admiral Moorer (now Chief of Naval Operations) himself cabled to *Maddox* and *Turner Joy* requesting urgently the following information:

A. Can you confirm that you were attacked by PT or Swatow (patrol boat)?

There vas no answer from the *Maddox* but the *Turner Joy* did reply some three hours before the retaliatory strike by the United States that it could confirm being attacked by two PI craft on basis of following evidence: gun director and director crew (presumably by fire control radar) sighted torpedo as did one lookout; target burned when hit. Black smoke seen by many; target silhouette sighted by "some topside personnel. On the other hand, sinking of patrol craft" "only highly probable" because target tracked on radar; "shell bursts observed on radar all over contact"; hits reported visually; targets disappeared.

At 9:03 p.m. the Commander of the 7th Fleet asked the *Turner Joy* to amplify urgently its reports. The following is from the cable: "Who were witnesses, what is witness reliability? . . . Most important that present evidence substantiating type and number of attacking forces be gathered and disseminated." Thirty minutes later the *Turner Joy* was ordered to "locate debris to substantiate."

Two hours and thirty minutes after the message of the Commander of tbe 7th Fleet, Admiral Moorer, urgently asking for the information, the President appeared on television to announce that the strike against North Vietnam had commenced. Presumably the order itself had gone out two or three hours before the President's announcement. The air strikes took place a few minutes after midnight on August 5. It is significant to note that at only at 1:11 a.m. August 5, that, is, 1½ hours after the conclusion of the attacks on North Vietnam, the *Turner Joy* responded to the urgent message from the Commander of the 7th Fleet asking for further evidence that the attacks had taken place.

Unless we have not seen all the pertinent cables, it was on the basis of the above information that the United States decided to bomb North Vietnam—in spite of (a) the report of the *Maddox* that it scored no hits and "never positively identified a boat as such" and (b) the inability of the air cover to see anything in spite of numerous flares.

A few days after the second incident in the Gulf of Tonkin the Department of Defense through the Commander-in-Chief of the Pacific began an intensive effort to interview personnel aboard both ships and to prepare affidavits from the personnel aboard the *Maddox* and *Turner Joy*, as well as from officers aboard the *Ticonderoga*. These affidavits and reports including the combat action reports of the *Maddox* and *Turner Joy* were made available to the committee staff. This data is voluminous.

The information includes testimony of seamen who said they saw the silhouette of a North Vietnamese patrol craft, of pilots who said they saw wakes and fast moving craft, and of a few officers who said they saw hits on the patrol craft. On the basis of this information, the Commander of the Pacific Fleet and General Burchinal who looked at the communications traffic were ccnvinced that the *Maddox* and the *Turner Joy* had been struck.

In compiling this information the Navy did not convene a formal board of inquiry as it did after the so-called third incident in the Gulf of Tonkin described below. The technique was entirely one of putting together statements, tracks of the ships, and the like. Moreover, it is curious to note that no where in this testimony and reports is there any statement from any sonarman aboard the *Maddox*.

In late August of 1964 the Defense Department released a selective list of excerpts from some of the cables sent to Washington. These excerpts, it can be fairly stated, were highly selective giving only those sentences which showed the *Maddox* and *Turner Joy* had been attacked.

Before drawing some conclusions from the material given to the staff, it would be worthwhile to describe two incidents which followed the August events that are of same significance.

On September 17/18, two USS destroyers, the USS *Morton* and the USS *Edwards* conducted another DESOTO patrol. On September 18 in an action similar to the *Maddox* and *Turner Joy* incident, the *Edwards* reported that after holding a number of radar contacts it had opened fire on these contacts. In the ensuing engagement the *Morton* and *Edwards* fired 170 rounds of 5 inch shells and 129 of 3 inch shells. This attack, according to the information we have received, took place at night but, in contrast with the *Maddox* and *Turner Joy* incident, under a half full moon and scattered clouds with visibility up to four miles.

On September 21 and 22 Rear Admiral W. G. Guest convened a board of inquiry in the Phillipines to investigate the third incident in the Gulf of Tonkin. This inquiry determined that, although the *Morton* and *Edwards* had held numerous radar contact and had a running battle with these contacts, the ships had *not* been attacked by North Vietnamse patrol craft. It is interesting to note that no such formal inquiry was conducted in the case of the two incidents involving the *Maddox* and *Turner Joy*. In the case of the *Maddox* and *Turner Joy* an inquiry was made but under the direction of the Commander-in-Chief of the Fleet without the convening of a formal board.

Several excerpts from the formal inquiry concerning the *Morton* and *Edwards* incident are interesting and instructive:

(1) The board received testimony that crew members on the *Edwards* had seen tracer bullet flashes of light and shell bursts.

(2) The Commander of both ships, Captain Hollyfield, who was aboard the *Morton* called for the air support, and his first transmitted message used the word "attacked." Captain Hollyfield subsequently said that it was unfortunate that this word had been used.

(3) The summary of the formal board of inquiry made the following comment about the communications problem during the engagement: "Response to queries from higher authorities were delayed because of inadequate communications equipment and insufficient personnel . . . the patrol unit was unusually slow with action messages from higher authorities and was unable to handle the volume." The Commander of the two destroyers was much more specific about the communication problem: "All the while, I was preparing answers to flash messages. Composition of a rational SITSUM (situation summary) was impossible. I refused to say we were fired on when I did not know we were, and, still do not know. I know that careless or inaccurate reports would provoke more questions as they had in the *Maddox* case.

The second subsequent event of interest to what happened on August 4 is the case of the interrogation reports of a number of North Vietnamese sailors. On July 1, 1966 the US Navy sank several North Vietnamese torpedo boats. Nineteen of the North Vietnam crew members were captured, including a senior commander in the North Vietnam Navy. These men were subjected to intensive interrogation over a period of time.

The question of the Gulf of Tonkin attacks did not arise until the interrogation was well under way. When the subject was finally raised the Navy shifted all reports on the Tonkin incidents into a sensitive communication channel. The information on the attacks was not included in the formal report. However, the Defense Department has provided the committee with that report.

It should be noted that the source of this information is a North Vietnamese officer who was interrogated for over one hundred hours after his capture. He is described by U.S. naval officers as cooperative and reliable. For example, he gave the Navy informa-

tion as to the exact location of North Vietnamese patrol boats hidden in coves. The Navy immediately went after these patrol boats, found them and destroyed most of them.

The cables sent to Washington by the naval officers who did the interrogation report that this North Vietnamese naval officer said that he prepared the action report following the attack on the *Maddox* on the morning of August 2. 1964. He gave full details of how the *Maddox* was attacked, by how many patrol boats and the results of the action. He named the number of each individual North Vietnamese patrol craft involved and gave a full report on the damage to both the boats and injuries to the crew.

The U.S. Navy interrogation report contains the following statements:

1. Extensive interrogation of all potentially knowledgeable sources reveals they have no info concerning a NVN attack on U.S. ships on 4 August 1964. They state definitely and emphatically that no PT's could have been involved. They do have knowledge of a U.S. air attack on 5 August in which at least one and possibly three *Swatow PGM's were sunk by ACFT in vicinity of the Gianh River (17–43N/106–30E). Slight damage was also inflicted by ACFT on 2 PT's this date as stated Ref Alfa.

2. The possibility that Swatows could have committed the 4 Aug attack has also been carefully explored. Here again, however, all sources disclaim any knowledge of such an attack. Based on the experience of interrogations thus far it is very possible that PT boat crews in general might not have heard of this attack since they apparently have little contact with other ship types. On the other hand, source (the North Vietnam naval commander) obviously has traveled in higher circles and has proved himself exceptionally knowledgeable on almost every naval subject and event of interest. Yet he specifically and strongly denies that any attack took place. When pressed further on this issue he states that if such an attack did take place it could only have been committed by Swatows.

(Note: From earlier interrogation source stated that Swatows are neither designed nor intended for missions against large ships.)

* SWATOWS—North Vietnamese Patrol Boats

IV. Conclusions on the Second Incident

(1) Although the administration described the patrol of the *Maddox* and *Turner Joy* as routine but prepared for attack, there is considerable evidence that the objective of the patrol was to provoke the North Vietnamese and then to bloody them if they responded to the provocation.

(2) An operation against the North Vietnamese directly from South Vietnam was underway at the time the *Maddox* and *Turner Joy* were running in and out from the North Vietnamese coast. The United States commanders knew that the North Vietnamese considered the patrol of the two ships as part of this South Vietnamese operation. Nevertheless, the important point is that despite the knowledge that North Vietnam considered the United States patrol as part of the South Vietnam operation, the patrol continued.

(3) The second incident was a very confused affair. There are ample grounds to question whether North Vietnamese boats were there at all. And, if they were there, the evidence that the *Maddox* and *Turner Joy* were attacked is circumstantial.

(4) There is considerable evidence that the operational demands of striking North Vietnam within a few hours were so overwhelming that there was not time for amplifying information to come into Washington. As a result, the United States Government

had to make a decision on the basis of circumstantial evidence that was confused and often contradictory.

One caveat should be entered at this point: In late December Under Secretary of Defense Paul Nitze asked to see Senator Fulbright. At that meeting Mr. Nitze presented for Senator Fulbright's eyes only a cable from special intelligence which he said was "conclusive" evidence that the *Maddox* and *Turner Joy* had been attacked. The staff has not seen this information and has no way of judging whether this particular piece of information is the conclusive piece of evidence that will demonstrate without doubt that the *Maddox* and *Turner Joy* were actually attacked.

V. Some Concluding Observations

On August 4, 1964 the United States by virtue of launching an open and direct attack against North Vietnam went to war with North Vietnam. These retaliatory raids were justified to the Congress on the basis that the American ships "engaged in a routine patrol in international waters of the Gulf of Tonkin" were the victims of a "deliberate and unprovoked" attack.

If the analysis of this paper is correct, the Congress was asked to approve the "functional equivalent" of a declaration of war, to use Under Secretary of State Katzenbach's phrase, without being given the full facts as to what the American ships were doing in the Gulf of Tonkin and why they might have been attacked or harrassed.

There is another question raised by the way the administration behaved during the Tonkin affair. It arises from comparison of the restraint the United States showed when the *Liberty* was attacked last June off the coast of the United Arab Republic resulting in over thirty deaths and considerable damage, with the precipitous action the United States took in the Gulf of Tonkin where there were no casualties, no damage, and great uncertainity as to just what happened.

As a consequence of the incidents in the Gulf of Tonkin the administration had lifted from its shoulders the very hard decision as to whether the United States should intensify its involvement in the Vietnam war. In the spring and summer of 1964 the South Vietnamese were losing the war and the United States had some very difficult decisions to make about our role in the Vietnam war. In the wake of the emotions developed during the Tonkin episodes, public and Congressional debate was stilled over whether we should intensify our military role in Vietnam.

ADDENDUM

I. During the course of examination of official documents and public government statements, ten letters have been received, some signed and some unsigned. All letters were from persons stating they had at least indirect knowledge of the events. Each of these communications is consistent with the formal documentation received by the staff. Two of the anonymous letters are attached because they apparently come from knowledgeable individuals presently employed in the Department of Defense.

II. Testimony has been taken from two former naval officers who volunteered to supply information to the committee. One of these

officers was a communications officer on one of the destroyers participating in the third incident. His statements confirm the electronic nature of the third mission, and of previous missions. His statements also provide insight as to destroyer operations at night in the Gulf, with particular reference to the unreliability of sonar and radar observations and the propensity of tense men to begin firing before targets are clearly identified.

The second former naval officer was on active duty on another vessel in the Far East. He was a nuclear weapons officer and saw Secret traffic from the *Maddox* and *Turner Joy* during the second incident. His testimony confirmed the substance of the communications the staff received from the Department of the Navy. It was this officer's conclusion that the second incident did not take place.

III. A conversation was held with an officer still on active duty of the rank of Commander. This officer had been on duty in the Navy Department's Operation Center—Flag Plot—during the incidents in the Gulf of Tonkin. The Commander said he had been on duty during much of the time the second incident was in process. He said that after seeing the cables that came in during, as well as those he read subsequently, he concluded that there was no substantiating evidence that the *Maddox* and *Turner Joy* had actually been attacked on August 4.

When this officer reported his conversation with the Chairman and the staff to his Commanding Officer, he was the next day ordered to submit to psychiatric examination. When that examination was completed, the medical board concluded that the officer was "fit for duty" and he continues on active duty.

IV. A telephone conversation was held with a former White House official on duty in the White House at the time of the incidents. He stated in response to staff questions that the second incident was "much more dubious." It offered an opportunity, he said, seized upon by "imprudent, harassed people" to get the authority they wanted. There was not "enough evidence to support what happened" (i.e., the request for the Tonkin resolution) but the administration was "so far down the road" as to be unable to reverse-its course of action. "Operational procedures" had gone so far that the administration had to fish or cut bait. He added that it was reasonable to conclude that the decision had been made in "undue haste by imprudent, harassed people."

V. In July 1967 the Associated Press published a story not given wide circulation, but based on extensive interviews with crew members of the *Maddox* and *Turner Joy*. The Captain of the *Turner Joy,* Commander Ogier, was quoted as saying: "Evaluating everything that was going on I was becoming less and less convinced that somebody was there . . . (but now) I am getting on dangerous ground because I know they were there. I know they were there because of classified information I received."

VI. It might be noted that Hanoi radio boasted of the attack of August 2, but denied that the attack of August 4 ever took place, this raising a question of why Hanoi told the truth on August 2, but "lied" on August 4.

Attachments:

Letter received December 26, 1967

Letter received January 2, 1968

*Received December 26, 1967*

SENATOR J. WILLIAM FULBRIGHT, CHAIRMAN,
SENATE FOREIGN RELATIONS COMMITTEE,
*Senate Office Building, Washington, DC.*

DEAR SENATOR FULBRIGHT: Getting the logs of the *Maddox* and the *Turner Joy* may be of some use to you in trying to get to the bottom of the Tonkin Gulf incident, but it really won't help much. What you most need is the record of events at and ccmmunications passing through the National Military Command and Control Center. Most of them have probably now been destroyed. However, a study was made on the basis of most of those records, fresh after the event, by the Weapons Systems Evaluation Group, entitled "Command and Control of the Tonkin Gulf Incident, 4–5 August 1964." This document is TOP SECRET and is *very* tightly held, partly because it is based in part on the tape recordings of conversations over the phone of the President, the Secretary of Defense, Admiral Sharpe and others during the period when the critical decisions were being made. Very probably an effort will be made to have all copies of the study destroyed when and if there is any intimation that you know of the existence of the study. The study will not disclose that the incident was a put-up job. It will disclose several embarrassing things, however. One is that the first attack, that on the *Maddox*, was very probably made because the NVN confused the *Maddox* with CIA operations which were covering SVN hit and run attacks against NVN coastal areas. This was probably due simply to lack of coordination. Another point will be that the attack on the *Turner Joy*, the following day, was indeed probably imaginary. After a first report of attack, there was a report that there probably had not been an attack at all. But the President was to go on the air to address the nation about the retaliatory attacks that had already been planned, and after another flurry of confusion Admiral Sharpe said he thought there had been a real attack after all. At this point the Secretary of Defense decided to advise the President that the attack on the *Turner Joy* was real, and to order the retaliatory attacks and go ahead with the speech because it was getting very late for the address to the nation and moreover the retaliatory attack planes had been kept in a state of takeoff readiness about the maximum time. It was clearly a case of making a definite decision when operational circumstances dictated haste but the facts suggested caution. One may wonder how much the Secretary of Defense, who is a man of honor and conscience, has worried about this since. Because later events all indicate that the second "attack" was, at best, a trick of false radar images. And it is rumored—I do not know for sure—that the Conmander of the *Turner Joy* was shortly after relieved of his command and hidden away somewhere where there would be the least chance of adverse publicity.

I am sure if I signed this I would lose my job. But if you proceed wisely, you should be able, for the good of the country, to learn the truth of all I have suggested here, and much more. The Tonkin Gulf incident, upon the basis of which the resolution was so quickly obtained, was not a put-up job. But it was not the inexcusable and flagrant attack upon US ships that it seemed to be and, that would have justified the resolution and the retaliation had it been so. It was a confused bungle which was used by the President to justify a general course of action and policy that he had been advised by the military to follow. He, like the Secretary of Defense, was their prisoner. He got from them all the critical and decisive information, and misinformation, and he simply put his trust in the wrong people. One of the things your Committee should really look into is the constant use of security regulations to conceal the blunders and connivings in the field of national security. But I doubt that all of the power of the United States Senate could ever penetrate far enough into the supersecret world to learn much about what goes on. Right now the JSC is refusing materials in their fields that is wanted by people working on Vietnam for the Secretary of Defense, most obviously because they fear it would serve the Secretary of Defense's purposes, not theirs.

*Received January 2, 1968*

SENATOR J. WILLIAM FULBRIGHT,
SENATE FOREIGN RELATIONS COMMITTEE,
*Senate Office Building,*
*Washington, DC.*

Dear SENATOR: Keep up the good work on your investigation into the *alledged* second Tonkin Gulf incident. You certainly have us here in DOD scurrying around trying to cover up the incident and innundate you with facts to circumvent the main point. That is, that the so-called second attack of 4 August never took place.

Before Mr. Nitze signed out the last letter to you he conferred with Mr. Bundy of State and Walt Rostow and the three of them even went so far as to confer with the President. Do you think this would have happened if there was nothing to hide? They are fully aware that this whole incident is political dynamite and aren't about to give you the facts. Why the Navy upstairs is cooperating is also curious, except for the fact it would also make them look rather silly.

If you recall after Jack Stempler replied to your first letter, I sent you the date time group of an unclassified message which proved that the 4 August incident never happened. Yet when you sent your second letter asking for a whole list of messages as well as the interrogation of prisoners, whose interrogation proved that they knew of the first incident, but not the second, you never asked for the message which was the most important one.

Lt. White of the *Maddox* was absolutely right when he quoted the sonarman.

Why don't you ask Mr. McNamara for CTU 72.1.2 041240Z and also for 041127Z from NavCom Philippines to JCS and CNO. Only don't just ask for a message because DOD conveniently can call it a communication and tell you a message with that date time group doesn't exist.

Believe me Senator, Defense isn't going to produce selfincriminating evidence unless you blast it out of them. The Tonkin Gulf resolution never should have been passed and never would have been passed if the real facts were known. Keep after them to produce and Good Luck.

OFFICE OF THE SECRETARY OF DEFENSE,
*Washington, DC, January 23, 1968*

Hon. J. W. Fulbright, Chairman,
Committee on Foreign Relations,
U.S. Senate,
*Washington, DC.*

DEAR MR. CHAIRMAN: Reference is made to your letter of January 12 to Secretary Nitze requesting certain information in connection with your review of the incidents of 1964 in the Gulf of Tonkin.

I am forwarding herewith, as Tab A, 23 messages from the naval communication facility in the Philippines to Hawaii and Washington covering the August 4 incident. So that you may review in proper perspective, message 041727Z which you specifically requested, your attention is invited to messages CTG 72.1 041830 and CTU 72.1.2 041848 which were transmitted an hour or so later and which have been previously furnished to you.

With respect to the remainder of your request, the document in question is an internal staff paper of the Joint Chiefs of Staff and it is currently under review by the Chairman.

Sincerely,

JACK L. STEMPLER,
*Assistant to the Secretary*
*(Legislative Affairs)*

Enclosures
Tabs A and B

LEARNING FROM JOURNALISTS

The CHAIRMAN. I want to make it clear that some of these press people, we have only mentioned Finney, two or three others have done a lot of work on their own, Karl, a lot of these press people before the staff got this, some of them knew more about it than we did.

Actually, rather than we giving the press anything, the staff, we learned more from the press people because a number of them have been over, a number of them have interviewed some of these officers.

I heard just yesterday, I was told by a very reputable newspaperman, that members, somebody on the Los Angeles Times had interviewed personally members of the crew of the *Maddox,* you see, which came back to San Diego. In other words, they, some of these people, know more about this than we do.

Senator MUNDT. You can assume, Bill, whoever wrote the anonymous letter obviously wrote it to some newspaper.

The CHAIRMAN. It obviously has been someone in the Department. Some of these newsmen have had reports at least, they have not had these official documents, but they have interviewed mem-

bers of the crew of these ships and we have a letter that is available that reports a conversation with a man who was the flight surgeon on the *Ticonderoga* who was reporting what the pilots who flew reported, you see, and it goes into when they came back and so on.

Well, that is secondary, it is hearsay, but it is from a man who was on the *Ticonderoga.* And some of these people have no doubt approached them. It is not a thing that is going to be easily put under the rug, but I am going to try to say as little as possible. We simply had a report from the staff and that we will have further hearings, and that is all.

There will be no decision.

Senator MUNDT. No further hearings, but further study.

The CHAIRMAN. Further study and just executive hearings. We have no plans for any witnesses, but just studying what material was prepared by the staff. That is about what I am going to say to the press.

Senator MUNDT. Some of the information needed is not yet available.

The CHAIRMAN. This isn't going to be easy to put them off.

Senator MUNDT. You are pretty adroit.

[Whereupon, at 12:15 p.m., the committee recessed, subject to call of the chair.]

# BRIEFING ON THE *PUEBLO* INCIDENT

[EDITOR'S NOTE.—On Jan. 23, 1968, while conducting electronic surveillance, the U.S.S. *Pueblo* was seized by four North Korean patrol boats. Although Commander Lloyd Bucher protested that the *Pueblo* had been operating in international waters, the North Koreans impounded the ship and its information-gathering equipment, and imprisoned the crew. Negotations for their release continued throughout the year. Under terms demanded by the North Koreans, the United States formally apologized for violating North Korean waters, and then immediately repudiated the statement. On Dec. 22, the North Koreans released the 82 surviving officers and crew—one crew member had died of wounds suffered during the capture—but they continued to hold the ship.]

**Friday, January 26, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington DC.*

The committee met, pursuant to notice, at 11:40 a.m., in room S–116, the Capitol, Senator John Sparkman presiding.

Present: Senators Sparkman, Mansfield, Gore, Lausche, Symington, Pell, Hickenlooper, Aiken, Williams, Mundt, and Cooper.

Also present: William B. Macomber, Assistant Secretary for Congressional Relations.

Mr. Marcy, Mr. Kuhl, Mr. Holt, and Mr. Bader of the committee staff.

Senator SPARKMAN: The committee will come to order.

Mr. Secretary, we are very glad to have you here. We have a good attendance of the committee.

I believe that everyone who is in the city has expressed his intention of being here this morning.

The Chairman is down in Arkansas. He was not here when the matter came up to consider having the meeting, and therefore, he is not able to be here this morning and, as I say, everyone who is in town is here or expects to be here.

We are very glad to have you and we would be glad for you to proceed in your own way.

## STATEMENT OF HONORABLE DEAN RUSK, SECRETARY OF STATE

Secretary RUSK. Thank you, Mr. Chairman and gentlemen. I am very glad to have a chance to meet briefly with the committee this morning on the Korean ship incident, and I would hope we could have some two-way discussion here, not just hear from me, not just questions, even, but some genuine two-way discussion, because it

is a serious matter in which we need advice and counsel as well as comment, questions and possible criticism.

A number of you were at the White House the other evening when the essential facts of the incident itself were put forward. I won't review those in any detail, but I will try to respond to any particular question on exactly what did happen.

There are still some things we do not yet know because we lost contact with the skipper after the vessel was boarded, and there are some points that still are unclear.

We have tried to make public just as much as possible about this incident so that if I were to review the full facts you would be simply hearing a repetition of much that you have already read on the subject or heard at the White House.

WORLD-WIDE CONTEST IN ELECTRONICS

In the background here is a world-wide contest that is going on in the electronics field allover the world and has been going on since World War II. It is one of the more unpleasant aspects of the total world situation, the world in which we live. Yet it is something that is necessary from many points of view.

Both the communist world, particularly the Soviet Union, and we, are heavily involved in it. Activities of the sort being conducted by the USS *Pubelo* occur at sea, by air, from ground stations, on both sides. So I wanted to put this particular ship in that, against that, context.

ACCUSATIONS OF HARASSMENT

Further, and this may have had some bearing on the judgment made by the skipper when he was first accosted, there are far more harassments which occur at sea than are reported from time to time.

The Soviet Union will accuse us of harassment here or there either by an aircraft buzzing too low over its ships or one of our ships getting too close to one of its.

We ourselves know of considerable numbers of harassing tactics in the Mediterranean, the Black Sea, Sea of Japan. I mention this because it may have entered into the skipper's judgment as to whether he was in touch with a real problem, a real incident, or simply another act of harassment which he knows does occur from time to time.

His judgment on that proved to be quite important because in approximately an hour and a half between the first accosting and the arrival of the reinforcing North Korean vessels was the crucial time in which some sort of reaction could have taken place on ourside in the way of prevention, air cover or something of that sort.

NORTH KOREAN MOTIVATIONS

Now why did the North Koreans seize this ship? We have no hard information, no clue was given in any of the discussions we have had with either the Soviet Union or at the Military Armistice Commission in Korea the other day.

Judgments vary considerably. I think we have to link it in part with the rapidly increasing numbers of incidents which have occurred across the 38th Parallel. Ambassador Goldberg will bring some of these out at the Security Council, but there have been over 500 incidents of infiltration type in Korea in 1967 compared to something on the order of 60 or 70 in 1966, and you are familiar with the recent effort by 30 highly trained North Koreans to get as far down as Seoul and to perpetrate what looked like an attack on the Blue House and President Park himself. Almost all of those have now been liquidated, by the way.

Why that additional pressure at this time? The principal speculation is that this has been an effort on the part of North Korea to show solidarity with North Vietnam, perhaps to cause us to divert forces from Vietnam and to cause the South Koreans to be sufficiently concerned about their own security as to keep their forces from South Vietnam, perhaps even to try to cause them to withdraw those that are there or to prevent the sending of additional Korean forces to Vietnam.

We have no direct evidence, I put this as an absence of information rather than as confirmed positive information, we have no direct evidence of direct collusion between the Soviet Union and North Korea in seizing this vessel. We have no evidence of collusion between Peking and North Korea in seizing the vessel. I hasten to say I am sure that the Soviet Union will be intensely interested in and will try to exploit any classified gear that was not destroyed before the vessel was seized and, therefore, they undoubtedly will be inspecting that vessel very carefully.

SOVIETS AND CHINESE WERE NOT INVOLVED

We are inclined to think that Peking, at least, was not and would not have been a party to this particular incident because of the state of their relations with North Korea. We cannot rule out completely——

Senator MUNDT. Are they bad?

Secretary RUSK. They are sufficiently bad so that we think this is most unlikely. It is interesting that Peking has been pretty silent throughout this entire affair.

We think it is rather unlikely that the Soviets themselves put the North Koreans up to this or were in collusion with them at the time of the seizure itself, but we cannot rule that out. But we just have no evidence that it is the case.

Now when the matter first occurred, we went immediately to the Soviet Union. Unfortunately, one cannot go to the Soviet Union without its being known. We ourselves, therefore, announced that we were taking it up with them. That may or may not have been exactly the right way to deal with it. Whether we should have made that statement on our own announcement is a matter of judment. But the first Soviet response was that they accepted no responsibility; this was not their affair, we ought to take it up with the North Koreans, we had means of communicating with the North Koreans, and that is the end of it—pretty negative, disinterested reaction.

It was our impression in that first talk they had been already informed of the incident because Mr. Kuznetsov[1] seemed to be speaking on the basis of a government position and did not, as one would expect him to do in a situation of this sort, say "I will report what you have said to my government and if we have anything to say we will say it later." He said what he had to say right on the spot.

But then, this ought to be held very closely indeed, partly for our own reasons, and partly for the Soviets have asked us to hold it very closely and I am throwing myself on the mercy of the committee on this, they then came back later and told us that they had communicated our message to North Korea but added that they themselves, the Soviets, were not prepared to act as intermediaries. This was at least a hint to us that there were private communications with North Koreans which at least they wanted us to know were in existence.

We have gone back to them again, but again with the reaction that this is not their resopnsibility and they will not act as intermediary. It was not particularly encouraging.

APPEALS FOR ASSISTANCE

The Military Armistice Committee meeting had been called by ourside to deal with the infiltration into South Korea, particularly the attack on the Blue Palace. At the meeting itself we raised both points, the infiltration and the seizure of the ship. There we got no satisfaction whatever. The North Korean side treated the exposition on both points with contempt, harshly, and with a certain amount of levity. I understand that although the press reported that the North Koreans said that they will hold the ship and its crew, that in fact, at the time at the table they simply said, "We are holding them." In other words, there is a difference in tense there that may or may turn out to have any significance in it.

We have gone to a great many other governments, Indonesia has an embassy in North Korea, Japan has a good many contacts with North Korea of an informal sort. We are meeting this morning with the 16 countries who had troops in Korea who make up the Korean Contributors Club to bring them up to date on the situation and, as you know, we are referring this matter today to the United Nations where it will be discussed at 3:30 this afternoon.

I would like to point out to the committee that reference to the Security Council does not necessarily turn on whether the Security Council itself can take formal action on the matter. There have been other crises, for example, the Berlin Blockade of 1946, the Cuban missile crisis, where the question was not resolved in the Security Council but where the presence of agenda of the Security Council proved to be a very constructive thing, constructive element in the situation. It takes certain prestige factors under control for a period, it gets the members of the Council involved and interested in private discussion and private contracts, it provides a basis for the Secretary General to find out what he can do in the situation, I and gains some time.

[1] Deputy Soviet Foreign Minister Vasily V. Kuznetsov.

We do not know yet what the reaction of the other side is going to be. Thus far it has been unsatisfactory. We do not wish to close the door to releasing these men and the ship by their own decision.

SEEKING RETURN OF THE SHIP AND ITS CREW

Here we are facing in the days ahead, we are facing something of a contradictory problem. Our immediate objective is to get the return of the ship and the men. Direct military action against North Korea will almost certainly write off the ship and the men, and so it is pretty important to keep the one in mind when thinking of the possibilities of the other. Further, whether we ourselves feel that some action might have to be taken and no decision has been made on that thus far, or whether the other side may decide that they want to follow up their tactics with additional pressures on South Korea, We feel it is important to make clear that we are reinforcing our own forces there, and that we are not going to divert forces from Vietnam for that purpose in the event that that is one of the objects of North Korea.

There is a meeting that is now being held to consider what kind of reinforcements should be put into Korea, and I cannot unfortunately give you any feeling of the results of that, but it is my impression that there will be some additions to air and Navy in that area in order to be braced for whatever the future might hold.

Those would presumably come from active units in the strategic reserve, and the strategic reserve would be replenished by the units that are being called up under the President's action announced yesterday.

I think that is just about where we are at the present time.

I know there are many questions which will occur to you and I would value any observations that any of you might wish to make as to how you see it and what you think the stakes are and any particular suggestion of how you think we might proceed.

Thus far we have increased our forces. I think we will be deploying certain of these forces to the Korean area. The Security Council are in touch with many, many, many capitals and I can report to you today we have had nothing on the combat wire from North Korea indicating that they are contemplating releasing these men.

CONFESSION OF THE CAPTAIN

You may have noted that some press speculation was built up over the last sentence of the so-called confession of the skipper, where reference was made to leniency. Our own judgment is that that confession was written by the North Koreans, and if in writing it they themselves put that sentence in there it might have some significance.

Senator LAUSCHE. What is the sentence?

Secretary RUSK. The sentence had to do with——

Senator GORE [continuing]. Leniency.

Secretary RUSK. In effect, you see a confession which winds up asking for leniency for the crew.

Last night the North Koreans made a statement saying they expected to deal with these men in accordance with law. I do not know what that means because if they dealt with it in accordance with international law they would turn it back immediately. But if

they dealt with it in accordance with most people's law they would turn loose everybody except the skipper because he was the only one who carried the responsibility in this matter. But that is for the future.

VESSEL WAS NOT IN TERRITORIAL WATERS

There is one point on which I think a comment is worthwhile. We are confident that this vessel did not go into territorial waters. We recognize three-mile limit. North Korea claims a 12-mile limit. This vessel was under the strictest instructions to stay 13 miles or more off Korean shores, and because of the nature of the vessel we would expect it to have a highly accurate navigational capability. I mean it is a very special requirement for a vessel of this sort in order to get its own job done quite apart from navigating its ship.

Such a vessel operates under radio silence much of the time. It had been there 13 days and within a few hours would have been out of the area. It was completing its mission. We do not believe it was in territorial waters. But I point out that even if it were, and I do not want that statement to suggest that I think it was, but even if it had touched over into territorial waters, under the law of the sea in the case of a public war vessel the coastal country has the right to require it to leave, but does not have the right to seize it. So that however way you look at this, this is a very serious and grave act, almost without precedent in modern times, of which we must take a very serious view.

PRESSING THE CASE AT THE SECURITY COUNCIL

So we will be pressing this very hard in the Security Council today.

I think Pauline Frederick on NBC's Today Show this morning was too gloomy about the situation in terms of attitudes of members in the Security Council. Ambassador Arthur Goldberg does not think that there will be any problem of inscribing the item on the agenda, that is, the nine votes required to do that. There may be a debate as to whether the agenda is to be accepted, which could take the rest of today and perhaps sometime tomorrow, but I would think this would be a matter of discussion in the Security Council over the weekend and into Monday or Tuesday.

We have in mind a resolution there which would cover both parts, that is the infiltration into South Korea and the seizure of the vessel. The prospect would be that such a resolution would be vetoed by the Soviet Union and, therefore, would not be a legal resolution. But nevertheless the very process itself will help to disclose whether there is any diplomatic or peaceful solution available to bring about the prompt release of the ship and the crew.

Mr. Chairman, I think I might pause at this point in order that the discussion may go in the direction in which members would wish it to go.

Senator SPARKMAN. Well thank you, Mr. Secretary.

NO RIGHT TO SEIZE THE VESSEL

With reference to the position of the ship, I may read you statement that Mr. Helms made the other day. The chairman asked him

this question, well, he said first: "We obviously did not want to abridge their belief that it was 12 nautical miles;" in other words, we were making every effort to stay outside of the 12 miles. Then the chairman said, "Is it all that accurate? Can you tell exactly how many miles off the shore you are?" And Mr. Helms says, "Sir, I was in the Navy during the War and I think sometimes it may not be all that accurate. But they think it is, and I think we make a honest effort to stay outside of the 12-mile limit."

Secretary RUSK. Yes.

Senator SPARKMAN. Suppose it had gone over by accident or otherwise, would they have, would the North Koreans, have any international right to take over the vessel?

Secretary RUSK. Not in our view and not in accordance with the—I do not have the article in front of me. Mr. Macomber, do you have that article of the Law of the Sea Convention which covers this point?

Mr. MACOMBER. No, sir, I do not.

Secretary RUSK. Our legal adviser insists very strongly that they do not have the right to take the vessel over. They have the right to require it to depart, and that is spelled out in the Law of the Sea Convention.

Senator SPARKMAN. I suppose the only thing that we ever had that came near to anything like this was back in the prohibition days. Did any of our ships ever chase and shoot rum runners beyond the 3-mile limit? Did we observe the 3-mile limit?

Secretary RUSK. Oh, yes, I think there was a hot pursuit used on some occasions there. But this is not a hot pursuit kind of situation.

Senator SPARKMAN. No.

Secretary RUSK. There was no military engagements going on.

LIMITS OF THE EQUIPMENT

Senator SPARKMAN. Here is something that is puzzling to me. If these ships that are operating, and I understand we do have them operating in different parts of the world, don't we?

Secretary RUSK. Yes.

Senator SPARKMAN. If they, by their nature, prove active, it seems to me that we might exercise even greater caution with reference to the territorial waters by staying off a good distance. I understand part of the time, from the first chart that was shown us—showed that the day before they were 26 miles, wasn't it, something like that, 26 miles out. And then they came down to 16 miles, I think it was.

Secretary RUSK. Well, there are some technical reasons,

Mr. Chairman——

Senator SPARKMAN. That is just what I was going to ask.

Secretary RUSK. I perhaps am not only not qualified but I may not even be authorized to get into the technical aspect of it, but there are some technical reasons why the shorter distance could be important from an intelligence point of view. Now we do——

Senator SPARKMAN. I have heard it said, I know nothing about it, but I have heard it said, that the equipment on there is so very sensitive that it is capable of picking up information over a rather great distance, and——

Secretary RUSK. That would not be technically entirely true. I mean there are different kinds of information involved.

ACCESSIBILITY OF AIR SUPPORT

Senator SPARKMAN. You know, I think, just judging by the queries that have come to me, I think there is a lot of question in the minds of people—of course, I heard this explained down at the White House the other night—that raises a question why a ship, sent out like that, does not have readily accessible to it air support.

Secretary RUSK. Well, Mr. Chairman, we have operations of this sort that have been going on for, since World War II, well, during and since World War II.

Senator SPARKMAN. By the way, by not just our nation but different nations, isn't it true?

Secretary RUSK. That is right. And George Brown[2] made this point in the House of Commons that there are several nations involved in this type of activity.

The first case does catch you with procedures which you may or may not want to use with such activities.

Now, I would have grave doubt about whether we should in all the places where such vessels go, we should provide destroyer escort or air cover, and I think we would have strong objections if the Soviet Union provided destroyer escort and air cover over their vessels that come along our coasts in international waters. So there are some problems there that are not easy to solve. We have relied thus far, and thus far until this incident, reasonably successfully, on the international character of international waters, the general international law applicable to it, and on the whole that reliance is applicable to it.

You do remember the planes shot down in international waters during the Eisenhower administration off the northern coast of the Soviet Union and it took some time to get those fliers back. You had a somewhat comparable situation there.

Senator LAUSCHE. When was that, approximately, July 11, 1960?

Secretary RUSK. 1960, I believe.

Senator SPARKMAN. Senator Hickenlooper.

NO NAVAL OFFICERS AT WHITE HOUSE BRIEFING

Senator HICKENLOOPER. Secretary Rusk, one thing that seemed to be rather significant the other night at the White House, there was no ranking Naval officer there, and this was a Navy ship or a Navy operation. There was some private comment made about that afterwards.

Secretary RUSK. A ranking Naval officer aboard ship?

Senator HICKENLOOPER. No, no, at the meeting at the White House to answer questions.

Secretary RUSK. I see.

Senator HICKENLOOPER. To answer questions. Some questions were asked and they said, "Well, that is a Navy question and we are not qualified to answer Navy questions," and we wondered, several of us wondered, why there wasn't a Navy officer there who could answer them.

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[2] British Foreign Secretary.

Secretary RUSK. Well, I am an infantry man myself, so I cannot answer that this morning. But actually, it was not planned that way. It was simply that the Chairman of the Joint Chiefs and the Secretary of Defense would be available.

Senator HICKENLOOPER. I merely raised the question.

Secretary RUSK. I understand.

COMPARISON TO THE LIBERTY

Senator HICKENLOOPER. We had one warning. The *Liberty,* ship was attacked in the Mediterranean by allegedly a friendly power, and 30 some men were killed and a lot more injured in international waters, and it was an intelligence-gathering ship. We have been warned that that can happen, and here probably because they got away with attacking the *Liberty* over there they thought maybe they could do it with this ship, the *Pueblo,* and I would not be surprised but what there will be other incidents now because the paper tiger has been exposed in their propaganda; anyway, we are not disposed to do anything about it except negotiate.

Secretary RUSK. Well, that is a judgment that hasn't come to its conclusion yet.

Senator HICKENLOOPER. I understand, but I was saying just before you sat down here that some of the most violent letters I have been getting, communications are coming from preachers in Iowa who normally are on the other side of the fence. They say, "We are getting tired of this business. Go get them."

Secretary RUSK. I got the same reaction in Brooklyn, I might say.

Senator HICKENLOOPER. Well, you can get most any kind of a reaction in Brooklyn.

LACK OF AIR SUPPORT

Senator HICKENLOOPER. Of course these things occur to a great many people, but this question has been asked at least of me repeatedly, getting back to, I don't know whether it was Senator Lausche or the chairman mentioned about cover. Why weren't there at least some armed war vessels of ours within some kind of reasonable reach, maybe 75 miles or 60 miles, something like that, out in the Gulf from this ship with its highly sensitive equipment which is very valuable, and which should not fall into the hands of the enemy, if possible. But there apparently was nothing within, well, Sasebo, closer down than South Korea, but they had to be unloaded.

Secretary RUSK. The planes to be used would be planes that would have to be capable of dealing with MIG–21s so a good many of the planes that were in South Korea were not suitable for that purpose. There were others on Okinawa, too far away to get there in time, and that would have required a refueling operation. By that time darkness would have set in and in any event the ship would have been in port.

No, there are a number of questions here that need review.

The theory has been on both sides, Senator, that ships of this sort are trawlers, they are fishing boats, they are Geodetic Survey boats, they are doing hydrographic investigations, they are doing everything but what they are doing, and so they normally are not

treated as the kind of ship they are in such things as escort, air cover and things of that sort.

I think these things will have to be reviewed and a new assessment made as to what the situation is.

NOT A MISTAKE

I must say we look at the USS *Liberty* as so unique an incident as to be almost beyond belief that such a mistake could have been made.[2]

Senator HICKENLOOPER. I do not think it was.

Secretary RUSK. This one was not a mistake. We know this one was not a mistake.

Senator HICKENLOOPER. I read reviews on both sides of the thing and I do not see how they can claim it was a mistake at all. They identified it by name as being in that area and they overflew it. I do not want to get into the *Liberty,* I have exhausted my objections on that, I guess.

Secretary RUSK. It was such an incredible thing——

Senator HICKENLOOPER. I am still incensed by our cavalier treatment of that case.

SHIP TAKEN WITHOUT RESISTANCE

Now, there wasn't a shot fired, they did not even take the covers off the 50-caliber machineguns on this ship. This skipper let them take his ship without giving any resistance at all, I understand.

Secretary RUSK. I believe that occurred, yes, sir.

Senator HICKENLOOPER. You are an Army man. Do you think that is the highest traditions of John Paul Jones and the American Navy?

Secretary RUSK. Well, again until we have access to the skipper and try to get from him exactly what situation he thought he found himself in I am reluctant to unload on the skipper himself, and maybe it is not in your mind either at this point, but I think we again need to review whether standing instructions in more detail ought to be given on certain aspects. For example, there were 85 men on board. Should they have——

Senator HICKENLOOPER. We have a million men in South Vietnam, too.

Secretary RUSK. Should they have resisted the boarding? This is a question that, I think, needs close examination.

Senator HICKENLOOPER. Men are getting killed in South Vietnam every day.

Secretary RUSK. I understand, Senator.

Senator HICKENLOOPER. And we have some terrible sacrifices that are going on, and if we are going to engage in this kind of an operation we ought to be willing to accept the hazards and whatever the risk involved, whatever the risk may be that is involved. But there is a curtain here someplace I cannot see through.

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[2] On June 8, 1967, during the Six-Day War between Israel and Egypt, Jordan, and Syria, Israeli planes and a torpedo boat attacked the USS *Liberty,* an electronic surveillance ship in the Mediterranean. Thirty-four American sailors were killed and 171 injured. The government of Israel expressed deep regret and explained that it had mistaken the *Liberty* for an Egyptain ship had shelled the Israeli coast, but American officials expressed doubts because the ship had been well marked.

PROCEDURES SHOULD BE REVIEWED

Secretary RUSK. I think there are a number of procedures that ought to be reviewed in the light of this kind of incident.

I think it would be a mistake to adopt radically different procedures because of the one case if in fact it interferes with what you are doing in the general situation.

But, on the other hand, it may be that there will be a need to review the destruct or the scuttling procedures and other things of that sort.

Let me, by the way, Mr Chairman, make just one quick remark. These are not matters which are decided solely by junior level people over in back room somewhere. These are matters of interdepartmental coordination. A good many of these things are brought to my personal attention in which I participate, and I have on a number of occasions made adjustments in the plans because of factors such as became apparent in this North Korean affair.

What is done here is done at a responsible level in government, and not simply by cloak and dagger people off in a back room somewhere. I want to make that crystal clear.

POWERFUL PROPAGANDA

Senator HICKENLOOPER. I think while we have established perhaps at least a partial conviction that we are standing by our commitments and we are not going to be put upon in our actions in South Korea, I am just wondering if this is not being eroded by some of these incidents now. We really do not take care of our own situation when the chips are down. I do not know. I think it gives very powerful propaganda——

Secretary RUSK. That is a major point at issue, Senator, in this situation.

Senator HICKENLOOPER. Well, I won't pursue it any further.

Secretary RUSK. The issues are very grave. I think that one must decide what is, in the first instance, what is most likely to obtain the return of the ship and the crew. Beyond that are some even more serious issues about what is required in order that this sort of thing not happen again.

Senator HICKENLOOPER. Well, it will happen again, if they get away with this one, I think. That would be my guess. But maybe not, I don't know.

CHOICE OF THE CAPTAIN

Senator SPARKMAN. Senator Mansfield.

While he is finishing, do you know whether or not the skipper was under orders with reference to the use of fire power such as he had? I heard over the radio this morning a Navy man say that the 50-caliber machine guns would have been absolutely helpless as against three and five-inch guns that the other ship probably had, they could blow them right out of the water.

Secretary RUSK. He was up against a sub-chaser and motor torpedo boats that could have just obliterated the ship. So that the choice the skipper had as he saw it——

Senator SPARKMAN. I wonder if he had free choice or it might have been under instruction.

Secretary RUSK. He had the choice to let his crew be obliterated or offer no resistance.

Senator Symington. Or to scuttle.

Secretary RUSK. Or to scuttle. The 50-caliber machine guns could not in any sense have offered any serious military resistance in the situation in which he found himself.

Senator SPARKMAN. Senator Mansfield.

WHEN THE PRESIDENT WAS NOTIFIED

Senator MANSFIELD. Mr. Secretary, are we sure, are we positive, that the *Pueblo* was 16 miles off shore?

Secretary RUSK. There was no question when it was seized.

[Discussion off the record]

Secretary RUSK. We have no doubt about where it was when it was seized.

Senator MANSFIELD. If this statement was not true; why was not the President notified until after the seizure and taking of the *Pueblo* into Wonsan Harbor?

Secretary RUSK. We are trying to check the timing of the various communications. I was called about 1:35.

Senator LAUSCHE. In the morning?

Secretary RUSK. In the morning.

Senator MANSFIELD. Even at that time it was in Wonsan.

Secretary RUSK. That is right. In other words, when the Secretary of Defense, the Secretary of State and the President became aware of the situation it was either in or entering Wonsan Harbor. So that the question of preventive action had already passed at that point.

Again I am not offering this as an alibi, I am just stating it as a fact.

Senator MANSFIELD. No, but I think it is a factor which ought to be taken in mind, especially in view of the great responsibilities which devolve upon the President and Secretaries of Defense and State in a matter of this kind.

What you would say applicable to McNamara was applicable to the Pentagon generally.

Secretary RUSK. I would think so. I think perhaps there I was a first message on which they went back to get further clarification because there was some confusion about whether they were simply accosted or whether some additional action was being taken such as boarding.

Senator MANSFIELD. About what time was that?

Secretary RUSK. That was—you see, after the first accosting, and this is an interesting point, the skipper of the ship reported that he had been accosted and he was proceeding with his mission.

Senator WILLIAMS. What time was that?

Secretary RUSK. That was at 2122. I am sorry, 2225, Eastern Standard Time, which is 10:25, the *Pueblo* reported sighting two North Korean boats at an estimated range of 1,000 yards and said they appeared to be fishing boats. He turned to the Northeast, and then moved out to a position 24 nautical miles off the North Korean Coast and continued on a northeasterly course. Then at 2200—I am sorry, I am not enough of a sailor to translate these numbers into times of day.

Senator MANSFIELD. Mr.Secretary, I wonder if you could have Bill Macomber or someone on your staff furnish a chronological——

Secretary RUSK. A detailed chronology, yes, I will.

I am trying to find it.

Senator SPARKMAN. Well, for the record.

Secretary RUSK. I think we might have both an unclassified and a classified chronology in case there is some point that turns on the type of communication.

Senator MANSFIELD. We will get that later.

AUTHORITY OF ADMIRAL SHARP

Senator MANSFIELD. There is a question, at least according to the press, about the position of Honolulu in reference to this matter. Just what was the position of the Commander in Chief Pacific Fleet in this matter, and I raise that question despite the fact that I see where Admiral Sharp has indicated he was boarding the *Kitty Hawk* somewhere off the Vietnamese Coast at that time.

Senator SYMINGTON. You do not mean the Commander of the Pacific Fleet, you mean Hawaii.

Senator MANSFIELD. The overall Commander.

Secretary RUSK. Yes, but the Commander in Chief of the Pacific Fleet, who is under Sharp, was in Hawaii, according to my information.

Senator MANSFIELD. Was he with, did he have, the authority to act in a case of this sort? I raise the question because there is a question about the disparty of communication between Honolulu vis-a-vis the *Pueblo* incident, and the Pentagon, the White House and the State Department.

Secretary RUSK. Yes, there is standby authority for the protection of U.S. Naval vessels. I understand that the Air Commander made the decision after the boarding occurred not to send the aircraft on in at that point because there were MIG aircraft reported in the area and he could not get enough aircraft there before dark to deal with the situation in which those aircraft would find themselves.

Senator SYMINGTON. Is that the Air Commander in Hawaii.

Secretary RUSK. Is it the Fifth Air Command? Yes.

Senator MANSFIELD. Are you looking into the discrepancy between the Hawaiian action or lack of action and the lack of notification to Washington?

Secretary RUSK. We are trying to check now on the exact time of all the messages.

Senator MANSFIELD. If there is a discrepancy.

Secretary RUSK. To find out if there is a discrepancy, yes, sir.

NOT A CIA SHIP OR MISSION

Senator MANSFIELD. Was this a CIA ship?

Secretary RUSK. No, sir, it is a Navy ship.

Senator MANSFIELD. Okay.

Secretary RUSK. Which was carrying out missions for the entire intelligence community by direction of the Departments concerned, including Defense, ourselves, CIA.

Senator MANSFIELD. But you had two civilians on the ship.

Secretary RUSK. That is correct. But the mission is not a CIA mission.

Senator MANSFIELD. I see.

PERSONAL KNOWLEDGE OF PRESIDENT JOHNSON

Now, two more questions, if I may. Did President Johnson know of this ship at that time carrying out that particular function that close to the Korean Coast?

Secretary RUSK. I cannot speak for his personal knowledge on that, Senator.

Senator MANSFIELD. Did you know of the *Liberty* last July, I believe it was, patrolling fairly close in shore off the Sinai Coast?

Secretary RUSK. I do not think he knew the exact location of that ship at that time.

Senator MANSFIELD. You, of course, did not know.

Secretary RUSK. I did not know.

Senator MANSFIELD. Did you or didn't you?

Secretary RUSK. Well, I knew about the mission of the ship, yes.

Senator MANSFIELD. Did you know where it was?

Secretary RUSK. I did not know at that particular moment.

Senator MANSFIELD. Just how good is your information about the total of eight ships which are engaged, as I understand, in this kind of activity? Are you kept on a day-to-day——

Secretary RUSK. Not on a day-to-day basis, no, sir. These are done on a mission basis.

Senator MANSFIELD. Did President Eisenhower know the U–2 was flying over the Soviet Union when he accepted responsibility for it?

Secretary RUSK. I just don't know.

Senator MANSFIELD. Well, my belief is he did not know, and my strong belief in the matter is that the President did not know not only in this instance but in the case of the *Liberty* as well, and I think that is something that ought to be looked into because we can get involved in incidents for which the President has to take the blame and assume the responsibility because be has no choice.

He ought to be protected in some respect.

Senator SYMINGTON. If the Senator will yield right there, there is a book out on the CIA, "The Real CIA," by Kirkpatrick,[3] Inspector General, and he very much emphasizes what he said was a great mistake for President Eisenhower, and they all felt in the intelligence apparatus, to admit he knew about the U–2, and also in one case President Kennedy thought it was a bad mistake to admit that he knew about the Bay of Pigs.

[Discussion off the record]

FIRST THE SHIP HAD UNDERTAKEN SUCH A PATROL

Senator MUNDT. You asked him if you knew where the ship was on that day. Did the President know about the mission of the ship?

Senator MANSFIELD. And if my information is correct, and I am not sure it is, this was the first time this ship had undertaken that kind of a patrol, is that right?

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[3] Lyman B. Kirkpatrick, *The Real CIA* (New York Macmillan, 1968).

Secretary RUSK. The first time this ship had undertaken that kind of a patrol, that is correct.

Senator MANSFIELD. That this ship had undertaken this kind of patrol along the North Korean Coast.

Secretary RUSK. Yes, Senator, I did tell you earlier, I do not want to be confusing here, it had been on this mission for 13 days.

Senator MANSFIELD. Yes, but it was the first patrol of that nature.

One more question, and I am through.

Senator MUNDT. I did not get a chance to get an answer.

Senator MANSFIELD. Oh, yes, surely.

THE PRESIDENT ASSUMES THE BLAME

Senator MUNDT. Did the President know about this mission?

Secretary RUSK. I cannot answer that directly because I just do not literally know. If you asked about the President as an individual, he has a representative who sits with us when we get into questions of these missions.

Senator MANSFIELD. I think it is fair to say he probably did not know unless it was happenstance because he had so many things which were brought to his attention as a matter of routine procedure.

Senator MUNDT. It is a very good question. He might not know where it was that day, but he would know——

Secretary RUSK. But the President has an enormous reading file every night bringing him up to date on everything, for example, that is going on and I just cannot quite frankly respond to that questionm such. I am fairly certain that he was not aware on the day this incident occurred that that ship was where it was.

Senator MUNDT. I do not think that is an important question. The question is whether he knows about the mission. He ought to know how many people are doing these, how many people are involved in authorizing these activities that might lead us into war.

Senator SPARKMAN. May I interject, I do not think we ought to expect the President to know where the ship was at the very time.

Senator MANSFIELD. But the point I am getting at, he gets the blame, he assumes the blame.

Senator COOPER. I think this inquiry has an importance for this reason: If it is correct, and it is correct as the Secretary has said there have been 500 provocations along the line in South Korea——

Secretary RUSK. And a good many of those at sea, infiltration by sea.

Senator MANSFIELD. And that is 1967.

Secretary RUSK. That is right.

Senator COOPER. The situation which you now think is important enough to have reinforcements go there, in other words, there is a possibility, I do not say a probability, you might have military action again in Korea, then for that reason I would think it would be very important that the President did know whether or not such a ship as this was moving up to North Korea where a provocation could occur which might have influence setting off the resumption of hostilities in Korea.

Senator MANSFIELD. Mr. Chairman, I will ask my other questions later.

Senator SPARKMAN. Senator Williams.

ATTENTION TO THE MESSAGES

Senator WILLIAMS. Mr. Secretary, you, as I understand it, received your first message at 1:35.

Secretary RUSK. That is correct, sir.

Senator WILLIAMS. It started at around 10:25 you were furnished an alert. We hear a lot about World War II, Pearl Harbor, about the messages coming in, and nobody paying any attention to them and they could not find the man who could make a proper decision at his desk. Was such the case here?

Secretary RUSK. No, we were in communication——

Senator WILLIAMS. You were, but in the series of events leading up to the report to you.

Secretary RUSK. Senator, I think you would have to shorten the time in which there is a problem on that because remember, that for the first approximate hour and a half the skipper himself had reported that he was resuming his mission.

Senator WILLIAMS. I see.

Secretary RUSK. And had not asked for help, so that I think you need to take that time out in terms of the communications problem of a matter seemed to be more serious.

Senator WILLIAMS. What I was wondering in a situation something like that is that somebody is at the switch all the time who can accept the messages and who is designated. I realize you just cannot and the others cannot.

Secretary RUSK. Oh, yes, there is a 24-hour National Military Command Center in the Pentagon, and a 24-hour Operation Center in my building and they frequently call in the middle of the night when matters of importance come up. In this instance Secretary McNamara called me because he had been called by the National Military Command Center. And he called me directly, and then I called Mr. Rostow and suggested he inform the President.

Senator WILLIAMS. You will furnish to the committee the chronology of the events?

Secretary RUSK. Yes.

THE SO-CALLED CONFESSION

Senator WILLIAMS. One question that was in my mind, this confession, so-called confession, that was heard over the air, do we have any reason to believe it was true, that is a real confession or are these commanders instructed to not resist and make such confession, or just what is your opinion about that?

Secretary RUSK. Well, they certainly are not instructed to make such confession.

Senator WILLIAMS. No, but I mean——

Secretary RUSK. Our view was that this was a confession that was written by the North Koreans. We do not know the circumstances under which the commander may or may not himself have read this message off to somebody.

Senator MUNDT. His wife was listening to it, according to the paper, and did not know whether that was his voice.

Secretary RUSK. Yes, I have not had the result of any investigation as to the result. Did she say it was?

Senator MUNDT. I do not know.

Senator SPARKMAN. She was quoted as saying that she could not determine that it was his voice.

Secretary RUSK. He is reputed by other officers who know him well to be a first-class officer of integrity and courage. So what, again, we need to have a chance to talk with him to see whether there is any connection at all between him and this confession. He might have been under great presure by some offer of release of the crew if he were to make this confession as they put it to him. He might have made a judgment that he or we might not have made in the same way. But we do not believe that this confession represents the skipper's authentic account of what went on. We do not believe that he was at any time within seven miles of the North Korean Coast and [deleted].

Senator WILLIAMS. From the propaganda standpoint, if this was his confession they have scored a point.

SCUTTLING THE SHIP

Are these ships equipped with any automatic device where they can scuttle them quick?

Secretary RUSK. I do not know what the circumstances on that particular ship are, but the committee might wish to have an officer down to go into some of these points.

My understanding is that most ships have the scuttling capability, but I do not know whether this was true in the case of this one. I just do not know, sir.

Senator WILLIAMS. If the commander did make such a confession, what would be the attitude of the Department when he comes back?

Secretary RUSK. Well, I would not want to try to make any judgment on that. That would be for the Defense Department. I just do not know.

Senator WILLIAMS. No further questions.

Senator SPARKMAN. Senator Gore.

Secretary RUSK. I think it would depend a great deal on all the circumstances in the situation, in what situation he found himself.

EARLIER MISSIONS

Senator GORE. Mr. Secretary, first I wish to commend President Johnson and his advisors for proceeding with prudence and caution in a very delicate and dangerous situation. I think there has been a closing of ranks here, and I certainly share that feeling and attitude. I wish to ask a few questions.

You told us that this was the first patrol of this *Pueblo*, this 13-day mission was the first patrol of the *Pueblo*.

Secretary RUSK. This particular ship. I think there had been an earlier ship out in those waters.

Senator GORE. That is what I was coming to.

There have been others, how many others?

Secretary RUSK. I think there has been at least one other up in those waters; yes, sir.

Senator GORE. I know a North Korean officer at Pan munjom alleged that the *Pueblo* was intermingled with some 100 South Korean fishing vessels. Do you know if this was the fact?

Secretary RUSK. I do not have that information.

Now, South Korean fishing vessels do go in international waters north of the 38th Parallel to fish. I cannot deny that there might have been some there, but what I can say categorically is that this vessel had no operational relationship to any other, anything else that might have been going on.

Senator GORE. This was just a matter of interest.

Secretary RUSK. Yes. Because—the Sea of Japan is filled with fishing vessels from Korea, Japan and North Korea. So that I cannot deny there might have been South Korean fishing boats somewhere in the area.

QUESTION OF INTERNATIONAL WATERS

Senator GORE. Along with the information which Senator Mansfield requested, would you supply the committee with the original Naval operational instructions to the *Pueblo*?

Secretary RUSK. I will raise the question, Senator. I cannot contract to do so because I am not sure about the character of the orders and whether it is possible to.

Senator GORE. Well, the reason I ask that question, I know you have emphasized that you are confident that at no time was the *Pueblo* within a distance shorter than 13 miles of the North Korean Coast.

Now, in our proceedings a few days ago, Secretary McNamara, in testimony before this committee with respect to the incidents in the Gulf of Tonkin told this committee that the USS *Maddox* and the *Turner Joy* were on "routine patrol in international waters". This is referred to again, "in international waters" later on in the same testimony.

The committee discovered that the Naval operational instructions to the commanders of these two vessels directed them to go within four miles of North Vietnamese Islands of Hon Me and Hon Nieu.

I raise this point because I looked at the map here, and I may be entirely incorrect, but it seemed to me that there might be two North Korean Islands, Rei-Do and Yo-Do, toward which the vessel could have approached nearer than 13 miles and still have been 13 miles from the coast.

Would you inform us on that?

Secretary RUSK. You mean in this location where it was seized or are you talking about something else?

Senator GORE. At some time during the patrol?

Secretary RUSK. In the area in which it was seized, that part of its mission, it was my understanding they were 16 miles from the nearest island, some 25 miles from Wonsan itself.

Senator GORE. At the time they were seized?

Secretary RUSK. That is correct, sir.

Senator GORE. You may recall, I asked General Wheeler at the White House the other night if at any time during the patrol the *Pueblo* had made incursions nearer, and he said he did not know.

Secretary RUSK. Well, in nearer than 16 is possible.

Senator GORE. I asked nearer than 12.

CATEGORIC INSTRUCTIONS

Secretary RUSK. The ship was under categoric instructions because it was to that extent recognized that this was a sensitive area, it was under categoric instructions not to approach closer than 13 miles, and it is the type of ship that has a high navigational capability. That is the basis for my confidence, but I did say that I could not be a hundred percent sure until we get hold of the shipper, you see.

Senator GORE. I understand.

Did you feel confident that it did not approach closer than 12 miles to some outcropping of territory, some island that belongs to North Korea?

Secretary RUSK. I would have to, if you are talking about the entire 13 days, I would have to review to see whether that issue could have arisen. I am quite—I know what the orders were and they were most stringent in character on this point. The ship was under radio silence, so that it did not regularly every hour or so report its position. It was in radio silence most of its mission. So there is an area here where I cannot testify directly, Senator Gore.

Senator GORE. I understand. I am trying to elicit all the information possible.

Secretary RUSK. That is right. But bear in mind I did make the further point as a matter of international law and practice that even if it had, as a U.S. Naval warship, as a public vessel of another government it was not subject to seizure.

HOT PURSUIT WAS NOT INVOLVED

Senator GORE. Well, one reason I raise this point, Mr. Secretary, is that the Communists may have had in mind a demonstration of the so-called "hot pursuit" principle. Now I realize that there is merit to what you say, that there is a difference in hot pursuit, say, into Cambodia in the heat of a battle and in the overtaking of a vessel that has not undertaken any violence and apprehending it in the course of hot pursuit, but it might be that they had in mind drawing such a parallel.

Secretary RUSK. My hours have been so crowded that I have not had a chance to get into this in some detail. I can only report that our legal advisor examined that pretty carefully in preparation for the Security Council this afternoon. His conclusion was that hot pursuit was not properly involved in this situation.

I cannot deny that the North Koreans might not have had something of that sort in mind themselves.

Senator GORE. But you have considered that?

Secretary RUSK. We have considered that, yes.

Senator GORE. Good.

A PASSIVE INTELLIGENCE MISSION

Was the *Pueblo* engaged in active as well as passive intelligence? That is, what its instruction and purpose to only listen or to stimulate activity on the part of radar and radio communication?

Secretaty RUSK. My understanding is that it was on a passive mission, that it was basically listening, was not jamming or any-

thing of that kind, for example. It was not conducting any action against the other side.

Senator GORE. Well, do you know if the instructions were to approach in such a way as to incite activity of radar and radio and radiation communities?

Secretary RUSK. I suppose a ship of that sort, operating, say, 13 miles off, would stimulate the other side's radar, and then you would listen to the other side's radar. I mean this is simply a part of the operational practice on both sides.

Senator GORE. Do you know if it was in communication with agents of the United States within North Korea?

Secretary RUSK. I do not think so. I do not think we—that has not entered the picture. It had no mission of that sort.

I wish I could report to you that we had agents in North Korea, but I am a little doubtful.

Senator GORE. I had assumed we did. I hope we had.

Secretary RUSK. But I am a little doubtful of that.

Senator GORE. You said that the North Koreans had engaged in incursions and some at sea, did you say 500?

Secretary RUSK. Over 500 incidents of infiltration occurred in 1967. Ambassador Goldberg will bring that before the Security Council today.

THE ENTERPRISE CHANGED COURSE

Senator GORE. General Wheeler told us the other night that upon, that at some time, I will not use the exact words, but I got the impression that at the time the the commander of the *Enterprise* learned of the predicament of the *Pueblo*, that he changed course and started steaming toward the area. Do you know if this was upon his own decision or if he, this decision was made and he was ordered so to do and, if so, by whom?

Secretary RUSK. The commander of the 7th Fleet ordered the *Enterprise* to change course.

Senator GORE. And that—did he order that upon his own or was this, did this originate in Washington?

Secretary RUSK. I would have to check that point. I think from Washington.

Senator GORE. One question about the United Nations.

Secretary RUSK. That occurred the next morning at 0636 Washington time, that particular order.

Senator PELL. If I may interpolate that I asked that of the Joint Chiefs, I think it was the Commander of the Pacific Fleet who did it on his own authority and informed Washington.

Secretary RUSK. The note I have here is Commander of the 7th Fleet. That could well occur, informed Washington and Washington could have countermanded it immediately if it had any objection to it.

Senator GORE. In any event, the change of course, if I correctly interpret the time you gave, was after the ship, the *Pueblo*, was already in harbor.

Secretary RUSK. Oh, yes, hours later.

TAKING KOREAN PROBLEMS TO THE U.N.

Senator GORE. Well, one question with respect to the United Nations. Do you think there will be difficulty in inscribing the subject?

Secretary RUSK. Ambassador Goldberg does not think so. He has been in touch with members up there, and he thinks there will be the nine votes to inscribe the matter on the agenda and one of the reasons for that is that Korea has been peculiarly a subject of interest on the part of the United Nations for more than 20 years. They appointed a commission back in 1948. Mr. Dulles handled that question in the General Assembly, to go out and try to arrange the unification of the country by free elections and peaceful means. Then came the Korean War in which the forces there were under the U.N. Command. Our side that sat at the Military Armistice Commission the other day sat there as the United Nations Command, and so that there has been a long annual—as you know, from your own experience—an annual discussion of Korea in the United Nations for one purpose or another.

So it would be, I think, a good many of them I would think it would be normal for a Korean problem to come there.

Senator GORE. Thank you, Mr. Chairman.

Senator Sparkman. Senator Mundt.

AVAILABLE WAR PLANES

Senator MUNDT. Mr. Secretary, in your capacity you are given all of the information concerning what happened that anybody at the top level of government receives, is that correct?

Secretary RUSK. Yes, I think so, sir.

Senator MUNDT. How many MIGs were flying over the patrol boat altogether?

Secretary RUSK. His first report was that there were two MIGs, I believe, circling off his bow.

Senator MUNDT. How many available war planes do we have under U.S. Command, U.S. war planes in North Korea at that time?

Senator WILLIAMS. South Korea?

Secretary RUSK. South Korea?

Senator MUNDT. South Korea.

Secretary RUSK. I do not have with me, Senator, the details.

Senator MUNDT. You heard what General Wheeler said at that meeting?

Secretary RUSK. Yes. There were some 50 or 60 U.S. aircraft of all types, I gather, 150 South Korean aircraft of all types, but our principal and most modern fighters were in Japan and Okinawa.

Senator MUNDT. Do you recall General Wheeler saying there were three and it took a long time to deload them?

Secretary RUSK. Yes, I feel that needs some clarification.

Senator MUNDT. It certainly does.

SETTING THE RECORD STRAIGHT

I had a curious thing happen to me yesterday. I had a call from the Joint Chiefs of Staff, which usually does not happen to me, it usually happens to Symington, and they said, "We understand you

want some more information about what took place with the *Pueblo*."

Well, I said, "I have not requested any," and so I called back and I thought maybe one of the Senators who was not at the White House could have called and they got the name confused. I said I had not requested it.

They said, "Would you not like to have some?"

I said, "I would like to have all that you have got."

Captain Schweitzer, and is there a General Brown, General Brown, a four-star general, came to my office, and we had a discussion, and I said, "Well, these two MIGs," I did say—he said there were eight MIGs.

Senator MANSFIELD. Eight what?

Senator MUNDT. Eight MIGs.

I said, "General Wheeler said there were two."

Well, he said, "That is one reason we wanted to come up, to get the record straight."

Secretary RUSK. Well, that could turn on the difference between what the skipper reported and what other types, of information showed in the immediate area. The skipper might not have seen them.

Senator MUNDT. That is right.

I am giving you the facts as they are. "I am kind of worried about the fact that with all our manpower we have got down south of the border and 500 infiltrations that you mentioned that we had only three aircraft under our command."

"Oh, no," he said, "we had a lot of aircraft under our command."

I said, "Fighters?"

He said, "Yes." He listed the different kinds of fighter.

Well, I said, "How come General Wheeler only said three?"

He said, "That is the only reason I wanted to come up here with the information."

I would have accepted all of that except last night I was talking with a member of the House Armed Services Committee about a briefing they were getting at their committee room at the same time I was being told this in my office, and he said to me, he did not know I was at the White House, he said, "You know, there were only two MIGs over the boat."

I said, "Right. Where did you get that?"

"We got it right from General Wheeler who was before our committee yesterday that we had only three planes."

A LOT OF MISINFORMATION

I think there is a lot of misinformation going on and I am tired of being flim-flammed. I did not ask these fellows to come. They told me and I thought it was perfectly possible, if we did not have that information why he should be telling me at the time his emissary was telling me one thing, they were getting something different at the House. I think we ought to know what it is. I think it is a very good question, do you think it is two or eight? Do you think it is three or a lot of available planes, not only talking about Korean planes? We had a lot of those, pretty good ones too.

Secretary RUSK. Senator, I have no problem about your getting accurate information on that point. Quite frankly, I am not suffi-

ciently briefed in detail about a good many of these things like order of battle at a particular moment in South Korea and that sort of thing and I would try to arrange to have an officer come down and brief the committee in whatever detail you wish.

Senator MUNDT. I just want the facts. I hate to have the House committee briefed on one thing and me briefed on the same thing simultaneously and so far off. It seems to me if we have any kind of information from the Government, there should not be that kind of a question. It should not be debatable.

My information is pretty inadequate, refreshed, but at the same time the same hour these two fellows came up to see me and telling me one thing, and they were telling the House Committee something entirely different.

Secretary RUSK. Let me look into this and see if there is anything about it.

Senator MUNDT. Yes.

PROVISIONS OF THE U.N. RESOLUTION

About your U.N. resolution, do you say you are sending in a joint resolution of two items or a resolution with two items or are you sending in two resolutions?

Secretary RUSK. The resolution that we have in mind would call upon North Korea to cease immediately all acts threatening international peace and security in the Korean area. It calls upon North Korea to observe strictly the provisions of the Korean Armistice Agreement and requests the authorities in North Korea to return promptly the USS *Pueblo* as well as all members of its crew. In one resolution we are talking about both kinds of things.

One of the reasons we are doing that is our South Korean friends would be extremely sensitive if we simply concentrated on this ship and ignored all these things the fellows in the North have been doing to them by including an attack on the President's palace.

Senator MUNDT. Right. I think we would be in a much stronger position if we had two resolutions, one dealing with the infiltration, the events on the attack on the Blue Palace which undoubtedly Russia would veto because she was on the other side of that war and went all the way through, but if we are going to find out where the Russians stand, why do you not have the resolution on the *Pueblo* and see if they would veto that. I think you are just playing yourself right smack in a trap in that kind of a resolution because they veto it and say she is vetoing it because of the U.N. war.

Secretary RUSK. I think if the Soviet Union had any different view on this, if the Soviet Union is interested in getting this ship released and is unable to, it will veto any such resolution.

Senator MUNDT. Yes.

Secretary RUSK. It is not going to show any lack of solidarity with North Korea in the Security Council.

Senator MUNDT. You make it very easy by a stupidly drawn resolution, and I say that because this is serious business to offer that kind of resolution, you just play into the hands of the other fellow. When you could have two separate resolutions and the second one is a fish or cut bait resolution, "How about protection of the high seas, where do you stand on that, where do you stand on the *Pueblo*?" So you obviously are weakening your case.

Secretary RUSK. I just do not agree with that, Senator.

Senator MUNDT. All right, you wanted some advice; you got it. [Laughter.]

Senator SPARKMAN. No charge.

Senator MUNDT. I want it in the record. I want it in the record because I think it is poorly drawn.

Number three——

SUBMITTING QUESTIONS FOR THE RECORD

Senator SYMINGTON. Will the Senator yield for just a minute. I have a luncheon engagement. Would it be in order if I could submit about 15 questions to the Secretary on this matter I have written down and for the record give them to Carl and make them part of the record and he would answer them for me?

Senator SPARKMAN. Very well, that will be satisfactory.

Secretary RUSK. Yes.

Senator SYMINGTON. Thank you.

ATTITUDE OF THE SOVIET UNION

Senator MUNDT. Would you say, Mr. Secretary, that it was pretty obvious, to put it mildly, that the USSR by subsequent actions is sympathetic to what has been done, whether they had anything to do with planning it or not? But by their action they certainly have done nothing to be helpful. They have indicated they were sympathetic and they realize that because of premeditation or by accident something pretty useful has fallen into their hands.

Secretary RUSK. As I said earlier, I think there is no doubt that they will try to get what information they have off of and about this ship. I think it is a little early to have a final conclusion as to what their attitude will be about the return of the ship and the crew, because they have a considerable stake in the ability of such ships to move in international waters.

Senator MUNDT. That is the story of my logic in saying you ought to have two resolutions covering both, instead of mixing apples and pears.

Secretary RUSK. We would have a serious problem if we seemed to separate ourselves from the South Koreans to that extent.

Senator MUNDT. You have a resolution right on the one bringing right out in the open the infiltration and concentrating on it.

Secretary RUSK. If the Soviet Union wants to vote differently on paragraph 3 than they do on paragraphs 1 and 2 they will have a chance.

Senator MUNDT. The trouble is they are not that stupid. They will take advantage of it. And we have made it easy.

VALUE OF CAPTURED EQUIPMENT

To what extent will the Communist capture of the equipment enable them to devise effective counterequipment?

Secretary RUSK. I think you ought to put that to Mr. Helms. An assessment is being made of that now. We are handicapped by not knowing details about what equipment was destroyed and what might have been not destroyed. We know that destruct procedures were taken.

Senator MUNDT. We raised the question to what extent will the Communists' capture of the U.S. equipment, if it were all there and non destroyed.

Secretary RUSK. It would require some adjustments in our own procedures, communication procedures, but it is not all that fatal. It is troublesome.

Senator MUNDT. You think they will release it before they have thoroughly studied and examined the equipment and drained out every possible intelligence information they can get?

Secretary RUSK. I just do not know, sir. I cannot anticipate that.

Senator MUNDT. Is it equipment which would give information that they do not already have?

Secretary RUSK. I personally do not haye information on what documents might have been aboard. That is one of the things that is being studied in connection with assessment of the damage here.

Senator MUNDT. The cables, were they able to destroy all of the pubs? A gentleman came in and asked what does pubs mean. That is publications. I said, "Could you throw them overboard," and the other one said, "We did not have time." This captain said they might float, pick them up. The captain said they all have lead covers so they all sink. So we had a little debate in my office as to which was true. The general finally said it is true they have lead covers.

BAD BUSINESS TO ENGAGE IN PROVOCATIVE MISSIONS

Let me say this, I want to say this now: The Secretary solicited advice, he did not like my first suggestion, and I say this, as you know, as one who has supported the somewhat unusual problems of the President and you in the conduct of this war, although I have deplored the associated peace and trade policies which aid the enemy; despite that I think it is better to go on if there is fighting on both sides of the war than not to go on at all. I will have more to say in a Senate speech on the floor later, but I want to put myself on record as saying I think the U.S. government is in bad business with a war raging as it is in Vietnam, trouble in the Middle East, a ship being sunk over there and other problems in other areas, to go engaging in provocative missions of this type, and I am not at all impressed when you say both sides do it, and it is going on all the time, because there is the only place in the world where we are arrayed against an enemy in an armed truce without even a peace, an armed truce, a kind of an armistice, a shooting armistice, because they are killing our boys, we have casualties almost every week over there, they are invading our lines and coming down on these—and I think I know enough about the intelligence capability of this country to know the little extra intelligence you pick up by flying, sailing right in sight of an enemy country. Some of these incursions in that area have been by sea, have they not, Mr. Secretary, or some on land?

Secretary RUSK. They have indicated some by sea, some by air, and some with fixed ground stations.

Senator MUNDT. So we deliberately fly in, as it were, thumbing our nose at them with what they know is a spy ship and then we express great surprise when they resent it and take steps to stop it, and I just do not like the idea of our going into that kind of area

when we have enough other intelligence to get what we need there, and I think we have got enough wars, I am not sure I am going to support the administration in any other wars—I am supporting it in the Vietnam War but we are just courting disaster, in my opinion.

I would, like to hear your remarks. I am sure you will not agree with this.

SOVIETS ARE ENGAGED IN SIMILAR OPERATIONS

Secretary RUSK. We are talking about operations in international waters here.

Senator MUNDT. We are talking about international—wait a minute. We are talking about international waters close to a country with whom we are almost at war and have been for a long time, there is an armed truce, all kinds of incidents are occurring, and we go into that general area sort of like a kid in the back yard, we knock a chip off their shoulder and say, "What are you going to do about it?"

I just do not like to see us trying to get into this area.

Secretary RUSK. There is a sister ship of the *Pueblo* owned by the Soviet Union operating in the Sea of Japan today. It plays around with our own naval vessels in the Sea of Japan from time to time. Should we take it as knocking a chip from our shoulder when they do that?

Senator MUNDT. Query: When the fighting was going on in Korea, how many Russians were deployed?

Secretary RUSK. None.

Senator MUNDT. None, exactly, and a lot of American troops. This is an altogether different picture. I do not like generalizations that do not apply to this specific case. This is a specific case. We had a lot of men there, we have a lot of men there now, two divisions.

Secretary RUSK. But Senator, the rapid increase of incidents in the year 1967 puts a much higher premium on certain kinds of information we would like to get if we can, so these two things tend to go together.

Senator MUNDT. Yes, I can realize, but we have other means of getting an awful lot of information there. But I am talking about the fact we are in a pretty big war, McNamara said the boys were going to be home by Christmas so long ago I have forgotten the date. Now we are supporting, and with more and more skepticism and more and more reluctance and secondthinking because of the equally provocative diplomatic and trade policies that this administration is engaging in.

BAD PLANNING

Despite that, I support it but when you go out deliberately, this was deliberate, whether the President knew about it or not this was planned, deliberately getting right in sight of their vessels crowding up and say, "We will not go across the 12-mile limit but by God we will go 13 miles," we are getting awfully close at a period of time when we are engaged in a very uneasy armed truce with Korea and we ought to be interested in ameliorating and not

trying to get any more wars going until we finish the one we are in.

I just cannot follow that. I think it was very bad planning on somebody's part. I do not think it was yours. I do not think that we should just sit around and expect these kind of things to continue.

Fortunately, this is the only kind of place where we have this. I do not mean to argue that the Soviets do not do it to us and we do it to them. We do it on their shores and they do it on our shores, but they do not have a war. But here we go poking along for a very small amount of information we can add to our intelligence and running a risk of an incident like this, almost inviting for it. And we got what we asked for, in my opinion, and I do not think it is justified.

Secretary RUSK. Well, Senator, I think that underestimates to some extent and I do not want to appear not to welcome your comments, I asked for comments, but I think that underestimates the intelligence importance of missions of this sort. And that crisis situations add to the need for the intelligence, and further, we really ought to be able to exercise our rights in international waters.

Senator MUNDT. That is exactly what Captain Schweitzer said. I said fine. If we are going to exercise—he said that, we have to exercise our rights of freedom of the seas and we are going to protect those, we have to protect them. All right, if you exercise them, we have to make them successful. We did not exercise them. We did not have them. If you are going to exercise them, you are going to have to have some planes and ships available to protect them. You certainly do not build up your rights to the seas by losing the contest as we did here. That is the purpose of it. If we just want to say, "By gum, we have a right to be there," we have to be doggone sure we protect our rights.

Senator LAUSCHE. What was that last remark? Repeat the words.

Senator MUNDT. I said doggone sure.

Secretary RUSK. Senator, I am not prepared myself to generalize about this particular incident because of the scope of it.

OUR RIGHT TO THE SEA

Senator MUNDT. This is a serious one, we are getting down to the meat in the coconut, this is government policy, this is administration policy, if we are going around to demonstrate we have our right to the sea and take all the chances we take.

Secretary RUSK. We don't go around demonstrating our right to the sea, but when we go around in international waters we think we ought to have a right to exercise our rights in international waters.

Senator MUNDT. Well, put me down in the record as one who believes this is a very serious blunder on the part of the Government in these times when we have got this war on our hands. I just don't see any value at all of sending a ship close enough to provoke the enemy to do what it did and then wring our hands three days after the fight, "We don't know what we are going to do," we go to Russia: "Won't you help us?"

We knew she wouldn't help us, I knew when you said that at the White House, but I thought your judgment was right because it did

disclose the attitude of the Russians and no other emissary would have been as successful as the Russians to North Korea.

That is all.

Senator SPARKMAN. Senator Lausche?

TRUCE VIOLATIONS IN KOREA

Senator LAUSCHE. How many troops of South Korea do we have in South Vietnam?

Secretary RUSK. Perhaps 50,000, perhaps a few more, 52,000.

Senator LAUSCHE. In 1967 there were 500 violations of the agreement respecting the boundary line between North Korea and South Korea.

Secretary RUSK. Over 500; yes, sir. I am trying to get the exact figure.

Senator LAUSCHE. Did our government have a feeling that in view of these 500 violations there ought to be greater activity in learning exactly what was happening in North Korea?

Secretary RUSK. That was one of the prime consideration in this particular mission; yes, sir.

Senator LAUSCHE. When did our first mission go into these waters with a view of trying to learn the purposes and activities of Korea?

Secretary RUSK. This particular ship went in on 10 January, but I would have to check back to see about earlier missions.

Senator LAUSCHE. Yes.

But, did the department feel that in view of what was happening in the boundary between North and South Korea that greater efforts should be made to learn what North Korea was doing?

Secretary RUSK. That is correct, sir.

MOTIVES BEHIND THE ATTACK

Senator LAUSCHE. You stated that there were one of two reasons why this ship was seized. One, to gain the knowledge of the classified electronic instruments that were on the ship and, two, to divert South Koreans and the United States forces from South Vietnam.

Do you reach any judgment which of the two was the primary cause for what was done?

Secretary RUSK. We don't have a hard judgment on that because we are necessarily in a field of speculation. I think if you put this incident together with—I have the exact figure now—543 incidents in the first 10 months of 1967 across the DMZ, I would think that the basic motive was pressure on South Korea perhaps connected with Vietnam.

Senator LAUSCHE. It is my opinion that there were two purposes that North Korea wanted to serve. One, to grab this classified, these classified instruments; and, two, a diversion.

I come to that conclusion on the basis of determining what I would do if I were in North Korea and wanting to help North Vietnam. Diversion would be the principal one, but incidentally, the seizure of the classified instruments would also add to the booty that was acquired.

Now, was there any communication between superior officials over that of the skipper trying to determine that course should be

followed by the skipper; that is, was the skipper asking: "What shall I do?"

Secretary RUSK. He simply signaled higher command, according to my record, that the ship would remain in the area if feasible and continued its mission or if it were pressed it would withdraw to the northeast.

RESULT OF A FIRE FIGHT

Senator LAUSCHE. Is it the opinion of the military men that if the skipper had engaged in battle that the crew and the ship would have been obliterated?

Secretary RUSK. I just don't know what judgment he made, Senator. I think there is no question that from a straight military point of view that had he taken on these vessels in a fire fight and they themselves responded, of course one could always imagine if he had fired some shots they might not have pressed it, but had a fire fight occurred this USS *Pueblo* would have been overwhelmed almost instantly.

Senator LAUSCHE. At this point we had one ship there. How many of the North Korean ships were there?

Secretary RUSK. Four altogether. Subchaser No. 35 joined by three other craft.

Senator WILLIAMS. Will the Senator yield?

Just suppose instead of firing he just plain refused to stop, and started to sea, do you think they would have fired a first shop or not?

Secretary RUSK. Well, he did attempt simply to withdraw.

Senator WILLIAMS. I know. But I mean he had to stop to let them board him.

Secretary RUSK. No, they—I don't think he was at a dead stop after he was boarded. They came up alongside. He had a low side rail there.

Senator LAUSCHE. There were four of the North Korean ships there and either two, or eight MIGS. Is it fair to assume that the skipper along with this ship would have gone down with all of his men if he would have shot back?

Secretary RUSK. Subject to whatever men might have been picked up by the North Korean vessels.

Senator LAUSCHE. Has there been some talk that the waters there were cold and that in all probability all of the men would have perished?

Secretary RUSK. I think there was a high degree of probability that they would have perished had they not been rescued by the North Koreans.

Senator LAUSCHE. Now, then, our principal objective——

Senator MUNDT. Had the North Koreans reacted to our firing that is speculation.

Secretary RUSK. Yes, these are all questions.

A DIPLOMATIC SOLUTION

Senator LAUSCHE. Our principal objective is to get the men and the ship back. The administration has decided to do it by diplomacy, rather than by striking impulsively with our military might; is that right?

Secretary RUSK. Our first object here is to get the ship and the crew back so we are trying to ascertain whether it is possible to do that through diplomatic means and through the Security Council. I can't anticipate today what the situation would be if in fact it proves that we cannot get them back that way.

Senator LAUSCHE. That is, no decision has been made as to the course that we will follow in the event you can't get them back.

Secretary RUSK. That is correct, sir.

Senator LAUSCHE. Is there any knowledge as to where the men are now? Are they in the ship or have they been taken——

Secretary RUSK. No, they were taken off the ship, and we have reason to think they are under interrogation.

CONSEQUENCES OF A MILITARY ATTACK

Senator MANSFIELD. Will the Senator yield there?

To carry your previous question a step further, if you weren't operating through the U.N. and through diplomatic channels, and you did undertake military action, it appears to me, and this illustrates the dilemma in which this government is in and the President and you and Secretary McNamara that almost surely——

Senator MUNDT. And the rest of us.

Senator MANSFIELD. It will almost insure the death of the 85.

MAXIMUM DIPLOMATIC MOVES

Senator GORE. I ask you to yield because it would be in logical sequence here. In the event the procedure in the United Nations does not suffice, is the administration contemplating other and additional or even while this is underway supplementary diplomatic moves?

Secretary RUSK. Well, there will be maximum diplomatic moves through all possible channels. Already we are in touch with the Soviet Union, the 16 who had troops in Korea, Japan, Indonesia, a number of other governments.

We will during this period probe all these very hard to see through the International Committee of the Red Cross with respect to the prisoners.

Senator GORE. In other words, it is the position of the administration to explore vigorously and fully, if I understand you correctly, all diplomatic channels before making the hard decision about the use of force.

Secretary RUSK. That is correct.

Senator GORE. Thank you, Senator Lausche.

Senator, SPARKMAN. Will the Senator yield to me very briefly, following out that line——

Secretary RUSK. That doesn't mean certain steps will not be taken to reinforce our forces in the area, something of that kind.

Senator GORE. I understand.

CONSULTING CONGRESS BEFORE USING FORCE

Senator SPARKMAN. In case it was decided that we had to use force, and while all of us would deplore that becoming necessary, I don't think anyone of us would rule it out, if it should come to that, would we be consulted, this committee?

Secretary RUSK. I have no doubt the President would be in touch with the leadership and discuss with the leadership how those consultations ought to proceed. There is no doubt in my mind.

Senator SPARKMAN. This constitutes, in effect, an act of war.

Secretary RUSK. You mean what we would do?

Senator SPARKMAN. Yes.

Secretary RUSK. I don't want to try to anticipate what we might try to do, Senator. Senator Mansfield properly pointed out that there is a basic contradiction between the purpose of rescuing the vessel and its crew, on the one side, and taking forceful action on the other, by way of retaliation, by way of trying to prevent the recurrence of such incidents in other places by such forcible action so there is a genuine dilemma.

GETTING THE MEN BACK SAFELY

Senator SPARKMAN. This question, I think, is in the minds of everybody, how can you get that ship with the men safely back home?

Secretary RUSK. We have had this problem in quite a number of different circumstances. This element was not present in the Tonkin Gulf.

Senator SPARKMAN. No.

Secretary RUSK. You see. There the problem was not one of rescuing anybody. We have had this problem in other places, for example, in the eastern Congo, and how do you rescue people instead of rescuring corpses.

Senator SPARKMAN. That is right.

Secretary RUSK. And there we finally had to take a gamble and use some of our aircraft to drop some Belgian paratroopers there who got there about 10 minutes before all these people were about to be shot up.

So this is a tough problem.

A DIVERSIONARY TACTIC

Senator LAUSCHE. I just want to give my analysis of it. When I listened to Mr. Helms the other day I was greatly distressed when I learned about the length of the corridor of Laos through which North Vietnam is moving its troops. It was far in excess of what I understood it to be. Obviously, in the pacification program there has been a diminution of our success. The word is out now that 2 divisions of Viet Cong and North Vietnamese are being massed to make an attack. It strikes me that if that is the truth that a major attack is going to be made, this would be the time to try to divert the *Enterprise* and engage the South Koreans so as to minimize the strength of the United States in South Vietnam. It is for that reason that I believe that this is definitely a diversionary tactic.

Now, one, I don't believe that we have the personnel as distinguished from the military equipment, to engage in a land battle in South Vietnam, in South Korea, and probably at some other place if the purpose is to divert.

So I would state that we are not in the position to engage in another land battle in Southeast Asia.

Two, if we strike by air and by sea North Korea what will the North Koreans do?

My judgment is that they will invade South Korea, and if they invade South Korea, can we avoid sending men into maintain the agreement which we made with North Korea in—and China in 1953 or '4?

I join with Al Gore and Mansfield that we have got to move with caution and study what the ultimate results will be to be determined by the course we decide to follow. That is my view of this matter.

Number One, I would say we cannot engage in another land war, and our people will not stand for it.

Finally, I do hope that on this issue we don't get divided to the point where we will be blackening the character of our country and exempting and exonerating the North Koreans for whatever wrong they have committed.

That is all I have to say.

Senator SPARKMAN. Senator Cooper?

Secretary RUSK. May I just reply——

ROTATION OF THE CARRIERS

Senator LAUSCHE. May I stop here, the ultimate decision you have not made, and I, of course, have not made. I am not joining those who impulsively say, "Strike with all our might" at this time.

Secretary RUSK. Senator, I would appreciate a chance to make a very brief comment on one or two points you made, sir, and I, appreciate your comment.

First, as far as diversion from Vietnam is concerned, the carrier which we turned around, the *Enterprise*, was going down to rotate with another carrier. Our military people and General Westmoreland believe they have all the air that they can use usefully in Vietnam.

So the temporary retention of the *Enterprise* in the sea of Japan simply delays its rotation with another carrier down South so there is not a net reduction from the effort in the South.

Secondly, you are quite right to point out that in effect that it would be foolish to make a strike on North Korea without taking fully into account the consequences of their own reaction because if you do that sort of thing without being braced for all contingencies you are not meeting your responsibility.

It is true that in 1961, in July 1961, North Korea signed a treaty of mutual assistance, both with the Soviet Union and with Peking.

> Should either of the contracting parties suffer armed attack by any state or coalition of states, and thus find itself in a of war, the other contracting party shall immediately extend military and other assistance with all the means at its disposal.

So that also has to be taken into account.

Senator LAUSCHE. I didn't know that.

Secretary RUSK. So these are very serious matters, and I think all of us understand the gravity of the seizure of an American vessel and the retention of 85 officers and men.

But there are some other things that are grave, too, and that is why we are trying to find every possibility of dealing with this matter through diplomatic means, through political means.

I associate myself with your statements in terms of the gravity of the issues and the questions that have to be answered here, Senator.

Senator SPARKMAN. Senator Cooper.

NO LEGAL RELATIONSHIP

Senator COOPER. May I ask, Mr. Secretary, what is the relationship between the United States and North Korea, legal reiationship?

Secretary RUSK. We have no legal relationship in the sense that we do not recognize it as a state, we do not recognize it is a government. But on a de facto basis, we act on the basis that they are there, they have a government, and we try to conduct ourselves on the basis that they have the normal rights of states in international relations.

Senator COOPER. It is not one of belligerency then?

Secretary RUSK. No, it is not one of belligerency; no, sir.

Senator COOPER. It seems to me, I would say, first, I applaud your efforts to secure the release of our men, particularly our men and the vessel by diplomatic means. But it seem to me as North Korea asserts our vessel was in its territorial waters it is not likely to give up on that position.

MESSAGES FROM THE PUEBLO

In your judgment, or, rather, in your knowledge, were there any messages received from the *Pueblo* from the time it embarked on this mission until the first message came when it reported the North Korean vessel approaching, were there any messages which ever showed the *Pueblo* was in the territorial waters of North Korea?

Secretary RUSK. No, we have no messages of any sort which indicated it was ever in territorial waters. As a matter of fact, because I asked specifically about that, but I did not learn to what extent there were violations or suspensions of the radio silence that is usually—that usually governs such vessels on such missions. I just don't know what communication there might have been during the 12 days on the preceding days.

I think I would have to put a little note on that in the record.

Senator COOPER. I think that would be of some importance because it would have influence on the attitude of the North Koreans that we were in their territorial waters that would greatly affect the situation.

Does your intelligence consider that North Korea can evaluate or interpret these, this equipment that has been seized?

Secretary RUSK. I think with the assistance of the Soviet Union; yes, sir.

Senator COOPER. I think it has been pointed out here already that when you talk about using force to secure the release of these men it is not going to be successful, that is immediate force to try to go into the harbor as some have suggested and that kind of thing.

I would like to ask this, though——

Secretary RUSK. It would probably not be successful in getting the men. There may be other factors that bear on it, but certainly not in getting the men, Senator.

PROVOKING A WAR WITH KOREA

Senator COOPER. Senator Lausche and others have suggested it would seem to me if we use force to any degree in retaliatory form, it could possibly provoke a resumption of the war in Korea. Can you say whether or not that is the judgment of the administration?

Secretary RUSK. One can't have a firm judgment on such a point. But, as I indicated earlier, it would be quite irresponsible not to take that fully into account in any decisions that are made.

Senator COOPER. I don't know whether you can answer this question, but do you consider that if war should break out again along the Parallel, the United States has forces and equipment there sufficient to meet such an attack by North Korea or to sustain its position?

Secretary RUSK. I think so, sir, but there could be a much more dangerous war than the one that occurred in 1950 to 1953. [Deleted], particularly in light of the mutual security alliances between Korea and the Soviet Union and China.

Senator MUNDT. You mean after the truce, they weren't in existence during the war?

Secretary RUSK. No, they were not.

Senator Gore. Senator Cooper, would you yield for a question then?

Senator COOPER. Yes.

HOSTILITIES ARE A POSSIBILITY

Senator GORE. Mr. Secretary, is there something not involved here other than our own intentions, are not hostilities a possibility not because we desire them but because the high communist command may seek a definite diversion and provoke us?

Secretary RUSK. Yes, indeed, Senator, and that is one of the subjects we have been examining very carefully in recent months in connection with all these incidents, because war could break out on their initiative at at time when we didn't want one at all.

Senator GORE. Thank you, Senator Cooper.

Senator COOPER. That was the object of my questioning, so I am glad you got to it.

Secretary RUSK. This is one of the questions thaf put a certain premium on trying to get additional types of information out of North Korea.

Senator COOPER. The administration then has considered the possibility of North Korea, would itself provoke a war?

Secretary RUSK. That is being, that is one of the primary subjects that is watched at all times by what we call the Watch Committee.

Senator COOPER. That would mean, then, of course, that the Soviet Union had to have something to say about it.

Secretary RUSK. Perhaps we could leave this off the tape.

[Discussion off the record.]

INCREASED INCURSIONS IN KOREA

Senator MANSFIELD. Would the Senator yield there?

You have been emphasizing the facts the first 10 months of 1967 there were 547 incidents. In 1966, if my information is correct, and that is from the public prints, there were 37 incidents, and 13 in-

cursions along the line and into South Korea, and I would imagine that on the basis of those greatly enlarged figures for the first 10 months of last year, that the number of incursions has increased and certainly we are aware of the attempts on the part of the possibly 31 North Koreans to hijack or assassinate the President of South Korea. So they are stepping up their activity. They are becoming a little bolder, and to have the 31 followed by the *Pueblo* could or could not be significant.

But at least it is worth keeping in mind.

Secretary RUSK. In the statement that Ambassador Goldberg will probably make to the Security Council this afternoon, it states that incidents involving armed infiltrators from North Korea had increased from 50 in 1966 to 543 in the first 10 months of 1967, and that the number of soldiers and civilians killed by these infiltrators increased from 35 in 1966 to 144 in the same period of 1967.

So there has been a significant increase.

OPPOSING THE USE OF FORCE

Senator COOPER. I would just like to make this comment, too. It is a great affront to the United States to seize this vessel and its men. Of course, everyone wants and hopes that they will be released. But I must say that with one war going on in Vietnam, and with what seems to me to be an imbalance of forces in Korea, and the possibilities of a war there, I would think the best thing to do would be to try to pursue this by diplomatic means and not to use force. It is correct, isn't it, that in the past our fliers and other military personnel have been taken by Communist China and other countries and held for a considerable time and we kept working for their release? Haven't we?

Secretary RUSK. That is correct, sir, so far as fliers, say, held by the Soviet Union are concerned. We have had some fliers from China that we got back.

SEIZURE OF RUSSIAN TRAWLER

Senator COOPER. When the United States seized a Russian trawler, did it find this equipment on their vessels?

Secretary RUSK. No, these were fishing vessels.

Senator COOPER. You didn't find electronic equipment?

Secretary RUSK. We didn't seize them because we thought they might be, but we seized them because they were fishing in territorial waters and, as you know, the fishermen up in Alaska get mad about that pretty fast.

Senator COOPER. It seems to me, and I just don't say this to be critical, but I would agree with what Senator Mundt has said and in view of these very delicate situations I would think that a mission like this ought to be coordinated between the military and the State Department and the President himself to determine whether or not such a mission should be taken, and it seems to me it should be protected.

I have always doubted that President Eisenhower ever knew—he knew about the U–2 missions, but I doubt that he knew this particular mission just about the time he was going to France, to Paris, and somebody failed to tell him, and my judgment is in this case somebody failed to tell President Johnson.

EXCESS BAGGAGE ON THE PUEBLO

Senator WILLIAMS. Would the Senator yield at that point?

In addition to the information which this particular vessel may have picked up during the 13 days cruise, would they have on board any other secret, highly classified information that she would be carrying along with her as excess baggage that could be picked up at the same time or would she not have been stripped of that?

Secretary RUSK. We are trying now to find out, and this is a little difficult because we don't have access to the captain, but we have to go back to see what was put aboard to find out what the documentation was that may have been on board. I just don't have the information this morning.

Senator WILLIAMS. Under what circumstances would there be other documentation put on board a ship that was going in such a delicate area other than——

Secretary RUSK. I am sorry, Senator, I just haven't had time to get into that question; I just don't know.

Senator COOPER. On that point, I read that purported confession of the commander which described a mission, at least as they wanted to describe it, whoever wrote it wanted to describe it. Do you know whether any—it has been studied to see whether there is any correlation of a mission as described in that purported confession and his actual mission?

Secretary RUSK. Yes, one of the reasons why we call this confession a phony was that it talked about operations along the Soviet coast, for example, in which this ship was not engaged at all. It was not in the area.

Senator WILLIAMS. Couldn't you just give them a standard form of confession for these fellows to make and just let it be known to everyone who is captured? [Laughter.]

Senator SPARKMAN. Senator Pell.

Senator PELL. Thank you, Mr. Chairman.

SOME EQUIPMENT WAS DESTROYED

I would like to underline the views of my colleagues with regard to not getting into another war in Asia and also my own thought that the intelligence derived from missions of this sort has to be weighed from the effect of provocation, and I feel like Senator Mundt.

I also would like to congratulate you, Mr. Secretary, and the President and the administration as to all the efforts being made through diplomatic channels, and I realize the heat of public opinion and some of the intemperate words that are sometimes raised, and I would hope you would keep it through diplomatic channels.

As Churchill said, "Jaw, jaw, jaw, is better than war, war, war."

We are a big enough country not to worry too much about face, and more worried about results.

I had a couple of specific questions, or points, rather: One, aren't we a little bit too gloomy if we assume all of the equipment is now in Soviet hands or a great deal of it? Can we not equally assume that the destruction devices for the equipment which is where the real danger is, worked?

Secretary RUSK. Well, we know that some equipment was destroyed, as a matter of fact, one of our men was very seriously injured in the process of destroying the equipment, according to our information.

Secondly, some other equipment was thrown overboard.

We do not think that everything was destroyed that might properly be destroyed had there been time. But, unfortunately, we don't know which happened, what happened to which. So that we can't really make an accurate assessment of the damage until we get access to the skipper and his officers to see just what happened. Meanwhile, we are assessing the damage on, almost on a worst case basis to see what changes in procedures might be indicated as a result.

ACTUAL FISHING OPERATIONS

Senator PELL. The reasons, I was struck by the so-called confession to the frequent references to fishing boats going up there. Were they CIA operations or are they actual fishing operations going on, or what?

Secretary RUSK. I think those are actual fishing operations that get up in the Sea of Japan there. I am not aware of any CIA operations conducted with fishing boats up there.

Senator PELL. Right.

In connection with the coordinates that General Pak, whatever it was, the Korean, mentioned in the meetings a couple of days ago, he gave three coordinates, which were not the *Pueblo* but another vessel where some fishing boats had been seen considerably south there.

When you check those coordinates out you find they are above the 38th Parallel, but still in what you would say were the territorial waters south of the present de facto boundary. What is the legal status of ships in that position? Is that South Korean or North Korean waters?

Secretary RUSK. That is north of the 38th Parallel?

Senator PELL. North of the 38th Parallel, but the de facto line, as you know, is not absolutely straight. It goes up north of that.

Secretary RUSK. I would think that that would be governed by the Armistice settlement itself, and that South Korean vessels would have free access to that area and North Korean vessels are not expected to come into the area south of the armistice line itself.

Senator PELL. This is what I would think, and it is a point that maybe should be checked out because it would immediately prick that whole argument advanced at that meeting, I would think, if it was true.

CAPTURING NORTH KOREAN VESSELS

If we finally find that diplomatic results are sterile and still decide, as I hope we do, that it is not worth engaging in an act of war against North Korea itself, could we—has thought been given to capture some of the North Korean fishing vessels in return?

Secretary RUSK. Thought has been given to that, but they haven't got any.

Senator PELL. I thought they were going back and forth.

Secretary RUSK. Their international shipping is carried by third country flag ships. The largest vessels they have are about four of a thousand tons each. There is a fish factory ship. There is a refrigerator ship—no, there is a 7,000 ton fish factory ship, a 1900 ton refrigerator ship, two of those. And two dry cargo ships of about 2,000 tons.

Now, they remain pretty close in coastal waters. They don't get out into international traffic very much. The fish factory ship might go out from time to time, but one of the first things we did was to look around to see where their vessels were and they just didn't have any.

DESTROYING THE PUEBLO

Senator PELL. We also thought if we can't get the vessel out it might be better to destroy it than let it remain in their hands. Would that be an act of war?

Secretary RUSK. Well, there is a considerable list of possibilities, of course, that are examined in a situation of this sort. That is one possibility.

Senator PELL. Would that be considered in law an act of war on our part or not?

Secretary RUSK. I would think so, in their harbor.

Senator PELL. Even though it was our vessel?

Secretary RUSK. Except under general applicable rules you could make a strong defense of action, taken, say, to destroy the ship.

Senator PELL. We could send in underwater demolition teams.

Secretary RUSK. Of course that wouldn't get your men back.

Senator PELL. Right.

WAR SHIPS AND CIVILIAN SHIPS

In connection between the seizure of public vessels and civilian vessels in territorial waters the Soviet vessels we have seized while owned by the state and hence public vessels are actually engaged in civilian pursuits. As I understand it, there is a difference between a war ship and ships engaged in civilian pursuits.

Secretary RUSK. Yes, I think there is a very clear distinction between the war ships of a government and its civilian flag ships.

Senator PELL. This is a technical point, but I noticed the American vessel put up the American ensign when asked because when engaged in covert missions neither side normally flies their ensigns. Did it also fly the Navy commission pennant?

Secretary RUSK. I just don't know.

Senator PELL. Isn't this a point at law that would be important because this is the only way you could tell it is a Navy vessel?

Secretary RUSK. I don't have the answer to that point, Senator, I am sorry. Maybe, Mr. Macomber, we could just look at that and put something in the record on that point.

Senator PELL. Thank you.

NOT AN ILLEGAL ACT

How many incursions whether from, on the part of our people into North Korea in the past year were there?

Secretary RUSK. I will have to try to get the number. There have been a few retaliatory incursions along the DMZ by some South Koreans, none by our own people.

Senator PELL. But by South Koreans.

Secretary RUSK. By South Koreans.

Senator PELL. A theoretical question, but I just wonder what the answer was, if our ship did go in North Korean waters, if, and I agree with you all the evidence points it didn't, and agitated North Korea and electronic equipment that was at the time the South Koreans were engaged in some attacks as happened with the *Maddox*, wouldn't the North Koreans have ground for contending that our ship was engaged in an illegal act?

Secretary RUSK. Well——

Senator PELL. If it was within the territorial limits?

Secretary RUSK. Being in international waters and keeping our ears open is not an illegal act. For example, radar up in Norway follows large numbers of Soviet vessels, some of them fishermen, some of them others, all the time. We follow by radar and other means Soviet vessels over our coasts, so listening is not illegal.

Senator PELL. No, but if it had infiltrated in accidentally, but had agitated the radar response, wouldn't that be——

Senator MANSFIELD. You mean if it got within the 12 mile limit?

Senator PELL. If it got within the 12 mile limit.

Secretary RUSK. I think the problem there would not have been the radar aspect of it as being present inside the 12 mile limit.

Senator PELL. Then you get into this question of hot pursuit.

TRACK OF THE CRUISE

One final point here, or one point, I understood the ship was on its way back from its cruise, its mission, pretty well completed at the time this happened.

Secretary RUSK. That is right, sir.

Senator PELL. The track of the cruise, its northernmost limit, I think, had gone beyond the border between North Korea and China. I wonder if the record should not be examined at that point.

Secretary RUSK. The North Korean and the Soviet Union?

Senator PELL. Yes, North Korea and Russia.

Secretary RUSK. Well, the plot that I saw of the mission indicated it was not in that position, but I understand there has been some doubt thrown on that so I will have to get further information.

Senator MUNDT. Would you yield on that?

Mr. Secretary, couldn't you supply for the record a log of the ship's activity over the 13 days?

Senator PELL. They wouldn't know.

Senator MANSFIELD. The log is on the ship.

Senator SPARKMAN. And the radio was silent. So I guess it would be rather scant information.

Senator MUNDT. They must have had, they must have known in advance where they, were going to go.

Senator MANSFIELD. They can provide that information.

Secretary RUSK. We can provide information where it was ordered to go.

Senator MUNDT. It wasn't just meandering along.

Senator PELL. One final question.

REPETITIVE REFERENCES TO FISHING VESSELS

What, in your view, Mr. Secretary, were the repetitive references to fishing vessels in the Korean's statement? It looked like he was trying to make a case about something, and I couldn't quite figure what it was.

Secretary RUSK. I couldn't understand that, myself. It might have been they tried to involve this vessel in some sort of operational activity so that they could build up a notion it was engaged in some hostile action of some sort.

Senator PELL. You know it was a separation, it doesn't confuse the *Pueblo* with fishing vessels. It was a separate instance that he cited.

Finally, if we fail and we engage in some kind of military response, as one member of this committee I would hope that you would take steps to make sure that the nuclear weapons in South Korea, that they would be removed, because, obviously, one would hope that one could avoid a nuclear response.

Secretary RUSK. Well, I will take note of that.

Senator SPARKMAN. Senator Symington?

EQUIPMENT ON THE SHIP

Senator SYMINGTON. Mr. Chairman, the Secretary has been here a long time. I would like to read very briefly the questions and if there are any you don't think are proper—I would like to ask, this has been called a spy ship on the proper basis through the CIA who also testified here. Would you furnish a list of the equipment that was on the ship? I saw a picture in the paper saying what each part of the ship meant with a photograph of it. I would like to know, myself.

Then I would like to know what the rules for scuttling were and why the rules were not carried out, if they were supposed to scuttle the ship before, if that could be ever found out.

Senator SPARKMAN. You have that written down. You will give it to him?

Senator SYMINGTON. That is right.

What now is estimated the nautical mile distance the ship was closest from the land at any point including the point of seizure?

To whom did the skipper report and what were his instructions incident to his reporting?

Could we have a copy of all messages to and from the ship to Hawaii and to and from Hawaii here to Washington?

What do we know about what shots were fired, when and by whom?

There has been some conflicting testimony about that, especially with respect to the casualties or details of the casualties. We were told one man had his legs blown off, whether it was done due to enemy action or done trying to blow up the ship.

When in our history was the last time an American vessel was boarded in the high seas and international waters and the ship taken in as a prize?

Does the administration believe we have the men and the equipment to handle another ground war on the mainland of Asia with-

out the use of at least tactical nuclear weapons; and, if so, what do we base that on, based on where our ground forces are now located or committed, the ones we have.

The next, if we decide not to use nuclear weapons, should we not start promptly to take steps to reduce our commitments in other parts of the world?

OTHER COUNTRIES REPRESENTED IN KOREA

How many people from other countries are in South Korea besides the South Koreans and ourselves?

I was there once in Korea not so long ago, I read there were some New Zealanders there, and there was, there was one man who was a commander of the New Zealand Navy.

Secretary RUSK. I think a handful of Thai.

Senator SYMINGTON. How many South Koreans are in South Vietnam?

Senator GORE. He has answered that.

Senator SYMINGTON. Fine. There may be some of these, Albert, but I want them in the record.

FURTHER QUESTIONS ON THE PUEBLO

Why was there no air cover supplied in the long interval between intercept and anchors down?

I know that has been answered.

What time was the ship intercepted?

What time was the first person in Washington notified of this interception and who was that person?

I think, Mr. Secretary, those are all that I have, sir.

Secretary RUSK. I may have a little problem with your first question, Senator.

Senator SYMINGTON. If you do, we will work it out. That is why I want it on the record. We will work that out with the CIA.

Secretary RUSK. All right.

Senator SYMINGTON. I would naturally like to know, if we can't be sure whether or not the equipment was destroyed, and we understand that the casualties, including, I believe, a death or two, isn't that correct, somebody was killed?

Senator SPARKMAN. Had his leg blown off, I heard.

Senator SYMINGTON. I heard somebody died.

Secretary RUSK. We haven't had any confirmation.

Mr. MACOMBER. We had a message from the ship saying four were hurt and one his leg blown off.

Senator SYMINGTON. All right. What is the equipment they might have from the standpoint of cryptography and so forth? This is an incredibly valuable prize if nothing was destroyed. That is a fair statement, is it not?

Secretary RUSK. Yes, we know some things were destroyed, though. But, as I say, I may have some problems in furnishing that to the committee.

Senator SYMINGTON. If you do, I will understand that. I am sure we can get it at least through one committee, unless there is some unusual rule I don't know about.

I ask these questions because, with great respect, as you know for some time I feel we were overcommitted especially because of

the way that we were fighting the Vietnamese war, and I predicted that something like this would happen. I am sure it will happen in other parts of the world, so I think we do have to make a major change in foreign policy. That is just one small Senator from Missouri who respectfully gives you his opinion after asking these questions.

Thank you, Mr. Chairman.

Carl will find out which ones have been answered and which ones should not be duplicated and send them over by messenger.

Senator MANSFIELD. Can I ask one question?

PLANES FROM KOREA

You were down there, John, you were down there, John Williams, and John Cooper was down at the White House when they indicated the planes could not come from Korea because [deleted].

Senator SYMINGTON. If I may say, I couldn't come down there, I was asked, and what Senator Mundt mentioned he heard I have not talked to either Captain Switzer or General Brown, that has to be clarified because I have heard other stories, also, and this is pretty close by jet to both Okinawa and Japan.

Senator MUNDT. May I add something that Brown said which Dean hasn't mentioned, which I think he should, which was the reason for not bringing them in he said about equal distance from the ship to our planes the North Koreans have got a very sophisticated MIG base of 75 MIG fliers which was maybe another reason why they did not get into it.

Senator MANSFIELD. The reason I raised the question, it seems to me the planes we have up there [deleted].

Secretary RUSK. I think that question has to be clarified because, quite frankly, it is not my impression of the situation.

Senator MANSFIELD. Okay.

Senator SPARKMAN. Thank you very much.

IMPACT ON NATIONAL PRESTIGE

Senator MUNDT. Mr. Chairman, I have one question I would like to ask because it is in the nature of a hypothetical, but it seems to me it is much more realistic to assume we are not going to get ourselves involved in shooting war in Korea than to assume we are.

What is likely to happen, and I want to get your evaluation of the impact if this should happen, what is likely to happen is after the Koreans have taken their own good time, and it looks like they have had a little stamina in their backbone, they will give us the ship and give back the men with a very insolent public statement, "We have shown you what is going to happen, keep your damn ships out of our area."

What impact will that have as to our national prestige in the world, especially to the uncommitted and neutral countries?

Secretary RUSK. Some of those who have followed the Koreans very closely think that this is very possibly what they will do.

Senator MUNDT. I think that is what is going to happen.

Secretary RUSK. That is, exploit them for propaganda purpose and technically, and then give them back under circumstances that will be advantageous to them. So I can't rule it out.

Senator MUNDT. No. What is the impact then? What is the impact on countries looking to us for protection, because I think that is what is going to happen. Will it hurt us? Will it help us?

This is the way the communists are going to operate this one, in my opinion.

Secretary RUSK. Mr. Chairman, I hope the committee has understood this is an executive session and a good many things that were said here this morning ought not to be said outside.

Senator SPARKMAN. I think that is clearly understood by everybody who attended.

There is a battery outside waiting for you.

Secretary RUSK. Thank you very much.

[Whereupon, at 2:00 p.m., the committee recessed, subject to call of the chair.]

# REPORT ON THE STAFF STUDY OF THE TONKIN GULF INCIDENTS AND DISCUSSION OF THE PUEBLO INCIDENT

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**Tuesday, January 30, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:40 a.m., in room S–116, the Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Gore, Lausche, Dodd, Pell, McCarthy, Hickenlooper, Aiken, Williams, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, and Mr. Bader of the committee staff.

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The CHAIRMAN. The committee will come to order.

Senator GORE. Mr. Chairman, if you are going to give a report on the White House meeting, I think you ought to start from the beginning.

NO PRACTICABLE WAY TO USE FORCE SHORT OF WAR

The CHAIRMAN. Let me state for the record, I said I apologized for being late but I was requested only at six o'clock, a little after six last night, to attend what they called a leadership meeting at the White House at 8:30 this morning, and this was a breakfast meeting, and the meeting was primarily a discussion of the *Pueblo* incident, and there were statements by the President, by the Secretary of State, the Secretary of Defense, and by General Brown, George Brown, and General Wheeler.

In answer to this most recent question, the general thrust of the arguments were they had examined every possible way to use force to recover the men and the ship and concluded there just was not any practicable way short of the risk of a war, and that they did not think would recover the ship, certainly the men alive, and possibly the ship.

There are substantial forces in this area. It is a big port as well as a big air base nearby and it would not have been easy. The military means, the use of force, just was not feasible under the circumstances and that is about the import of that aspect of it.

And then there were other discussions about the build-up of forces, et cetera, they are having a substantial build-up of forces, particularly aircraft in the area.

You see, the manpower in the area is in our favor. We have as many men, we and the South Koreans have as many men as they have. I mean there is no discrepancy in the manpower, but they have some more planes than we do. So what the purport, as far as the planning, is it to bring into the area more planes, together with what is there, than they have. That is the present plan.

But they only believe, the only hope of any satisfactory, well, it will not be satisfactory but the best solution, is through diplomatic means as of the foreseeable future. They do not completely rule out any movement later, but as of the moment.

And then there were these incidental questions which I have already covered. I do not know whether you want to go over them or not, about communications.

Senator CASE. John asked a question before.

REQUEST NOT TO TALK PUBLICLY

The CHAIRMAN. Incidentally, I think they requested us not to talk about these things, not that they have not been in the press, I mean publicly.

Senator AIKEN. That is why they get you down there, to tell you what you read in Sunday's paper and be sure so that you cannot talk about it.

The CHAIRMAN. That may be true.

Senator AIKEN. That is the voice of experience.

LACK OF ASSISTANCE TO THE SHIP WHEN IT WAS ATTACKED

Senator COOPER. Can I ask a question? I do not know whether you responded to it or you cannot. I can understand all the problems they would have after this event occurred with all this military. Did they say whether or not they had any plans to go to the assistance of this ship when it was attacked? Were there any plans before?

The CHAIRMAN. This question, they tried to answer the criticisms that have been made such as no escort. They claim that these matters, these ships, are operating, we have six of them, I believe, they are operating more or less continuously, and that they do not cover them, I mean they do not accompany them with destroyers or aircraft, that this is against, you might say, the purpose of it. This makes it more provocative than if just the ship goes itself along and, of course, they claim if people will abide by international law, that even if you get caught within the territorial waters that under international law you are supposed to escort that ship back to international waters, not to seize it.

That is their theory so that this is just an outlaw country, but that any other country, if you catch them within your borders, you are supposed to escort them to the high seas. In this case they did not do it.

Well, I may say they do not admit, they do not admit, that it was within the waters, the territorial waters.

QUESTION OF TERRITORIAL WATERS

Now, this question, of course—well, let me say this, I may not want to overstate it. They say it was not in territorial waters when it was picked up, that they say very positively. I am not so sure, I do not believe I pressed them on it or anybody did, that it had never been in, that they were certain it had never been in territorial waters.

Senator LAUSCHE. That is the inference I drew from what Rusk said the other day. He stated when it was seized it was positively in international waters.

The CHAIRMAN. That is correct.

Senator LAUSCHE. But that did not answer whether it had previously been or not been in territorial waters.

The CHAIRMAN. That is right.

Of course they say, as I just said, that does not make any difference, because even if it had been it does not entitle them to seize it, that the remedy is to escort it to international waters.

Now, well that is the story. They did not claim the Russians had been inside our territorial waters, they claim though they have often been near our borders, near our shores, and that we have never ever bothered them.

Senator HICKENLOOPER. And they are there all the time.

The CHAIRMAN. Yes, they had pictures of them, they had pictures of one off San Francisco and they asked him how far off it was and McNamara said 17 miles.

Senator MCCARTHY. Every time it is 17 miles. Why do they not say 16?

The CHAIRMAN. I do not know, maybe it is a little easier to say the same number. They do not get bothered about it.

Well, that is about it. There was a considerable time taken up by a description of the Khe Sanh action in response to Senator Byrd's question.

Senator AIKEN. Did you discuss the coming election? Did they report on that?

The CHAIRMAN. No, but some of these defenses were to some of these outrageous statements made by prospective candidates.

SPECIALLY EQUIPPED SHIPS

Senator GORE. Mr. Chairman, this business of the United States having only six ships, I wonder if the *Maddox* and the *Turner Joy* were included in the six.

The CHAIRMAN. No, they do not mean that kind. They mean this kind of specially equipped ship, they call it an intelligence-gathering ship. The other kind, the intelligence function is incidental to it.

Senator HICKENLOOPER. The *Liberty* was one over in the Mediterranean.

The CHAIRMAN. One thing I had not heard about before is this ship has a sister ship called the *Banner*, which I had not heard about before and I had not seen it in the paper, and it had apparently been doing this before and it is apparently being sent back now to take the place of this one.

Senator AIKEN. Of the *Liberty*?

The CHAIRMAN. No, of the *Pueblo*. They call it a sister ship named the *Banner,* and it is, I believe they said, proceeding to resume monitoring messages in this area. I do not know whether precisely on the same course or not, but anyway, we have, as I understood it, we have six of this kind of ships.

Senator GORE. We had eight.

The CHAIRMAN. I thought he said six.

Senator GORE. But now with the *Liberty* and the *Pueblo*.

The CHAIRMAN. That is right.

Senator MUNDT. Six left?

Senator GORE. The point I was trying to raise is that I really do not know what the technical difference is, although they are different sized ships, but a destroyer like the *Turner Joy* and the *Maddox* on which these same intelligence devices have been installed——

The CHAIRMAN. I think that is much more limited, Albert. They have all kinds of firings on this that are far more extensive and sensitive than they had on the *Maddox.* That was a relatively limited capacity, the way I heard the description of it.

Senator GORE. This may be. I do not know.

The CHAIRMAN. This thing is just chock full of all kinds of monitoring devices.

DESTROYING INTELLIGENCE INFORMATION

Senator GORE. That brings up another point.

Down there the other night, General Wheeler was, appeared to be very disturbed about the security casualty we had suffered. I remember he said that the codes and keys, k-e-y-s. I did not understand exactly what he meant by keys. I rather assumed that it meant keys for interpretation of other codes. Do you remember him saying that, John?

Senator COOPER. Yes. He said it twice.

Senator GORE. And furthermore, he said that destruction or overboard, whatever it meant, destroying intelligence information, would have required from two and a half to three hours. Therefore, I wonder why now we are justified in playing down of the intelligence importance of this loss.

Senator DODD. Do they play it down?

The CHAIRMAN. He did not say too much about it this morning. I really cannot see how this could be very great because he said the Russians have 18 ships of a similar nature. I think they know how to do everything we know how to do.

Senator GORE. That is doubtful, Mr. Chairman.

Senator MUNDT. I do not think so.

Senator GORE. Two-thirds of the computers over the world are within metropolitan Washington.

Senator HICKENLOOPER. Two-thirds of what?

Senator GORE. Two-thirds of the computers of the world are located in metropolitan Washington, and one-half of that two-thirds is involved in intelligence. No nation, including Russia, has the intelligence competence of the United States in breaking and interpreting codes.

PT BOAT COMMUNICATIONS

The CHAIRMAN. As I told you, one of the questions I asked is how do these PT boats communicate with their headquarters. Of course, that is by voice, they do not need it for that. You must be talking about the kind of communications that might be from, say, assuming it is from Moscow to Pyongyang or something; is that the type of thing?

Senator GORE. I understood it to mean that, I guess I misunderstood it.

[Off the record.]

DEMONSTRATE OUR RIGHT TO BE THERE

Senator LAUSCHE. Bill, when they said that they sent the sister ship in, did anyone ask "Why did you send it in after this last one was seized?"

The CHAIRMAN. Well, they have specifically to show that we are not going to be bluffed off of the high seas, we have a right to be there and we are going to be there. Of course, I think they are going to have plenty of cover this time, that is available nearby. That is, but they said specifically, they said in order to demonstrate we had a right to be there. We are going to continue to do this. That is why they are continuing to do it, one of the reasons.

Senator LAUSCHE. I am not implying we should not have sent it in.

ADEQUATE PROTECTION

The CHAIRMAN. But I am sure, Frank, they will have adequate protection.

Senator MUNDT. Is that a deduction or did they say that?

The CHAIRMAN. They said that. They said they were not going to be bluffed out. They are going to send the *Banner* right in to resume this kind of work.

Senator MUNDT. Are you assuming they are going to have the cover or did they say that?

The CHAIRMAN. I assume it. They said they are sending all these planes up there.

Senator MUNDT. They had a lot of planes before.

The CHAIRMAN. But these are additional planes, and they have the *Enterprise* there right off with 90 planes, I think, that are equipped for any kind of war.

Senator HICKENLOOPER. What good is that going to do?

Senator MCCARTHY. They would have to bomb the *Pueblo.* They needed some gunboats.

The CHAIRMAN. He meant against the *Banner* if they attempt again, did you not; is that, not what you meant?

Senator MUNDT. Yes, sure. You said they protected them.

Senator HICKENLOOPER. Do we have any reason to think they would protect the *Banner* any more than this one?

Senator MUNDT. They did not protect this one.

ADVISING THE PRESIDENT ON THE PUEBLO

The CHAIRMAN. Well, gentlemen, you have had now three or four days, what it is, four or five days to contemplate the staff memorandum. What is your reflection upon that? Who has any ideas about it?

Senator LAUSCHE. What action are we going to take, what are we going to say, about the *Pueblo?*

The CHAIRMAN. Oh, well.

Senator LAUSCHE. Are we going to advise that we should attack or are we going to allow the President to determine the course?

Senator PELL. Just one little comment there.

The CHAIRMAN. Yes.

PEOPLE ARE AROUSED

Senator PELL. One, as a lowly member of the committee I would like to express my own delight that the existence of the committee is recognized by an invitation to the chairman to go to the meeting today.

Secondly, I think Senator Long is correct in public opinion in the country. I know the people are far more aroused around the country, I think, than we are here in Washington, and do we not have a responsibility to try to keep the lid on this, share it a little bit with the leadership and with the President and should we not, if it is the general view of the committee, I do not know whether it is or not, express some support for trying to resolve this problem through diplomatic channels?

The CHAIRMAN. Well, I am just, of course, speaking for myself, I told you what I said, that I approved of their all-out effort to resolve it through diplomatic channels.

Senator PELL. But would it not be of assistance in keeping the lid on around the country?

The CHAIRMAN. It is up to the committee. If the committee wishes to authorize a letter or a statement, why that is all right, I have no objection.

Senator PELL. I think the opinion around it is very aroused all over.

The CHAIRMAN. I think it was, but it is calming down a little bit. I do not know. Does anybody wish to do anything about the *Pueblo*?

EXPLORE INTELLIGENCE ISSUES

Senator GORE. Well, Mr. Chairman, I have a suggestion to make, not to do anything about it, but I think it may be extremely sensitive and extremely important, what intelligence data that the Soviets now have as a result of this capture. I do not know what this word "keys" refers to. It has been suggested to me that such a ship at sea, as the *Pueblo,* might have aboard keys to our own code.

I would just like for you to direct the staff, if the committee agrees, to explore this business of keys.

The CHAIRMAN. Let me say, Albert, there were questions asked about this and they obviously do not know how much was destroyed and what was left on it.

General Wheeler said that they presumably, the reports of our own men being injured would probably have arisen from our own

efforts to destroy our own equipment, because as far as they knew there had been no exchange of shots, I mean there had been no battle because there was not any battle.

They also threw certain things overboard, and they have even contemplated going back and having a salvage operation but they think it is too deep anyway, and they do not take that seriously.

But the thing is, they do not know what they have on the ship. On that kind of thing——

Senator GORE. May I complete my point?

The CHAIRMAN. That is all I intended to say, it was not entirely ignored.

Senator GORE. I do not offer any criticism of the administration. Obviously you can say that a great mistake was made in insisting upon our rights, if you want to put it that way. I have a right to go over there and put my fist under Tom Dodd's nose, I am not sure that it would be wise to exercise that right too long and too ostentatiously.

Senator DODD. It is very sensitive these days.

Senator GORE. I am not suggesting this in the nature of any criticism at all. I think this committee ought to be concerned with the extent to which our nation's security and communication and code knowledge may have been compromised.

Senator DODD. I agree.

Senator GORE. And if these keys to our own code were present on this vessel, it then raises a further question as to the advisability of allowing this ship or any other such ship to be out unprotected.

My only suggestion was that for the information of the committee, not from the standpoint of any criticism at all, that we have the staff explore a bit what would be referred to in ordinary terms by keys being present on this ship.

A STATEMENT FROM THE COMMITTEE

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Yes, sir.

Senator MUNDT. Somebody was saying something, if I understood it correctly, Senator Pell, right, that we make some kind of statement from the committee, some kind of observation.

Speaking for myself, I am so totally devoid of a consistent pattern of information on this that I simply could not associate myself with any resolution until we get the facts.

It seems to me that if this committee is going to maintain the movement towards greater prestige in this country, and become more meaningful and make headway under our chairman, as it has in the last two years, that this is something which we should explore very thoroughly.

For example, none of us, except me, have talked to a Naval officer, Captain Sweitzer, who came to talk to me and gave me a totally different story from what General Wheeler gave, came to my office, and it is all in the record because I put it in at our hearing the other day. I do not know whether he is right or whether General Wheeler is right, but they are about a hundred planes apart, which is too big a discrepancy to suit me.

Now we are told that the *Banner* is going to go in, presumably on a similar mission, and I think we should conduct a study by motion and bring in some Naval officers, bring in Wheeler, get at least a consistent story on which they all agree, and then I think we should explore very thoroughly whether or not we are sending sensitive ships like this on spying missions into a semi-hostile area on the basis of some military commander thinks it is good, or whether it is done with the order and knowledge of the President, because we have gotten pretty close to a shooting incident on this.

I do not think we should encourage any more wars until we finish the one we are in, and maybe not then. But I would like to suggest that we measure up to this. If we do not, Senator Stennis is going to.

You all know Senator Russell is in the hospital, but I think we should be in this, but if we sit around and wring our hands and speculate and do not get information, I do not see how anybody is going to follow our leadership on anything.

Senator PELL. You mean go into Wonsan?

The CHAIRMAN. No, he means study the subject.

Senator PELL. I am sorry.

NEED TO HOLD AN EXECUTIVE HEARING

Senator MUNDT. I have no quarrel about what they have done since the incident.

Senator DODD. You mean publicly.

Senator MUNDT. No, in our own executive hearing to find out, so maybe sometime we can make a public statement as to what happened. I think we are a bunch of stupes to sit around and none of us really knows what happened. We piece together a story. I think we should exercise our authority enough to bring these people into an executive hearing, and when that is done we can decide whether to make it public.

Maybe in the process we can learn something about the Tonkin Bay thing.

The CHAIRMAN. What you are really proposing is a study similar to the Tonkin Bay that the staff undertake, is that correct?

Senator MUNDT. No, hearings, an executive study. I did not use the word "investigation" because that has a connotation but an executive, series of executive hearings to inform ourselves of what happened.

The CHAIRMAN. If you are going to do that, as a preliminary would it not be wise, I will say, to get some of the basic material in order to have that?

Senator MUNDT. Very fine, let the staff do the same kind of job they did on Tonkin Bay.

The CHAIRMAN. That is what I mean.

Senator MUNDT. Very fine, let the staff do the same kind of job they did on Tonkin Bay.

The CHAIRMAN. That is what I mean.

INADEQUATE INFORMATION

Senator MUNDT. But I think we ought to get some witnesses then who can tell us a consistent story. I was appalled to get a story so

completely different in my office from what General Wheeler was telling the House at the same time.

The CHAIRMAN. Who is Captain Schweitzer?

Senator MUNDT. I never saw him before. General Brown, I was never so flattered in my life, a captain in the Navy and a four-star general, they volunteered.

The CHAIRMAN. They wanted to correct what Wheeler said?

Senator MUNDT. Yes, that is what they told me. I said this is altogether different from what Wheeler said. They said they know it and "he wants you to have the correct story."

The CHAIRMAN. That is rather odd.

Senator MUNDT. He told us at the meeting. His information was pretty inadequate, Al, and he could not be too sure of his facts and he was trying to give us what he knew.

The CHAIRMAN. I see.

Senator MUNDT. So I thought this was fine, except Wheeler was telling the House committee at the same time what he was telling us in the White House.

Senator GORE. Mr. Chairman, may I have just a minute?

The CHAIRMAN. Yes, sir, Senator Gore.

AVOID A SHOW OF DIVISION

Senator GORE. I suppose I am as anxious as anyone almost always for this committee to be as fully informed as possible and exercise a major role. I react quite reluctantly to any formal action of this committee with respect to the *Pueblo* because any show of division within the country might weaken our country's ability to effect an early release of the men and the ship.

If we are to do this, I would rather the decision be postponed for ten days or something like this.

Senator MCCARTHY. Mr. Chairman, I would not argue that. But about the Tonkin Gulf thing, do we leave that where it is?

The CHAIRMAN. No, we are coming to that in a minute.

You raised a question about what do you do about this.

Senator MCCARTHY. I kind of agree on the *Pueblo*, get the investigation going on the *Pueblo,* to see what the facts are. But I think you have a lot of facts on Tonkin Gulf to argue this committee doing something, or else do what——

The CHAIRMAN. Would it be inconsistent with your hope that the staff simply request similar things they did at Tonkin Bay as of the moment?

Senator GORE. Let me make it plain that any formal action of this committee to investigate or to study the *Pueblo* at this time might have deleterious effects and might have a divisive effect and might present to the enemy an image of division at home.

Senator HICKENLOOPER. You have had plenty of evidence of that over the last year or so.

Senator GORE. Well, that is true, but we have 83 men involved here whose return we hope to get within days.

My only thought, and it may not be a serious one, is that the chairman has authority, without any action of this committee, to direct the staff to make certain, to acquire certain information, and I had thought that if it is left to the chairman to make these things

and not be the subject of action or motion or anything of the committee, that it would be better.

Senator HICKENLOOPER. I agree with that and I would vote against any formal declaration. I just want to make that clear. I do not think it is the thing to do. Excuse me.

U.S. SHOULD NOT ENGAGE IN ANOTHER WAR

Senator LAUSCHE. Mr. Chairman, they are reporting on television and radio practically every day about a massing of 40,000 Viet Cong and North Vietnamese against United States forces in South Vietnam. Our military men are expecting a brutal and tremendous attack upon our forces aimed to divide South Vietnam.

Last year 560 violations of the 1954 North Korean-United States understanding were perpetrated. Our ship, the *Pueblo*, was in their primarily because we wanted to know what the North Koreans were ultimately intending to do.

Now then, I think it is clear they had two purposes possibly in mind, and the second one which I will mention is primary one:

One, the gathering of this classified sophisticated instruments that are on the ships;

Two, a diversion of our forces from South Vietnam and the forces of South Korea from South Vietnam to South Korea.

Now, the question is, should we attack, can we engage in another land war. In my opinion we cannot, and no better service could be rendered to South Vietnam at this time with 40,000 troops massed against our men than to open another front in South Korea.

That leads me to this conclusion:

One, we do not have the military personnel to engage in another war. We do not have the military personnel to engage in a land war in South Korea at this time. If we strike, North Korea will move into South Korea, and we will be in another land war.

Now over and above all this, Secretary Rusk read to us the other day the commitment which Peking and Moscow have with North Korea and the Reds:

> Should either of the contracting parties suffer armed attack by any state or coalition of states and thus find itself in a state of war, the other contracting party shall immediately extend military and other assistance within all the means at its disposal.

Now, then, based upon this, I unhesitatingly take the position the time to deal with North Korea is not now militarily on land. We have too big a problem in South Korea—in South Vietnam already.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. I agree with that.

ASSURANCE THAT THE PRESIDENT KNOWS WHAT IS HAPPENING

Senator MUNDT. Mr. Chairman, this is exactly why, I do not think anybody that I know of, I have really heard say "Go in and fight Korea about it." This is exactly why I hate to sit around the table as a member of the Foreign Relations Committee and have the chairman tell me that we are going to send a *Banner*, which he says is a sister ship, into these same hostile waters just to show them that we have the power to do so, and you can start a war

on the sea and you can start a war in the air as well as you can start it on the land.

I think that this kind of operation, and none of us have been told that I know of the real essentiality of why this is so imperative, but accepting the assumption that it is, I would like to have us work out with somebody in the White House an understanding that this is close enough to the type of operation that can start a war, so that it should not be authorized, that we could be assured it would not be authorize except by the President, just like you have it on your atomic button, nobody is going to worry that some general is going to start an atomic war. The President under the law alone can do that, and I think the President should be advised, I do not know whether he has been advised about this, the Secretary could not tell us, but look into the future. I would like to at least have the assurance that the Commander-in-Chief knows what these ships are doing and send them in under his orders, and you do not have 15 or 20 other people who can start wars by this kind of operation. And if we go poking our nose back into these hostile waters, I think we are going to have trouble with the *Banner* like we have had with the other one.

And for us to sit around and wring our hands and say we ought to have something to do about advising and consent but we do not want to do it, I think is a gesture of futility. You have to have different kinds of events.

Senator LAUCHE. I concur with that, Karl.

The CHAIRMAN. I concur with that. I do not think it is inconsistent with what Frank says, but what you are saying is simply for the committee to inform itself before any kind of a decision is made.

Senator MUNDT. That is correct, and then maybe we can make a recommendation.

Senator GORE. You are not making a motion but you are leaving this to the initiation of the chairman?

The CHAIRMAN. Yes.

A SHIP IS BEING SENT IN

Senator COOPER. Somebody has got to find out though if this is true, if the ship is being sent in. Somebody has to ask about it.

The CHAIRMAN. They told me that this morning that the ship is being sent in. It is already being ordered to do so.

Senator COOPER. It was in the paper yesterday.

The CHAIRMAN. They take the position that this kind of operation, not necessarily under these kinds of specific conditions but the general operation, is very important, I mean——

Senator HICKENLOOPER. Will they send in a couple of destroyers in there to patrol that ship?

The CHAIRMAN. They did not pursue it to that point, but I would certainly assume they will be on the alert during the foreseeable future if they do this.

Well, with that understanding, I think it is perfectly proper that the committee should be informed about it, as you say. There is no idea of having any open hearings or any open discussion or anything else.

Senator MUNDT. Not at all. But draw up a series of questions and get the answers.

The CHAIRMAN. That is right.

Senator COOPER. Are you going to ask for the information?

The CHAIRMAN. I will suggest very much the same procedure, we would like copies of the orders that were given on this, specific orders, and we will ask Mr. Bader who is our expert in this field to be as thorough as he can in the preparation of a request and so on of that nature, if that is agreeable.

Senator CASE. This has to do with what has happened.

Senator MUNDT. Right. Solely with what has happened.

Senator CASE. We are not inquiring as to the matter of the *Banner* and so forth.

Senator MUNDT. But knowing about the settlement of the situation, but I think we should know about the *Banner*.

RUSSIANS ARE EMBARRASSED BY THE PUBLICITY

The CHAIRMAN. On the settlement the Secretary says they are pursuing every possible way they can about finding a settlement. There always lingers this question, but I do not think we can probably do anything about it, if it had been in waters that maybe they can find away to say, "Well, we regret having intruded, it was inadvertent" and maybe the thing can be settled.

I do not know. That is what I think they hope that some way without the use of force can be found. They still have not—I do not know why they make so much publicity about the Russians, because the Russians are embarrassed about it I think, but they think the Russians have a similar interest to our own in continuing these surveillance operations and, therefore, they will be sympathetic because of their own interest in preserving the opportunity to do this. That was more or less their reasoning.

They have not given up hope that there will be some kind of a way brought about by which they can resolve this thing without any use of force. They really feel very apprehensive about using force simply because of the fear of precipitating another war.

PRESIDENTS ACCEPTED THE BLAME

Senator AIKEN. I think we have had incidents in the past which have been settled satisfactorily and quickly by other Presidents. When the U–2 went down Eisenhower acknowledged it. When the Bay of Pigs developed a fiasco, President Kennedy said, "It was all my fault," which it was not but he said it was, and how he rose in the public estimation by saying that.

Senator GORE. Who was that said that, George?

Senator AIKEN. President Kennedy said the Bay of Pigs fiasco was all his fault, which it was not. It was somebody's fault all right, but it was not his.

President Eisenhower said about the U–2, "We got caught, it was our plane and they got us." And I could not see that we lost prestige in the Cuban matter. That was a mess, but I never thought Jack messed it. I did not think he knew enough about it to mess it.

Senator HICKENLOOPER. He messed it the night before the landing.

COOPERATION OF THE ARMED SERVICES COMMITTEE

The CHAIRMAN. Let me say this: I will do the best I can on this. It did take us nearly six months and it took not only that but it took the cooperation of the chairman of the Armed Services Committee to get the documents we got. I mean this is not easy to do.

Senator MUNDT. I know.

The CHAIRMAN. Sometimes they will take a month to even reply to a letter, but really we would not have gotten what we did excepting Dick Russell, I think I have already told you this, I meant to, I think I told the committee, I met with Dick and Mr. Nitze and Dick said, "I think that it is your duty to make available to the Foreign Relations Committee all relevant documents."

Now we have not gotten them all yet but we did get, I think, a fair amount.

Senator MUNDT. You do not have that one document.

The CHAIRMAN. I say we do not have them all, but we have a lot of them.

Senator MCCARTHY. Bill, why do we have to wait for the Chairman of the Armed Services Committee to get something we are entitled to?

The CHAIRMAN. That is the way. Do you not have difficulty yourself getting things even from the Department of Agriculture?

Senator MCCARTHY. I know it.

The CHAIRMAN. This is partly bureaucratic inertia and partly they do not want to give it to you.

Senator MCCARTHY. They do it to us every time.

The CHAIRMAN. They do not give it to you because they do not feel we are sufficiently powerful to get it. Theoretically you are right, but practically I think I am right in saying that is what enabled us to get it.

Senator MUNDT. What we are asking for are facts which have occurred and we ought to be able to get them in 48 hours.

The CHAIRMAN. We ought to, but I just say maybe we will run into trouble, but we will initiate it and do the best we can and if we have trouble, why I will report it to the Committee and we will go again and do the best we can. Let's go on.

AVOID ADDING FUEL TO THE FIRE

Senator CASE. May I just ask on thing: What are we going to say, when the proper order is obtained, what are we going to say or how far are we going to talk to the press about this?

The CHAIRMAN. Personally, for whatever it is worth, I do not think we ought to discuss this in public because it is still sensitive and is still pending. Of course I do not presume to tell anybody what to say.

Senator CASE. But we should have some kind of understanding.

The CHAIRMAN. I do not want to add fuel to the fire or make things more difficult.

Personally, I am very much in favor of saying I am for pursuing the diplomatic procedures, whatever it is worth, in the U.N. or any other way, but I am not going into details. Really, most of the things they told me have been more or less in the press about the details. There are just nuances about how many ships or how many

planes and all that, practically everything, they were emphasizing it and then their plans about taking in men and planes, they do not like that talked about, although obviously people know it when they start moving them, it has become public.

The President, in effect, said "I know there are not many of these secret but I hope you will not say it because it lends further credence if officials and so on talk about it."

That is what he said this morning.

Senator MUNDT. Will you yield?

The CHAIRMAN. Yes.

Senator MUNDT. I would like to suggest any of us who have questions we would like to have the staff pursue on this, we hand them to Carl.

The CHAIRMAN. Oh, certainly.

Senator MUNDT. Or to you.

The CHAIRMAN. Certainly anyone who has an idea that would be very appropriate. Anybody who wants something, we will request and we will do the best we can to find out any information we have on that.

Now, who has any views about the procedure?

INVITATION TO SECRETARY MCNAMARA

I just throw this out because some members, I do not know which ones, suggested that it would be proper at this stage, we have already, I may say, invited Mr. McNamara to come before the committee in the usual Secretary's briefing, and he has replied that he thought he should go to the Armed Services Committee first. Has he been?

Mr. MARCY. No, sir, he has not.

The CHAIRMAN. I think we ought to have one. I would recommend——

Senator MCCARTHY. Are they going to tell him what he can tell us?

The CHAIRMAN. I would like in pursuance of this, if you all feel like it, in executive session to simply ask his comment. He was the principal informant of this committee on this Tonkin thing, as you all remember, and you remember how positive he was, ask him, and then if you still think right, I would suggest him and/or Nitze who has been my principal go-between, so to speak, in this affair, and if you like, Admiral Moorer who was intimately associated with it, and all this, if anything, in executive session, if the committee feels like it.

Senator PELL. Mr. Chairman——

Senator HICKENLOOPER. What are you talking about?

The CHAIRMAN. I thought we said we disposed of the *Pueblo*, I am talking about Tonkin.

SUPPORT FOR THE PRESIDENT

Senator PELL. Mr. Chairman, before disposing of *Pueblo*, we have always been fairly free in letting the President know when we do not agree with what he is doing. When we do agree, and I think the majority of us around the table do feel the administration is doing a pretty good job in trying to resolve this problem, should we not give him some little consensus.

The CHAIRMAN. Well, that is up to the committee. I told you I already said that. I do not know whether you want to do it as a committee or as people, as individuals.

Senator PELL. I do not mean in a form as a resolution, or is there strong disagreement?

Senator HICKENLOOPER. I disagree thoroughly, because we do not have enough facts about it.

Senator MUNDT. I have said publicly I have no fault to find with what they are trying to do in settling it, but I do not want to vote for another Tonkin Bay resolution. I learned something about the past.

DIPLOMATIC RATHER THAN MILITARY MEANS

The CHAIRMAN. I did not say what led up to this. I am merely saying as of now I approve of pursuing diplomatic instead of military means.

Senator MUNDT. But if we put it in a resolution, it will come back to plague us.

Senator PELL. Do we not all agree it is better to exhaust all diplomatic means first?

Senator HICKENLOOPER. Just to clarify my position, I think if we had sent a destroyer in there right after that ship and pulled it out right then, this thing would all have been over, just like the Berlin wall. If we had done something about the Berlin wall the day they started to put it up, it would all have been over. Unfortunately, the destroyer was a thousand miles away.

Senator HICKENLOOPER. I understand, but now we are caught.

The CHAIRMAN. Let me say this to Bourke, about this very thing, and I am not trying to argue about it but they said there is a big base. There were a hundred MIGs within ten minutes of this place, and that if it had pursued just what you are talking about——

Senator HICKENLOOPER. I understand.

The CHAIRMAN. They would do it—I think if a destroyer had been there on the scene when these patrol boats approached they probably would not have approached, I mean as a preventive matter. But once they boarded it and started it in, their position is to have then sent in a destroyer and challenged them that you would have run into an overwhelming force on their side that was available.

This is for whatever it is worth.

Senator HICKENLOOPER. After it gets cold, of course, you have a terrible problem. I know it is a heavily fortified base and not only ground fortifications but air and everything else.

The CHAIRMAN. That is right.

INFORMATION ON TONKIN GULF

Senator MCCARTHY. Mr. Chairman, before you quit, before we have McNamara, what about the information you asked for that they will not give you?

The CHAIRMAN. Wait a minute, I have not gotten to that yet. All I did was to throw out an idea to get us back on Tonkin. What do you think of it?

Senator MCCARTHY. I mean on Tonkin Gulf. They said those messages that are going to be reviewed, is there anything we can do to shake them up or do we have to wait on Dick Russell?

The CHAIRMAN. What did you say about the communication was in my office this morning?

Mr. MARCY. That was not relevant.

The CHAIRMAN. You all have in your folders sort of a resume of that last letter.

Senator MCCARTHY. With respect to the remaining question of the document in question, it is an internal staff paper of the Joint Chiefs of Staff which is currently under review by the Chairman.

The CHAIRMAN. When McNamara comes, you can ask him why it is not available.

DOCUMENT NOT MADE AVAILABLE

Senator MCCARTHY. Do we have to ask him? Does the committee have to review our request?

Mr. MARCY. No, sir; this was communicated to Senator Russell, and this is the one document the committee has not received on the Tonkin business, and if you recall this is presumably a document that was, a study that was done covering all of the communications at the time of the Tonkin incident. It was very highly classified because it was based upon, so far as we know, it was based upon telephone communications during the day principally of August 4, and communications which involved the President talking to Admiral Sharp and McNamara and the people in the field, this kind of thing, and we were warned when the committee asked for this it would probably be destroyed.

Actually, when the committee did ask for it, we got back a letter saying that the document in question is an internal staff paper of the Joint Chiefs of Staff and is currently under review by the Chairman. That is all we know about it.

Senator HICKENLOOPER. This was not one of the papers that Mr. Nitze told the Chairman he did not want delivered?

The CHAIRMAN. No.

Mr. MARCY. No, sir.

The CHAIRMAN. That I will say over again was a very simple, short communique which was a message—I have told you about it. I will not repeat it. No, this is not that.

Senator HICKENLOOPER. It is open season on this one.

The CHAIRMAN. There is an open season made within the Department. You might say their own analysis of what happened.

Senator MUNDT. Have you written a letter over your own signature for that, Bill.

The CHAIRMAN. Yes.

Senator MUNDT. Why do we not renew it?

Mr. MARCY. That is the answer we got. The fact we had asked for this document was communicated to Senator Russell in expectation——

The CHAIRMAN. I gave Senator Russell last Wednesday the whole thing that you have, including this letter, but Senator Russell went into the hospital on Friday. I called yesterday and talked to his assistant, you know, Bill Darden, and he is in the hospital, and he, they said he was feeling very bad yesterday, and I just did not feel like trying to, bedevil him about this, and he authorized Bill Darden to talk to Bill Bader about this if he wanted to, and Bill Darden just felt he did not know what to talk to Bill Bader about.

MAKE A FORMAL REQUEST

Senator MCCARTHY. In view of what we know from other sources, why do we not ask and make a formal request of this?

The CHAIRMAN. What is that?

Senator MCCARTHY. Make a formal request for this report saying we have a right to it.

Senator HICKENLOOPER. He did but he said——

Senator MCCARTHY. Let's make it by formal resolution of the committee.

The CHAIRMAN. What is wrong with this, asking McNamara to come up here because he really is a central figure in this whole affair—he was the principal witness in presenting what had happened, and in the course of that again requesting him to make it available?

Senator MUNDT. Will he come soon?

The CHAIRMAN. Well, I do not know. We asked him—I mean this, I think we could renew, exactly did we and what was the letter, I wrote him a letter, did I not?

Mr. MARCY. I talked with Mr. Stempler who was his aide. And inquired of Mr. McNamara, and Mr. McNamara said he does not like to appear before any other committees until after he has briefed both the Senate and House Armed Services Committees, on the general state of the Defense Department, and he said he does not do that until after the budget has been presented, which was yesterday, so this—this was the same business we got last year.

Senator MUNDT. This is two months away.

The CHAIRMAN. That is a general statement. We have not addressed a specific request to come and testify about his testimony on Tonkin. I do not know that he would give that kind of answer if the committee wants to ask him.

Senator MCCARTHY. Make that request.

The CHAIRMAN. Write a letter saying it is not a general review and so on. This other is kind of a protocol matter. We want to talk about this.

Senator GORE. Let's do that specifically.

The CHAIRMAN. I do not know whether the committee wants it.

Senator GORE. Instead of mailing it, delivering it by hand down there because Secretary McNamara is going to be gone.

Senator DODD. When does he leave?

The CHAIRMAN. When does he leave, Mr. Marcy?

Mr. MARCY. I do not know.

Senator AIKEN. World Bank Headquarters are in Washington.

KEEP TONKIN GULF AND PUEBLO SEPARATE

Senator MUNDT. We would like to expand it because we would like to talk to him about the Tonkin and *Pueblo* situation.

Senator GORE. I would not like for us, Mr. Chairman, to confuse the two right now. Let's stay on Tonkin.

The CHAIRMAN. I think we would have our hands full on Tonkin, and then if we have time there is nothing to prevent you.

Senator MUNDT. Will you rule out any question on *Pueblo*?

The CHAIRMAN. You can do that on your own. But I think to keep our lines straight, if you want to do it that we ought to address a

letter that we have it under way, he knows we have this under way, and that we would most respectfully request him to appear in executive session to discuss this affair.

Senator MCCARTHY. Let's do that.

The CHAIRMAN. Does that suit you?

Senator MUNDT. Thursday morning.

The CHAIRMAN. Does that suit the committee? Does anybody object to it? Without objection, we will address today a letter request ing him to come to testify on, we might say, on his testimony of the Tonkin Gulf affair.

Senator MCCARTHY. Why do we not ask preliminarily that they will get that paper up to us so we know what to ask him?

The CHAIRMAN. His testimony and the Naval records on Thursday morning, does that suit everybody.

Senator MCCARTHY. That is right.

NATURE OF THE TESTIMONY

Senator LAUSCHE. Mr. Chairman, have copies of these papers been supplied to the State Department or to the Defense Department that are on my desk here this morning?

Mr. MARCY. No, sir.

The CHAIRMAN. The only one I have supplied was to Senator Russell.

Senator LAUSCHE. Here is a paper marked "addendum," and it reads:

> The second former Naval officer was on active duty on another vessel in the Far East. He was a nuclear weapons officer and saw secret traffic from the *Maddox* and *Turner Joy* during the second incident. His testimony confirmed the substance of the communications the staff received from the Department of the Navy. It was this officer's conclusion that the second incident did not take place.

Now you pick out one man but how many were there who said that it did take place, and where is their statement in this addendum?

What I am trying to make clear is when I get the testimony I will want it all, all testimony from those who said that it did take place and not only testimony from those who said that it did not take place.

The CHAIRMAN. Well, this testimony, if my memory serves me correctly, is testimony that was volunteered to us. We described it before, how one officer came and called a member of the staff and came over and wanted to talk. We did not have we did not request him to and so on, and most all, except for I think three instances these are documentary, that is why it is addendum.

Senator LAUSCHE. Well and good. But there is no one so capable of finding proof as the one who wants to find proof to support his own conclusions, and I say that these reports when they quote what individuals had said and are not a part of the record, is not ample testimony. Those who said there was firing of torpedoes ought to also be quoted in these reports——

The CHAIRMAN. We do not have those. So far as I know that they exist, the Department has those. They did not make them available. Did they make them available?

Mr. MARCY. Yes, sir, and there is reference in your main document. On page 15 at the bottom to the voluminous reports that

were made available to the staff by the Department of Defense, sworn testimony and the individuals. But I should say, Mr. Chairman, we have not interviewed any officers of any kind, shape or form unless they volunteered, unless someone came in.

TORPEDO FIRING WAS DOUBTFUL

Senator GORE. Mr. Chairman, at the committee meeting the other day, at which this was discussed, the committee had just on the day of the meeting received a communication from the Naval officer in the Philippines, and no, therefore no reference, no excerpts from that, from those communications were included.

I see here on page 5 of the document that the staff has submitted this morning, pursuant to the instruction of the committee, the following communication:

At 1:27 in the afternoon of August 4—this is on the basis of reviewing this information——

Senator MUNDT. What page are you reading from?

Senator GORE. I am reading from page 5 of today's report. Here is the conclusion of the Naval Center in the Philippines, some ten hours or so, I am just estimating, eight or ten hours before the attack was made on North Vietnam.

> Review of action makes many reported contacts and torpedos fired appear doubtful. Freak weather effects and overeager sonarmen may have accounted for many reports. No actual visual sightings by *Maddox* suggest complete evaluation before any further action.

That was the conclusion.

Senator MUNDT. Read that next sentence.

Senator GORE. "Subequently, doubts came from the ships themselves."

Well, the members can read that for themselves. I just wanted to cite it.

Senator LAUSCHE. I know the staff does not need any defenses, but if you will read above that in the page before you will see that there are, they cite, the various communications, sightings, alleged sightings and torpedoes and so forth, and then they come finally to a quotation from the conclusion message of the Naval Center in the Philippines, which evidence was not before the committee at the time of the last report.

The CHAIRMAN. That only came in after the report had been made.

Senator GORE. I believe it arrived that morning, did it not? At the time we were meeting?

The CHAIRMAN. That is correct.

Mr. MARCY. That is correct,

Senator GORE. At the same time that the chairman requested the report, not the report but the actual copies of communications with the Naval Center in the Philippines, he asked for this other report which we have been denied.

The CHAIRMAN. That is right.

Senator GORE. This one was supplied is that correct now?

The CHAIRMAN. That is correct.

Senator GORE. So I wanted to say, I think the staff has given us what they have received.

WHO WERE THE WITNESSES?

Senator LAUSCHE. Here on page 6 of the document from which you are reading there is a statement:

The Commander-in-Chief of the Pacific Fleet some five hours after the presumed attack on the U.S. ships and just five hours before the retaliatory airstrike on North Vietnam sent a telegram to the Operational Commander of the *Maddox* and *Turner Joy* as follows:

'(1) Can you confirm absolutely that you were attacked?

'(2) Can you confirm sinking of PT boats?

'(3) Desire reply directly supporting evidence.'

Over the next few hours, the demands for confirming information and evidence mounted. Finally, at 9:03 p.m., Washington time the Commander of the 7th Fleet asked the *Turner Joy* to amplify urgently its reports. The following is from the cable: 'Who were witnesses, what is witness reliability?'

Who were those witnesses? Do we have anything in this report?

Senator GORE. Yes. In the first one.

Mr. MARCY. Continue right on, Senator.

Senator LAUSCHE.

'Most important that present evidence substantiating type and number of attacking forces be gathered and disseminated.' Thirty minutes later the *Turner Joy* was ordered to locate debris to substantiate.

Well, now, is there anything in this record or have we identified who the witneses were on the *Maddox* or the *Turner Joy* or whatever its name is?

The CHAIRMAN. There are two different ships.

Senator LAUSCHE. Yes, the *Turner Joy,* who said that they saw these torpedoes.

Mr. MARCY. Yes, sir, this is what is referred to on page 15 in the earlier document, and it says there is voluminous evidence of, that was collected by the Department of the Navy in a subsequent inquiry, and those are sworn affidavits from a variety of individuals.

Commanding officers——

STAFF HAS NOT INTERROGATED WITNESSES

Senator HICKENLOOPER. Have we considered getting the best evidence, which is the commander of the *Turner Joy* and the commander of the *Maddox*?

Mr. MARCY. Could I say that the operation of the staff has not been to go out and talk to any of these individuals.

Senator HICKENLOOPER. I think you have done a good job I am not criticizing the staff. Frank raises the questions.

Mr. MARCY. No, I am saying I would be delighted to if you wanted us to.

Senator GORE. Let us set, it straight. The chairman of the committee told us the other day he had not given instructions or told the staff to go out and interrogate anyone, is that right?

The CHAIRMAN. I want to say on behalf of the staff that Mr. Bader, formerly in the Navy for two or three years, correct me, Bill, if I am wrong, served in the CIA, he is the only man on the staff who could decipher these documents because of his previous experience in the Navy, and,—was it Naval intelligence, Mr. Bader?

Mr. BADER. Yes, sir.

The CHAIRMAN. And he was in the CIA, and I said, when I first looked at a few of these documents they didn't mean a thing to me,

I mean utterly unintelligible to an ordinary person, so we turned them over to him, and I think he has done a magnificent job in this. He has done only what I asked him, to do. He was not asked, he or Mr. Marcy, to go and start questioning people. I thought that would be certainly not without the committee authorization, and I still think, I don't want to get a big furor going on around.

We were dealing only with the documentary evidence, except for three people, I think, who volunteered to give testimony, and it is not of very much importance one way or the other in here.

Senator LAUSCHE. It is important when it is in the record.

TESTIMONY AND DOCUMENTS

The CHAIRMAN. I mean these three people I am talking about. One, I told the committee once before about this [deleted] who felt it was on his conscience. He called up Mr. Jones on staff first, and then he conferred, then he requested he come to my office, and he did come and the reporter was there, and we made a record of it just for whatever it is worth. He asked to come. It was simply in a way substantiating some of the other things.

But we don't rely on his testimony as being of great significance. The main reliance here is on what is in the documents and they are interpreted. Of course maybe Mr. Bader may have made some mistakes. I don't think he has, because he has been working on this most carefully, and I think he is extremely competent to interpret what the documents mean. I will guarantee if you read them, most of them, they are in these codes, I mean they use funny words and all that, and they don't mean anything to me. I do have great confidence in Mr. Bader's integrity as well as his capacity.

THE BASIS FOR QUESTION

Senator HICKENLOOPER. Mr. Chairman, I think we are just talking in circles here. I haven't heard anybody criticizing the staff. I think they have done a splendid job here. But I am talking about the possibility of an investigation. I am not prepared to make up my mind on this on unilateral testimony.

Now, that is what we have. We have certain anonymous testimony, we have certain records of the Navy Department, radio messages, and things like that. There are many gaps.

I am merely suggesting awhile ago, if I didn't say it, apparently, and that is my fault, if we are going to look into these things any further, to come to any conclusions that we consider, that we might go to the very best evidence possible which would be the commander of the *Turner Joy* and the commander of the *Maddox*.

Now, that is all, and I am not criticizing the staff. I don't know how anybody can decipher that stuff that is contained in those messages. I have seen them and I think a wonderful job has been done.

But I think we have the basis for question here, but I submit that is all we have here, is the basis for question.

There is a lot of evidence that——

Senator MUNDT. That is all we are proposing. That is all we propose.

DECISION THAT THE SHIPS WERE UNDER ATTACK

Senator AIKEN. The question I would like answered, did Secretary McNamara know that he was not given, telling us, the right story at the time he told it? I think that is important and I guess he is the only one who can answer that.

The CHAIRMAN. Yes.

Senator COOPER. Mr. Chairman, may I ask a question?

The CHAIRMAN. Senator Cooper.

Senator COOPER. Following up what Senator Lausche asked awhile ago, on page 14 of the first staff memorandum: After these questions had been sent to the commander of the *Maddox* and *Turner Joy*, this staff report says that the commander of the *Maddox* and *Turner Joy* gave a confused picture. But he did say the *Turner Joy* claimed sinking one craft and damaging another.

Then when Moorer called him again and asked whether he could confirm that he was attacked, the *Turner Joy* replied that it was attacked.

I would assume that on the basis somebody up the line accepted the answer of the commander and agreed that it was attacked.

Now, my question comes to this: Somebody had to make a decision that it had been under attack and those people there, whether they were right or not, whether they thought they were being attacked, and I think that kind of situation could occur. From my little experience once in the Army, I thought we were shot at, and we were shot at by our own men, but——

Senator HICKENLOOPER. Well, but you were shot at.

Senator COOPER. I was not shot at by the enemy, but it seems to me what you are really asking them, because finally you come out on this, the Navy already on their Board of Inquiry already determined they were attacked.

Whether or not they were or not they found it so they are going to come and say under investigation that they were attacked.

You don't think you can ever disprove that.

My thought is what is it we are really asking? Are we asking whether or not the evidence of the attack was such that in good judgment they should have retaliated or they should have said it was such a serious matter that we should prepare for war with Vietnam, and. it finally gets down to a question of the judgment of the Commander-in-Chief, that is what you finally end up with, or is it you are trying to determine that these methods of communication are so vague and so poor and so uncertain that we can be launched into some major war?

Senator AIKEN. Mr. Chairman?

The CHAIRMAN. Let me respond.

COMMITTEE CONCERNS OVER DECISION MAKING

I assume it is addressed to me. I think that the fact that the attitude of this committee toward the *Pueblo* in itself is almost justification for all we have done, because all the members of this committee have taken a very different attitude on this than they otherwise would have, I think, without this background.

Senator COOPER. I want you to go ahead, myself.

The CHAIRMAN. What disposition is made of this is entirely up to the committee.

My own feeling is that it is very dangerous if this kind of procedure is allowed to continue without them knowing that this committee is deeply concerned about the method of making decisions that, in effect, amount to war, particularly in view of the administration's attitude that they no longer need a declaration of war.

If we are going to follow the procedure they have in this, I think we have got to have a much more careful way of reaching these decisions, and that this committee, and I believe they will henceforth, be a lot more skeptical of a similar story brought in here by any future Secretary of Defense.

I have always felt greatly at fault as chairman that at that time I was carried away with the story, I believed it, I was carried away, influenced by other things going on at the time of a political nature, and if you all, I am sure have been reminded on the floor of the Senate and I know very well what I know now if I had known it then by a previous experience I certainly would not have, advised the committee to do what they did.

I can also speak for Senator Russell. He has expressed the same feeling to me.

When I said to him one of the reasons I thought we should look at this from our own information, I felt at fault, he said, "I do, too." He said, "I don't know why I did not ask for some further consideration."

He said almost the same thing because he said, "I sat with you, my committee sat with you, and we all just accepted it without question."

And I think if we don't do anything other than discuss it here, and if at the end of this the committee says, "Put it in the files and forget it," I am not going to make any big howl. I think it is an exercise well worthwhile if this committee is to amount to anything and if it is to have any influence in the future. And if it is to play any part or if the Senate isn't to be completely eliminated as having any signficance in the conduct of foreign relations.

That is the way I feel about it.

Senator COOPER. I am for it.

The CHAIRMAN. It is educational in a sense.

THE BURDEN OF PROOF

Senator COOPER. What I am trying to do is find out what your purpose is. Is it to try for this committee to prove that no attack occurred?

The CHAIRMAN. No, I think the burden as far as you are going to put the burden is for them to prove it did, and the way they have got to support their own story.

Senator COOPER. My own feeling is that what we are trying to show is that an attack or not, was it of such a nature that it required retaliation, and I think you can justify retaliation, or was it of such a nature that it required bringing a resolution here and engaging the Senate and Congress and the country to the prospects of a major war.

The CHAIRMAN. It seems to me that the committee, having acted on this, and the Senate having acted on it, is entitled to know the story.

Now, what we do about it, we can't undo it. I know we can't undo it, but I think it is very important that if we are to function at all that we know what happened and learn about these things, that about the extent of it.

What the committee wishes to do about it, I haven't any suggestion at this time other than to get at the bottom of it and see what really happened.

I didn't know enough at the time to do it.

This, as I say, originated due to other outside things that had developed.

JUDGMENT FORMULATED IN TURMOIL

Senator LAUSCHE. Mr. Chairman, I concur with what Senator Cooper has said. The issue is: Were the circumstances of a character which justified the persons in charge to do what they did in the Tonkin Bay? Post facto judgments reached with a pretense of great accuracy are folly. I have been through that time and again when after all of the things are done and you see clearly what it is, you say, "Well, the judgment was wrong," but judgment has to be formulated on the basis of what those who were present in the turmoil concluded.

Today we are arguing about why the United States didn't hit the Korean boat when it seized the *Pueblo*.

Well, at the same time, we are arguing why did we strike at the patrol boats in the Tonkin Bay when we shouldn't have struck at them.

Senator AIKEN. Mr. Chairman, this discussion, particularly that part relating to the *Turner Joy,* reminds me of the old fellow who said, "Ten years ago I shot a 600 pound bear out at the Beech tree back of my house. If you don't believe me, I will show you the tree."

That is about where the *Turner Joy* stands today, I would say. They can show us the ocean where they shot at them.

INTELLIGIBLE DOCUMENT

Senator GORE. Mr. Chairman, the document which I requested the other day has now arrived. I have read it or tried to read it and found it a bit unintelligible to me. I asked Mr. Bader to read it, and he says it would be, before he could interpret it, since it refers to four reference points of previous orders, it would be necessary to have an identification of those points. So unless there is some objection on the part of the committee, I would like the chairman to direct the staff to proceed to get those reference points, so this becomes an intelligible document.

The CHAIRMAN. Well, he has done that wherever—in most cases. Certainly he can do that.

INVITING THE SECRETARY OF THE NAVY TO TESTIFY

Well, as of the moment, it is agreed, then, I will invite Mr. McNamara. If he doesn't wish to come for any reason or refuses, shall I ask Mr. Nitze in his place? He is the Under Secretary, and

the man, I may say, with whom we have had most of our communications.

Is that correct?

Senator HICKENLOOPER. He didn't make them.

The CHAIRMAN. I can't force Mr. McNamara to come.

Senator LAUSCHE. I have no objection to that being done.

The CHAIRMAN. I don't know. What do you want the chairman to do when the Secretary of State or Navy won't come, what do you think I am going to do, go down there and bring him up?

Senator CASE. Is it just fair to ask him to come without telling him we have questions as to the honesty and accuracy of these statements?

The CHAIRMAN. He knows we have these documents. We are not going to take him by surprise. Goodness knows, I am sure they have conferred about this.

Senator LAUSCHE. May I suggest that we send to the Secretary and to the Department of Defense complete copies of these statements that have been filed?

The CHAIRMAN. They have the originals of all these documents It seems to me their business——

Senator LAUSCHE. They don't have the originals of these private conversations with men who came in and say, "I am conscience-stricken and I have got to tell you that we were not attacked in the Tonkin Bay."

They don't have that.

NOT PART OF THE CONCLUSIONS

Senator GORE. Mr. Chairman, these, this addendum is not a part of the conclusions reached.

I personally think the staff would have been remiss if it had withheld from the committee testimony volunteered, et cetera, They informed us of it, but did not include it in the chronology and in the conclusions reached, but as an addendum for the information of the committee.

The CHAIRMAN. That is right.

Senator DODD. How much do we know about the informant, we don't know his name. I don't know anything about him. How reliable is he?

Senator GORE. I don't know.

Senator DODD. Does he have an axe to grind? Does anybody know?

Senator HICKENLOOPER. As I understand it, he is G–2ing this from remote control.

Senator GORE. The point I was trying to make, it is not a part of the conclusions.

Senator HICKENLOOPER. He just said, "I heard some things going over the air and I don't believe they were attacked." He was on the ground.

Senator DODD. I think we ought to know something about an individual who comes in, and the chairman ought to know.

Senator GORE. He went to see the chairman.

ANONYMOUS LETTERS

The CHAIRMAN. Well, there are two different classes. I thought he was asking—we did receive only, not too long ago anonymous letters, they just came in with no name on them. They said "If I put my name on this, I will be fired." They apparently are in the Pentagon. I don't swear they are, they just said, "We can't give our names because we will be fired."

What they did suggest is that we ask for this document. That is all.

Senator GORE. And suffice it to say——

The CHAIRMAN. That is all, we don't know who they are.

Senator GORE.—neither the committee nor its staff had any knowledge that such a document existed, that such a document had been made, except that as a result of this anonymous letter the staff asked for the two documents referred to in this anonymous communication. One of them we have, one of them it refuses.

Senator DODD. No, I wasn't raising a question about those anonymous documents. I was raising a question about what I thought I understood to be a Naval officer who came in.

The CHAIRMAN. That is a separate one, Tom. There are two different classes. One came in, we have his testimony, his name, I gave it to you before, his name is [deleted]. He still is a [deleted] in the Navy, he is still there, and they know, that is, his superiors know he came.

I mean there is no secret. They know all about that.

Senator DODD. I didn't know about that.

The CHAIRMAN. They know he came. That is a separate one. Then these last two, he came, November or December, he still is in the Navy, and been in there a long time. These two last letters came anonymously. They just came a short time ago.

[Discussion off the record.]

WORTH CHECKING ANONYMOUS TIPS

Senator HICKENLOOPER. I don't think an anonymous thing should be dismissed, but they can be tested and we did test it by asking for these reports that this fellow wrote about it.

But I wouldn't take anonymous declarations just whole on their face without testing them in some way.

Senator DODD. That is all I wanted to say.

Senator MUNDT. Let me add to what Al said.

Alger Hiss went to jail because of an anonymous call I got in New York at midnight from someone whom I thought was a kook or drunk, but he said, "Why don't you talk to the editor of Time?" I never even knew his name. I took the trip up to Time and Whittaker Chambers had expected it for years, strictly an anonymous tip. It is worth checking.

Senator GORE. Here is the document that was sent up just since there has been reference to the so-called gobbledygook. It isn't gobbledygook. But it is technical terms, and I would just like to pass it around for members to see.

Senator DODD. I think I was misunderstood, Mr. Chairman. I was not advising not checking into an anonymous letter. I didn't know anything about this officer.

Senator CASE. Is there a question that John raised before have we considered this and decided it, whether or not there is ground for questioning the accuracy of the statements that were made to the committee that this is the wrong time to pursue it, we ought to hold it six weeks or two weeks or three weeks or four weeks until the *Pueblo* thing is settled and not by an inquiry being active now cast doubt on the leaders who are trying to settle the *Pueblo*?

The CHAIRMAN. I am certainly against any public statement about this. But I don't see any objection to an executive meeting and the Secretary, of course, will be leaving. I don't know that—that is up to the committee.

Senator GORE. I understood with respect to the *Pueblo* we had left it without formal action, but the chairman on his own authority would direct the staff to start gathering information.

CONNECTION BETWEEN TONKIN GULF INQUIRY AND THE PUEBLO

Senator CASE. That is not the question. The question is whether by actively pursuing Tonkin Gulf under circumstances suggesting a question of the honesty of people in government who are now conducting the *Pueblo* affair, you hurt the *Pueblo* settlement.

Senator MUNDT. There is an issue—nobody is questioning the honesty on the *Pueblo*; we are not questioning it. We are just questioning the advisability of the method of determination of who sent it in.

Senator CASE. Just to lay it out, if I may, and then John can—it is his idea, but he is too modest sometimes. It isn't a question of the facts of the *Pueblo* that we are requesting now; it is a question of the integrity of the individuals who are dealing with it who were the individuals then, McNamara, Rusk, the military, even the President, and I think this is worthy of serious consideration before we decide not to postpone action on Tonkin Gulf which is, after all, not an emergency matter.

Senator COOPER. I would like to say one word on that. First, let me say at some point I want to favor going ahead and looking to see what actually happened in Tonkin Bay and also the *Pueblo*, because I think the procedures they use; and as Karl said the other day, at this time could bring us into another war, if we are not very careful.

But in the Tonkin Bay matter, if these facts are correct the staff assembled, and I think they are, it is clear that at times the *Maddox* was in the territorial waters of North Vietnam, and it may appear, it may be shown later, we don't know, that at times the *Pueblo* might have been in territorial waters.

You may remember the other day I asked Secretary Rusk if they could produce the communications before the first message they did report on, where the *Pueblo* said that, you know, they sighted these patrol boats, at that point they said the *Pueblo* was in territorial waters, and when it was seized it was in territorial waters, but I asked him if they had any message to show where they had been before. He said he didn't know. They didn't have those messages. It could be that before they might have been in territorial waters and they moved out.

So, in pursuing the Tonkin Bay, I think the press and others would be bound to associate it with the *Pueblo*, and——

The CHAIRMAN. John, I don't know why. They know this has been going on long before the *Pueblo*. We had our own first meeting before that.

EXPOSING U.S. WEAKNESS

Senator COOPER. I am talking about the next two weeks, and would it be said in here, and it has been said, and it will be said again, that the *Maddox* was in territorial waters and it was not in international waters as the Defense Department purported at that time, and then I think it will question them all as to what really happened at the time of the *Pueblo* I think it would bring all that under question, it could bring that under question, and I just ask the question in the next two or three weeks when this matter is being pursued with the *Pueblo*, do you want to raise any doubt which might affect the success of the mission. That is my question.

I want to go ahead with this, but I want it done at a time when we do not in any way do anything to affect the efforts they are making with respect to the *Pueblo*. It is a matter of timing.

I may be very cautious, but the situation is still dangerous, in my judgment. It has exposed a weakness of the United States when we haven't got the means to support a policy.

The CHAIRMAN. I don't agree with that. I don't think it shows we are weak.

Senator COOPER. What?

The CHAIRMAN. I don't think it shows we are weak.

Senator COOPER. The *Pueblo*?

The CHAIRMAN. Nobody denies we have got the power to destroy North Korea tomorrow if we wanted to. It is not a weakness about it; it is a question of judgment of how to proceed.

Senator COOPER. With the conventional strength we have over there.

The CHAIRMAN. I think we could destroy them certainly this morning, if that is what you think is wise. It isn't a matter of weakness.

Senator COOPER. I don't believe it, myself.

The CHAIRMAN. It is a question of how we use it.

NOT A COORDINATED FORCE

Senator COOPER. You said we have the manpower, but the reports in the press are that it is not a coordinated force.

The CHAIRMAN. John, as of next Tuesday, according to this morning, we will have more, a good many more planes. We have already, I told you, had the manpower, we will have a good many more planes, fighter bombers, bombers, et cetera, in South Korea than the North Koreans have. I don't think if you are just talking about Korea—now, if you are talking about a war with Russia, we haven't got the strength to back her down; that is another matter. But as far as Korea, North Korea, I don't think it is a question of strength, and I don't think it means the United States has no strength at all. I don't think that is the question.

It will have, he said it would be, I don't know how much you want to go into this, but certainly it would be very careful, not that he says it won't be found out but they are going to put in 341 planes that will be there in addition to what they had before, next

Tuesday. They are moving them in from all over, and he said how many were available from western Europe, if you need them, and so on. He gave a lot of big figures about it this morning. I didn't go into that because I didn't know that it was very pertinent. I don't think they have the slightest doubt that they can deal with North Korea itself, if that is alone.

The implications of this go way beyond that as to what you should do as a matter of wisdom or whether or not you want to take a chance of precipitating a, war with Russia, et cetera. All of that is involved.

It is not whether or not, I don't think anybody has any doubt that we are stronger than Korea and it does not show any weakness in the military sense. It may show a weakness in judgment, or something else, or a faulty planning or so on, but not weakness of military strength. I don't think there is anything that would indicate that.

Senator COOPER. I think, believe it is, myself, but that is a matter of judgment.

Senator LAUSCHE. What is your proposal?

Senator COOPER. I just asked if we weigh whether or not to actually pursue this matter of Tonkin Bay for the next couple of weeks until we see what is happening with the *Pueblo* thing, so it won't be associated in the public mind when our government is making very important and delicate efforts with respect to the *Pueblo* I think that is the most important thing before the country, riqht now.

THE PUEBLO'S SELF-DEFENSE

Senator MUNDT. How long is McNamara going to be on the job?

The CHAIRMAN. I don't know.

Senator HICKENLOOPER. I think he is going to leave the 1st of March.

Senator GORE. I don't want to divert, but in answer to one of the questions asked this morning, whether the *Pueblo* was in in any ways prepared to defend itself. Here is the concluding order, "Installed defensive armament should be stowed or covered in such a manner as not to elicit interest from surveilling units. Apply only in cases where threat to survival is obvious."

Senator HICKENLOOPER. Well, it wasn't applied.

Senator GORE. I just thought I would read that. Don't you think this document should be a part of the record this morning, or do you want to wait and let it be a part of the study on the *Pueblo*?

The CHAIRMAN. Why don't you just use it as a part of the study on that?

All I can say is that two or at most, I forget whether it was two or three, 50 caliber machineguns are certainly not adequate armament for any purpose.

Senator DODD. Is that what that refers to?

Senator GORE. That referred to the *Pueblo*.

The CHAIRMAN. That was all we had.

NEED TO DECLASSIFY THE DOCUMENT

Senator PELL. I can't help but be personal because I was both a communications officer in the Navy and also a gunnery officer, and

I can see the whole situation. I don't see what those fellows could have done because by the time you had unstowed the guns, got the canvas covers off and got them loaded, the fellows were already aboard, and the instructions—I think the most interesting thing I have seen yet are the operations orders that Albert or the chairman got, and I would hope the maximum publicity could be given to those operations orders because they really put us very much in a clear and international way, I would think efforts should be made almost to declassify it. It is a fascinating document, and it show what the areas were.

TIME NEEDED TO REMOVE COVERS

Senator HICKENLOOPER. How long would it take to get the covers off?

Senator PELL. Ten or fifteen minutes.

Senator HICKENLOOPER. They had two or three hours.

Senator PELL. But they, actually, weren't actually being boarded until the ships were coming right on top. The next thing, they knew the fellows were right on top.

Senator HICKENLOOPER. It was too late.

The CHAIRMAN. The General's point is that they would have been very foolish to attempt to use a 50 caliber machine gun against a patrol boat with 3-inch guns.

Senator HICKENLOOPER. I agree with that.

The CHAIRMAN. It wasn't in the cards to try to resist with that kind of armament, that is really what he is saying, whether they had time or whether they were uncovered or not. This is just——

Senator HICKENLOOPER. They shouldn't have used that language.

The CHAIRMAN. That is the way I understood it this morning, it was a subchaser that I think he said had 3-inch guns. PT boats had torpedoes and also just small caliber, I don't know whether they were 50 caliber or not. But one of them had a 3-inch gun.

Senator PELL. The interesting thing about that, those orders give such firm instructions where it is to be 6 miles to 13 nautical miles off the coast and the whole thing comes through that I would think Goldberg would try to use that at the U.N.

Senator GORE. Well, Claiborne, I just looked at this document which came to us marked "Secret" so it is not within our privilege to release it.

Senator PELL. I agree.

NO REASON TO QUESTION ACCURACY OF INFORMATION

Senator GORE. If the chairman, after studying these reference points or the committee, wished to suggest to the administration the advisability of its release, I think it is worth consideration. So far as I have seen, I have no reason to question the accuracy and the truth and integrity of the information that has been given to us about the *Pueblo*.

As the chairman has said, we are made very wary about the fact that from all the evidence now submitted one can reach a tentative conclusion, and I say tentative, that precipitate action was taken with respect to the so-called happenings at Tonkin Bay. If so, then the administration has learned a good lesson, as I see it now, and if these reference points bear out the accuracy of this, as Senator

Pell has said, it might be well for the committee to consider asking that the document be made public because it might buttress the case that Ambassador Goldberg has made at the U.N.

The CHAIRMAN. Well, what does the committee think? I mean do they wish to reconsider their thoughts in view of Senator Cooper's observations or not? I don't wish to push this if the committee doesn't want to. I don't want to embarrass the committee at all.

All I seek is the advice of the committee. You are the ones who determine whether we should ask McNamara or not.

IMPLYING THAT MCNAMARA WAS WRONG

Senator LAUSCHE. Mr. Chairman, we say that our government was in the right on the *Pueblo.* The North Koreans say that we were in the wrong. There is that dispute now. We are contemplating calling in McNamara where we will make the charge not directly but indirectly, but impliedly, that he was mistake, I am putting it in a mild way, in the information which he gave us.

Senator PELL. About Tonkin Bay?

Senator LAUSCHE. Yes. But we are saying more than mistaken.

COMPARISON TO U–2 AFFAIR

What position does that leave our government in with reference to North Korea?

Senator GORE. In the same way that the U–2 leaves us. Everybody knows that the incidents involving the U–2 were fabricated; nobody denies it now. It went to the highest levels.

Senator HICKENLOOPER. What do you mean fabricated?

Senator GORE. The cover story was untrue.

The CHAIRMAN. He is talking about the cover story.

Senator GORE. It would be unfair to say that, I think, without further evidence that misrepresentations were made to this committee, there is at least a lot of doubt raised. I see nothing that thus far causes me to doubt at any rate the accuracy of the information that has been supplied about the *Pueblo*. I do not believe that pursuit of the Tonkin Bay matter would complicate our situation any more than pursuit of the U–2. There is a lot in my view to the suggestion Senator Pell made that if this is conclusive then the administration can buttress its case by actually releasing the orders, although it refers to instructions there to surveil the Soviet fleet, which the administration for other reasons might not wish to publicize.

The CHAIRMAN. There is one big difference between the U–2 and this, we didn't go to war about it. They shot it down, but we didn't go to war about it. I don't mean by that what we did caused them not to.

Senator HICKENLOOPER. But there is a big difference. The U–2 was way in the interior violating Russian air space, and our claim here with the *Pueblo* is, at least so far as I could find, that it was at no time within the territorial waters of North Korea; it was in international waters all the time.

INVITE MCNAMARA AFTER HE HAS LEFT OFFICE

Senator PELL. I have a thought here somewhat in support of Senator Cooper's and wondering if it might make any sense. It seems to me our national interest would suggest that we ought to put this on ice for a little while, if we can.

The problem is whether we could get McNamara as a witness. Wouldn't he be an even more interesting witness when he is no longer in the administration and would agree to come to us after?

The CHAIRMAN. He is very likely to say, as Gene Black said to me on a number of occasions, he is an international civil servant and he will not come before a committee. He refused to come positively before the Banking and Currency Committee when I was chairman, as a witness. All he would do would be to meet informally at a lunch or dinner at the Alibi Club. I don't know whether you would be met with that. That was Gene Black's position.

Senator MUNDT. He would say Clark Clifford is the Defense Secretary and he has access to all the records and you should call him.

The CHAIRMAN. We would really have a rough time with him. He would disavow any interest.

Senator MUNDT. If you call him at all, you have to call him when he is on the job.

The thing that disturbs me most this morning when I heard it, Bill's story, is we are sending a sister ship back to Korea to demonstrate we have got the right to the sea, and I would like to talk a little bit to McNamara about just whose idea that is, the thought they have in mind and how they would protect it. I don't want to stumble into these wars when I have been alerted in that.

Senator PELL. Call him in on that and ask him about Tonkin Bay. I think it would be an error to just call him in on Tonkin Bay.

PRODUCING A WISER POLICY

The CHAIRMAN. I do not want to pressure the committee, but it seems to me it is the same as Karl Mundt said in the beginning, I don't know what the function of this committee is. I used to assume that it was to furnish advice, we will say, in a constitutional sense, and to function with the Executive in the belief that in a discussion, an examination, and so on, we would have a wiser policy. If it is simply to O.K. and to agree with everything they say, I think it has a very minor function and we ought to not kid ourselves that we have any, influence about it.

I think that in the long run this and future administrations are more likely to reach wise decisions to exercise their great power with caution and wisdom if they know there is somebody interested in what they are doing. If we just always say, "Amen" to everything, they know well that doesn't amount to anything.

I think they have been, my present view is, what I call, at least improvident, and imprudent in some of their decisions.

Now, that is probably true of every administration, there is nothing new about that, but I think we have a role to play in this whole operation. The same argument I made about the resolution which we reported out unanimously would apply in a specific case to this kind of an incident, that this committee and the Senate have not only the responsibility but it has an opportunity to, I think, make

a contribution to present and future deliberations of the administration.

I don't quite think these people are infallible simply because they occupy certain offices.

I mean, I think they have the same problems we all have in making up their mind, and I think we can be helpful to them, maybe not in correcting past mistakes but you learn from that, and may be useful in the future mistakes.

ASKING THE RIGHT QUESTIONS

As I said, I think the very fact that we have had this report the day before the *Pueblo* happened was a very healthy thing. All the members of this committee had quite a different approach to it, and were able, I think, to ask the right questions and to impress upon the Secretary of State that we were concerned. This committee, I think, what they said in that meeting, when I wasn't here, was much more sensible than a whole lot of the members of the Congress said in public that same day and the next day, and I think one of the reasons is this committee knew what can happen in these situations.

I am at a loss now. I mean, I thought you wanted me to ask McNamara, now I am not sure. Do you want me to or not?

Senator CASE. I raised the question.

Senator HICKENLOOPER. I think you ought to.

Senator CASE. I think you ought to

Senator MUNDT. I am in favor of it.

Senator GORE. I am in favor of it.

The CHAIRMAN. All right. Then a clear majority seems to me to want to invite him. If he says he will not come, then shall I ask Nitze? He is the next best authority.

Senator HICKENLOOPER. What good will that do?

The CHAIRMAN. He has been aware of it.

QUESTION OF TIMING

Senator DODD. Do I understand Senator Cooper's position to be not questioning, but I think you very well put the proper interest this committee should take or whether it is the right thing to do at this time, is that your position, Senator Cooper?

The CHAIRMAN. He raises the question, but I understand now he says it is all right.

Senator COOPER. I raised the question as to timing. My own judgment is that it would be better to postpone it for two weeks while we are dealing with the *Pueblo* thing, but that is my judgment.

The CHAIRMAN. I think, John, it really depends on whether we are really discreet enough to keep our mouths shut, and if we are not harm will fall. If we are not, it might.

Senator PELL. Senator Lausche asked me to say that he hoped Secretary McNamara, he hoped we would not ask him to come.

The CHAIRMAN. I think the clear majority of everyone but one or two was to ask him. He may not come, but we will ask him Thursday morning.

REVIEWING THE INCIDENT

Senator COOPER. Then this means if we are asked, you are going to make the statement, this is in effect a decision of the committee, then, to continue to look into Tonkin Bay.

Senator PELL. Not just Tonkin Bay, but about the *Pueblo*, too.

The CHAIRMAN. No. It is my understanding not to say we are looking into *Pueblo,* is that correct? And that we—they know we already had this, we already had a meeting last week, it is perfectly well known, and we are just simply reviewing the case of Tonkin Bay. That is all.

Senator GORE. Why not just say it is for the purpose of reviewing?

The CHAIRMAN. Reviewing the incident. They know that, it has already been in the press.

Senator COOPER. For my information, how will we describe, then, our position on the Tonkin Bay resolution, that the committee is going ahead to look into the Tonkin Bay situation?

The CHAIRMAN. Just reviewing the incident. I am going to say reviewing the events. They already know that we are doing it, and we will confer with the Secretary of, invite the Secretary of Defense.

Senator PELL. Bill, would it be going too far to say except for the Secretary of Defense, and we want to speak to him before he leaves office, we are postponing other actions in this regard until later?

Senator CASE. I would think that implies there is an awful lot of stuff we don't want to open up and we don't know that is so.

Senator GORE. Let the chairman handle it.

The CHAIRMAN. I am going to say very little, as little as I can.

Senator COOPER. How are you going to state it, just for my information?

The CHAIRMAN. That we will invite the Secretary of State simply as a part of our review of the Tonkin Bay incident—Secretary of Defense as a part of our review of Tonkin Bay, preferably on Thursday morning, if he is available. If he gives us a different alternative, I mean he says I can't come, then I will come in the afternoon, why we will get in touch with you.

You don't care about the date. I mean just some day in the near future.

[Whereupon, at 12:30 p.m., the committee recessed, subject to call of the chair].

# REPORT BY SENATOR CLARK ON TRIP TO VIETNAM

**Thursday, February 1, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee, pursuant to notice, at 10:00 a.m., in room S–116, the Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Gore, Clark, Hickenlooper, and Aiken.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Jones, and Mr. Bader, of the committee staff.

Edward D. Re testified on his nomination to be Assistant Secretary of State for Educational and Cultural Affairs. Senator Jacob K. Javits appeared in his behalf.

Dixon Donnelley, Assistant Secretary of State for Public Affairs, accompanied by Jamez Hurd, Bureau of Public Affairs, Ewen C. Dingwall, consultant to the Budget Bureau on International Exhibitions, and Charles I. Bevans, Assistant Legal Adviser for Treaty Affairs, Department of State, testified on Ex. P, 90/1, International Exhibitions Convention, with protocols.

The committee then proceeded into executive session and approved the nominations of Mr. Re and Palmer Hovt and Morris S. Novik to be members of the Advisory Commission on Information. It was agreed to hold up Ex. P, 90/1 until the implementing legislation was received.]

## A BLOOD BATH

Senator CLARK. Bill, I will tell you, I think the thing is extremely confusing.

I spent several days in Saigon being briefed by Westmoreland's people. My wife and I stayed with Bunker at his residence, which he has now had to evacuate.

Senator AIKEN. It would take him about 15 minutes to do that.

Senator CLARK. That is right. Despite the Marine guards and everybody was polite to me. The Ambassador is a charming fellow and they were very optimistic. They said at that point they were looking forward to this winter-spring offensive with keen anticipation because they expected to be able to blunt it.

General Robert Cushman, up from the I Corps area, who is a terrific fellow, he is just the best kind of of Marine you ever want to see, I was very much impressed with him as a fighting man, as a Marine. He said, "I think the enemy is demented."

Senator GORE. What?

Senator CLARK. Demented. He said the losses they are taking no human being with any sense would take. He said, "I think they are going to make one more try, it will be a great blood bath and we will murder or kill an awful lot of them and they will quit."

UNDULY OPTIMISTIC

I asked General Westmoreland if he thought the enemy was demented, and he said, no. I asked him if he thought there would be a military victory in this war, and he said, no.

The CHAIRMAN. Who said that?

Senator CLARK. Westmoreland, which surprised me. I taxed him with that speech he made, and he was very polite and very friendly, but I had his speech he made at the Press Club down there in November and he went over it point by point. And I said, "General, that just hasn't turned out to be right, has it?"

And he hesitated a bit and he kind of half admitted that maybe he had been a little unduly optimistic.

Bunker told me that he was very annoyed at Westmoreland for making that speech. It was supposed to be cleared with him. It had not been cleared with him, and if it had been cleared he would have not permitted him to make it.

I don't know what the hierarchy is between Bunker and Westmoreland, maybe he could have kept it——

The CHAIRMAN. It is clear the President could have.

Senator CLARK. Bunker said it was not cleared with him.

The CHAIRMAN. With anybody.

Senator CLARK. I had better be careful. Bunker said, "It was not cleared with me and it should have been and if it had been," I thought he said, "I would not have let him make it.

He may have said, "I would have persuaded"——

The CHAIRMAN. You didn't ask him about the President.

Senator HICKENLOOPER. Of course, in this country, not Bunker's jurisdiction extends only in Vietnam.

Senator CLARK. He works very closely.

DINNER WITH THE SAIGON PRESS CORPS

Then I had a dinner one night. Barry Zorthian,[1] a very competent fellow——

Senator AIKEN. My constituent.

Senator CLARK. A very good man of Greek extraction. And Norvill Jones is absolutely essential, God, he is a good boy, he did a wonderful job, he went over a week ahead of me, did line all this up, and I think you have just a fine young man in Norvill Jones, and he had gone to Zorthian and he said, "The Senator has heard a lot about the press not agreeing with the military, and I want you to name some of the top people of the press to have dinner with Senator Clark, so he can talk to them."

Well, Zorthian picked these guys and we had a dinner down at one of the restaurants, my wife and I.

The CHAIRMAN. Do you want to put on the record who they were just for information?

[1]Public Affairs Officer for the U.S. Military Mission in South Vietnam since 1964.

Senator CLARK. If I can remember. One was a man named Tom Buckley of the New York Times, and another was one named Coffey, who represents a Los Angeles paper. A third was, Peter Arnett, of the Associated Press. He is a New Zealander, very articulate. Ray Coffey, Chicago Daily News; Merton Perry of Newsweek; Bob Shackness of Columbia Broadcasting System, and then later, I met later with, separately with Lee Lecaze of the Washington Post, who is married to a very close friend of my daughter's. We took his wife and him to dinner. He is a little better balanced than these other fellows, but he is essentially a quiet fellow. These other fellows got a few drinks and they let General Westmoreland and Ambassador Bunker and Ky and Thieu, and let them have it. He said these fellows are living in a dream world. They don't know what is going on out here. The situation is really bad, there is going to be a real blow-up, and they are pretty cynical, of course, but they gave me an entirely different point of view than I got from either Ambassador Bunker or the military.

So, who do I believe? This puzzled me.

A DISTURBING INCIDENT

There was one incident, there are several incidents that disturbed me. I went up to, with Norvill, and a group of other fellows, to Quang Ngai Province, I am probably pronouncing it wrong, it is that province, it is south of Da Nang. We stopped off there in order to visit a provincial hospital and look at some of the work the Quakers are doing there, and they are doing magnificent work with a great lack of staff in building and fitting these artificial limbs on these poor devils.

Of course we are so civilized here, it is hard to imagine the stark misery of one of those provincial hospitals and the pain and agony of these little kids all marked up, it got to me.

In any event, this Lieutenant Colonel Grubard, a fine type of Marine officer, although he was in civilian clothes because he is actually the American adviser to the Vietnamese provincial chief, was all bothered because two nights before one of the provincial PF, they call it, provincial fronts they call it, I guess, provincial patrol of the South Vietnamese Army, they are not the regular guys, the militia——

Senator HICKENLOOPER. Joe, I am interested in this, but I have an appointment.

Senator CLARK. I understand—had been out on a patrol at night searching out, one of these search and destroy things of the Viet Cong, and at about daylight they came across a Viet Cong patrol which attacked them, and they have these walkie-talkies, so they called for a column to relieve them, and a column came out, I think, one or two companies of South Vietnamese regulars and some more of these popular front guys with five American advisers, and they ran into the Viet Cong, the Viet Cong stood their ground, and a battle ensued, and after a couple of rounds everyone of the relieving party except the five American advisers turned tail and ran, and the American advisers stuck around.

The CHAIRMAN. How many, approximately, were they?

Senator CLARK. I would say probably a hundred, 125.

The American advisers were on the wrong side of the river for safety and, of course, these South Vietnamese had thrown a good many of their weapons away when they turned and ran and the American fellows had dropped their weapons and swam the river under machine gun fire to get back to safety, and made it.

NOT GETTING THE STRAIGHT STORY

Well I told that to General Westmoreland when I saw him two days later. He said that can't be true. It is just not true. He said, "I will get the account of what happened."

So he sent out and brought out an account which in general terms said there had been a skirmish up there, and the Viet Cong had retired from the field, and we hadn't been able to establish the number that we lost about a third of what Grubard told me we lost in the fight.

So I said, "General, this just can't be the same incident that I am telling you about. It can't be."

I said, "I don't want to get this Lieutenant Colonel in trouble, but I am perfectly convinced there must have been another incident."

"Well" he said, "I will look into it and before you go off tomorrow"—I was leaving the next day—he said, "I will double check to see whether my report is accurate."

Well, the next day one of his young intelligence officers appeared at an Air Force briefing I was being given and he must have sat up all night because he made a little watercolor sketch in blue to show the river, in green to show the trees, and the dark color to show the road. He had his pointer and he covered it up a bit but the end result was that the account that I brought back was absolutely accurate, and they had given Westmoreland the wrong pitch and that disturbed me very much.

Of course it is one little incident, but I think he is not getting the straight story, and that he is terribly and unduly optimistic, and Bunker is, too.

I told Bunker that. There is no nicer quy in the world than Bunker.

Senator GORE. Did you tell Bunker about this particular incident?

Senator CLARK. I did.

Senator GORE. What was his reaction?

Senator CLARK. Well, he just shrugged his shoulders.

Wait a minute, Albert, let me see. I am pretty sure I did. I am not positive because this took place the last afternoon I was there, and I used to have breakfast with Bunker every morning, he used to get up at 7:15 and I would get up the same time, and we used to have breakfast together, and I am not positive whether at the last breakfast I told him that, but I think I did.

PACIFICATION IN PROXIMITY TO THE ENEMY

Well, the other highlight, to give it to you very quickly, I went down to all four corps and they were very good. They would give me an airplane, give me helicopters, and the next vignette that stuck itself in my mind is we went down the IV Corps which is in the Delta and we went to what was described to me as the richest province in South Vietnam, agriculturally, and I can't remember

the name of it, but we came in in a fixed wing aircraft and transferred to helicopters on an airfield where there was a nice kid from South Philadelphia who was a captain in charge of the airfield as administrator, and it was his job to look after the so-called VIP and he told me there had been a series of raids in there of Viet Cong, hit and run, knocking out helicopters, knocking out two or three of the fixed wing aircraft, and that they expected more, this is constant. They had a pretty good airport guard there, they always drove these guys off, they often killed a few of them, but they were damaging the aircraft, and we were suffering some casualties.

So, then, we got down to this aircraft and there was a very nice guy named Mike Thorn, he is a former State Department fellow, and I think he also has been in World War II and Korean War, and we were flying down in these helicopters to inspect this village which is being pacified by one of these RD types and as we flew down it was on the edge of one of the mounds of the Mekong River, Thorn pointed out to me this island in the middle of the river, and he said that island is completely controlled by the Viet Cong, and it would take a division to knock them out of there.

I said to him, "Gee whiz, how is it feasible to pacify this village just on the other side of this stream," which, well, it was, I don't know whether any of you know the Schuylkill River in Philadelphia, but it is not a great big river but it is a perceptible, maybe a hundred, 150 yards across, something like that, but he said, "Well, we are not concerned about that."

GUARDED BY 150 SOLDIERS

I found out later that they had assigned 150 soldiers to guard me which was kept very much in the background, but Norvill found that out.

Here comes Norvill.

The CHAIRMAN. One hundred fifty soldiers to guard you?

Senator CLARK. Yes.

Isn't that right, Norvill?

Mr. JONES. Yes, sir, they had large numbers of troops everywhere we went.

Senator CLARK. They had it pretty well concealed. I saw a few guys standing around with rifles, I thought it was sort of a home guard.

MEETING WITH THE VILLAGERS

So they brought all these villagers in and I was impressed. Everyone of those hamlets is a rabbit warren, more little kids than you ever saw in your life, and no men at all, they are all off either in the VC or in the ARVN, but they come back and do their family duties at night and the population doesn't seem to be decreased any by reason of the war. So they had this school up there, and the kids are pretty well trained.

Senator GORE. You wouldn't necessarily confine that to family duty.

Senator CLARK. No, I would leave that to you, Albert, the Tennessee version of it.

So in any event, these kids looked happy and they sang songs and I thought it was the nice thing to do was to clap, so then they all clapped, too, you see.

They got the elders around there, and I talked to them through an interpreter. They all looked like Ho Chi Minhs, they all have these little goatees and all sort of standing around like this, and I said, "Aren't all of you gentlemen afraid with that Viet Cong island out there that all this fine pacification thing is going to go down the drain because they will come over here some day and they will let you have it?"

"Oh, no," they said, "many relatives on island back out there, we visit back and forth all the time."

Then there was another island up the stream away and they said to me that is the richest piece of ground in South Vietnam in the richest province. There are eight families on that island, they pay 25 percent of their produce to Viet Cong, 25 percent of their produce to the Government of South Vietnam and they are living the life of Riley on the other 50 percent.

The next thing, the last one, we went on up to—well, two more things.

PRISONERS IN A REFUGEE CAMP

You know they have the Iron Triangle there, the III Corps outside of Saigon which has given them hell because it was an enormously heavily fortified place, and they were staging raids from there all over the area including into Saigon itself.

So they decided to blast them out, about nine months or a year ago. And we went in there with everything there was, napalm, defoliation, but before we went in and really clobbered the place and did clean it out, we moved or gave an opportunity to move all of the villagers who were in there in a refugee camp.

Well, this particular village was Viet Cong, and they moved the whole village and created a refugee camp for it in territory controlled by the South Vietnamese, and they took me through that village. They always show you the good ones, you know, but this one was pretty good, and I didn't have any doubt that those people were living with a higher standard of living than they had before.

But, the important thing is that there were all these kids running around and running around and I said, "I don't see any men around here at all." They said the Viet Cong fathers sneak in at night, and the village itself is under the government control of South Vietnam but it certainly is not loyal, but in effect they are prisoners in a refugee camp.

And this is so true. They tell you that there are a million people under the control of the South Vietnamese government now than there were a year ago, and this is probably true.

But around a third of them, or maybe more, are refugees whose loyalty is very dubious indeed, and a lot of the rest of them are people who may have sought the protection of the South Vietnamese government, and maybe go through the motions of indicating that they are grateful to the Americans and South Vietnamese, but they don't have a feeling of loyalty.

KHE SANH COULD BE ANOTHER DIEN BIEN PHU

The final thing I want to say, and make it very quick, we talked to General Cushman up in Da Nang. He brought in and showed me, rather his staff people did, one of these Russian rockets, this long thin thing, it breaks up into three pieces, it weighs 102 pounds, so three soldiers could carry, I mean one soldier can carry a third of it, and then the rocket launcher folds up and another soldier can carry that. So four soldiers can carry a rocket. It is very mobile. And he said to me, he said, "These rockets have a range of 9 miles," and he said, "One of the things that worries me most, and one of my toughest jobs is to patrol the area with a periphery of 9 miles around Da Nang so as to keep these guys from firing rockets right into the city."

As you know, they did, just 2, nights ago, and raised quite a lot of hell.

But he said, "My boys have to patrol 600 square miles of territory every night, much of it in the woods, and in jungles, and in the hills and mountains. They are full of Claymore mines, full of booby traps, and this is a terrible thing for these young Americans, but if we don't do that—we have been quite successful," he said, and he has been until just lately, "these rockets are just going to knock out all of our installations."

At that point, they were building up for this battle, and expected them to open up every day.

I think there is a fair chance that we are going to have another Dien Bien Phu.

Senator GORE. You mean you think it is possible?

Senator CLARK. Yes.

The CHAIRMAN. At Khe Sanh?

Senator CLARK. At Khe Sanh. Sure, absolutely. That place is cut off from all road contact. There is the bad weather and the monsoon and it will stay bad until the first of April.

In my opinion, the reason they have not launched an offensive so far is because the last week or so the weather has been unseasonably good.

We have 40,000 troops and they have 40,000. They can't supply the 40,000 because the weather is clear.

THE THREAT OF A BIG OFFENSIVE

Senator GORE. Macomber appeared yesterday saying to Karl and me that a general interpretation of this offensive in the cities was to distract and draw reinforcements away from the Khe Sanh area.

Senator CLARK. Yes.

Senator GORE. And I suggested that it just might be the other way around, that the threat of a big offensive in Khe Sanh may have been to draw the forces out of the cities, and that the real jungle battle was now going to be in the cities.

Of course that was just a thought.

Senator CLARK. I think it is both, Albert. I think they did want to prevent the further fortification of the north situation, but this hit and run stuff they are doing in Saigon and elsewhere, you can't break that up with American armaments and troops marching

down the street and infiltrating out there unless you are going to destroy the whole countryside. So I think it is both.

A PESSIMISTIC MILITARY BRIEFING

Senator GORE. Well, a member of the House Armed Services Committee told me last night, after the meeting at the White House, that his committee had yesterday quite a pessimistic military briefing pointing out the enormous dangers, military dangers of a military catastrophe over there. Surely that is not possible. But you say it is possible.

Senator CLARK. Well, my judgment is that they might win the battle of Khe Sanh, overrun the strong point there, knockout Con Thien and generally drive us out of the hills.

And my own view is we would be smart to get out of the hills before we have all those Marines killed.

But I don't think there is any chance, myself, of the Viet Cong taking over South Vietnam.

RELATIONSHIP WITH SOUTH VIETNAMESE GOVERNMENT

One of the worst things, of course, is the relationship with the South Vietnamese government. I had a talk with Thieu and a talk with Ky, and I talked to a number of the disenchanted South Vietnamese who were non-communist, who had served perhaps in the Diem government, perhaps in the Minh government, and they are all sore at Thieu and Ky.

Norvill I don't think agrees with me. Maybe you did. Ky had a lot of charisma, he is a smart man. But this question of what they called leverage was coming up all the time because they are proud as hell, they don't like us to tell them what to do, and every now and then they tell us to go to hell. There was a big to-do, they had thrown out this reporter from Newsweek, it was a question of face. I think the fellow played it very poorly. He went to the public. If he had kept to himself, they probably would have let him stay.

But I came back with no conviction that this government can really last too long except to the extent we bolster it up.

I am pretty sure the people don't care who wins; they just wanted to be left alone.

I tried very hard to be objective, didn't I, Norvill?

Mr. JONES. Yes, sir, you did indeed.

Senator CLARK. I worked hard and I think my view was more optimistic than Norvill's.

Mr. JONES. Yes, sir.

CONSENSUS AMONG JOURNALISTS

The CHAIRMAN. Coming back to what you just said of the difference between the official version of what the situation is and the reporters', are the reporters all divided just as so many people are, or is there a fairly high degree of agreement among reporters about the situation?

Senator CLARK. If there is not a consensus, and if there are some reporters there, except Joe Alsop at whom they laughed, they just think Joe is a joke, if there are other reporters over there who don't agree with the ones we saw, I certainly would have thought Barry

Zorthian would have included them in the group which he picked for me to have dinner with.

Norvill, you have a different view.

Mr. JONES. I was told by two different reporters over there, there is only one well-known reporter in the American press who thinks things are going somewhere close to what the administration thinks, and that is the fellow from the U.S. News and World Report. All the rest of the American press feel as the ones that Senator Clark met with, were very pessimistic.

The CHAIRMAN. Which is that it is very bad and much worse than the official version.

Senator CLARK. I would say, you know, this is a mature way to get the President's nose out of joint, but when I was there it was a stalemate.

The CHAIRMAN. Which is much worse than the administration says. The administration is always, progress.

HAMLET PACIFICATION EVALUATION

Senator CLARK. There is a map I wanted to show. I had dinner with Komer, he is quite a character, my wife and I went out and had dinner with him. He is very pleasant and he had a couple of West Point advisers over there, and he has concocted this thing called the hamlet pacification evaluation.

The CHAIRMAN. I read about it.

Senator CLARK. It shows we are not making progress. He gets these maps out once a month and he got it declassified, for which three cheers. I brought some of them back, one for November and December, and I would like you to look at it. It, shows the map of Vietnam. He evaluated 12,600 hamlets. Of course, you can't get them all, but he gets a pretty good sampling and he lists in blue or green hamlets where there is some kind of government presence, and he rates them from A to E, just the way you rate college examinations. Then the ones where there isn't any government presence are in red, and with the symbol V.

You put that map up on the wall and, by God, there are as many or more V's than there are all the A, B, C, and D's put together. And I don't think the pacification program has gotten to first base.

One of the real problems of it, Bill, is that this thing that confronts us in every underdeveloped country in the world and confronts us so much in this country is the lack of skilled manpower. These RD teams, there are 58 members of each team, well, there won't be anybody on the team who has got more than a third grade education.

Why?

Because there isn't anybody around who has more than a third grade education who isn't in the army or hasn't fled somewhere.

And what can you do with that kind of human material?

This same Lieutenant Colonel who told me about that incident where the boys had run away, he said, "I take a pretty dim view of this RD thing, because," he said, "this province has had a brain drain working on it for five years." He said, "Everybody who is worth anything has either been killed or is in one army or the other, and the kind of people they have to get to do these RD teams, they just don't have the proper capacity."

NEED TO BLUNT THE OFFENSIVE

The CHAIRMAN. I don't know whether it is a fair question, but in view of your observations what do you recommend now should be done about this situation?

Senator CLARK. Yes. Well, I think now, and I say this with deep regret, we have got to win this battle or at the very least we have got to blunt this offensive. We can't let them win a military victory at Khe Sanh.

Then I think just what I thought before I went away, just as stubborn as a mule, I still think it, I would stop the bombing in the North, I would stop it unconditionally. I would say we are going to fire only when we are fired upon. I would kill the search and destroy policy which is the thing which is killing so many American boys, and I would attempt to occupy with the help of the South Vietnamese as much of the populated areas as we think can be made reasonably secure.

If you take a line from metropolitan Saigon south through the Delta, two-thirds of all the people in South Vietnam are in that area, 45 or 47 provincial capitals.

Mr. JONES. Forty-four.

Senator CLARK. Forty-four provincial capitals, of which we have held, up until the last two or three days, we may have lost a few of them, and I would just hole up there and say, by God, you can't drive us out, we have the airpower and just come and get us, and they can't come and get us, they won't get their country back and in due course they will have to negotiate.

SENTIMENT FOR NEGOTIATIONS

The CHAIRMAN. Well, then, the final thing is we negotiate, but do you find any sentiment in high official circles that they are willing to negotiate?

Senator CLARK. Yes.

The CHAIRMAN. Who might that be?

Senator CLARK. Well, for example, Bunker told me that Averell Harriman is doing nothing else, he is spending his entire time trying to get negotiations going.

Bunker said, "The President said to me—if you find any hopeful signs, you let me know, but we are going to conduct this thing from Washington."

Westmoreland's admission to me that he can't win a military victory, I thought was pretty significant.

The CHAIRMAN. You know when Westmoreland was here——

Senator GORE. Did you hear this?

Mr. JONES. Yes, sir, I was with him.

Senator GORE. Did you take it down?

Mr. JONES. I had notes all the time.

Senator GORE. Wonderful.

Senator CLARK. This is my draft report which Norvill wrote.

POSSIBILITY OF CHINA ENTERING THE WAR

The CHAIRMAN. I asked Westmoreland in this fashion, what did he think the North Vietnamese would do if we pressed them to the point where they were about to collapse, or invaded them, but I

said about to collapse, if we bombed them, would they call upon the Chinese before they surrendered. He said he didn't think it would ever come to that, that one of these days they would decide they had had enough and they would quit. That is a summary of the way he said it.

Senator CLARK. That is what Cabot Lodge said.

The CHAIRMAN. The same thing that Cabot Lodge thinks, and he included that in the language. This does not indicate to me they have any desire to negotiate, Joe. I know they say it, they use these words, but they haven't taken any actions which would promote the idea of negotiation, it seems to me.

Senator CLARK. Well, certainly nothing on the surface, I agree with you. But I have a feeling there is a good deal going on behind the scenes.

UNCOMMITTED NORTH VIETNAMESE DIVISIONS

The CHAIRMAN. For example, what? Give me an example of what you feel, even though you don't know, what could they be doing?

Senator CLARK. I think this last thing of Clark Clifford may be significant. We are not now insisting that they should not continue to infiltrate to the South at the same rate they were before, and that if they will give us some kind of assurance they won't step up the escalation, we will stop the bombing and talk. I think that is progress. I can add a couple of more things, Bill, while we are at it, which just occurred to me now.

Norvill and I pressed them very hard as to the extent there were uncommitted North Vietnamese divisions which could be brought down, this following out our theory of a stalemate, and the best we could get out of it, and we pushed them hard, was that there were at least four and maybe six uncommitted North Vietnamese divisions.

Right?

Mr. JONES. Six.

Senator CLARK. Six, I think, which can be sent down, too. You know, that is a lot of people, 8,000.

Mr. JONES. Ten thousand.

Senator CLARK. Ten thousand to a division.

We had an interesting briefing——

Senator GORE. Are they within reach of Khe Sanh?

Senator CLARK. Not at the moment we don't think. They deceived us on some of the figures they gave us. We caught them, really.

The CHAIRMAN. Who did?

Senator CLARK. Westmoreland's people. Not him, but his intelligence people.

The CHAIRMAN. His intelligence people?

Senator CLARK. I don't want to make a federal case out of that, because they did deceive us—didn't they?

Mr. JONES. Yes, sir.

The CHAIRMAN. In what way would they deceive you?

Senator CLARK. Here is an example. They told us the infiltration rate was 6100 a month.

The CHAIRMAN. Now, or when?

Senator CLARK. Now. It has been that way through '67. So Norvill goes up to the III Corps and he asks the intelligence officer up there——

Mr. JONES. The II Corps, the chief of staff.

Senator CLARK. The II Corps, the chief of staff, what is the infiltration rate here? The fellow says 7,000 a month in one of the four corps.

We got up to the I Corps and this intelligence officer there told me that the infiltration rate in the I Corps was 1500 a month.

Mr. JONES. Fifteen hundred.

The CHAIRMAN. Did he mean just into that corps?

Senator CLARK. Just into that corps.

COUNTING THE LEVEL OF INFILTRATION

I said, "Well, now, look, we were told in Saigon that two divisions of North Vietnamese had come down in December to fight in this battle of Khe Sanh, and I understand that is a minimum of 18,000 people, so how can you tell me it is 1500 a month?"

"Oh," he said, then he went off and he had to come back, and, "Well, Senator," he said, "We didn't count them." Then he said, then it was very hush-hush, and told me that they had certain methods of electronics identification of infiltration, which I suppose they have. All that thing is too weird for me, I can't understand it. He said, "We didn't count the people we identified that way. Actually, Senator, you are entitled to know there were 10,000 more we didn't tell you about."

Mr. JONES. Actually, there were 28,000, Senator.

Senator CLARK. Yes, the two divisions make 18,000 and the extra 10,000 makes 28,000, just in that one corps.

They can get a division down there in between, I think, two and three months.

RAIL ROUTES FROM CHINA TO HANOI

I had an interesting talk with a four star general who is in charge of the bombing of the North, Momyer. I think he is a Pennsylvania Dutchman; I don't know.

Anyway, he was very candid and a nice guy, too. They were all nice guys. It is hard to hate them.

He said, he showed us a map which indicated those rail routes coming down from China to Hanoi, and the system of rails there and one coming over from Halphong. And he said, "Almost all the supplies that come in by sea come from China, come down by rail," and he said, he is an old tactical airman, and he said, "My objective had been to just smash the hell out of those communications, so they couldn't get the stuff there to send to the South. Locomotives," he said, "It's damn hard to find the locomotives, they only travel at night, they have them beautifully camouflaged and it is a rare day we get a locomotive. Rolling stock, we knocked out a lot of rolling stock. It is harder to conceal and when they get into the marshalling yards we get at that. Tracks," he said, "We knock the tracks out every day and they put them back. Bridges, we knocked out some bridges." He showed us pictures, "And they are not as easy to fix as people say they are. Of course they do put in pontoon bridges and they can carry a fantastic amount on the back of a coo-

lie on a bicycle, but," he said,"I have been quite pleased with what we are doing with communications but when the monsoon started in October," he said, "we haven't been able to do a thing since except 10 days in December when the weather was unseasonably good, we did go in and clobber them good, But," he said, "by the time the monsoon is over in April we will have it up again."

THE OBJECTIVE OF THE FIGHTING

The CHAIRMAN. I want to ask one last question. What did they tell you there is the objective of all this fighting? What do they expect to achieve by this war?

Senator CLARK. They expect to roll back godless communism.

The CHAIRMAN. Roll back what?

Senator CLARK. Godless communism.

The CHAIRMAN. Roll it back how far?

Senator CLARK. To the 17th Parallel. Pacify the country, make it a beautiful showcase of democracy the way allegedly we have done with Taiwan. And, of course, the military will tell you, "That is none of our business. We have been given a mission here to pacify the country and to defeat the military forces which are against us."

Bunker will tell you that, just what he told us when he was here in November. After all, he is only acting under orders.

The CHAIRMAN. I understand that.

Senator GORE. Before you go—off the record here.

[Discussion off the record.]

CHANGES ON THE MAP

Senator CLARK. Between the November map and the December map, he faded out the deep red and the V's, on the November map, the V's stand out in brilliant red. But look at——

The CHAIRMAN. It is pink now.

Senator CLARK. Yes, it is pink now. You see, all population is from here down, these are all mountains. Here is Khe Sanh, it is pacified.

The CHAIRMAN. Yes.

Senator GORE. Lots of red there.

The CHAIRMAN. There is a lot of red around Da Nang.

Senator CLARK. Sure.

Mr. MARCY. Look at Hue.

Senator CLARK. Well, they say they have got half of Hue City in VC hands now.

The CHAIRMAN. Do you think this objective, as you stated it, is feasible?

Senator CLARK. No.

The CHAIRMAN. And I think the cost of doing what you are saying is absolutely astronomical. I believe it will drain this country just indefinitely.

Senator CLARK. I want to tell you one dollar in Indonesia is worth a thousand dollars in Vietnam. There is some hope in Indonesia. I was very much impressed by it.

The CHAIRMAN. Are you going to report to the President what you told us this morning?

Senator CLARK. Well, let me ask your advice.

[Discussion off the record.]

[Whereupon, at 11:45 a.m., the committee recessed, subject to call.]

# EXECUTIVE SESSION

# DISCUSSION ON SECRETARY RUSK'S APPEARANCE BEFORE THE COMMITTEE

**Wednesday, February 7, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:15 a.m., in room S–116, The Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Sparkman, Mansfield, Morse, Gore, Symington, Dodd, Clark, Pell, Hickenlooper, Aiken, Carlson, Williams, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, and Mr. Henderson of the committee staff.

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The CHAIRMAN. The committee will come to order.

One reason we changed the time was to accommodate Senator Mundt. He wanted to present a motion, and I was waiting for him. The regular meeting this morning is to hear Mr. Adrian Fisher on the Nuclear Free Zone in Latin America, but I thought Senator Mundt would be here. I understand, Mr. Marcy, what is it, have you prepared something for him.

Mr. KUHL. I just called his office and he is on his way.

The CHAIRMAN. My informal understanding is he was outraged by the administration's effort to monopolize the television as a substitute for this committee hearing. I read in one of the papers as saying, I think it is in the New York Times——

Senator MANSFIELD. Come to think of it there wasn't a Republican on it.

The CHAIRMAN. He wasn't thinking of it. But they did have Katzenbach at 11:30 and immediately followed by McNamara and Rusk for an hour and then Taylor is scheduled for next week.

TACTICAL NUCLEAR EXPERTS IN VIETNAM

Senator CLARK. While you are waiting, do you want to have any informal discussion about this rather frightening report that Carl Marcy came up with yesterday about tactical nuclear experts being on the way to Vietnam? It seems to me that is terribly important.

Senator HICKENLOOPER. Where was that?

The CHAIRMAN. Well, Mr. Marcy can tell you what he knows. It is a little vague. Marcy, you tell them briefly what happened and then we will go on with Senator Mundt's.

Mr. MARCY. The day before yesterday, Senator Fulbright's office got an anonymous telephone call from someone in New York saying that a Richard Garwin, nuclear physicist for Columbia University, and one of the research institutes and a great expert on tactical nuclear weapons and a group of five or six had gone to Vietnam, and he suggested that this was rather significant move, over this last weekend.

I called or talked then with the staff director of the Joint Committee on Atomic Energy, who made an independent check by calling someone who knew this man in Los Alamos and he called back and said that there was absolutely nothing to it. That the man was going out on some highly secret mission with another group of individuals so that there was nothing to any kind of tactical nuclear weapons' possible use in that connection in any way.

Subsequently we got a call from New York from the New York Times which had gotten the same story, and they had checked out and found that the five or six individuals who were going to Saigon were all in the category of highly expert and that one common element according to the report I was given was familiarity with the use and/or development of tactical nuclear weapons.

At that time I told the New York Times chap that I had positive assurances from the Joint Committee on Atomic Energy staff that this man Garwin was, the only name actually that I had was, going out on something which was completely unrelated to tactical nuclear weapons and their use. That is the end of it.

Senator HICKENLOOPER. Did the New York Times have Garwin's win's name?

Mr. MARCY. They had Garwin's name. I suppose they had a call from the same one.

DESPERATE SITUATION AT KHE SANH

Senator CLARK. My own view is, Bill, just to state it and then get back to the other business, that the situation at Khe Sanh is pretty likely to be desperate. There is high likelihood if they are willing to take the casualties which they are willing to take they can overrun that and it may be well in contemplation to use tactical nuclear weapons. I hope I am not an alarmist. If there is any danger at all I think we ought to do something to indicate a slowdown.

Senator MANSFIELD. Well, Joe, my information is that it is not that desperate, that as far as manpower is concerned it is pretty much of a standoff on both sides, and that the preponderance of fire power rests with the U.S. forces as it has been during the war.

Senator CLARK. I think this is true, Mike, but I think it depends. It must be a question of judgment as to how large casualties they are prepared to take. If you look at the terrain——

Senator MANSFIELD. Oh, yes.

Senator CLARK [continuing]. And you know the communications are practically cut off. The weather is going to be bad until the 1st

of April, it is going to be awfully hard to keep these fellows supplied under siege conditions. I don't want to be an alarmist.

Senator MANSFIELD. You gave me your information and I gave you what I have. If there is something going to break there its about a standoff.

Senator GORE. None of us are military men and I just wonder what the military justification is of leaving 25 men, I just heard before I came over that their positions had been overrun and the last communication was that, a radio communication was, only 5 were left and they were fighting from an underground position for their lives. I wonder what the military justification for this is.

Senator HICKENLOOPER. Where is that?

The CHAIRMAN. Langvei.

Senator MANSFIELD. There are supposed to be 500 Montagnards with them there.

Senator GORE. But surrounded, and according to this report they had been surrounded for many days. It is a pretty hard-hearted policy to leave a small group of fellows out there in a place where they really can't have any chance of defending themselves. Is that necessary in military operations?

Senator MANSFIELD. From the maps I see of Khe Sanh it looks like the Marines there are surrounded, too.

WESTMORELAND'S UNDUE OPTIMISM

Senator CLARK. I came back with one conviction from this trip I went on and that is that Westmoreland's headquarters are unduly optimistic and have been for a long time about the military situation. I have a strong conviction that the information that is coming out of Saigon headquarters is not an accurate portrayal of the conditions in the field. I don't blame anybody. It is easy to see how that can happen, but I am convinced of the fact.

Senator WILLIAMS. I think Westmoreland may have been brainwashed by McNamara.

Senator CLARK. No, I think it is his own intelligence people, John. Many of us have been in the Armed Services and it is a terrible temptation to tell the boss what he wants to hear.

The CHAIRMAN. I wonder if we can recognize Senator Mundt?

Senator MUNDT. Thank you, Mr. Chairman.

INVITE SECRETARY RUSK TO A PUBLIC HEARING

I can be very brief about what I want to bring up.

But I would like to have our committee renew its invitation to Secretary Rusk to appear before us in public hearing. I say that for the following reason and I say that because I was one of those who opposed it at the time we took it up the other time and accepted his explanation that he didn't want to discuss the war question and answer on television. So I felt that that was valid and if he adhered to that maybe we shouldn't break the sonic barrier.

However, I think we have gotten our committee in a perfectly untenable position, if it is left at the present rate, where it is assumed by the public and it would have to be that we as Senators and members of the Foreign Relations Committee have less self-restraint and less responsibilities than a bunch of newspaper people, and since the Secretary willingly and for a long time appeared on

the television spectacular to discuss the Vietnam situation and our foreign policy, I certainly think that we should ask him to appear before this responsible committee in public hearing in order to answer questions.

I would be perfectly willing as far as I am concerned, if the thing that is going to worry him is that we are going to get into the Tonkin Resolution or the *Pueblo* thing, to assure him in advance that we wouldn't discuss that. But as far as the overall picture is concerned I really feel we are derelict in our duty and we look pretty bad in front of the public because they all know he turned us down, and so I would like to suggest to the committee that we extend him a new invitation to appear before us in public.

PUBLIC HEARINGS WOULD BE A GREAT MISTAKE

Senator HICKENLOOPER. Mr. Chairman, I didn't know anything about this until about five minutes before I came over here and I called Carl Marcy and they told me what the meeting was all about. I think it would be a great mistake, I am just as much opposed to it now as I was then. We can get the Secretary here any time we want him within maybe an hour or subject to the President's suddenly calling a meeting today, but within a day we can get him here, we can ask him all the questions we want and don't put him on the red hot grill of humiliation and innuendo and declaration of personal opinions and all those things.

I think we are doing the country a great disservice and we are in not too good a situation because of a lot of things, we are suffering casualties, and I am not going to contribute to the continued disruption of our military operations and our military effort. This is not a question of the Secretary not coming or refusing to come before this committee. He has been before this committee many times, and he has said repeatedly that he would testify here freely in executive session, and you can sanitize the hearings and release whatever is needed to be released. But, of course, the television cameras are not here, and that is and could be a factor. But we can get the information, at least I assume we can. I haven't asked him myself except I heard what he said and what the letters say. You can get the information any time we want to in executive session and then cut out the sensitive material and release it to the public, and I think that is what we should do myself.

I am just as much opposed to a public spectacle as I was before because I don't think it is in the public interest or to the best interests of the United States. I knew there is a vast difference between the committee of this kind questioning a man in front of television, and where he must be courteous and he must answer questions and he must seem to be responsive, and he doesn't dare talk back to this committee at all, and the committee can talk to him any way they want to, and sometimes it is pretty abusive, and I think that there is a lot of difference there than there is in a public news conference where the news is pretty carefully or where the program is pretty carefully screened. But that is my view on it and I merely wanted to put that on the record.

Senator MANSFIELD. Mr. Chairman?

The CHAIRMAN. Senator Mansfield.

ADDING TO NATIONAL DIVISIVENESS

Senator MANSFIELD. Mr. Chairman, I personally feel that the Secretary ought to be before this committee, but I am unprepared to add to further divisiveness in this country, which I think can well result from his appearing in public session.

It appears to me that we can get all the information we want in executive session. The Secretary has indicated that he would be prepared to meet with this committee at any time, so I am prepared to subordinately personal feelings and to support the thesis that he should not appear in public session. I know there are many who disagree, but that he should be heard in executive session at which time he could be questioned in full detail and without any question as to whether or not what we are asking might endanger the national security or add to the divisiveness of the country. If he is willing to allow sanitized versions of his testimony to be sent out, I think that is all to the good. That is all I have to say.

The CHAIRMAN. Senator Morse?

THE PUBLIC IS ENTITLED TO A PUBLIC DISCUSSION

Senator MORSE. I want to respectfully say that I respect Bourke's and Mike's opinion, but I just couldn't possibly disagree more, because I think we are missing the basic issue, and that is what the American people are entitled to.

The American people are entitled to a public discussion within the rules of the committee. When a British Cabinet officer has to be before the House of Commons on the floor of the House and be publicly examined, what has happened to our democratic processes in this country that we hesitate to call the Secretary of State before a public hearing of the Foreign Relations Committee when everybody on this committee knows he is completely protected. All he has to say in regard to any question "I consider it involving privilege. I consider it involving the matter of separation of powers" and he is protected.

Look at your record of your committee. There has never been a time in my years on this committee that a Cabinet officer hasn't been protected or administration witness. Let me take you back to the Douglas MacArthur hearings. You remember when attempts were made to get Marshall Omar Bradley to answer privileged questions who was it who was the first to insist that the separation of powers doctrine be applied? It happened to be me, joined by many of the others. No question about their protection.

But let me say that there are some questions, that ought to be answered in public for the benefit of the American people. We still, I hope, are running a representative government here where the people are entitled to hear their elected representative ask questions that are appropriate and proper in public.

My judgment is that you are walking out on one of your great responsibilities as Senators. You have a duty to bring these men before the people in public hearings. I strongly support bringing him before it. If he can go before a bunch of newspaper men, as he did last Sunday, for questions, and don't forget there on one occasion he made clear that with regard to one of the question he

didn't think this was the place for him to answer, nobody pressed him after that.

I think that you will strengthen the effort of this country in this war by a public discussion. But denying that public discussion you are increasing the suspicion of a credibility gap, that they just don't dare come out in public and answer appropriate questions. I am for public hearings.

Senator CLARK. Mr. Chairman?

The CHAIRMAN. Senator Clark.

CRITICAL CONDITION IN VIETNAM

Senator CLARK. It seems to me this is an academic discussion because he is not going to come, and while I think he ought to come, I am not entirely convinced that in the present condition in Vietnam which, I believe, is very critical indeed, that it is wise to put on a public show even if we could get him to come, until this present offensive is blunted, as I hope it will be, within the next few weeks.

I would like to see this committee think in terms of, or at least a majority of this committee think in terms as to, how we could use such power as we have to get the shooting stopped and the war ended and that every move we take will be a tactical move toward this strategic end. I don't have much hope, I think I would vote for Senator Mundt's motion, but I don't have much hope that it will get the Secretary before us, and I have some sympathy with Senator Mansfield's point of view that this probably is not the time to harass the Secretary for two reasons: First, because I think the administration is at bay and I don't believe that we are going to help the situation by putting on the kind of a performance which inevitably would be put on if we were to come in public session; and, secondly, because I think we ought to hold our fire and wait until we see the whites of their eyes which will be once this offensive is blunted or Khe Sanh is lost, and then——

Senator AIKEN. Whose eyes, Joe?

Senator CLARK. The eyes of those who are intent on a military victory and accelerating this war. So I am not sure the timing is right.

But I must say, I am confused about it. I tend to think that Mike is right, and he is not going to come anyway.

The CHAIRMAN. Senator Case?

OTHER GROUPS WANT TO MAKE THEIR VIEWS KNOWN

Senator CASE. I urge that we support Karl's motion primarily for the reason that there is a great group of Americans represented by, for example, the committee of Clergy and Laymen who were here recently, who have the feeling that the President is more and more running this all on his own, that the American people have no way of making their views known to him and no effective way of expressing themselves on this whole situation, and that for the President to refuse, because it really isn't Mr. Rusk, it is the President who really is involved here, to refuse to allow his representatives in this matter to appear before the group which these people and millions of others think are here for the purpose of expressing their views, not that they necessarily do, if they are not in the majority,

have the right to have their views finally become the policy of the country, but they do have the right to have their views expressed, and openly, and if we refuse to bring what I think is a normal way for them to have their views expressed, I think we are not lessening the division in this country, but increasing it by suppressing the presentation of this extremely vocal and extremely articulate and sensitive group.

Senator HICKENLOOPER. Will the Senator yield?

A PUBLIC TELEVISION EXHIBITION

Are we after information or are we after a public television exhibition because they can get all the information that they want when we release the record.

Senator CASE. Nobody will ever know whether we get the information or not, Bourke. That really isn't the central issue here. The central issue here is in some fashion persuading the people of this country that our policy is right or wrong, and if wrong changing it, and that our democratic institutions are not ineffective in times of crisis to provide a means for expressing the will of the people. That is the issue, not the question of information about this or that or anything else.

Senator HICKENLOOPER. Excuse me. I am sorry.

The CHAIRMAN. Senator Gore?

U.S. MORAL POSITION HAS ERODED

Senator GORE. Mr. Chairman, and members of the committee, our country has suffered a disaster. I have just returned from two and a half weeks in South America. In every country some member of our party in meetings with public officials in every country, both executive and legislative, brought up the subject of the war in Vietnam. Some pressed for some favorable statement on the part of officials. In not one country did we find one single public official who was willing to say one word publicly in support of the United States. A few expressed privately their understanding and sympathy, but acknowledged that public sentiment in their country would not permit them to speak out.

Let us face it, we have eroded the moral position of the United States and the influence and prestige of the United States with the war in Vietnam. This is not to say the war is right or wrong, I am talking about the consequences of it.

Outside the boundaries of the United States the world is cheering the Viet Cong. It is another case of David and Goliath, as I found it. Not only have we suffered this catastrophe, erosion of our position of leadership, but we face an utterly dark situation. Like Joe, I think we have no choice but to try to contain the current offensive.

Who could have foretold when General Westmoreland was here in November, saying we had turned the corner, he appeared before the National Press Club and outlined the strategy of the war for the next two years, that come January the jungles of Vietnam would be the cities of Vietnam? You hear nothing of the fighting being waged in the cities of South Vietnam by the North Vietnamese. These are indigenous South Vietnamese, which illustrates that this is in large element a civil war.

What should our objectives be in a public hearing, which I favor? I think Cliff Case put his hand on it. After this offensive is contained, which I hope it will be, then this country and this government, need thoroughly to reassess its policy and its position. If this committee waits to play its role very much longer then that decision is going to be made without its participation.

Out of this dark cloud has come some silver lining, and to me the brightest of the slight silver lining that one might detect is the determination on the part of an increasing number of Senators to play the responsibile constitutional role which the Founding Fathers intended it to play in questions of peace and war.

Now, we are told, whether accurately I do not know, that President Johnson informed the television network that he would make available the Secretaries of Defense and State. We are told that the program was only agreed to after the reporters—it was agreed as to who the reporters would be who made the questions. This is inconsequential really, except that it goes to the question of who we should address our letter to. I think it should be addressed to the President because the Secretary of State is his agent.

BENEFITS OF A PUBLIC HEARING

Now, what are the benefits of a public hearing? As Senator Mansfield says it might add to the divisiveness of the country except I do not know how the country could be more deeply divided and more deeply troubled than it is now. I doubt if you can add to it. At least I have never seen the country so troubled and so divided.

It might be that by a public hearing, as Senator Morse suggests, more unity and less divisiveness could be attained. This we do not know. But the responsibility of this committee is to the institution of which it is a part, and which it serves, and to the American people whom we serve.

What is to be done to this institution—the United States Senate, if we are so relegated and treated with disregard, not to say contempt, but disregard, to the extent that the Secretary of State not only appeared before television, but I see here another report this morning that he appeared at a press conference at the Collegiate Press Service. He appears on foreign television, for the foreign press, but the American people can only hear on television a staged performance.

It is one thing, Mr. Chairman, for an executive official to respond to a panel of reporters where a man can be shushed off with one answer, another reporter recognized. It is one thing to go before a collegiate auditorium and answer questions of students. It is quite another to answer with respect to policy to a committee of United States Senators, clothed as they are with constitutional responsibility, authority and duty. Here there can be some incisive examination of policy.

What would be the objective? Public education on a policy and on a program about which the people suffer deep division.

Secondly, to lay the foundation for the re-examination of policy and, I think, a change of policy, once this horrible, costly, bloody offensive is contained.

I would suggest, therefore, that Senator Mundt consider modifying his motion to ask the chairman to write the President, and I would prefer it be kept without the press, that it be entirely confidential. I agree with Joe Clark this is a delicate time. We have had this subject up twice, Senator Mundt, and we haven't had a vote either time. I didn't press it to a vote. We were very closely divided. If you press it to a vote I will vote with you, but I would prefer to have a consensus that the chairman write to the President or go see the President, do it very quietly.

I thought the chairman handled this the last time we met when we decided to ask Secretary McNamara, I thought he handled that beautifully, and the members of this committee responded in an equally responsible way. There was no blare of publicity about Secretary McNamara being invited to testify. I would prefer that this be handled in the same way, but that it be handled directly with the President with whom the Constitution places a formula or an equation, not with the Secretary of State.

QUESTIONS WHETHER THE SECRETARY WILL COME

Senator CLARK. Would you yield, Albert?

You don't think he is going to come, do you?

Senator GORE. Yes, I do. Yes, I do.

I think——

Senator MUNDT. I think, too.

Senator GORE. If this committee authorizes Senator Fulbright to go down and talk to the President about it that he will come. I do think so.

The CHAIRMAN. Senator Pell?

TO SECURE A CHANGE IN POLICY

Senator PELL. Mr. Chairman, I find myself torn, as we all are. I think if we are honest, with ourselves, our objective here, the majority of us, is not the information which we already can get, it is not an exhibition, it is merely to secure a change in policy by taking cognizance of the fact the country is divided, there is divisiveness now. The viewpoint of the majority of this committee is in the minority of this country. We are a democratic country and we would like to see our views become the majority views of the country. One of the ways of doing it in a perfectly frank and open way is a hearing of this sort and I think it is a basic objective and I think it is a good objective. I think it would be against the national interest to do it while this offensive was going on. I think we should have him up, I would hope, I would like, to see it worked out along the lines Albert Gore suggested, but adding into it another factor after the offensive is over and I think it shouldn't be for 60 days or 90 days, but we should do it and we should be honest with ourselves and that our reason, as I say, is not to have an exhibition, but to make the minority the majority view.

RUNNING THINGS BEHIND THE SCENE

Senator MORSE. Mr. Chairman, may I take 30 seconds? I only want to backup what Albert said, but I want to stress this: The greatest service we can render to the President is for you to go

down there and urge that he sends Secretary of State to a public hearing and not until, and not after the offensive is over, but right now. The American people need that assurance now, and it would be the best way to strengthen the President with the people of this country, because what is happening is that they are afraid of this tendency of his to run this whole situation behind the scenes and not out in the open, and I think if you want to really serve the interests of the President you go, down and tell him, "Mr. President, you are making a great mistake in keeping this man behind the scenes in executive session. You ought to be the first to insist, as your Secretary of State, he get out in public before the committee."

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

INCREASE THE CREDIBILITY GAP

Senator MUNDT. I have no particular view as to whether the letter should go to the President or to the Secretary of State, and if the consensus is that the letter should go to the President so be it.

I think it should be a letter, but I think it would be perfectly appropriate to hand deliver it down here, but I think in the records of our committee we should have the letter because I don't think the committee should be clear out of the ring for all time to come when they have us relegated below the collegiate press conference. I didn't think we had gotten that low. I don't think when the Constitution says advise and consent that you consent in public and advise in quiet. I think that the country can be solidified. I speak as one who has supported the policy of Vietnam and still do, but I am getting more and more confused as to the reasons I am supporting it. They entirely changed the reasons. I happened to like the second set of reasons better than I did the first, but at least I would kind of like to know when I am supporting it what the reasons are. I am just scared to death about having another secret hearing with some handouts because I think you increase the credibility gap which is propaganda pap they are handing out, and I just resent the fact that we are getting ourselves in position where we are beginning to admit that we are more irresponsible than the newspaper people, we can't trust ourselves to ask questions. Each of us has to run for office and stand before the people and are responsible for the kind of questions we ask. If we act like an idiot on the television, who gets hurt? Not the Secretary of State. He can protect himself but somebody who says the wrong thing or the improper thing.

But I think that we have reached a situation where we either ought to fold up our tents and quit talking about the thing in private and in public ourselves or else we ought to trust ourselves to examine it. I think we will solidify the country. I have every confidence in Dean Rusk being able to present the proposal. I think the divisiveness is because there has developed a credibility gap.

A man called me last night on the point you made which escaped my notice in that the press conference was held only after they had discussed who the questioners were going to be and perhaps the questions, I don't know, but that is a funny way to have a public press conference on Meet the Press. So I think on balance we serve

the country much better, and I speak as one who doesn't suggest any policy changes because I am not smart enough to find a new one, but I would kind of like to know whether what I am saying and writing is in harmony with what the current reasons are for whatever we are doing over there and what our objectives are.

WOODROW WILSON'S MEETING WITH THE COMMITTEE

Senator MORSE. Bill, Carl just hands me what happened in 1919 when President Woodrow Wilson met with the Foreign Relations Committee and met with them on the condition that nothing said at the conference would be considered confidential. He talked about the old peace settlement with Germany which they were working on, and there followed a series of Foreign Relations Committee meetings following their conference with the President, and there the President brought in the Foreign Relations Committee. It wasn't the kind of a public hearing we are talking about, but with the understanding that everything said would not be confidential, and the committee was free to tell the public, and they did. Quite a contrast.

The CHAIRMAN. Senator Cooper?

THE SITUATION IS WORSE THAN WE ARE TOLD

Senator COOPER. I was impressed with what Albert said and if this is going to be done I think we should follow his method. I like what Senator Gore said and the reasons he gave, but I like also his way of approaching it.

I believe, too, there is going to have to—well, I think some of you know the position I have taken, and I believe there is going to have to be a reassessment of policy. I believe that the situation there is much worse than we are told, but there is a consideration I think we have to take, we have to think about, too, as we go into this. There are these men who are fighting there, and according to the reports the North Vietnamese and the Viet Cong can launch a bigger attack on all these cities than they have, and also they say this attack on Khesanh might take place. There are rumors that I have heard whether it is true or not, that our military people, of course, they would be considering it, but at some point if the situation is bad they propose the use of tactical nuclear weapons. I don't know whether that is correct or not, but it is rumored.

I think a lot of these questions would come up in a public hearing and if the Secretary didn't answer them or wouldn't answer them then, of course, that would create greater and greater doubts. I think Albert's position is right, but I think that the chairman ought to talk to the President about this. There is this problem of this battle going on and likely to be resumed in greater force any time, and I think that we owe it to the President and the President owes it to the chairman of the committee to discuss with him, to bring up, any issues or any problems that he thinks might result from a public hearing at this time. On the basis of their consultation then we could decide what we think is best. But I think Albert's position is essentially sound.

The CHAIRMAN. George, do you have anything to say?

MONDAY MORNING QUARTERBACKS

Senator AIKEN. I don't think I can make much contribution. I would be very critical of the administration if it felt that they haven't made very bad mistakes, some of which may or may not be permanently damaging. However, I have a feeling we are not too far from a nuclear confrontation. From the fact that any planes which could have gone to the aid of the *Pueblo* couldn't go because they were all carrying nuclear weapons, thus indicates how close we may be to that situation.

We can have a wonderful convention, televise it, if you want to, of the Monday morning quarterbacks, we are in very strong position now, I will say that. But I feel that the situation today is so tense, so sensitive I am not sure how far we could go. I wish they knew three years ago what they do now. They probably would have done something differently. But I am inclined to feel that a public television show at this time might be a little damaging, although I will have to say that I don't like the way the administration is looking for fall guys, particularly those who—there is a shortage of fall guys and a surplus of Monday morning quarterbacks today. But I think we have got to think of the country first and whether the administration can be dissuaded from going all the way, and if the situation gets much worse it will be a very great temptation.

Those people who advised the President that he could end the war in no time flat if he would only do so and so are never going to admit any mistake on their part, but, at the same time, I am a little apprehensive about insisting that the Secretary appear in a public hearing now, and I don't like the way the administration is using the television network at all either. As a matter of fact, I don't know what to do. If I knew exactly what to do I would go down 1600 Pennsylvania Avenue myself and see if I could get in.

The CHAIRMAN. You could always get in.

POTENTIAL OF A HOLOCAUST

Senator MORSE. George, what do you think, there is a danger of their using nuclear weapons, what do you think the reaction of the rest of the world will be if they use them?

Senator AIKEN. I think Russia will promptly let theirs loose on us. I have a feeling that short-range nuclear weapons are what we may have, our military people may have, in mind, but I think it would result probably in the ultimate war which I don't believe Russia wants, I am sure we don't. But nevertheless it only takes one or two men in the right position to bring on a holocaust.

Senator MORSE. If you have that fear I think we ought to get Bill Fulbright down to the White House immediately to talk to him about what our fears are. I share your fears.

Senator GORE. Senator Aiken, will you yield there? I don't think that, I don't hear Karl indicate that, he thought the hearings should be tomorrow or the next day. It seems to me there can be some negotiations between the chairman and the President as to when would be a good time.

Senator MUNDT. If you will yield, you are exactly right, nor have I insisted on it, but we renew our invitation. I might come.

Senator AIKEN. No harm in renewing the invitation.

Senator GORE. Mr. Chairman, might I go one step further?

Senator AIKEN. I would even make it a request rather than invitation.

USE OF NUCLEAR WEAPONS

Senator GORE. With respect to nuclear weapons, suppose we have, looking to a catastrophe we all hope and pray never develops, but suppose the apprehension which Joe has expressed materializes, suppose 40,000 American boys are surrounded there and they do in a monsoon season when reinforcements cannot reach them, suppose they face annihilation, as to the use of tactical nuclear weapons, what would be the decision of this committee under these circumstances?

Senator CASE. Use them.

Senator GORE. If we put ourselves in a position, if the country allows it to get into this situation, the choices are pretty hard and, of course, I think it would be prudent given strategy we are following over there, to hold an isolated hill, that is now all but surrounded, I think it is but prudent that the administration send people over there who would know how to use tactical nuclear weapons. I would abhor it, but I would abhor seeing 40,000 American boys overrun, too. That is a tough situation. It is all the more reason why the chairman of this committee should be delegated to have a talk with the President, upon the responsibility of this committee.

A VERY SENSITIVE THING

Senator SPARKMAN. Mr. Chairman, let me just say this: I am glad Albert brought that point out. I have been running that thing over in my mind. It is horrible to think of the use of even tactical nuclear weapons, yet what would be our position under the circumstances that Albert mentioned or suppose we are told that these planes that are loaded with nuclear weapons in Korea are there for use in the event North Korea and hordes break through and invade South Korea. It would be a terrible choice to make. Certainly, I would hope the choice would not devolve upon this committee, but at the same time it would be a horrible thing. And in the event the chairman goes down to talk to the President, and I certainly see nothing wrong with that, I would not want him to go with the idea that we are, we have set ourselves against the possible use of tactical nuclear weapons which would be absolutely necessary to save ourselves.

I think we are dealing with a very sensitive thing, and I certainly subscribe to what Mike Mansfield said at the beginning. It is something regardless of our personal feelings we ought to subordinate those feelings to what I think will be in the national interest. I think the quieter things are kept so far as any conflict between us and the administration on this thing, I mean on appearing before the committee in public and so forth, I think the less said about that the better off we are going to be.

There has never been a war conducted in this country, I believe, in which situations similar to this have arisen.

Senator AIKEN. We never had a war financed, John, where we financed both sides of it either.

Senator SPARKMAN. Well, that is possibly true.

Senator AIKEN. But we are in it. Here is where we have to start from.

Senator SPARKMAN. That is the sad part of it. We find ourselves here, and the question is how best to manage it until we can get out of it.

Senator CLARK. Mr. Chairman.

The CHAIRMAN. Senator Clark.

Senator SPARKMAN. I am finished.

ALTERNATIVES THE PRESIDENT CAN TAKE

Senator CLARK. I am really concerned about the way the discussion is going. It seems to me there is an alternative which the President ought to take before he faces the question of the use of tactical nuclear weapons, and that is the withdrawal of our troops. from Khe Sanh and the pulling back into the open plains.

Senator MORSE. We still have time.

Senator CLARK. This is not a necessary choice between destruction of 40,000 Americans or the use of tactical nuclear weapons.

Senator SPARKMAN. May I interject?

I certainly did not intend to suggest and I am sure Albert didn't, that it is necessarily true. As a matter of fact, I have rather strong confidence in our maintaining our positions at Khe Sanh. I think that position was selected with sufficient study and consideration of all the factors involved by military experts, and I have no cause to doubt their ability to defend themselves.

Senator CLARK. I don't want to argue with you. I do. I have great doubt about their confidence. I am no military expert, but I want to raise one other point, Bill, for your consideration. If, as apparently most of the committee agrees, and I agree, you are going to go, I think you ought to think very seriously about taking somebody with you so there can be no question of who said what to whom.

THE PRESIDENT DOES NOT CONSULT CONGRESS

The CHAIRMAN. Well, gentlemen, I think this has been a very useful discussion. Of course, the background of this is, it was suggested, by Senator Gore, I think, what is the role of the committee and what is our responsibility, and I, for a long time, ever since, certainly since, Katzenbach appeared and seemed to take the view that this committee in effect has no role to play, we have no responsibility, I think the President isolated himself from communication with other people who do have a responsibility in this government. I think he does not consult members of this committee. I don't think he consults the Majority Leader, which is customary. At one time, I think the Majority Leader told me that he rarely brings up the question at all of Vietnam with the Majority Leader, which is most unusual.

Senator MANSFIELD. Except in the past several weeks.

The CHAIRMAN. You told me that at one time when I asked you about it. I think the committee does have a role. I happen to think that the experience and wisdom, the collective wisdom, of a committee like this does have a feel about the people of this country as well as other people that is quite superior to a man like Rostow

or Rusk, and I have been very, as you know, very critical of the policy itself. On that people have different views, of course, but it seems to me that this committee does have a responsibility to at the very least express itself and take some responsibility in these decisions.

NEED FOR A REASSESSMENT OF POLICY

Senator Case mentioned that and all the various members have, Senator Morse. I think, of course, what my objective is, I would hope to change it. This reassessment of the policy is the ultimate objective. How do we do it? I think we are in the most disastrous situation the country has been in since the Civil War and I would like to do anything that would promote some re-examination of this policy because it is leading, it seems to me, to further incidents such as the *Pueblo*. When that is over there will be another one. If we continue this, we are—the way we are going, it seems to me in the direction that is disastrous to the country, not only abroad in a military way, but in the fiscal policies.

You see this morning again the attitude of the House with regard to taxes and so on, I think this reflects a disillusionment with their policy, because there is no denying that most of our troubles stem from the preoccupation and the tension as well as the expense of the war. I can't see anything that can do any good other than a change in our policy in Vietnam.

So to me the question is how can you exercise any influence upon the decision of the President? He has become almost solely the decisive factor and we have no influence at all. I think we ought to have some. We ought to do something that at least insofar as we can, is seeking to influence his judgment, if we can.

SMALL GROUP OF SENATORS SHOULD MEET WITH THE PRESIDENT

I am willing to do whatever the committee thinks. If they wish me to do, if that is the decision of the committee, we ought to have at least a small group of the members, there ought to be five or six, and go down there if that is what you want to do. I think I can anticipate now what it would be. I am not sure it would be effective. I don't think it would be. The numerous consultations we have had down there under conditions which are very restrictive of members' freedom of questioning is very frustrating. I have been there many times and the atmosphere is of such a nature that it is almost impossible to develop a point. In the first place it is almost impossible to even get an opportunity to say anything. I mean he is of such a disposition that he completely dominates the conversation.

I don't know that it would be effective. Perhaps if a group, at least five or six members of this committee, went it would be a different reception. I don't know. But I do think we ought to do something. I think it is a question of what can we do to cause him to reassess and re-evaluate the course that we are on.

You have already raised the most honorable alternative of the use of weapons. I don't believe the Russians would stand by if we start again. We are the only country in the world that has ever dropped a nuclear bomb on anybody in anger, as you all know, and I think that creates in the minds of other peoples the suspicion

that we won't hesitate to do it again, and if they think we are going to do it why they will probably feel they have no alternative, but to do it before we do. If we use small ones I think they will use big ones. I think that is an absolutely disastrous policy.

EDUCATIONAL HEARINGS

I thought the hearings, the public hearings, as Senator Gore said so well, are educational. The President is a political figure, among other things, and if the hearings are properly done, and I think they would be, much more useful than a television program with a few questions from people who are under limited time. I don't think they prove much if anything. Perhaps they are better than nothing, but they certainly are not a substitute for hearings, and I don't like the way they try to give the impression that they are an adequate substitute for the traditional constitutional procedures which this government ought to follow.

I think that we ought to do something. I am not entirely sure in my mind what is the right thing to do. It seems to me the more traditional and time-proven way is public hearings where the matters can be discussed and the public, the country, which after all, it is their boys who are being killed, it is their money that is being spent, it is their country that is being ruined and they ought to be given an opportunity to judge about the course of it. I hate to think that just we are taking the responsibility. In the final analysis itself everybody, the people of this country's responsibility to make this kind of decision. If they want to go down this line, why, they have the power to do it under our system. But they ought to know where they are going, and I don't think they know where they are going.

SHIFTING JUSTIFICATIONS FOR THE WAR

Senator Mundt expressed my own feeling. He says they have shifted their views in justification. They most certainly have. They have had three or four different views as to what is the objective of this war, and when one is knocked down or questioned about it why they bring up another one and this is very frustrating to justify it. I certainly have to try to justify it when I go down home, and it is no easy matter. Of course, I can't justify it. I have never been able to justify it since about two years, and I think to go alone, because of my past objections, would not get anywhere. But if the members would like, other members would go it might be useful, I don't think very useful. I really think that our only weapon is our traditional one, and that is to expose for the consideration of the whole country what is involved here.

Then we know elections are impending, that is our system. If he believes, and I think he is under a great misapprehension in my own opinion as to what the people of this country really want, I do not think the people of this country want to dominate Asia. I don't think they want to resume a colonial role. I don't think that is in their tradition. I think it is offensive to most people. There are a few people who like that role. It is a traditional role. But with nuclear weapons that makes all the difference in the world of even trying to play with that kind of a role.

If it is disclosed properly, and I think we could, given a little time and under the proper circumstances, just what is our situation, then this would have a reaction in the country and they are the ones who finally should be the arbiter of this kind of a question, and my role, and I think our role, the role of this committee, is largely to do that.

THE PRESIDENT THINKS THE COUNTRY IS BEHIND HIM

We don't have all the wisdom in the world, of course, but I think we have more than advisers who I think are advising the President today. I believe I would trust the judgment of the members of this committee more than I would them.

I don't know how to bring it to bear. I am inclined to think the hearings, if we could get them, would be more effective. I am not inclined to think that we can privately impress the President. He thinks, I believe, the country is behind him, and that is why he pursues it. I don't think they are if they understood the implications of what he is doing, if they understood that our balance of payments, that our internal deficit, that our fiscal difficulties, our interest rates stem from the prosecution of this war without having made proper financial provisions to carry it on, and that is where we are now. The struggling around with a few little insignificant, primarily significant, measures such as tourist travel and so on is not going to do a thing to correct the basic problem here. He has evaded it. He is unwilling to have a declaration of war and price controls and all that go with it. He has just eased into a situation and he is not knowing himself, in my opinion, what the ultimate consequences would be, and the country has gone along with it or thinking it was a small war, it would be over in a little while, this optimism for three or four years, we are told everything is going fine and, therefore, everybody goes along without being disturbed.

Now, we are up against the real hard plays, in my opinion, and I think we are in a very, very serious and disastrous situation. How to got out of it is a very difficult matter. But I don't know any better way than to reveal as best we can the situation we are in, and then in a sense you get a feeling from the country as to what should be done about it.

MASTER OF OBFUSCATION

We are kind of a vehicle and I think that is why we were set up here in the way we are under the Constitution, and that is why I resented so much the attitude of Katzenbach when he said that our power is outmoded, that we no longer have a role to play in really the making of the most fundamental decisions for the security of the country. That offended me very much and, of course it offends me very much, the Secretary's attitude. This man is able to take care of himself. He is the greatest master of obfuscation I have ever seen in my life and he can defend himself very well. But in the course of that usually there is some grain of truth comes out because of the searching questions that members of this committee are able to develop. I mean you could try to tie him down and do a job as to what is the justification for this war, and then we are able maybe to judge whether it is justifiable or not. I don't happen to think it is, but maybe it is. I mean this is a matter, that is why

we have differences of opinion. Of course, we are not all agreed. But that is the way I think would be, if we could make any contribution at all it would seem to me to be, public hearings rather than going down there.

I don't know what we can gain by going down there. I can almost tell you right now how it would go. I was down there just a week ago, and they line up, it has been exactly the same format every time I have been there, they line up the generals and so on, they give the story and he ends up by saying we are all unanimous in our agreement, and they are supposed to have some super wisdom and they happened to have seen some cables. I just don't buy that at all. I think they are absolutely wrong and I have never been able to see the use of those consultations.

But I think public hearings are very educational, I think they bring it into the forum where it ought to be.

I would defer maybe on this timing, right now, if they are willing, if they are for public hearings. I do think if we do defer it just until Khe Sanh is finished, I think the committee should maybe express itself as to the use of nuclear weapons. I would much prefer what you said rather than nuclear weapons they ought to draw those troops out and ought to draw them out immediately, if there is any danger at all, any possibility of being overrun.

A HARD CHOICE

Senator GORE. Well, Mr. Chairman, I put the hypothesis when I mentioned we would have a hard choice, I assume the hypothesis 40,000 men were surrounded and facing annihilation which you say may be the possibility there.

Senator CLARK. Not yet. I think they can fight themselves out right now.

Senator GORE. I didn't talk about "right now". I agree right now, but I am talking about three weeks from now.

DEALING WITH THIS PRESIDENT

Senator CLARK. My point was the committee if it agrees, and it may not agree, ought to present to the administration our views that if the alternative is withdrawal from Khe Sanh or the use of nuclear weapons we ought to withdraw. I wonder, Bill, if you couldn't, getting back to the other subject of going to see the President, couldn't request your seeing him alone, he could bring in Rostow or Rusk, but without the display of military strength, a very small meeting, I wouldn't take six, I would take three at the most, including the ranking minority member.

The CHAIRMAN. You understand when you meet with the President you don't set the conditions. He runs everything down there, he has the procedures, he has who he likes and he does nearly all the talking. It is not easy to interrupt this kind of President. It is not easy to make this kind of President listen, I have never been able to do it and I don't know that anybody else has.

Senator GORE. Mr. Chairman, would you yield right there? This is entirely a personal observation, but I think it is a valid one. Since the *Pueblo* crisis, I have noticed what I think is a change in the President, an uncertainty, and a troubled spirit. I think he has been reaching back to bring a few old friends into consultation.

Senator CLARK. He had Gen. Matthew Ridgway in two days ago.

SENATOR GORE'S MEETING WITH THE PRESIDENT

Senator GORE. This is entirely personal. He asked me down there yesterday, and I sat for an hour and a half down there with him ard nobody but the two of us.

The CHAIRMAN. Why didn't you tell me?

Senator GORE. It is unimportant except I didn't know about Ridgway.

The CHAIRMAN. I didn't know either.

Senator GORE. Tuesday of last week you were invited to the leadership breakfast for the first time in a couple of years. I think the President's confidence in the advice he has been getting and taking is a bit shaken.

The CHAIRMAN. Did you detect that yesterday?

Senator GORE. Well, I won't say that I did. I don't know. But out of this has come—that is why, one reason why, I answered Joe the way I did, that I believe if you go down there with the consensus of this committee and say that this committee thinks there should be public hearings, I think he is in a more receptive attitude than he was before the *Pueblo*.

Senator MORSE. I don't think there is any doubt about it.

The CHAIRMAN. There is no doubt about what?

Senator MORSE. The President is in a much more receptive mood, and I think the best service we could render the President is to give him an opportunity to hear whatever select group you take down. I don't care who you take down but you certainly ought to take Karl Mundt who is the one who has proposed this. The President knows Mundt's position for a long time, and I think he ought to be in there presenting his point of view and take whoever else you want to take, but I think Karl ought to be taken.

Senator CLARK. And ask to see him without the benefit of his military advisers.

Senator GORE. You can't do that, Joe.

The CHAIRMAN. You can't set conditions.

Senator CLARK. Not a condition.

Senator MORSE. He isn't going to bring them in. Leave it to him. He isn't going to bring them in with this kind of a request.

The CHAIRMAN. If you don't mind, Albert, I don't want to press you, I had no idea you were there, but I am curious. You surely talked about this.

Senator GORE. I shouldn't have mentioned a personal thing.

The CHAIRMAN. It is very interesting.

Senator GORE. I feel that the man is, and I felt, the man is, troubled and disturbed and it just might be that he would welcome some consultation.

A FEELING OF BEING DECEIVED

The CHAIRMAN. Well, he hasn't. When I went down there it was the usual format, I mean he had Wheeler and Johnson and Rusk, and McNamara, and he had all the story, and I am frank to say those presentations have—have become allergic to them. I don't believe what they tell me, I mean their positiveness about, the optimism about, this situation. They told us there that Khe Sanh, we

had all these troops there, that were well-entrenched and well-supplied and as many as they had and they had no fear, and this wasn't but a few days before you see what happened.

When I look back on it nearly every time they told us a story it proved to be erroneous. I mean the situation was just before the explosion, and no one seemed to be aware of it. They certainly didn't suggest to us and this was what, four or five days before this explosion, not a one of them said they thought, seemed to know, anything about what might happen, and this gets to be very disturbing. They don't seem to know what they are doing. Either that or they don't tell you.

And then this business of the Tonkin, to be frank about it, when we get into that I felt very strongly about that, I meant strongly in the sense that I had been deceived. I have been catching the devil ever since that happened, you know. Every time they say "well, you voted for it, you were the sponsor of it," and I think we were just plain lied to, just in so many words. I don't think they told us the truth, and this has made me feel very badly about it that we were deceived and we have no influence upon it and I don't know upon the course of events, and I don't know of any better way, maybe it is not the best way, than public discussions of it, because presumably this country still has a form of democracy in the ultimate sense, not in the immediate sense.

Senator GORE. Does anybody object to the chairman going——

Senator MORSE. I think we owe it to the President. He can turn it down. But I think we owe it to make the offer to send a group down to talk to him.

POLITICAL ADVANTAGE TO THE PRESIDENT

Senator CASE. May I say this: This is a very political animal, this President, and properly so. We are trying to be objective. Unless he is persuaded that it is not only right but also politically wise to do this he will not do it. He has done pretty well in a campaign of suppression from the last time of—and politically, I mean, and we have to take this into account, but I think in the long run it is to his political advantage, at least it is as much to his political advantage to do this as not to because I don't think that he can keep this lid on the way he has succeeded in doing it with the country, and his rise in popular support is just a result of frankly the restraint of you and you and you, all of us in the last three or four months because we have wanted not to make the thing worse.

Good gracious, we could just inflame the country with the horrible way this thing is going if we had wanted to. We could have, I haven't myself. All of us have observed restraint on the *Pueblo* in regard to negotiations that were suggested and what not, to give him the utmost freedom of action and maneuver, and this cannot last for many months more with the way things are going, and so he would be politically well advised, and I think this, because he is probably a candidate for election, this ought to be brought to his attention by members of his own party, privately if you will, in addition to this.

THE COUNTRY EXPECTS HEARINGS

Senator CARLSON. Mr. Chairman, I didn't want to let this discussion end without saying this: I question the advisability of inviting ourselves down to the White House. Couldn't we get word to the Secretary of State that there are members of this committee who would be glad to come down and visit with the President about this, and if it comes the other way I think it looks a lot better if you are going to do it. Personally I am not sure we ought to go down. But if we should it ought to come the other way. I would think the Secretary or someone down there should be told we are concerned and we are. I think Cliff Case has mentioned something. We all have had a lot of restraint, every member on both sides of the aisle, and I am for the hearings. I just can't conceive that the country expects us not to have them, and I would hope if we don't do anything else that we would have a strong letter down to the Secretary of State that we would like to have hearings, they can be Executive as far as I am concerned or they can be open, but in view of what happened last Sunday, I don't see how they could turn us down without coming up here. It was arranged by the White House, there wasn't any question about it.

I do have some question though about inviting ourselves down, I really do.

ADVISE AND CONSENT

Senator MORSE. We are not inviting ourselves, we are advising him under the advise and consent clause we would like to confer with the President just as the Foreign Relations Committee did in 1919 and Wilson had them down for that series of conferences.

The CHAIRMAN. That was the whole committee. Are you suggesting, I wonder about this, whether the whole committee, if anybody goes, why not.

Senator CLARK. Too big, it ought to be a small meeting.

The CHAIRMAN. It is extremely difficult to convey to you, I mean, what takes place in these. It is a very hard role to play. The President, unless he has changed his attitude as I indicated here——

Senator GORE. I didn't mean to indicate he had changed his attitude.

The CHAIRMAN. I thought you did.

Senator GORE. I mean to say he was open to some questioning, he was reaching out and drawing people in whose advice he had not sought in a long while.

The CHAIRMAN. Did he really seek your advice or did he seek to convert you to the validity of our present course, that is what he has always done every time I have seen him.

Senator GORE. I prefer to make no references to my meeting.

The CHAIRMAN. All right.

JUSTIFYING THE PUEBLO AFFAIR

Senator GORE. I only brought it up to indicate that—well you have been, I will say again, you were, invited down Tuesday of last week for the first time in a couple of years.

The CHAIRMAN. The whole meeting was set up to justify and excuse the *Pueblo* affair. I mean, Mike was there, I don't think I am being unfair, they had——

Senator GORE. But you were there.

The CHAIRMAN. That is correct.

Senator GORE. You were there.

The CHAIRMAN. But they not only had me, I think in the next three or four days they had a large number of both Houses for the purpose of disproving suggestions that they hadn't done everything just the way it should have been done. That I was the purpose of the meeting. He didn't ask any advice on the major policy of the course we are following.

To me it isn't these small tactical matters, that I think are at fault. I think the whole concept of this war is absolutely wrong and it has to be, in the most honorable way possible I would like to see it, liquidated, in some form. I have tried to make that clear through more extensive hearings. That is my view. I don't think there is any way to win a great victory here which can be an asset to the country or to him.

Senator GORE. Well, Karl's motion was not to discuss the whole war, but to renew the invitation.

START WITH A POSITIVE ASSUMPTION

Senator MUNDT. As I hear the discussion the more I think we should proceed as first originally suggested, that is, a more persuasive letter to the Secretary which we write on the positive assumption that he is going to say yes. If he says no, then I think we might well consider the second step of going down to see the President.

Frank makes a good point, to invite ourselves down I think indicates some kind of weakness at the very beginning. If you think the letter should be more appropriately sent to the President than to the Secretary of State I would send the letter first. But I think I would send it to the Secretary of State, which is the normal way, and I have a feeling he might want to come, he won't say no.

Senator CLARK. But we have done that.

Senator MUNDT. But it has changed. Since then he has appeared on television. He told us he didn't want to. I told him specifically, "if so I don't think you would be on another television program." He says, "I found that out," he had a bad experience at Indiana University.

I would write this letter calling attention that he had been on television, we respectfully ask him to come. If he comes, fine. If, he doesn't, then we can consider going down to see the President or writing the President. But I feel certainly more comfortable if he invited us down than to go down carrying the letter which would indicate we were kind of weak.

I know, I have been down like Bill has, I know what the result has been of sending a committee down or the whole committee.

OPPOSITION TO THE USE OF NUCLEAR WEAPONS

Senator PELL. But, Mr. Chairman, in inviting him down there is no limitation of time. Would you be willing to include some phrase such as after this Khe Sanh business has played itself out?

Senator MUNDT. "At an appropriate time to be selected by you." This war may stay hot for three months. I don't want I to see the shooting stop, but "at an appropriate time suggested by you."

Senator MORSE. I am not so sure you had not better give him advice because part of the advice we ought to talk to him about is whether or not we are going to use nuclear weapons.

Senator PELL. I want to say I just hope we never have this anguish of choice of tactical nuclear weapons. Personally I would hope under no circumstances we would ever use tactical nuclear weapons. There is no objective in Vietnam worth the results of their use.

The CHAIRMAN. I think we ought to talk about that a little bit further.

Senator PELL. I do, too. We get into divisiveness.

A CHANGE OF ATTITUDE

The CHAIRMAN. I don't know what the consensus is. Personally I would be willing to join in a letter to the President or Secretary that they should not use nuclear weapons and, if you would like, to suggest before doing that they ought to withdraw from Khe Sanh, if that is the situation.

But before we get to that, on your letter, I personally am agreeable on Karl's suggestion. I only call your attention to what the Secretary said in his letter of December 8. He says, I won't read it all it is too long, "As you know, Mr. Chairman, it has been a consistent policy of all previous administrations to discuss matters of this kind in executive session while an armed conflict is in progress. The single exception to this policy which occurred early last year is not in any way, I suggest, inconsistent with the practice of the past that should be abandoned and, therefore," you know the rest of it. But that was December 8.

Now, it is suggested, and Albert gives an example, that there may be a change of attitude on this which would justify a reissuing of the invitation. I think that is all right. personally think so, and then if he turns it down we can consider the next step. But I do think the committee ought to be feeling that is has a responsibility in doing what it can to influence these decisions. I particularly feel strongly about nuclear weapons. It just seems horrible to me for us a second time to use nuclear weapons in view of what can happen if we precipitate a real nuclear exchange. We have been told that before, there is no use dwelling upon it.

A QUESTION OF TIMING

Senator CASE. Mr. Chairman, on that point if I may just be brief, Karl makes a suggestion that when the President asked and got from the Joint Chiefs each of the Joint Chiefs in writing that Khe Sanh could and should be defended, that meant with or without tactical nuclear weapons. This is a matter that could be explored privately.

Senator HICKENLOOPER. Did he get such a statement?

Senator CASE. He got such a statement in writing.

Senator HICKENLOOPER. I saw it in the paper, but I didn't see it——

Senator CLARK. The President is said to have gotten a statement in writing from each of the Joint Chiefs of Staff. He said I don't

want Dien Bien Phu's, but the question was not included and he said——

The CHAIRMAN. Wait a minute, you are both talking at once, I am not clear what you are talking about.

Senator CASE. My point is, Mr. Chairman, I just want to say in connection with this question of timing that both of you have touched on, I am not sure that we should say we will until after two at least have some consultation on this matter.

Senator CLARK. Not on this point.

Senator CASE. I think it relates directly to this.

Senator PELL. That is a separate subject though.

Senator CASE. It is in a sense a separate subject, but it is a very important part of the whole subject.

DEFENSE USE OF NUCLEAR WEAPONS

Now, I am not clear how do you express to the President a view about nuclear weapons, their rightness of use or not use? I think in a particular matter of this sort we could say so, but I am not prepared to say that never in Southeast Asia should we use nuclear weapons. I am not prepared to say they never should be used in any circumstances. I think we can express our views if it is possible to withdraw an exposed salient as it is here, I would be willing to do that and go that far, but I do urge that this question be pursued rather more rapidly than the general question.

The CHAIRMAN. Cliff, I certainly thought it was the understanding of most of the people in this country, and it was mine, that we wouldn't be the first to use nuclear weapons again. I just felt that just sort of understood, we wouldn't precipitate a nuclear war. This came up, you know, in Europe and so on, these were purely defensive. We have always taken that view.

Senator CASE. Of course, what is purely defensive? You let yourself get into an impossible position are you going to prevent yourself from using this?

Senator MANSFIELD. I think in view of this statement about tactical nuclear weapons which is the first time I have heard it today, as long as we have three members of the Joint Atomic Energy Committee present they would go into this question.

We have three members of this committee who are also members of the Joint Committee on Atomic Energy, and I would anticipate in view of this, which is news to me, they would very likely want to look into this.

Senator MORSE. I have one minute.

DANGEROUS ISSUE TO RAISE IN PUBLIC

Senator COOPER. I think I was the first one who mentioned nuclear weapons here today, and I did it because at some place I heard the rumor, and I would think that any competent military staff would, of course, take into consideration every eventuality and what they would do to meet it. So the fact they think about it as far as the military staff is concerned I don't think would be unusual.

The question would be whether or not they press it upon the President and other advisers press it upon him. I could see a situation arising, I hope it wouldn't, where, say, Khe Sanh where they

were encircled, and to save the lives of them, to prevent them from being annihilated would present a difficult situation for the President of the United States to have to come to such a decision. When I talk about public hearings I think you would have to contemplate and anticipate that somebody would ask the Secretary that. Then he would be in position that he would have to say no or he would have to say "I can't talk about it," and then it would be all over the world the United States may anticipate the use of nuclear weapons. I think that is a subject if that is going to be talked about it ought to be talked of to him——

Senator MANSFIELD. That would be a dangerous subject to raise in public.

Senator COOPER. I agree.

Senator HICKENLOOPER. I am just going to say that is just the very point about these public hearings and a lot of other fields.

GOVERNMENT BY SECRECY

Senator MORSE. I would like to take one minute, Mr. Chairman, after listening to all of this discussion. I am not a betting man, but I will give you 10 to 1 odds if you write a letter to the President over your signature, giving him a brief statement about this discussion this morning and that the subcommittee awaits his pleasure to discuss some of the matters that we raised in this committee, if he would like to talk to us, the President will call you down. I am convinced that the President of the United States would welcome an opportunity to talk to you if you want to make that kind of an approach.

I think we owe it to the President. These are things that we ought to raise with him on the basis of this discussion this morning and conference with a small number of this committee of talking with him. I don't know what you are so afraid about in regard to a discussion with the President or a public discussion of the issue that is of vital concern to the security of the people of this country. I hope to God we haven't gone so far that we are now going to operate a government by secrecy in time of crisis.

I close by saying just look at what this committee, what our forebears did. On August 19, 1919 they had a long conference with the President. They published it as a committee document with all the comments of the President, all the questions asked by the President, all the differences with the President. What we did in that great crisis, the President had the conference with the full committee there, and there is it and it was released to the public, the record, and the understanding was there would be nothing confidential about it. I don't know what has happened to us that we have got the notion that you have got to operate in time of war a government by secrecy. I say you are carrying the very foundations of the Government away if you are continuing this.

Senator GORE. Mr. Chairman.

Mr. CHAIRMAN. Yes.

POWER VESTED IN THE PRESIDENT

Senator GORE. I would like to dissuade Karl from a further letter to the Secretary in whom is the responsibility and authority vested? The Executive power is vested in the President. The power of

advise and consent is vested in the Senate. The equation is between the Senate and the President. I don't think the President would—I believe Wayne has suggested something, a wording and a modus vivendi superior to anything else, that is instead of writing a letter and taking it to him and asking for an appointment, write a letter expressing the concensus of the committee and, as you say, if the President should so desire you would await or your subcommittee would await his pleasure.

DIRECT LETTER TO THE PRESIDENT

Now, there is another reason why I don't think this committee should address another letter to the Secretary. It demeans this committee. The chairman himself has directed a letter, two letters, and then upon instruction of this committee he addressed another one, so three times he has written letters. He also invited the Secretary up and he took several months to answer the letter and this is demeaning to the committee, and we have a responsibility to exercise so it seems to me the communication should be between the committee and the President. That is where the responsibility lies.

Senator MUNDT. I would agree with Albert. We write a letter to the President asking him to ask the Secretary to come down, but I don't think it should be carried down by hand and I don't think we should weaken the impact by saying "we think we ought to talk to you." He is going to write back and say "no," or he is going to write Bill back and say "Yes, I would like to talk to some of you fellows." If we put it as part of the letter we would like to come down and discuss it we would weaken our letter. I am sure he is not going to write back like Dean Rusk and say "no." If he has good and sufficient reasons we ought to discuss it. But addressing it maybe to the President under the circumstances would be better than the Secretary. I would be glad to change that motion.

Senator MORSE. I think that is fine, I think that is what we ought to do.

BRING IN THE TELEVISION CAMERAS

Senator HICKENLOOPER. Mr. Chairman, again I want to ask one question. We seem to be talking all the time about the Secretary refusing to come before this committee. So far as I know he never has refused to come before this committee. He has offered to come and said he will come anytime. It is a question of whether it is in executive session where you can take out the sensitive parts of that record and release it or whether you are having it public, with the attendant publicity media that is there, and all the rest of it; and embarrassing questions are asked, and the refusal to answer is bound to give information or give rise to speculation. I think the illustration was made about the question about the use of atomic weapons. We could ask him about atomic weapons here and should in executive session. But he never has refused to come here, and he has come here a number of times. It is just a question of whether you open the doors and bring in the television cameras or not, and——

The CHAIRMAN. Bourke, what was the purpose of putting them both on Sunday?

Why did he put them on Sunday?

Senator HICKENLOOPER. There is a vast difference between a so-called controlled conference where you don't have to submit to a lot of rather violent comment and so on and answer certain questions that are asked. The format——

The CHAIRMAN. It is different. What was the purpose though of putting these two men on at their request on television? Wasn't it, do you think it was to——

NOT SUPPORTING THE PRESIDENT

Senator HICKENLOOPER. I don't know. As a matter of fact I am not supporting the President. I didn't vote for him the last time and I don't expect to vote for him the next time. I don't expect to campaign for him. I expect to campaign for the Republican candidate, and I don't want to be put in a position of trying to pull his chestnuts out of the fire. He can pull his own out of the fire. But I am interested primarily in what I believe to be the basic best interests of this country. I don't want to set up another Committee for the Conduct of the Civil War, and that is about what we are heading toward in this thing because that was the most colossal dangerous failure. The Union almost broke apart on that.

The CHAIRMAN. That is what I am most interested in myself. I am not particularly interested in his re-election either or his defeat or anything else. What I am thinking of is this country. We are in the worst position we have ever been, and we gradually eased in it and I played a part in it and so did you and I think under false information, and I think the purpose of those hearings that he asked on Sunday was to continue to create a false impression in this country that things were going well and so on. He refuses to face up to the most serious situation, I think we have been faced with since the Civil War.

I think that we ought to do something to try to change his policy myself. The only reason for me, I don't know what the political effect would be and that is not in my purpose at all, I think we are in a very, very disastrous situation and I don't see any way out of it except some kind of a drastic change in his basic policy of just pursuing on and on until the last gasp this war in an area which I think is not in our interest and so on. It is the old overall policy that interests me and how do you bring any influence to bear upon it, that is the question.

A RIGHT TO A PUBLIC DISCUSSION

Senator MORSE. Mr. Chairman, I simply want to say I am not going to sell this committee short. The President and the Secretary of State are in a much better position having questions asked in public hearings by this committee than by the President.

Let's go through the record now about public hearings and those that are afraid of what the committee is going to ask and give me the list of the questions that any member of this committee has asked in a public hearing of the Secretary of State that was improper or if a question that they asked could possibly be involved in the necessities for answering it in executive session there wasn't any agreement. I want to say you are just dead wrong if your argument is you are running a danger of having the Secretary of State before a public hearing of this committee. Your real danger of you

have him before a public hearing of the press, and apparently that is all right with the administration, but I don't think you are facing up to the basic issue that confronts this committee and this President, namely that under this system of government of ours with the advise and consent clause, the American people are entitled as a matter of right to have these issues discussed in public with the executive branch of government. If you don't do that then you haven't got a representative form of government, you have a government by the Executive.

DISCLOSING WAR PLANS

Senator HICKENLOOPER. Wayne, then let's disclose the war plans.

Senator MORSE. Well, of course, that is just exactly what you shouldn't do and nobody is asking for that.

Senator HICKENLOOPER. It is the same thing.

Senator MORSE. No, we are asking about what they can tell us about these broad policy questions that the people are entitled to know to have some of their fears allayed. You have got a people who are disturbed by fright in this country today and I want to say most respectfully, it is only my own view, we are walking out on our responsibility to carry out our trust for public hearings. I think we owe it to the American people.

Senator CLARK. Mr. Chairman, do you think we could separate the two issues? It seems to me they severable, first as to how to handle the question of getting the Secretary down here—first, the question of how we get the Secretary down here for an open session, and this discussion has satisfied me that I would support Karl Mundt's position on that; but, secondly, I think what very critical and imminent and that is what fulcrum, if any, of power are we going to try to bring to bear on the Executive in secret with respect to the use of nuclear weapons. I think there is enough in it now so that we just shouldn't walk off and not do anything about it.

Senator AIKEN. Mr. Chairman?

The CHAIRMAN. Senator Aiken.

ESTABLISH A RELATIONSHIP WITH THE WHITE HOUSE

Senator AIKEN. It seems to me that policy as a rule is rather a long range matter. We are in an immediate predicament the results of which can be undesirable, to say the least. Apparently there is no relation at all between the Foreign Relations Committee of the Senate and the executive branch of government. Nobody knows, I don't believe any member of the Senate knows, what the plan of the President may be for restoring peace in Southeast Asia or a reasonable degree of stability.

I would suggest that we try to establish some relationship with the White House, and when the chairman goes down to interview him, I think it would be nice to ask him outright what his plans are for extricating us from the trap that we are in on, and I think it is a trap. I think the Russians set the trap and we walked into it ourselves, that is they continue to bait it anyway, and I object to their being so darned considerate of Moscow all the time, as our administration appears to be.

But I think we ought to ask him outright what the plans are for getting us out of this. That is even more important than it is to put the Secretary of State on public view.

Senator HICKENLOOPER. I agree with what was said here awhile ago by the chairman or somebody else, if you go down there and talk to the President I know what kind of an answer you would get. You would get a lot of words, that is very true. You won't get an answer.

Senator AIKEN. Yes.

Senator SPARKMAN. He will take it over.

Senator AIKEN. But I wouldn't hesitate to let the world know that the committee has gone to the President and if he gives us a lot of words give that report to the public that he didn't do anything, and that puts the bee in the right place.

CLARIFY WHAT WE ARE DOING IN VIETNAM

Senator MUNDT. Mr. Chairman, back to the motion let's see what happens. We send a letter to the President and make that request. If the letter is persuasive enough and the President is concerned the Secretary should come, fine. If he says, "no," I think he will invite the committee or portions of the committee or the chairman of the committee down to talk to him about it. So I don't see how we lose anything, we gain a little stature, and we have at least tried to measure up to our responsibility. Certainly if the President himself says "yes" that is conclusive that he believes he should come and that you can incorporate the fact that the situation has changed since the other exchange of correspondence because the Secretary has been appearing in public and we feel we have a right to discuss with him the foreign policy of the United States, however, you want to put it. If he calls you down we can work out the rules of the game, say we won't talk about the *Pueblo*, if something is sensitive we won't talk about that. But the overall idea of trying to clarify in the minds of the American public what we are trying to do there is basically important, and I speak as one who has supported consistently, still am, but am confused in my own mind now when I say something in support of it they changed the doggone reasons, and I would like to know what they are at least currently.

SEND A LETTER TO THE PRESIDENT

Senator MORSE. I think we have discussed it long enough. I move that the chairman be authorized to send such a letter to the President.

The CHAIRMAN. He has already moved that. Is it now your move to send a letter to the President?

Senator MUNDT. Right.

The CHAIRMAN. Requesting the Secretary of State to appear in public session.

Senator MUNDT. And deliver it by mail.

Senator PELL. At his convenience at an appropriate time.

Senator MUNDT. At an appropriate time.

Senator PELL. Which could be two or three months.

Senator MORSE. Don't put that in.

The CHAIRMAN. At an appropriate time.

Senator MUNDT. At an appropriate time.

The CHAIRMAN. Do you wish to call the roll on it or what do you wish to do? All in favor of the motion raise their hands.

[Showing of hands.]

The CHAIRMAN. All opposed.

[Showing of hands.]

Senator CLARK. Mr. Chairman, I suggest, this is pretty important, we ought to poll the absent members of the committee.

The CHAIRMAN. Well, they haven't heard the discussion.

Senator CASE. No, they haven't had the benefit of this discussion.

Senator CLARK. You have a record.

Mr. HOLT. We don't know who voted on this and who didn't. So we don't know who to poll.

Senator CLARK. You know who to poll, the absent members. You can look around.

Mr. HOLT. some of these didn't vote.

Senator CLARK. Everybody voted. I think this has gone so far we ought to have a roll call.

Senator GORE. He wants a roll call.

Senator CLARK. I am not going to be stubborn about it. It is a mistake.

Senator HICKENLOOPER. What is the purpose of a roll call?

Senator CLARK. So the staff can poll it.

Senator MORSE. You have 2 to 1. You have the members.

The CHAIRMAN. It is 8 to 4.

QUESTION OF NUCLEAR WEAPONS

Senator CASE. This leaves this other question of nuclear weapons.

The CHAIRMAN. That is just to request the open hearing. What do you want to do, if anything, about the nuclear weapons?

Senator HICKENLOOPER. I again ask the question what is the authentication of the fact that they are contemplating nuclear weapons?

Senator CLARK. Let's find out.

Senator HICKENLOOPER. It is some newspaper story.

Senator MORSE. You can't meet with the President without talking to him about it. That is where you ought to talk about it.

Senator CLARK. He may not call us down for a month or 6 weeks.

Senator MORSE. He will call you down shortly.

Senator CASE. I am content to leave it as we leave it for the moment, we leave that to see if we do get further information.

Senator CLARK. I think this may be something we are going to use nuclear weapons within a week, and I think we ought to explore it.

Senator HICKENLOOPER. That is a pretty strong statement, Joe. What is your basis for it?

Senator CLARK. The basis is what Carl Marcy has developed, these people are going over there, five of them who are experts in nuclear weapons, they are flying to Vietnam today and we know that.

Senator CASE. Even in the war the broad matter of these people's position.

Senator SPARKMAN. Don't you think the chairman can discuss that without being instructed?

Senator CLARK. I was going to go further than that. I was going to suggest the staff take up at the staff level either with the Pentagon and/or the White House and/or the Department of State is there any truth in this rumor?

Senator HICKENLOOPER. They already have. They already have on that.

Senator CLARK. He has only gone to the Committee on Atomic Energy. They ought to go to the Executive.

Senator HICKENLOOPER. Their pipeline is right square in there and it is a broad one.

The CHAIRMAN. If you want to open it up by a simple letter to the President just saying you heard this rumor and we would like to be informed about it.

Senator CLARK. I like that.

Senator HICKENLOOPER. I think it would be a mistake to put it in writing. I think you ought to ask him personally.

Senator WILLIAMS. If you put that in a letter, we are inquiring about these nuclear weapons or even thinking about it, put it in the form of a letter or instructions to this committee it will be leaked out and be on the front page of the New York Times tomorrow and the damage will be done.

Senator MORSE. Can't he raise it verbally?

Senator GORE. Leave it to the chairman's judgment.

Senator HICKENLOOPER. That is what I say.

Senator MORSE. I think he should raise it is all I am asking for. If the chairman says he will raise it that is all we need.

The CHAIRMAN. Yes, I will do that.

I am not going to say anything to the press.

[Whereupon, at 12:00 noon, the hearing was adjourned.]

# BRIEFING ON NON-PROLIFERATION TREATY AND LATIN AMERICAN NUCLEAR FREE ZONE

[EDITOR'S NOTE.—On June 12, 1968, after four years of negotiations, the United Nations General Assembly approved a draft of a treaty that banned the spread of nuclear weapons to nations that did not already possess them. The United States signed the treaty on July 1, and President Johnson submitted it to the Senate on July 9. The Foreign Relations Committee immediately began consideration of the treaty, holding public hearings on July 10, 11, and 12, and 17, followed by a series of executive sessions. Although the president pressed mightily for a Senate vote before he left office, the Soviet military invasion of Czechoslovakia in August made many Senators unreceptive. The presidential election also played a part when the Republican candidate, Richard Nixon, argued that swift ratification might appear to condone the Soviet invasion. On Sept. 17, the committee reported the treaty favorably, by a vote of 13 to 3. However, Senate Majority Leader Mike Mansfield concluded that the treaty lacked sufficient bipartisan support and announced on October 11 that he would not call it from the calendar during that session. President Johnson considered but chose not to call the Senate back into special session after the election. Instead, the Senate approved the ratification of the treaty on Mar. 13, 1969, by a vote of 83 to 15, during the Nixon administration.]

**Thursday, February 8, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 2:30 p.m., in room S–116, the Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright, and Senators Morse, Gore, Clark, Pell, Carlson, and Cooper.

Also present: Mr. Marcy, Mr. Holt, and Mr. Bader of the committee staff.

The CHAIRMAN. The committee will come to order.

Mr. Fisher, I offer to apologize for the committee because on yesterday the discussion took much longer than anyone anticipated, and I am very sorry to have caused you that inconvenience, but in this case, you know how we operate, it is sometimes difficult to control the committee's discussions.

Will you proceed, please, sir?

## STATEMENT OF ADRIAN S. FISHER, DEPUTY DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY; ACCOMPANIED BY GEORGE BUNN, GENERAL COUNSEL, ARMS CONTROL AND DISARMAMENT AGENCY

Mr. FISHER. Yes, sir, if I may make—obviously no apology is necessary, sir, and my own frame of mind in this situation when there is obviously a heated discussion going on of some kind changes from a hope that I will be able to get in before you adjourn to a fear that I might be able to. [Laughter.]

The CHAIRMAN. You are a good psychologist. [Laughter.]

Senator GORE. Well, as a fellow Tennesseean, I want to extend my sympathy and my support and my pride.

[The staff memorandum on the treaties under discussion follows:]

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**February 7, 1968**

STAFF MEMORANDUM

*The Non-Proliferation Treaty and the Latin American Nuclear Free Zone*

*I. The Non-Proliferation Treaty*

The United States and the Soviet Union on January 18, 1968, presented to the 18-Nation Committee on Disarmament at Geneva a revised text of the draft treaty to prevent the spread of nuclear weapons. This is a new and completed version of the partial draft tabled at the Conference on August 24, 1967. At that time the identical texts put forth by the United States and Soviet Co-Chairmen of the Conference were incomplete. Article III was left blank because of failure to agree on provisions to govern safeguards over peaceful nuclear activities. The gap has been filled in today's draft.

In addition, the revised draft contains several amended articles and three new articles: these deal with the peaceful applications of nuclear energy (Article IV), access to the benefits of peaceful nuclear explosions ( Article V), and obligations to pursue negotiations on measures of disarmament (Article VI). The amendments clause has been redrafted to provide that amendments enter into force only for those parties that accept them (Article VIII). The number of ratifications necessary to bring the treaty into force has been fixed at forty (Article IX). In response to the desires of many non-nuclear countries, the co-drafters have provided for a review of the treaty 25 years after its entry into force "to decide whether the Treaty shall continue in force indefinitely" (Article X).

Article III safeguards are intended to verify the treaty obligations that nuclear material is not diverted to weapons. Safeguards will be those set forth in agreements to be negotiated between the International Atomic Energy Agency (IAEA—located in Vienna) and signatory states. These agreements must be negotiated in accordance with the IAEA Statute and its safeguards system.

*II. Latin American Free Zone*

The United States is considering signing Protocol II of the treaty. In signing this Protocol the United States will agree to respect the aims and provisions of the treaty which attempts to limit nuclear energy in Latin America to peaceful purposes by prohibiting the testing, use, and production of nuclear weapons by the parties of the treaty as well as any form of possession of nuclear weapons.

The Latin American nuclear free zone is just one of many efforts to exclude nuclear weapons from regions of the world. Proposals for such zones have taken many forms: Walter Ulbricht's Baltic "sea of peace" in 1955; the atomic free zone in Central Europe first put forward by Poland's Foreign Minister Rapacki in 1957; an Asian nuclear free zone advanced by Nehru in 1958 and echoed thereafter by the Communist Chinese; the "Unde Plan" first championed by the Swedish Foreign Minister in 1961; the Kekkonen Plan in 1963; a Soviet proposal in 1963 for a nuclear free zone in the Mediterranean. More recently, the emphasis has been on nuclear free zones for Africa and Latin America. The most important statement of African willingness to form a nuclear free zone came in 1964 when the African Heads of State and Government pledged their readiness to accept through an international treaty under the auspices of the U.N. the denuclearization of Africa. This pledge

was reconfirmed at the Addis Ababa summit meeting in May of 1965 where the delegates declared "their readiness for a denuclearized zone in Africa."

In Latin America there have been sporadic efforts since 1962 to attain a nuclear free zone. In 1963, for example, the Presidents of Mexico, Ecuador, Chile, Brazil, and Bolivia issued a joint declaration stating willingness to cooperate in the formation of a nuclear free zone in Latin America. In 1965 Mexico and Brazil took the lead in organizing meetings held in Mexico City to consider ways of organizing a nuclear free zone.

On February 14, 1967, the Latin American countries signed the Treaty for the Prohibition of Nuclear Weapons in Latin America. The United States had reservations from the beginning about signing Protocol I which called upon the nuclear powers to apply the prohibitions of the treaty to all territories within the zone. The United States does not wish to have included in the proposed nuclear zone the Virgin Islands or the Commonwealth of Puerto Rico. Moreover, the United States intends to make it clear that we will continue to have the right to move nuclear weapons through the Panama Canal zone.

Therefore, the United States has decided *not* to sign Protocol I which calls on signatories to apply the provisions of the treaty to the geographical zone established by the treaty (the zone includes our Caribbean holding).

The United Kingdom will sign Protocol I as well as Protocol II.

RECOMMENDING A SIGNATURE OF PROTOCOL II

Mr. FISHER. Mr. Chairman, the reason—excuse me for wanting to trouble you at this time—is particularly with respect to the Latin American Nuclear Zone Treaty is that we are thinking of recommending the signature of Protocol II of the Latin American Nuclear Free Zone Treaty.

Now, we did not want to do so until we had had a chance to consult with the committee. Clearly this does not commit the committee. If the Protocol II were to be signed, it would be presented to the committee in the normal constitutional procedure for a vote on a resolution authorizing ratification but we wanted to have a preliminary go-around in advance.

Now, before getting on to Protocol II of the Latin America Nuclear Free Zone Treaty, you might deal with the treaty as a whole. Some of you, I am sure, know as much if not more about it than I do. There is the basic article of this treaty, Article 1, which prohibits the contracting parties from producing, testing or possessing nuclear weapons in their respective territories. It also forbids the receipt or installation of any nuclear weapons, and the contracting parties undertake to use nuclear materials and facilities exclusively for peaceful purposes.

Now, there is a definition of nuclear weapons in Article 5 that has some elements of controversy in it, and I would like to get that in explaining our adherence—proposed adherence—to Protocol II. The treaty also, in Article 7 through Article 11, sets up an organization called the Agency, or the Agency for the Prohibition of Nuclear Weapons in Latin America, which, together with the International Atomic Energy Agency, is for the purposes of verifying the obligations of the treaty, and there is provision in the treaty, which I will also deal with in more detail, dealing with the use of nuclear energy and explosions for peaceful purposes.

WORLDWIDE VS REGIONAL TREATIES

Now, you might wonder, since we have been discussing in some detail the problem of the Non-Proliferation Treaty, a worldwide

treaty, why we are treating with the Latin American nuclear free zone.

Well, the Latin American nuclear free zone is much more comprehensive in a smaller area, since it not only deals with the development and acquisition of nuclear weapons by the contracting parties but prohibits the actual deployment or introduction into the territory covered.

NATIONS THAT HAVE NOT SIGNED THE TREATY

Now, quite a few countries have signed the treaty. Argentina, Bolivia, Brazil, Chile, on and on, 21 in all have signed. Cuba has not signed; for some reason Barbados has not yet signed.

Senator Gore. Who did you say has not signed?

Mr. FISHER. Cuba has not signed and said they will not. Barbados has not signed. This may be related to a peculiar—their sympathy with Guyana, former British Guiana, which is not permitted to sign under a provision of the treaty that says if they have any territorial disputes holding over from the days when they were a colony, they cannot sign unless those disputes have been subject to arbitration by peaceful purposes.

I was in the U.N. when Guyana was objecting to this, and some wit pointed out that if the majority view held, Guyana had no alternative if she was not able to negotiate her differences with Venezuela over certain territory but to develop nuclear weapons. So it seemed to me that may be somewhat counter-productive, but on the whole I think it may be worked out.

DISAGREEMENT BETWEEN BRAZIL AND MEXICO

Now Article 28, which provides for the entry into force of the treaty, is a compromise between two opposing factions in the treaty, Brazil and Mexico. Paragraph 1 of Article 28 states all nations that can sign the treaty and all of its protocols must sign before the treaty goes into force.

Now, this means that all the countries in the geographical area of the region must sign, all the nuclear powers must sign.

The CHAIRMAN. That about Cuba?

Mr. FISHER. Well, including Cuba. Now, Article 28, paragraph 2 of the treaty, however, which is the other side of the compromise, Mr. Chairman, provides that countries can waive the requirements of paragraph 1 and have the treaty enter into effect for them and other people that sign the waiver when they deposit their ratifications with the waiver. In other words, you can have certain countries to which the force of this treaty will not be binding until all the countries in the region, including Cuba, sign, until all the countries with territories in the region sign, Protocol II, until all the nuclear powers sign—pardon me, Protocol I, correct my statement; until all the nuclear powers sign Protocol II which would be truly the millennium because it would include the Communist Chinese.

Now, the countries that insist on that are obviously not those that are enthusiastic about the treaty, except as a millennium. There are other countries that could waive this requirement of paragraph 1, and all who signed a waiver could have a nuclear free zone applicable as opposed to them, whether or not Cuba had signed, whether or not the Communist Chinese had signed Protocol

II and whether or not a variety of conditions which probably are not going to occur in the near future had in fact occurred.

This was the Mexican position, and Mexico has waived the conditions of Article 28, section 1, and considers that, as far as Mexico is concerned, the treaty is now in effect.

Brazil has given its advice and consent, its congress has, but it has not yet deposited its ratification and it is unlikely that they will do so with any waiver of paragraph 1 so this treaty will not be binding on Brazil for some period of time.

TERRITORIES IN THE ZONE

Now, Protocol I to the treaty calls for countries outside of the zone that have territories inside the zone to undertake the obligations of the treaty with respect to their territories inside the zone.

The CHAIRMAN. Does that refer to Britain?

Mr. FISHER. Yes, sir, it refers to Britain.

The CHAIRMAN. France?

Mr. FISHER. France, the United Kingdom and the United States. Those are the only countries that—pardon me—The Netherlands.

AMERICAN TERRITORIES

The CHAIRMAN. What is our territory?

Mr. FISHER. Well, the principal ones are Puerto Rico and the Virgin Islands.

The CHAIRMAN. Puerto Rico is a commonwealth. Do you refer to it as a territory?

Mr. FISHER. The definition of the treaty—

The CHAIRMAN. They would not like that, I do not think.

Mr. FISHER. I will now then stand corrected. All territory in the United States, in the territorial area not part of the continental part of the territory of the United States, if I can stand corrected on that definition, that is the treaty I definition.

The CHAIRMAN. They would not like it as a legal matter. They do not like to be called a territory for their own purposes.

Mr. FISHER. They are quite correct. Can I stand corrected? Insofar as I referred to them, you are correct; I would be wrong. They are in Protocol I, because Protocol I gives a geographical definition which includes Puerto Rico and excludes from that geographical definition—this is Article 4 of the treaty; you I will see it on, I believe it is, page 16—the territorial area of the treaty excludes from this large bite only the continental a part of the territory of the United States of America and its territorial waters.

Now, that would——

Senator GORE. Mr. Chairman, I would like to observe that since Mr. Fisher became an ambassador, he has advanced up the ladder of diplomatic maneuver more rapidly than any man I know, and he just made a statement to which I commend your attention, and which I would suggest he take back to the executive branch as an example of how to get along with Congress. Remember he said, "You were right, and I was wrong."

The CHAIRMAN. It is unprecedented. [Laughter.]

Mr. FISHER. In this case, sir, in order to correct any prior error. [Laughter].

Mr. FISHER. We have to satisfy our friends in the Commonwealth of Puerto Rico that it does not demean their status to say that they are not part of the continental part of the territory of the United States or in its territorial waters, and that is the situation.

TREATMENT OF PUERTO RICO

Now, Protocol I, which we were referring to, includes this geographical description that I have just finished making, and in that area are a variety of real estate of varying descriptions, some Commonwealth, some admittedly territories, some controversial in terms of the description. From our point of view the two that we are principally concerned with are Puerto Rico and the Virgin Islands, and I am not up here, Mr. Chairman, consulting on the signing of Protocol I because we at the moment deal with—we have a SAC base on Puerto Rico. I do not believe that Puerto Rico would be terribly happy about treating Puerto Rico as being sort of separate from, say, different, insofar as we deal with it from the point of view of foreign relations.

Senator GORE. They are very happy to be treated differently in tax policy.

Mr. FISHER. Yes, they are, but I am not sure that from the point of view of foreign relations they are. I have urged on occasions, Senator Gore, that, as I am aware, residents of the District of Columbia would be very happy to be treated on the same basis as Puerto Rico. But we have told the preparatory commission, Mr. Foster did, that we did not wish to—as far as we were concerned, we did not propose to include in a nuclear free zone the Virgin Islands, since it is United States territory, or the Commonwealth of Puerto Rico because of its integral relationship with the United States, and we are not now contemplating signing Protocol I.

Now the British have signed Protocol I. I doubt if the French will. We hope that some of the other countries will. The Netherlands, we hope that they will. But what we are up for is to consult with respect to Protocol II.

Now, Protocol II is a call upon the nuclear weapons states to agree to respect the status of denuclearization of the setup by the treaty and not to contribute to any violations of Article I of the treaty and not to use or threaten to use nuclear weapons against the contracting parties to the treaty.

STATEMENT OF INTERPRETATION

Now, what we are proposing to do—or thinking of doing, not proposing, which too depends on the reactions we get—is to sign Protocol II with an interpretive statement which covers four or five points that are not entirely clear in the treaty itself, and which we would like to have established and which our statement of interpretation would cover.

The first is that our signing Protocol II, which incorporates the language of the treaty which defines as territory all space "over which the state exercises sovereignty in accordance with its own legislation," does not mean that we recognize the various territorial claims of the contracting parties because some of them, particularly in the field of breadth of territorial sea are pretty wide—and this committee in other contexts has gone into this, I am sure, much

more than I can now because it is 200 miles in some places—and by appearing to respect a treaty which in turn says territory means what you say your territory is, we want to make it clear that we are not agreeing to any possible ambiguity that means we accept all territorial claims. This is only territorial claims exercised consistent with their authority do so under international law.

NUCLEAR DEVICES AND THE PANAMA CANAL

Now we also—and that is in the wish in our approval, in our Protocol II—we wish to make it clear that this treaty does not refer to the rights of transit. There is not a great deal of ambiguity on that, but a really hard argument—a really fancy lawyer could make the argument that in some way transport was identical with transit and not stationing or having in the territory could refer not only to the country having itself but to permitting transit through its territorial waters either through the right of innocent passage or through port call, and we have normally not wanted to get into the practice of declaring which particular U.S. boat had—whether a device in it was a nuclear device or not and, particularly, through the Canal, so we wanted to establish the transit problem.

And finally we want to, not finally, but next to finally, to indicate that in the event that we had a war in which an attacking party, which was a contracting party to this treaty, was allied with a nuclear weapons state, that we would consider that it had breached its obligations under the treaty and that the treaty was therefore no longer in effect.

PEACEFUL USE OF NUCLEAR POWER

Now, there are two more—there is one other understanding and one other additional commitment we were going to make. The other understanding is our old friend which you and I discussed, I believe, in August of '66. That is the question of nuclear explosions for peaceful purposes, in which the treaty has a definition of nuclear explosions which hinges it—in Article 5—which hinges it on whether the device is capable of releasing nuclear energy in an uncontrollable manner, which means an explosion and which has a group of characteristics that are appropriate for use for warlike purposes.

It begs the question as to whether or not the so-called Plowshare type devices that we are developing do have a group of characteristics which are suitable for warlike purposes.

We think there is no scientific argument on this subject. We think they all do, and I have never seen a scientist yet who was asked about this question who does not say that the nuclear innards of a peaceful nuclear explosive device are the same as a weapon; in fact they are the same as a very good one. So we are making a statement to that effect, that we think that this prohibits the treaty, the parties to the treaty, from developing the peaceful nuclear explosive devices but reiterating our position that we are prepared to carry out nuclear explosive services for them with the device under our control. That is an offer we have made in another context in the Non-Proliferation Treaty.

POSITION OF THE SOVIET UNION

Senator GORE. May I ask a question?

The CHAIRMAN. Yes.

Senator GORE. To whom did you make this offer?

Mr. FISHER. Well, the offer in the other context was made by tabling the Non-Proliferation Treaty on January 18, 1968, Senator Gore. A previous draft of this in the preamble to the Non-Proliferation Treaty was in the treaty tabled on August 24.

Senator GORE. What do you mean when you say, "Did we jointly with the Soviets make this agreement or did the two countries severally make it or did the various countries involved in Geneva make it?

Mr. FISHER. In the tabling, the treaty texts that were not jointly tabled, sir, but draft identical texts, sort of conscious parallelism so to speak, they were tabled by the U.S. and the Soviet Union in August of '67, it had a preamble that made this statement.

Senator GORE. You mean our text. Did the Soviets have a similar preamble?

Mr. FISHER. Identical, sir, identical.

Senator GORE. Was this the reason why they insisted on tabling a separate though identifical text?

Mr. FISHER. I think the reason they would not agree to tabling a joint text was they thought that a joint tabling was not appropriate until the end of the process, until the end of the negotiating process.

Senator GORE. Well now, that is a good facade on the reason. There must have been something more material.

Mr. FISHER. Well, maybe it was that they did not want to table a joint treaty until they had one that was the last word. Actually we have recommended more changes from the August 24, 1967, text to the January 18, 1968, text. There were more of the changes in those two identical drafts on the recommendation of the U.S. than there are on the recommendation of the Soviets.

AFFECT OF TREATY ON PLOWSHARE PROJECTS

Senator GORE. I fear I am diverting you from the principal subject just now which is Plowshare, how the proposed treaty would affect Plowshare.

To come back to the subject, do I understand you do not think that a reluctance to table a joint draft stemmed for the Russians from a divergence of opinion in respect to Plowshare?

Mr. FISHER. I do not, sir.

Senator GORE. And do I understand when you say you begged the question, do I understand you to mean that it consciously has ambiguity and sufficient ambiguity to permit our country to utilize and to provide for other countries Plowshare type of nuclear explosions?

Mr. FISHER. Well, Article 5, which defines nuclear weapons, begs the question in that it merely states a scientific test and it does not include in that scientific test the conclusion of all known and reputable scientists as to where that leads you. That is with respect to the development of Plowshare devices by the Latin American countries themselves, not with respect to our supplying them.

There is no difference of opinion that we are permitted to supply them under this treaty, and no Latin American country would take the view that we could not. There is a difference of opinion as to whether or not under Article 5 they could develop them themselves, the Brazilians stating that—and forgive me for putting it in a macabre-like way—some day something will turn up that will be a nuclear explosive device that will have no use whatsoever as a weapon.

POSITION OF BRAZIL

Senator GORE. I had an interesting conversation with the foreign minister of Brazil recently on this point.

Mr. FISHER. Yes.

Senator GORE. And he opened the door a little, and maybe only a little. He started out by saying flatly that Brazil would have no part and would not be signatory to either of these treaties, but before the conversation was over, because of the commitment and implications of our offer to make available nuclear devices and energy for peaceful purposes, he opened the door a little that he would be open for consideration. Were you aware of that, or are you aware of that?

Mr. FISHER. Well, I was not quite as optimistic from what the Brazilians at Geneva that I have recently talked to were talking a little tougher than that.

Senator GORE. Well, our ambassador there said he had gone closer in the course of this discussion than he had, either he or his representatives in Geneva had gone.

Mr. FISHER. If that is true, that is very encouraging. When I say "beg the question," that is only in the Latin American Nuclear Free Zone Treaty, and there the Brazilians have stated at the time of the final act they think this permits the peaceful use of nuclear devices, and the Mexicans stated they did not.

ANY NUCLEAR EXPLOSIVE DEVICE

Forgive me for jumping between treaties, but in the Non-Proliferation Treaty there is not any beg the question there. If it is a nuclear explosive device, it is covered and it says either weapons or explosive device for peaceful purposes because we thought it was misleading to hold open an apparent option that some day, sometime, they would be coming down the pike with something that would explode and only blow up rock but not blow up people, but only blow up canals and not blow up buildings. I mean that we felt that just was not the case. But we were not the controlling factor in drafting the Latin American Nuclear Free Zone Treaty, but we have to make in the statement if we were to sign it—we would sign it with a statement of interpretation making our understanding quite clear.

Now, again, this Latin American Nuclear Free Zone Treaty would have no commitment on the U.S. to supply the peaceful services that would be in the Non-Proliferation Treaty.

AN OPERATIVE ARTICLE

Senator GORE. And you have already tabled that commitment as a preamble.

Mr. FISHER. Well now, as a result of the Mexican suggestion, it is no longer a preamble. It is an operative article. It is not a complete or self-executing article, Senator, and if I may I will read it to you.

Senator GORE. Yes. But I will not persist further because it may be confusing to refer——

Mr. FISHER. To one treaty and then another, that is right

Senator GORE.—alternately to the two treaties.

Mr. FISHER. Well, the way this thing finally comes down, we would sign Protocol II with a statement of understanding that says, "We think this prohibits the parties to the treaty from developing so-called peaceful nuclear explosive devices," but we would stand by our position that we will—we were willing to do them at cost for other countries.

A SIMILAR OBLIGATION FOR TERRITORIES

Now, the final statement in our signature of Protocol II would be that although it is not required by Protocol II we would also have a similar obligation or we would act with respect to the territories in Protocol II with the signatories in Protocol I. In other words, we would give the same treatment to, say, the Dutch island of Saba which would be covered by the Dutch adherence to Protocol I or to the British island that would be covered by the British adherence to Protocol I as we would to the parties to the treaties themselves.

Mr. Chairman, that is really, with one statement as to why we are doing this, it is generally speaking, we think that the work in developing the idea of a Latin American Nuclear Free Zone is worthwhile, and we want to encourage it to the extent that we can. We are not now in a position for a variety of reasons to adhere to Protocol I, but we propose to adhere to Protocol II with the statement of understanding that I have indicated.

The British have already signed Protocol I with roughly comparable statements of interpretation, Protocol I and II, with roughly comparable statements of interpretation, and there have been no screams of wrath with respect to the statement of interpretation stretching the treaty. So if there is the general sense of this group, not in any sense a commitment but in the sense that this does not seem to you to be a silly thing to do, I believe we were thinking of designing Protocol II and then submitting it to the Senate in the regular way.

GERMAN RESERVATIONS

The CHAIRMAN. I am not quite sure I know, maybe I do not get it, but supposing the Non-Proliferation Treaty does not go into effect. I know Germany—several countries have reservations as of now, is that not so?

Mr. FISHER. Some do, yes, sir.

The CHAIRMAN. How many have to abide by that, I mean sign it, to make it effective, 40?

Mr. FISHER. Well, it will be 43. The three original powers, the three plus 40.

The CHAIRMAN. It has not been——

Mr. FISHER. It has not been opened yet.

The CHAIRMAN. Somebody hands me this of February 7: Romania joins Italy and Brazil in objecting to it. I thought I saw somewhere where Germany objected.

Mr. FISHER. Well, Chancellor Kiesinger has stated that the present treaty is much improved over the previous draft, but he would like to have some further improvements. Now it depends on how ambitious his terms are for making some additional improvements.

PRESS AHEAD EVEN IF ONE TREATY FAILS

The CHAIRMAN. The point I am making is this protocol, in your contemplation, is it useful and do you intend to push it even though the other one fails, or is it complementary to the other one?

Mr. FISHER. I think it is worthwhile in itself in building a political atmosphere that gains the nuclear developments by—in the Latin American area, even if the other one fails, which I do not believe it will.

The CHAIRMAN. And the Latins, you think, would be content to deny themselves this even though the Africans do not, and so on, that you think is correct.

Mr. FISHER. Well, they have favored this treaty. There have been similar discussions of African free zones, but the African organization does not seem to be as effective a one as the Latin American one, and the Latin American countries that have pressed this treaty have done so whether or not—without relating it to any similar action in Africa.

Now, there is a compromise, Mr. Chairman, implicit in the paragraphs—one of the requirements for the treaty coming fully into effect which can be waived in paragraph 2 of the coming into effect of Article 28 of the treaty in that many of the Latin American countries that want to stand on their right, so to speak, and not to have any waivers in the treaty can require all countries in the zone to sign and ratify, can require all countries eligible to sign Protocol I, to sign and ratify, and all countries eligible to sign Protocol II to sign and ratify, and that will be quite a long time coming, because this would require both Cuban signature of the treaty and——

The CHAIRMAN. China?

Mr. FISHER [continuing]. Chinese signature of Protocol II.

A SMALLER TREATY ORGANIZATION

On the other hand, there are many Latin American countries that want to sign and waive paragraph I of Article 28. Mexico is the best example of that, and there are others that are similarly inclined to sort of create a smaller treaty association between them and I think we ought to encourage it, and I think the only way we can encourage them is to do so at this stage by signing Protocol II and by signing with the understandings I have indicated which we have discussed informally with the particular proponents of this point of view—namely the Mexican Government with no screams

of rage on their part, and, in fact, the British Government has already signed both Protocols I and II with the same statements of understanding, and there has been no statement of outrage with that statement of understanding.

The CHAIRMAN. Any questions?

Senator CLARK. I have a couple of questions.

BARBADOS AND GUYANA

This is purely technical. Why is not Barbados in as one of the proposed signatories?

The CHAIRMAN. He explained that right at the beginning. You were not here when he explained it.

Senator CLARK. I am sorry, is that covered?

Mr. FISHER. Well, it is only my speculation that they are doing it out of sympathy with their former colleagues in Guyana.

Guyana is not permitted to sign under the provisions of the treaty. They have a border dispute with Venezuela holding over from Guyanas colonial status as British Guiana and this treaty has a provison—I said some wit in the U.N. says they have either got to settle their dispute with Venezuela or go nuclear, they have no option.

Senator CLARK. What is the situation with respect to the several countries as listed on this draft treaty which you have given us who have not signed, for example, Argentina and Brazil?

Mr. FISHER. Brazil, I am afraid, if I gave you one that indicated it has not signed, that meant they did not sign the original document. I will read you the list of signatories now. Senator Clark.

Senator CLARK. Do not bother to do that. I do not want to take the time.

The CHAIRMAN. Read the ones that have not. A while ago I thought you said all but two or three had.

Mr. FISHER. All but, I believe it is, Cuba, Barbados have signed, not all at the time of the original act. Guyana would like to sign but cannot.

Now, signature, however, Senator Clark, and even ratification, unaccompanied by a waiver of paragraph I of Article 28, does not mean a great deal at the present time.

SIGNATORY NATIONS

Senator CLARK. Yes, but I would still like to know—and then let us get back to the other—whether this draft which I have been handed is obsolete, and if I can boil it down to make it as quickly as possible, this shows the Argentine Republic——

Mr. FISHER. Has signed now.

Senator CLARK. Three have.

Mr. FISHER. Yes, sir.

Senator CLARK. Brazil.

Mr. FISHER. Has signed.

Senator CLARK. Jamaica.

Mr. FISHER. Has signed.

Senator CLARK. Nicaragua.

Mr. FISHER. Has signed.

Senator CLARK. Paraguay.

Mr. FISHER. Has signed.

Senator CLARK. Dominican Republic.

Mr. FISHER. Has signed.

Senator CLARK. Trinidad and Tobago.

Mr. FISHER. Has signed.

Senator CLARK. Then everybody listed as a signatory has signed.

Mr. FISHER. Yes. We still have—of countries in the region—however, of countries that have not signed are Cuba and Barbados.

IMPORTANCE OF BARBADOS

Senator CLARK. Barbados is not important, Cuba might be.

Mr. FISHER. Well, Barbados is important to the extent that any country wanting to make a lawyer's point and insisting on its rights under paragraph 1 of the coming into force clause, Article 28, could use that as a ground for not being bound itself.

Senator CLARK. I see. What are the prospects for getting Barbados in?

Mr. FISHER. I think if the Guyana problem is solved in some way, Barbados will come along. They indicated their support of the Guyana arguments in the U.N. They were sticking up as friends.

Senator CLARK. It seems to me this is a good opportunity for my close friend Freddie Mann to get Barbados in.

Mr. FISHER. If we could get Cuba—no great disrespect for getting Barbados in—if we could get Cuba in, it would be much better.

Senator CLARK. Is our failure to sign the first protocol a serious deterrent to putting this treaty into effect?

Mr. FISHER. I do not think so, Senator Clark. If, say, Cuba were to sign and everyone else were to sign, and even China were to sign Protocol II and the only thing that kept the treaty from going fully into effect for everybody was our failure to sign Protocol I, then we would have a different question. As of now, I think our signing Protocol II is all that is expected.

OBSTACLES THAT STAND IN THE WAY OF THE TREATY

Senator CLARK. Well, but you enumerate as briefly as you can the obstacles which still stand in the way of this treaty becoming completely effective.

Mr. FISHER. For this treaty to become completely effective, we would have to have signatures by Cuba, signatures and ratifications by Cuba and Barbados.

Senator CLARK. How about British Guiana? I mean how about Guyana?

Mr. FISHER. Well, that would not prevent it because it cannot sign under Article 25 of the treaty. And so the requirement of paragraph I of Article 28 does not apply to it. This may seem strange. I can only say that I felt it was strange when I first heard this point debated in the General Assembly. But the concern of our neighbors to the south of settling territorial disputes that they regard as a holdover from colonialism seems to be stronger than their desire to have complete territorial coverage of the treaty.

COLONIAL PARENTAGE

Senator CLARK. It is not clear to me—maybe you made it clear before I came in, but looking at Article 25 for a moment, I do not

understand why Venezuela can and Guyana cannot, if there is a dispute between Venezuela and Guyana. Venezuela has signed.

Mr. FISHER. Well, because "The general conference shall not take any decision regarding the admission of a political entity"—this of course means Guyana—"part or all of whose territory is the subject, prior to the date when this treaty is opened for signature, of a dispute or claim between an extra-continental country and one or more Latin American states."

Well, that language, I see your point, it is not wholly clear, but that has been interpreted as being applicable only to the country that has—that had colonial parentage at the time when the dispute arose, and the dispute between Venezuela and Guyana arose at a time when Venezuela was Venezuela but Guyana was British Guiana.

Senator CLARK. Yes. But Guyana is not now an extra-continental country, is it? I may be thick about this, but I do not understand it.

Mr. FISHER. Well, the reference to "prior to the date when this treaty is opened to signature" is the reason. The general conference, at least, or the parties to this treaty, including practically all of the Latin American states of the U.N., have interpreted this as barring Guyana, not barring Venezuela, Venezuela being a non—not an extra-continental country at the time the dispute arose. Guyana inherited from an extra-continental country at the time the dispute arose.

The CHAIRMAN. You mean she has Great Britain's quarrel.

Mr. FISHER. Yes, she is still carrying on Great Britain's quarrel, and as long as you are still in a quarrel which you inherited from an extra-continental country with one of the boys, you cannot sign the treaty.

Now it is not for me to argue the wisdom of that other than to repeat the facetious observation I heard one of the secretaries of the United Nations make last November, and also to repeat that probably if Guyana's adherence was to become very important, this matter might be worked out somehow.

DUTCH AND FRENCH WEST INDIES

Senator CLARK. How about the Dutch and French West Indies, I did not see any reference to them.

Mr. FISHER. For the treaty to come completely in force, the French, the U.S., the U.K., and the Dutch would have to sign Protocol I.

Senator CLARK. But not the treaty.

Mr. FISHER. No, not permitted to sign the treaty. We are only—Protocol I covers the extraterritorial countries that have territories in the region.

Senator CLARK. I get it.

Mr. FISHER. Protocol II covers the obligation of the nuclear powers with respect to the region.

Senator CLARK. Is there any chance that France will sign Protocol II?

Mr. FISHER. I think it unlikely, sir.

ALL NUCLEAR POWERS NEED TO SIGN

Senator CLARK. Have you now enumerated more or less inadvertently the principal obstacles to the treaty becoming completely effective.

Mr. FISHER. I have not gotten around to the people who would have to sign Protocol II. All the nuclear powers would have to sign Protocol II.

Senator CLARK. Yes.

Mr. FISHER. We are proposing to do so. The United Kingdom has signed.

Senator CLARK. How about the USSR?

Mr. FISHER. The USSR are not sure. They abstained on a resolution approving this in the U.N., and they are not sure that they will do it.

Senator CLARK. Would their adherence to Protocol II be necessary to completely effect the treaty?

Mr. FISHER. Yes, as well as the Chinese Communists.

Senator CLARK. So we are a still a long way from the treaty becoming effective.

Mr. FISHER. We are a long way from the treaty becoming effective except as to countries who have elected to waive their requirements under paragraph 28.

Senator CLARK. Will you state for the record——

Mr. FISHER. Only one has done so far, and that is Mexico. We hope others would do so and hope our adherence to Protocol II would help that.

NO FORMAL RELATIONSHIP BETWEEN TREATIES

Senator CLARK. Did you explain before I came in the relationship between the Non-Proliferation Treaty and this Latin American treaty?

Mr. FISHER. There is no formal relationship. In response to a question, I indicated we think it is a good idea for us to adhere to Protocol II in the Latin American Nuclear Free Zone Treaty irrespective of the action taken on the Non-Proliferation Treaty, and I say that without any diminution of my enthusiasm for the Non-Proliferation Treaty which I think will be a very good thing.

Senator CLARK. What is the judgment of your agency as to the likelihood of the Non-Proliferation Treaty becoming effective in the foreseeable future?

Mr. FISHER. I am optimistic, sir.

The CHAIRMAN. What is the foreseeable future? Do you wish to give any idea, two or three years?

Senator CLARK. Make it easy for him, two or three years.

Mr. FISHER. I do not think that is beyond the realm of possibility. I do not think that—I think that it might be in two or three years we might have a treaty effective in that the three principal signatories and 40 other countries had signed but not completed in the sense that there were very important countries that we wanted to sign that had not yet come in.

LITTLE DANGER OF NUCLEAR ACTIVITIES IN LATIN AMERICA

Senator CLARK. Is anybody trying to get Cuba to sign?

Mr. FISHER. Well, we are now discussing the Latin America Nuclear Free Zone Treaty.

Senator CLARK. Yes.

Mr. FISHER. I think other Latin American countries are but with limited success.

Senator CLARK. Is it your view that as a practical matter there is very little danger of any of these Latin American countries which have signed the treaty using as an excuse the fact that Protocols I and II have not been signed by these parties to engage in nuclear activities which would otherwise be violated by the treaty?

Mr. FISHER. I think there is very little danger of that. I think there is a danger that they will use that as a device for maintaining a legal freedom which they will talk about at considerable length but will probably not exercise, meaning particularly the development of peaceful nuclear explosive devices, which is a very expensive thing to do.

BRAZILIAN INTEREST IN NUCLEAR POWERS

Senator CLARK. One of our able staff members who is an expert on Latin America has just whispered in my ear that he is suspicious that Brazil would violate the treaty if they could find the money. My guess would be they cannot find the money. What would be your response to that?

Mr. FISHER. I would think Brazil has made it clear that they would like not to develop nuclear weapons, but what they say, develop these quite diffeient things, peaceful nuclear explosive devices, which all of their government, including the military, say are very important to them.

Senator CLARK. There is no such thing, is there? You just said a while ago there is no such thing.

Mr. FISHER. I say there is no such thing. I have not been able to get my Brazilian colleagues to accept me at face value. What the reasons are for not accepting it, they will have to explain. I think a peaceful nuclear device, from my point of view, is a weapon. It may not have fins on it or not have devices to enable it to drop it from an airplane, but so far as the nuclear part is concerned it is a weapon, it is a bomb.

Senator CLARK. Could we go off the record?

[Discussion off the record.]

Senator CLARK. Thank you, Mr. Chairman.

The CHAIRMAN. Anyone else have any questions?

IMPACT ON AMERICAN TERRITORIES

Senator COOPER. I just got here. I have glanced hurriedly through it. What implications would this treaty have, if any, for Puerto Rico, the Virgin Islands?

Mr. FISHER. Well——

Senator CLARK. Protocol I.

Senator COOPER. Did we go over that?

Mr. FISHER. Let me answer quickly. None. We are only considering adhering to Protocol II at this time.

I did say in answer to a question—and this is purely personal—that if this treaty were almost, completely into effect—and the only thing stopping the treaty from being completely effective as to

Cuba and as to Chinese Communist adherence to Protocol II and everything else, I would think we would reconsider Protocol I.

Senator CLARK. I would hope you would.

Mr. FISHER. But as of now, all we are considering, sir, is not dealing with Protocol I, which extends the obligations of the treaty to the Commonwealth of Puerto Rico and other territories, and—pardon me, scratch "other"—and territories of the United States in the area. We are not considering that. We are merely considering applying Protocol II to the countries that are parties to the treaty which really means we will not station nuclear weapons in their territory and will not bomb them.

[Deleted].

PANAMA CANAL ZONE

Senator CLARK. [Deleted] the Canal Zone?

Mr. FISHER. Yes.

Senator CLARK. [Deleted].

Mr. FISHER. [Deleted] covered also but whether or not—I think in terms of—in our own—the Canal Zone would not be covered. I think the primary relevance of the Canal Zone is transit.

Senator COOPER. Is what?

Mr. FISHER. Is transit.

Senator COOPER. Yes.

Senator CLARK. You do not think the Canal Zone is protected by nuclear weapons at the moment.

Mr. FISHER. If it is, I am not sure they are in the Canal Zone.

Senator CLARK. I do not care to pursue this further.

Mr. FISHER. We have a problem as to who would bring the Canal Zone in. We have problems of sovereignty with the Canal Zone, and I would just as soon not adhere to Protocol I irrespective of what we might not or may do with Panama. [Deleted].

BUILDING A NEW CANAL

The CHAIRMAN. Does this have any implications in the Canal Zone with the possible treaty regarding a new canal in which we might want to use nuclear devices?

Mr. FISHER. No, sir, it does not.

The CHAIRMAN. No restrictions.

Mr. FISHER. This treaty itself would impose no restrictions. As your committee has advised at the time of the limited test ban, the limited test ban would have to be amended to actually build it now. There always has been some discussion as to how far you can go in testing devices to build a canal, but there is not any question when you get around to actually building it you would have to amend the limited test ban.

The CHAIRMAN. You did test a device in Nevada, I think, of which it was said it opened a crevasse of 4,000 feet long and varying from what, 25 to 30 feet wide, and I do not know how many feet deep. It looked like you almost built the canal there with one explosion.

Mr. FISHER. Well, the test of the limited test ban is whether radioactivity debris goes outside the country, and the State of Nevada has got a little more mileage between it and getting outside of the

U.S., particularly in view of the prevailing wind, than the Canal Zone has.

The CHAIRMAN. It sounds like a device where you could built a canal very quickly the way I understood it.

Mr. FISHER. But, Mr. Chairman, in terms of this committee, the extent to which this treaty would have no implication one way or the other.

The CHAIRMAN. It would have no effect on it.

Mr. FISHER. No, sir.

The CHAIRMAN. Any other questions?

Senator Cooper?

WARLIKE AND PEACEFUL USE OF NUCLEAR POWER

Senator COOPER. I think you were talking about this other problem also before I came in: Whether or not explosions for peaceful purposes are actually compatible with the sense and purpose of the treaty.

Mr. FISHER. Well, Senator, on that, I think I described perhaps a rather inept term, but I think it is accurate. As far as the development of those devices by the parties to this treaty, this treaty begs the question. It does not settle it. We think as a factual matter under the text of the treaty as now, which is a weapon which has characteristics that are appropriate for use of warlike purposes, that any peaceful explosive device that is going to be developed now or in the future will be covered as far as development of the parties to the treaty.

We also think the treaty has no prohibition about non-parties to the treaty be they adherents to Protocols I or II or not, bringing in under appropriate safeguards peaceful explosive devices and performing the sort of explosive services we have indicated we would perform.

NEGOTIATIONS IN GENEVA

Senator COOPER. Does this have any influence upon the Non-Proliferation Treaty?

Mr. FISHER. I think it will help it if for no other reason than momentum, it is a step in the same direction, and putting it on another, rather, I think it might increase a little bit the tempo of Mexican support for the Non-Proliferation Treaty at the ENDC in Geneva which may not be wholly unrelated to the fact that I wanted to come up and see the committee before the Lincoln Day recess since the satisfactory and prompt conclusions of the ENDC discussions in Geneva, which got off to a pretty good start in January, is something very dear to my heart.

Senator CLARK. Are you going back there?

Mr. FISHER. I am not sure. It depends. Either Bill or I will go back. We have an excellent representative there, Sam DePalma, and the President has given him the title of personal representative. It might be helpful to have myself or Bill back. We have not settled that, but we are not nervous because the chair is being held down by Sam who is a very capable man.

The CHAIRMAN. Any other questions?

IMPLICATIONS OF THE TREATY

I guess for the moment that is all. We will have to have little time to digest all you have told us. There are so many qualifications in here I am not sure I understand it all, but anyway I understand the general drift of it. It is rather complicated language in some of these provisions.

Mr. FISHER. Well, sir, all that is really involved is an agreement that we will not station nuclear weapons in the territory of any party that adheres to the treaty and waives the fully "coming into effect" requirement and we will not bomb them.

The CHAIRMAN. I did not mean just from our point of view.

Mr. FISHER. Yes.

The CHAIRMAN. But from the whole concept of the treaty is what I had reference to.

What our part of it is is clear, but I was thinking of how it would affect all the others, Protocol I.

Mr. Fisher. Well, as I say, all we are thinking of now, sir——

The CHAIRMAN. I. understand——

Mr. FISHER. ——is thinking of Protocol II, and to the extent that we get some indications that we might—not in any sense of commitment—but any indications that indicate that we are going to sign it sometime in the near future would not meet with your objections at this stage, it would be helpful to non-proliferation discussions.

The CHAIRMAN. Well, at the moment I have no objection.

Senator CLARK. I would urge you to do it.

JOINT ATOMIC ENERGY COMMITTEE

The CHAIRMAN. But there are some few of us here—I do not know whether Senator Hickenlooper, who is very interested in this atomic energy aspect, he could not be here this afternoon——

Mr. FISHER. I had the opportunity of discussing this thing with him.

The CHAIRMAN. What?

Mr. FISHER. I had the opportunity of discussing this with him.

The CHAIRMAN. You have already discussed it.

Mr. FISHER. Well, he had not expressed himself, but in context before another committee, I had the opportunity to discuss this before the Joint Atomic Energy Committee of which he is a member.

The CHAIRMAN. Has that committee taken a position itself on it or would they?

Mr. FISHER. They do not propose to take any formal position. I did not ask them to.

The CHAIRMAN. I assume if they have any objections, they will let us know, would they not?

Mr. FISHER. I just told them we were thinking of doing this and had a discussion, and at the same time I discussed the Non-Proliferation Treaty, and while I had some rather sharp barbs thrown in my direction by a member of the other House in the Non-Proliferation Treaty, I had no indications of objections on the Latin American nuclear free zone.

OVERLAPPING JURISDICTION

The CHAIRMAN. In matters like this where you have overlapping jurisdiction, you like to consult. If we have a tax measure, we ask the Finance Committee, their staff, if they have any observations to make. We do not necessarily have to follow them or be influenced by them, and the same with Atomic Energy. If they raised any questions, I am sure we would like to go into it. They specialize in this area, and I think they feel they should be consulted.

Mr. FISHER. Well, of course, the relations between these committees is not for me to observe.

The CHAIRMAN. I understand. I am just telling you why we ought to clear this.

Mr. FISHER. Yes.

The CHAIRMAN. I think we should.

Mr. FISHER. Thank you.

MEETING WITH THE MEXICAN AMBASSADOR

The Chairman. Well, if not, is that all you wish to say?

Mr. Fisher. There are two things, sir. I would appreciate if I could get some indication—putting it in its coldest terms, the Mexican ambassador is coming in to see me tomorrow, and they very much want us to adhere to Protocol II, sign it. They do not require it to be submitted for ratification at any time in the near future; they would like us to sign it. I do not have to give him an answer, he does not control this body, but if you could have some sort of informal discussion with our Joint Committee——

The CHAIRMAN. I did not know what you had in mind, this is what I meant. I think the other members of the committee ought to have an opportunity to express themselves.

Mr. FISHER. Yes.

The CHAIRMAN. And particularly those on Atomic Energy.

Senator CLARK. Of course, the trouble is you will never get him here, we pretty nearly have to——

The CHAIRMAN. I understand he already knows it and the staff can ask him. He is familiar with it. You just said——

Mr. FISHER. Yes, it was discussed with the Joint Committee on Monday of this week.

The CHAIRMAN. Yes. I do not think it is a great obstacle. Maybe we can ask him between now and tomorrow, I do not know.

Mr. FISHER. The other thing, Mr. Chairman, this is entirely up to you, if at some stage of the game it would be appropriate, and this may be to go into on its own bottom, so to speak, of the present status and how we got there of the Non-Proliferation Treaty. It is not necessary to do it today, but I would just like to indicate whenever the committee would like to hear some discussions on that as to where we are and where we are going, we are available.

Senator CLARK. I do not want to take the time of the other members of the committee, but if you and George can stay for a few minutes afterwards, I would like to explore that with you.

Mr. FISHER. Certainly.

Senator CLARK. I do not want to hold the other members.

The CHAIRMAN. Fine. Then the committee is adjourned.

[Whereupon, at 3:30 p.m., the committee recessed, to reconvene subject to the call of the chair.]

# THE GULF OF TONKIN
# THE 1964 INCIDENTS

[EDITOR'S NOTE.—A chief architect of the American war in Vietnam, Defense Secretary Robert S. McNamara began having doubts about the growing expansion of the war during the summer of 1966, and by 1967 had become pessimistic about the chances of stabilizing South Vietnam or defeating North Vietnam. In May 1967 he advised President Johnson that "killing or seriously wounding 1,000 non-combatants a week, while trying to pound a tiny, backward nation into submission on an issue whose merits are hotly disputed" was undermining America's image in world opinion as well as at home. McNamara proposed an unconditional bombing halt and a cap on the number of American troops in Vietnam. The president's other top advisors opposed McNamara's recommendations. On Nov. 27, 1967, Johnson announced that he would nominate McNamara to become head of the World Bank, and on Jan. 19, 1968, Johnson selected Clark Clifford as the next Secretary of Defense. Nine days before McNamara left the Defense Department, he testified at this executive session.]

**Tuesday, February 20, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10 a.m., in room S–116, the Capitol, Senator J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Sparkman, Mansfield, Morse, Gore, Lausche, Church, Symington, Dodd, Clark, Pell, McCarthy, Hickenlooper, Aiken, Carlson, Williams, Mundt, Case, and Cooper.

Also present: Senators Gruening, Morton, and Percy.

Mr. Marcy, Mr. Kuhl, Mr. Holt, and Mr. Bader of the committee staff.

[This hearing was published in 1968 with deletions made for reasons of national security. The most significant deletions are printed below, with some material reprinted to place the remarks in context. Page references, in brackets, are to the published hearings.]

**STATEMENT OF HONORABLE ROBERT S. McNAMARA, SECRETARY OF DEFENSE; ACCOMPANIED BY GENERAL EARLE G. WHEELER, CHAIRMAN OF THE JOINT CHIEFS OF STAFF, AND CAPTAIN H. B. SWEITZER, USN, MILITARY ASSISTANT TO THE CHAIRMAN, JCS**

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DISCUSSION OF EXTENDING U.S. MILITARY ACTIONS TO NORTH [P. 21]

The CHAIRMAN. According to an article written by Hanson Baldwin of the New York Times in July of 1964, the Pentagon at that time was arguing in favor of extending the war into North Vietnam. Were there, in fact, recommendations by the United States military at any time from late 1963 until July of 1964 to extend the war into the North by bombing or any other means?

Secretary MCNAMARA. Mr. Chairman, I would have to check the record on that.

When he says the Pentagon argued for extending the war to the North, I don't know who the Pentagon is——

The CHAIRMAN. Well, but——

Secretary MCNAMARA. May I just finish my answer?

I know it wasn't me.

The CHAIRMAN. Was it General Wheeler?

Secretary MCNAMARA. Whether there were any recommendations from the Chiefs recommending extension of the war to the North during that period, I can't recall. I will be very happy to check the record and put the proper answer in the record.

The CHAIRMAN. I wonder if General Wheeler knows that at this time?

General WHEELER. I don't believe so, Mr. Chairman. I think that the proper answer would be that there were certain intelligence activities, air drop of intelligence teams and things of that kind, which could have been extended to the interior, to the best of my knowledge and belief during that period there was no thought of extending the war into the North in the sense of our participation in such actions, activities.

The CHAIRMAN. You can supply any change?

General WHEELER. I will check for the record.

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INSTRUCTIONS TO THE "MADDOX" [P. 26]

The CHAIRMAN. And the *Maddox* was given orders to penetrate the territorial waters of North Vietnam and stimulate their electronic networks, assuming their territorial waters was 12 miles.

Secretary MCNAMARA. Absolutely not. The *Maddox* was specifically instructed to stay out of territorial waters and was instructed to go no closer than eight miles to the coastal area.

The CHAIRMAN. I said assuming their territorial waters was 12 miles.

Secretary MCNAMARA. But you said the *Maddox* was instructed to penetrate territorial waters.

The CHAIRMAN. Assuming it was 12 miles.

Secretary MCNAMARA. I want to just make perfectly clear the *Maddox* was not instructed to penetrate territorial waters assuming anything.

Senator LAUSCHE. What is the further language in that which gives the primary cause.

Secretary MCNAMARA. Yes, I was just trying to find the specific cable, and if I may have a moment I will find it and read from it here.

I am reading now from the cable to the commander of CTF 72, which was the task force that the *Maddox* was part of, and this was sent on 17 July its timedate code is 170531Z.

Paragraph 9 states "The primary purpose of this patrol is to determine, DRV," meaning Democratic Republic of Vietnam, "coastal activity along the full extent of the patrol track," that is the primary purpose and that was the charge given to the commander.

Now, paragraph 10:

"Other specific intelligence requirements are as follows: (a) location and identification of all rader transmitters, and estimate of range capabilities; (b) navigational and hydro information along the routes traversed and particular navigational lights characteristics, landmarks, buoys currents and tidal information, river mouths and channel accessibility, (c) monitoring a junk force with density of surface traffic pattern, (d) sampling electronic environment radars and navigation aids, (e) photography of opportunities in support of above. In addition, includes photography as best detail track would permit of all prominent landmarks and islands, particularly in vicinity of river and build-up areas, conduct coastal radar scope photograph by ship which is transmitting from Point A" which is the end of the mission.

12. Specific search location identification requirements as follows, to be conducted while the *Maddox* is in the Gulf of Tonkin, (a) to determine whether, two types of signals can be equated to a particular type of equipment, moon, Double A gong equipment, (b) to confirm any signal in frequency range of a certain level, which is a low frequency associated with submarine communication, and pinpoints location if possible.

FULBRIGHT LETTER TO NAVY SECRETARY IGNATIUS [P. 34]

The CHAIRMAN. I think we should put in the record the fact that I sent a letter on January 12 to Honorable Paul R. Ignatius requesting one of the cables relating to this question. I say this was with regard to the Senator from Ohio's observations. I will ask the reporter to put it in the record, this is January 12. I might read it. It is very difficult to translate it except by those familiar with the symbols that are used by the Navy:

In the message sent by CTU72.1.2 to AIG181 dated 04124Z the following sentence is included: 'RCVD info indicating attack by PGM/P–4 imminent. My position 19–10.7 N 107–003 proceeding southeast at best speed.

The reply to that—I will put the whole letter in—Mr. Ignatius replied that:

With respect to your letter to me of January 12, it is my understanding that the points you raised were discussed at length with Secretary Nitze, Senator Russell, and yourself. There is nothing further I can add to these discussions.

In other words, it was not supplied to the committee although it was requested.

Secretary MCNAMARA. Mr. Chairman, I am confused on that. The message that you read from has a date code of 041240Z. My information is that it has been supplied to the committee. Am I in error on that?

The CHAIRMAN. Mr Bader, has it?

Mr. BADER. Senator, we have the message.

TYPES OF CLEARANCE [P. 39]

Secretary MCNAMARA. There is another clearance which is the special intelligence clearance we are talking about, that relates to intercept information, and it is this latter clearance in particular that is at issue here, and, the staff members of this committee have not been cleared for that kind of information. So far as I know they have not requested clearance. If they do request clearance, we will be happy to consider it.

The President instructed me specifically to make information available to members of the committee members of the Congress, whether they are cleared or not. I have the information here with me this morning and I will be happy to go over it with you, but I will have to ask individuals in the room, staff members and others, who are not cleared to leave the room when I do it.

Senator GORE. Because it deals with intercepts.

Secretary MCNAMARA. It deals with intercepts.

Senator GORE. Ambassador Goldberg discussed the intercepts at the U.N. on television.

Secretary MCNAMARA. But the problem here involves an intercept with the particular traffic involved. Our intelligence analysts have gone over this and have stated the area is a danger to us in certain kinds of intercept material and disclosure of it. It is a fact that we are continuing to benefit from certain capabilities we had then and we have now which they can deny us if they knew we had certain benefits therefrom. We are under instructions to deny it other than to members of Congress and others properly cleared.

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Secretary MCNAMARA. That is correct.

Senator SPARKMAN. I think that might explain the difference between 1964 and 1966.

Secretary NCNAMARA. It might well.

WHY DID "MADDOX" NOT BREAK OFF PATROL? [P. 40]

The CHAIRMAN. I forgot that. Did you reply to why the *Maddox* did not break off the patrol when they believed they had stimulated—according to this cable, they said that the North Vietnamese regarded them as hostile and an enemy and that they were very sensitive about Hon Me. Why did they not break off at that point?

Secretary MCNAMARA. I am not certain I know which particular message you are referring to.

The CHAIRMAN. The one I read.

Secretary MCNAMARA. Yes. Can you give me the time date group on it? I think I have it here, and it is 0414 040140Z, and in that particular message he was speculating on North Vietnam's interpretation of his operations. He did not at that point consider the risks sufficiently high to break off the patrol.

* * * * * * *

The CHAIRMAN. They did not?

As to the second incident itself, I want to read a cable sent to Washington in the immediate aftermath of the second incident by the Naval Communications Center in the Philippines. I want to note, as background, that this Naval facility had monitored all of the messages coming from the *Maddox* and the *Turner Joy* during the incident. The text of the message from the Philippines, after review of all too reports from the *Maddox* and *Turner Joy*, reads as follows:

> Review of action makes many recorded contacts and torpedoes fired appear doubtful. Freak weather effects and over-eager sonarman may have accounted for many reports. No actual visual sightings by *Maddox*. Suggest complete evaluation. before any further action.

With a cable like this coming from the Philippines, it seems to raise a very serious question as to why, in view of this suggestion, at least some reasonable investigation or delay in time in order to clarify was not taken.

CABLE FROM THE PHILLIPINES [P. 54]

The CHAIRMAN. I think, Mr. Secretary, you will have to admit that this was a pretty clear warning that there were some uncertainties about the situation.

Secretary MCNAMARA. Mr. Chairman, let me make sure we have the right cable so we can all be talking about the same thing.

The CHAIRMAN. Mr. Bader, bring the document.

Secretary MCNAMARA. Give me the time date, let me get it from them.

Mr. BADER. 041727.

Secretary MCNAMARA. 071727.

Mr. BADER. Yes.

The CHAIRMAN. Will you place it in time context?

* * * * * * *

NAVAL COMMUNICATION RECEIVED FROM PHILIPPINES [P. 57]

The CHAIRMAN. To pin it down again, when was that message sent?

Secretary MCNAMARA. I believe it was sent—the number date group is 0417727Z, meaning Greenwich time, and that would mean it was sent on the 4th of August at 1:27 p.m. Eastern Daylight Time.

The CHAIRMAN. What was local time?

Secretary MCNAMARA. Local time would have been 1:27 a.m. August 5.

The CHAIRMAN. Approximately four or five hours after the attack took place.

Secretary MCNAMARA. Yes, perhaps three hours.

The CHAIRMAN. Is that approximate?

Secretary MCNAMARA. Three hours.

The CHAIRMAN. Three hours afterward and it was received in Washington.——

Secretary MCNAMARA. Essentially a few minutes.

Senator GORE. If you will yield so that I may relate something.

The CHAIRMAN. Yes.

Senator GORE. One instruction to the task force was that it search the area for debris. Was this after the search for debris?

Secretary MCNAMARA. Substantially before the search for debris. I have forgotten the exact times. I can give it to you or insert it in the record. It was the following day that the search for debris was to take place.

Senator GORE. In that connection, did they find any debris?

Secretary MCNAMARA. I do not believe so.

Senatar GORE. Thank you, Mr. Chairman.

The CHAIRMAN. As a matter of fact, this 1:37 a.m. would be on the 5th, would it not? It would have been a.m. of the 5th.

Secretary MCNAMARA. That is correct, local time. If I said 1:37, I meant 1:27, Mr. Chairman.

The CHAIRMAN. 1:27.

Secretary MCNAMARA. On the 5th.

The CHAIRMAN. The morning of the 5th.

Secretary MCNAMARA. That is correct. Local gulf time.

The CHAIRMAN. That is right.

Well now, will yeu come back to that message. Did you have something to say?

Secretary MCNAMARA. Yes, Mr. Chairman; if I may take a few minutes of your time, I would like to tell you of a sequence of conversations with respect to this subject. Because needless to say we were concerned about the question raised. Although the message itself does not state that he questioned whether an attack had taken place, it did say that many reported contacts and torpedoes fired appeared doubtful. So we began then to correlate information and ask for further views and evaluations from the commander in chief of the Pacific.

CONVERSATION WITH PACIFIC COMMANDER

At 1448 Eastern Daylight Time, which is roughly an hour and 20 minutes later, the commander in the Pacific, or rather the commander of the task force, reported to the commander in the Pacific that he was certain that the original ambush was bona fide. This is a message 41848Z. Details of the action present a confusing picture, but he had made positive visual sightings of cockpit lights or similar lights passing near the *Maddox*, and the *Turner Joy* reported two torpedoes passed near here.

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DOUBT ABOUT ATTACK [P. 60]

Secretary MCNAMARA. The commander in the Pacific at one point was in doubt—I do not believe as to whether an attack had been made, but as to the character of the attack and the details of the attack, and his doubts occurred for at least two reasons: First, because he had received a copy of the message that we referred to a moment ago, message 041727Z from the commander of the task force reporting questions about certain of the details of the incident, and, secondly, the commander in the Pacific expressed doubts because I, having seen the same message, called him on the telephone and said I had seen it. I had doubts as to the details. I wanted him to examine them, supply me additional evidence, and, to

use my words, "be damned sure" that no retaliatory action was taken until any doubts as to what went on were eliminated, at least to the point of justifying retaliation.

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ORDER FOR SWATOWS TO ATTACK [P. 68]

Mr. BADER. It is from the *Turner Joy*. But this is a summation. General WHEELER [Reading].

The commander of Task Force 72.1 reported at 0235 hours position of vicinity of Point Delta, suspect Red Shadow 15 miles to west. Skinhead radar detected on same bearing.

The CHAIRMAN. What is the time of that message?

General WHEELER. It would be 2:35 in the morning Eastern Daylight Time.

Captain SWEITZER. The day time group is 040635 Zulu.

The CHAIRMAN. The time, the local time?

General WHEELER. The local time would have been 1435.

The CHAIRMAN. Is that 2:35?

General WHEELER. 2:35 in the afternoon.

The CHAIRMAN. A.M.?

General WHEELER. No, p.m. I gave it to you first in Eastern Daylight Time.

The CHAIRMAN. You mean long before the attack.

General WHEELER. Yes.

The CHAIRMAN. This was very early in the game, before——

Captain SWEITZER. It is the afternoon. The attack took place that evening.

The CHAIRMAN. This was about six hours before the attack took place.

General WHEELER. Roughly.

The CHAIRMAN. Is that correct?

General WHEELER. That is correct.

The CHAIRMAN. It was the afternoon of the 4th at 2:30. I thought it was afterward. Read that again. I am getting the picture now.

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MEANS OF LOCATING AMERICAN VESSELS [P. 69]

General WHEELER. I have been given three answers. They could track on the wakes of the destroyers, they could have been vectored by radars on the shore, or they could have been vectored from Swatows over the horizon.

The CHAIRMAN. Well, in the *Turner Joy*'s communication of the 5th, it is hard to identify this, the date time is 050511Z,—says this: "Estimate two PTs attack originally. However must admit two factors defer. No ECM"—which I take it is electronic activity—"activity from PT boats. However, tactics seem to be to bore-sight on wake thus accounting for lack of radar signbals. No sonar indications of torpedo noises even that which passed down side. Self noise was very high."

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CLAIM THAT ADMINISTRATION HAS BEEN MISLEADING [P. 91]

Senator GORE. I do not in any sense question your patriotism or your sincerely. On the other hand, I feel that I have been misled, and that the American people have been misled. Indeed the statement that you released today does not comport with the testimony that you gave to this committee today.

I cite one instance, the statement—well, when I say testimony I mean other than the prepared statement. I read from your prepared statement:

In addition to the above

This is on page 17——

Intelligence reports received from a highly classified and unimpeachable source reported that North Vietnam was making preparations to attack our destroyers with two Swatow boats am with one PT boat if the PT could be made ready in time.

The second sentence—I raise no question about the first sentence I just read, except that the qualification of the source as classified and unimpeachable.

The second sentence:

The same source reported, while the engagement was in progress on August 4, that the attack was under way.

I submit, Mr. Secretary, you have given us nothing from the intercepted message to support that.

Secretary MCNAMARA. Let me put in at this point in the record, if I may, the four messages, starting with the first at 5:01 from Haiphong to Swatow Class T146 indicating there were two objectives, enemy attack vessels, located at a point at which the *Maddox* and the *Turner Joy* were located or located within three thousand yards of them; and the second message, which stated that——

Senator GORE. Directing them to make ready for military operations.

Secretary MCNAMARA. Make ready for military operations, again referring to the T146, and the use of T133; and the third message indicating that the Swatow boats reported an enemy aircraft falling and enemy vessel wounded, and that message coming 12 minutes after our ships reported that they were being attacked.

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EVIDENCE FOR SECOND ATTACK IS NOT SUFFICIENT [P. 103]

Secretary MCNAMARA. Mr. Chairman, may I make one or two brief comments. I do not think you will want me to take time at 6:25 in the evening to respond in full to Senator Gore's comments, because I disagree almost completely with all of them, and I think the record or the testimony today will show why.

I do want to make two points, however, that the Commander of the Task Force did not say he doubted there was any attack, as Senator Gore alleged. He specifically did not use that language, and I think the record should not be allowed to show that——

Senator GORE. Mr. Chairman, could I ask that his——

Secretary MCNAMARA. Yes.

Senator GORE. I was paraphrasing.

Secretary MCNAMARA. He raised a question about certain details, and we will put the exact message in here. It is at 1327.

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WOULD DISCLOSURE JEOPARDIZE OUR SECURITY? [P. 109]

The CHAIRMAN. Mr. Secretary, I do not like to take issue with you, but it is awfully hard for me to believe that three and a half years after that this is of any significance to current security. It is just incredible. General Johnson said we changed our—we could change our code—within an hour after the *Pueblo* was taken. If we can do it I do not know why they cannot do it.

Secretary MCNAMARA. Mr. Chairman, I am quite prepared to have this issue presented to the Foreign Intelligence Board and rely on their decision. I simply tell you that the intelligence, senior intelligence, directors of our government, CIA, DIA and NSA, state categorically that it would be a serious compromise of intelligence sources.

I am quite prepared to have my acceptance of their statement judged and overridden by a decision of the Foreign Intelligence Board, and I will put it up to them if you wish.

The CHAIRMAN. Of course, you raise this very difficult question that confronts us all along, and it seems to me the executive branch takes the position that the Congress has no function to play in foreign relations and in making war; that we should do anything and everything that the executive——

Senator SYMINGTON. Mr. Chairman, if I may, if you will yield to me for just a minute, having had some experience in this field, if you will remember when the question of Tonkin Gulf came up—and I would like to present this—that I did suggest in effect what the Secretary is suggesting today, that we get somebody who is knowledgeable in cryptography or whatever the words are, and so forth, and have him come to the committee. You remember, I am sure, I said that before we decided to go ahead, so that we could get an independent slant, I might say, on what the damage might be, which, to me, frankly, I did not know what it was.

I just figure that we are losing, well, what are we losing, three or four hundred men a week now, and so forth, and we would want to be careful. I did make that suggestion. That was before the two Secretaries went on "Meet The Press" three or four weeks ago. But I still think it was a good suggestion, and if Secretary McNamara says that he would like to leave it to, leave the decision in our hands, based on what we were told by the Intelligence Community, I would hope that the chair and the committee would give consideration to that, not as a decisive matter but something that should be considered.

The CHAIRMAN. The Senator says he has not read it. But if he reads the Secretary's statement which has been released, it is quite definite, I think, to anyone that that indicates in itself that we have broken their code.

Senator SYMINGTON. I must say that was my impression when I read it. But you never know whether it was because you knew.

The CHAIRMAN. It is a highly classified source. That is the only thing it could mean, and he has already stated in so many words

we have broken their code, and for us to say it a second time does not seem to me to add anything to it, although I personally doubt very much that they even use codes on most most occasions. They did not in Korea. They talked on the telephone.

Senator GORE. Mr. Chairman, it is nearly seven o'clock.

The CHAIRMAN. I move we adjourn.

Senator GORE. I suggest you and the Secretary talk about this privately.

The CHAIRMAN. I move we adjourn.

Senator SYMINGTON. I second that motion.

Secretary MCNAMARA. If you want my opinion, I agree with the chairman.

[Whereupon, at 6:50 p.m., the committee adjourned.]

# THE GULF OF TONKIN

[EDITOR'S NOTE.—After Defense Secretary McNamara's executive session testimony on Feb 20, the Department of Defense released copies of his opening statement, which defended the Johnson administration's interpretation of the Gulf of Tonkin incident. In it, McNamara dismissed the suggestion that the U.S. government had induced the incident in 1964 to provide an excuse for military retaliation against North Vietnam, and he added: "I can only characterize such insinuation as monstrous." In response, Senator Fulbright called another executive session for the following day.]

**Wednesday, February 21, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 2:45 p.m. in room S–116, the Capitol, Senator J.W. Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Mansfield, Gore, Lausche, Church, Pell, Hickenlooper, Aiken, Carlson, Williams, Mundt, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, and Mr. Bader of the committee staff.

The CHAIRMAN. Gentlemen, I thought we could come together and see where we are on this statement. Senator Case, I just talked to him, and he said to give his proxy to Cooper, but Cooper is not here. He thought Cooper would be here. He said he thought that—I do not want to speak for him—he thought that we should make some statement. I wanted to see what you thought about, in view of the Secretary's release of that statement, we should not release our statement and make it at least a full-rounded presentation and stand on that.

I think the implications of the Secretary's statement—as you all know we just got it, just before the meeting yesterday, I had not had a chance to read it. I think his statements about the monstrous idea of a conspiracy, nobody has been suggesting a conspiracy. We were suggesting that there was ineptitude, I guess, in evaluating their reports, and urgency beyond the call of duty to get to do something before they had a chance to evaluate what actually happened.

Even the task force commander suggested that they delay and evaluate what had happened and they went ahead and did it anyway.

Well, I think it leaves the committee, without doing something, in the attitude of having pursued a study without any justification at all. I do not think—those of you who heard the Secretary describe these so-called intercepts, none of which is in our report, incidentally which he refers to—which are clearly intercepts which certainly demolishes his idea of security because that is obviously the only thing that could be involved.

PUT THE STAFF STUDY IN THE RECORD

I do not think they prove anything at all that there was an attack or the character of the attack. But I think the committee ought to make available the staff study, put it in the record of the Senate is the proper way I think it ought to be done.

Senator HICKENLOOPER. Well, is it classified information in the staff study?

The CHAIRMAN. Not in the intercepts. The classification of the material contained is not something which involves codes. These are simply communications among our own people, and I never understood that classification was intended simply to protect our own people from the knowledge by the Senate or the country. I think that is a distortion of the idea. The idea was to protect them from the enemy. This happened three and a half years ago, and I cannot imagine how this has anything to do with security of anything. These are not code messages.

Senator HICKENLOOPER. I do not know. I was not raising objection one way or the other or approval. I merely asked about it.

MCNAMARA CLASSIFIES AND DECLASSIFIES AT WILL

The CHAIRMAN. The way he interpreted it, he classifies and declassifies at will. He puts in his own statement references to the only parts that would relate to the enemy and that is the intercepts which we do not mention at all, and he tried to base the whole thing on that basis, and we can leave those as they are, we do not purport to put any of them in. As a matter of fact, we did not have any anyway, the staff never did have it.

You heard what he read yesterday. I think it is a lot of poppycock telling everybody to go out of the room. I notice his own people stayed. These messages, I think most of them were telephone conversations, ship to shore telephone, but I do not want to make any point of that. We do not have them anyway.

But the idea of classification is protection of the integrity of our communications from the enemy. Well, this cannot possibly be involved in this. If the idea is to protect the executive from any knowledge or criticism by the legislature, well I think we have given up any possibility of having a thing to do with our government. He classifies anything he likes.

I think in view of his action—I asked him twice, I asked him at the beginning, before we met, and I asked him during the meeting not to release it. He evidently had already made up his mind to release it. He released it during the noon hour. Mr. Marcy had a call this morning from a member of the New York Times staff saying that they had had a call—James Reston, head of the New York Times Bureau, had had a call alerting them to the release before McNamara even made his statement. I do not think McNamara's

statement warrants anything other than a denial that he said what he did not say, which is all right. But he just used that as an excuse to put out the whole statement. I think he was determined to put it out anyway. I do not think that was——

Senator HICKENLOOPER. I do not think there was any question he was determined to put it out.

The CHAIRMAN. He was determined to put it out.

Senator HICKENLOOPER. The question in my mind is whether we can control releasing a statement on his own.

The CHAIRMAN. We cannot control it obviously.

Senator HICKENLOOPER. I do not think he can or should be permitted to put out a dialog that goes on between himself and this committee in the committee without the mutual concent of both.

The CHAIRMAN. I am not talking about the transcript. I asked him about the transcript. I am talking just about the staff study which study is not in his transcript.

WHETHER TO PUBLISH THE TRANSCRIPT

There is a further question that is a different question which is whether or not we should put out the transcript. I think that in the interest of public understanding the time may come that we would like to do it but I do not—under the pressure of time and otherwise—I do not think that I would want to propose that today. I think we will have to look at that and so on. It is very long and complicated but the staff study you have all seen. It is based on documents that are documents; I mean there is no speculation in it. It is just that these are the facts. The comments are interpretive of what has to be interpreted because they use this gobbledygook in these various symbols. Somebody has got to interpret these. It is just like Greek. I cannot read those documents because I do not understand them. Mr. Bader is a former naval officer, and he is the only one who knows how to interpret what those symbols mean.

But this really comes back, Bourke, to the same problem we have been struggling with on the resolution. Is the Senate and the committee, is it going to be helpless before a member of the executive and cannot look into these things, cannot understand what has gone on? Are we just supposed to be a rubber stamp and it here and cannot do anything about it?

I think he has thrown down the gauntlet and he has put out his statement ahead of time.

My idea and what I said to him, if you do not put it out and then after we have had the hearing perhaps we can put out a joint statement or we can at least put out simultaneously statements that give a picture of it.

ASSERT THE RIGHT TO EXPRESS OURSELVES

I think the committee, if it is ever to amount to anything and if Senators are ever to have any influence at all—not on this; we cannot undo it but we have got to assert the right to express ourselves and to give views about matters as important a declaring war.

I do not see how we have any real function—if we cannot do that, then I do not know what our function is.

It is a similar idea as to the resolution, that they should not make commitments without the Senate being consulted, and we

happen to be that body which, at least in the first instance, is concerned. If we do not do it, I think we are just a useless appendix on the governmental structure if we do not take some stand on participating in decisions.

Now, in this case it is a stand of reviewing what has been done. I cannot see any reason why we should not at least put our version of what it is, and then it has to stand on its own feet.

The American people are really the ones involved. Here they are in a major war, and I think one of the reasons why there is great confusion and dissent, we all have our views about it, one of the reasons is that they have not been told the whole truth. They are not being told the whole truth.

THE PRESIDENT IS NOT GETTING A TRUE PICTURE OF THE WAR

You heard the other day two of the best reporters we ever had and they tell you and tell me—and I have no reason to doubt their sincerity—that we are not and the Government is not getting—I mean the President is not getting a true picture of what is going on. Is that not right?

Senator HICKENLOOPER. That is what they said.

The CHAIRMAN. McCullough. We had two up here, and I had dinner with another one. I had dinner with a man Martin, the *Newsweek* man who was kicked out over there. Here is Frank McCullough who was Life-Time representative for four years in Vietnam and Ward Just, Washington Post. Both of these have been very much in support of the war. They are not what you call doves. They have no—they both said—McCullough said to you, "When I went out there"—he had been a former Marine officer—he said, "I was all for the war," I believe is about it. He said, "After observing it," he said, "I have changed my mind." Not because he is not willing——

Senator HICKENLOOPER. Changed his opinion basically because of the manner of the conduct of the war.

The CHAIRMAN. Well, that is right. But he has changed it. I do not know how you can impute—I cannot—these are not friends of mine, these are just—as a matter of fact their magazines and papers have been some of my most severe crities. I had nothing to do with—McCullough, the first time I ever laid eyes on him is when he came over here and I do not see any possible incentive for men like that to misrepresent the case, whereas if you are a member of a government organization, there is great pressure to conform. We all know that. I mean it is just inevitable in this case.

MCNAMARA TREATED THE COMMITTEE SHABBILY

But I think this has to do with the committee. I think Mr. McNamara treated us very shabbily by putting out his statement against our request not to do it so that we would not be pushed into it.

We have held this report around here, the leaks have been minimal, I do not know of anybody who has had one, there have been occasional references to it for over a month, and he comes up, prepares his statement and gives it to the press immediately against our request not to give it, so that we would have time to adjust our own thinking about it and see maybe to correct it or change it if there is anything new.

A SECOND PRISONER

There are several thing about it that raise further questions to me. I do not understand—when I talked to Nitze only a little over a month ago, he never mentioned this second prisoner they had last summer, never mentioned it at all. He said they rest their case entirely—not entirely but primarily upon that one intercept which said, "We have shot down two airplanes and have damaged a boat."

Senator HICKENLOOPER. Did McNamara not claim they did not know about the second prisoner until a few days ago?

The CHAIRMAN. But it seems funny to me they did not know about it last summer. He said they only discovered it last week.

Mr. Marcy, I think you might read it for some of the information, that in the hearing we had in 1966, I forget why we had it, but we did have it about Tonkin, Frank. John McNaughton, who was a high official in the Pentagon, he certainly did not take the position that the three-mile limit applied. I mean it was quite clear that in his mind, without saying so in so many words, that was the limit. It never occurred to me nor did it to the staff they were going to try to base it on that ground. I do not think it makes a lot of difference as to whether or not there was provocation, it makes some, but it was a complete surprise, and yet he puts it out without ever intimating that nor did Nitze when I spoke with him with Dick Russell, he did not mention any such thing. It never occurred to him, I do not think, until their boys began to develop this report.

MAKING A CLOSED HEARING PUBLIC

Senator LAUSCHE. What about the position of a member of this committee who is told it is a closed executive hearing, and he proceeds under the assumption that it is a closed executive hearing. Subsequently you say to him, "We are going to change it and make it an open public hearing."

The CHAIRMAN. Well, I do not think they ought to do it, if you are talking about McCarthy's statement.

Senator LAUSCHE. No, I am talking about releasing the whole record.

The CHAIRMAN. We are not talking about the transcript, Frank. I made the distinction. I am not now talking about the transcript which involves the hearing. I am talking about the staff study only. If you want to go into the transcript, that is another matter. I am not talking about the transcript at all. That is a different matter. It would require considerable, I think, thought and work on it. I am talking about the memorandum that was prepared by the staff, which was based upon the documents, included none of the addendum, none of the references at all to any letters or to any of that business, only the memorandum based solely upon the documents.

Senator COOPER. What is the problem about it now?

The CHAIRMAN. What?

Senator COOPER. What are you suggesting now?

The CHAIRMAN. All I am suggesting, John, it seems to me we are left in a very difficult position having engaged in it in view of the Secretary of Defense's releasing his statement which has some very equivocal statements in it, in my opinion, and casts reflection upon the committee. I mean it leaves the impression we had no justifica-

tion at all to even raise the question. It says it is monstrous in that anyone suggest that he was engaged in a conspiracy. Well, no one suggested he was in a conspiracy, but that is what you deduce from what he said.

ARGUMENTS BASED ON EVIDENCE

What I am suggesting is only the memorandum. I think it should be put in the record with a very short introductory statement to the effect that in order to give a balanced view of this affair, the Secretary having released his, this is the view of the staff study of the committee. That is all. I am not going to make any arguments about it.

Senator LAUSCHE. The staff, however, makes arguments throughout its whole document as distinguished from submitting reports.

The CHAIRMAN. Well, they are based on the documents though. I do not think any of them are not relative to the documents, and those documents being written in a very highly specialized language with all kinds of symbols have to be interpreted. If you just put the documents out, it would unintelligible to most people.

PROTECTING OUR OWN COMMUNICATIONS

Senator PELL. Excuse me, the one you are talking about is the top secret memorandum of January 17.

The CHAIRMAN. That is all.

Senator PELL. But it would seem to me from a technical viewpoint, security viewpoint, that this document is more than half extracts from radiographic.

The CHAIRMAN. No, these are not the intercepts.

Senator PELL. No, no, our own traffic.

The CHAIRMAN. These are not with the—I do not think the classification is designed to protect our own communications from our own people.

Senator PELL. Excuse me. Then there has to be a paraphrase. You cannot release——

Senator HICKENLOOPER. That is the point.

Senator PELL. You cannot release our own traffic when it comes through classified channels, I am sure.

Senator HICKENLOOPER. If we give verbatim our own traffic verbiage.

Senator PELL. You can do a paraphrase.

Senator HICKENLOOPER. If gives the key to our code.

CHANGING THE CODES

The CHAIRMAN. This is almost four years ago. When the *Pueblo* came up, for example, we asked—General Johnson was asked about this down at the White House. He said, "We changed our code within an hour after the *Pueblo* was taken," and I do not think there is the slightest chance that we could find out, I think, but I do not think they use the code now they used three and a half years ago.

Senator PELL. No, but they use the same systems. I may be wrong. But this is a thing that a technical man can say. I used to be a communications officer.

The CHAIRMAN. He said that the other morning when he was asked about what is our situation now that they have the *Pueblo* with all this equipment. He said it is no problem, we can change it within an hour.

DEFENSE DEPARTMENT RELEASED EXCERPTS

Mr. MARCY. If I can just say, Mr. Chairman, the Department of Defense on August 14, 1964, released excerpts of this communication in the article.

The CHAIRMAN. They release whatever they like.

Mr. MARCY. To Time Magazine.

Senator HICKENLOOPER. Were they excerpts?

Mr. MARCY. No, exact quotations.

The CHAIRMAN. Exact quotations, a check on the documents which we have since got.

Senator HICKENLOOPER. Maybe they are paraphrases.

The CHAIRMAN. They are not. I think they do this any time they want. I think this is an intolerable situation for us to accept, that we are absolutely bound and he can do as he pleases. Whatever suits his purposes he puts in, and he gives this to Life Magazine. Was it not Life? It looks like Life.

Mr. MARCY. Life of August 1964.

The CHAIRMAN. We have the exact messages. I think that is all a lot of hooey as far as endangering our security now. If it happened last week or yesterday, but this is three and a half years ago.

RELEASING STUDY TO THE PRESS

Senator COOPER. Is this record going to be released to the press?

The CHAIRMAN. Not the record, John, only the memorandum prepared by the staff is all I am talking about.

Senator COOPER. That is what I am talking about. Are they going to release this memorandum prepared by the staff to the press?

The CHAIRMAN. I was going to present it to the Senator and then—

Senator COOPER. We are not deciding it should be released to the press.

Senator HICKENLOOPER. It would be.

The CHAIRMAN. If we put it in the record, it would be available to the press just like his was. He gave his statement to the press yesterday afternoon.

Senator LAUSCHE. What about ascribing to me or some other member of this committee that we approve of what the staff has argued?

The CHAIRMAN. No.

Senator LAUSCHE. It is not speaking for me.

The CHAIRMAN. It will be released as a staff study of the documents submitted to the committee. I would not say I approve or disapprove of it. Actually that is what McNamara's speech was. I doubt very seriously if he prepared it. He does not have time. That was a staff study by the Pentagon is what it was. It has to be in the nature of that.

Senator PELL. But he took full responsibility for it.

Senator HICKENLOOPER. Of course.

The CHAIRMAN. I will take the responsibility if that makes any difference.

Senator LAUSCHE. But I will not.

The CHAIRMAN. That is all right.

MCNAMARA WILL NOT TESTIFY IN PUBLIC

Senator WILLIAMS. Will we be able to get McNamara up here tomorrow or Friday?

The CHAIRMAN. He said he would not come.

Senator WILLIAMS. Get him back and just have an open session?

The CHAIRMAN. He would not come in open session. He has turned us down in open sessions.

Senator WILLIAMS. That is right, we will have him in an executive session just like we had before and we will just change our mind the same as he does.

Senator HICKENLOOPER. He had one here yesterday.

Senator WILLIAMS. I know that——

Senator HICKENLOOPER. You mean you are going to tell him this an executive session but when it is over we are going our mind.

Senator WILLIAMS. No, start it executive and then suddenly just open it up. I voted against the holding of these public sessions because I did not think it would do any good and I voted yesterday to keep this executive but frankly I do not think he had a right to go ahead and release this without at least coming back to the committee and explaining why he did.

MCNAMARA'S REMARKS WERE PREPARED FOR PUBLIC CONSUMPTION

The CHAIRMAN. John, I asked him before we even started not to and then in the course of the meeting I said I hope——

Senator WILLIAMS. I was here when you did, and I supported that position.

The CHAIRMAN. And he did it anyway, and he had obviously made up his mind he was going to do it. They prepared that for public consumption and I think it was a very unfair procedure.

Senator MUNDT. His last paragraph was obviously for the press and not for the committee. That was the tipoff.

The CHAINNAN. Of course.

Senator MUNDT. That last afterthought paragraph.

Senator HICKENLOOPER. There was not any question when he as sitting there he was going to release it.

The CHAIRMAN. I hoped he might change his mind. I agree he never did say he would not, but he did not say he would do it.

Senator HICKENLOOPER. My position is that he had a right to release it.

The CHAIRMAN. Then I think we have a right to release.

Senator HICKENLOOPER. We have a right to release what we wish. But he has no right to release the verbiage of a give and take hearing.

The CHAIRMAN. You mean the transcript.

Senator HICKENLOOPER. Dialogue between—yes, between the witness and this committee.

The CHAIRMAN. That is not what I am talking about.

Senator HICKENLOOPER. And I think the committee should not release a dialogue transcript unless it were submitted to the other

side for possible—as we usually do—for possible security and things like that.

SUBMIT TRANSCRIPT FOR REVIEW

Senator PELL. Why do we not do exactly that? Why would that not be the answer to it? Submit it to them for security. They had to take the court reporter out for things that were in it, and that is——

The CHAIRMAN. That was the second step.

Senator HICKENLOOPER. He is not talking about that at all.

The CHAIRMAN. I am not talking about that at all.

Senator PELL. That will meet the objectives that the chairman has.

The CHAIRMAN. Of course that will come so late, because they can stall. It usually takes a long time if you submit it to them.

Senator PELL. You cannot press it, for them to do it in so many days?

The CHAIRMAN. They just do not do it.

Senator MUNDT. They did it fast in the MacArthur meeting when Dick Russell did it.

The CHAIRMAN. But under the arrangement they did it.

Senator HICKENLOOPER. They did it within 15 minutes after testimony was given.

The CHAIRMAN. Yes, they had a regular routine on it.

Senator MUNDT. Prod it. "We want to release this—we expect to release it for Sunday's papers; that gives you a chane to sanitize it if you want to."

GETTING INTO DEEP WATER

Senator HICKENLOOPER. I do not know what is in the staff study. When I read it, I thought there was a lot of classified stuff in this staff study, and I would not be for releasing it, and there are some conclusions in it. But if it is not highly sensitive and injurious material, I assume the committee would have a right to release what the committee wanted to or that portion which is not highly classified or injurious. But I think we are getting into deep water here now. I do not think the Secretary helped it any. But we are sure getting into deep water. We can injure our country more than it has been injured already. I think we have had maybe not a mortal wound or two, but we have been wounded, and——

Senator MUNDT. You mean militarily. You do not mean as a result of these hearings, do you?

Senator HICKENLOOPER. Well, I think partly as a result of what has gone on in the diversified comments that are free-wheeled by a lot of people, and I think we have created the idea that this country is just hanging on a little longer over there and we will turn tail and run in Vietnam. Maybe we will, I do not know, but we have given aid and comfort to the enemy I think right down the line in the last several months.

It makes it very distressing to me anyway, and I am not in full agreement with everything that has gone on over there either so far as that is concerned. I do not think we help ourselves if we drag all the family skeletons out of the closet right in the midst of an emergency.

THE ROLE OF THE SENATE FOREIGN RELATIONS COMMITTEE

The CHAIRMAN. I do not think we help ourselves by just abandoning any function on the part of the Senate of the United States. I do not have that much confidence in this administration or any other. I think the Senate and this committee have a role to play, and I think I certainly take my share of the blame in not having played it properly and adequately in the past because I had too much confidence in their own judgment.

I think if we are going to be subject to the kind of treatment we had yesterday, and their willingness to take advantage of the press and put out their statements as they did, I do not see much function that we have to perform. We are completely at their mercy on expressing ourselves in any meaningful way. I do not think we ought to accept it. I do not want to accept his version of it, because I do not think it is correct. I think it is highly prejudicial to the committee and to—well, to the truth primarily.

I think we ought to make some effort to balance the record and then of course it stands up or it falls on its own merits.

Senator HICKENLOOPER. Mr. Chairman, I agree with you in many particulars. A good many years ago, and this gets back into antiquity, at one time I was chairman of the Joint Committee on Atomic Energy, and I was all prepared with legal briefs and everything else to mandamus the Atomic Energy Commission to produce certain documents that they refused to produce on the order of Harry Truman. Finally Harry Truman produced them. We did not have to go to court. I do not think the court case would necessarily have stood up. But we—on several occasions we have got to try to defend the rights of committees, but we have become subservient and supine.

The CHAIRMAN. I think so, too.

TAKING ORDERS FROM THE ADMINISTRATION

Senator HICKENLOOPER. We have taken the orders of the administration, whether it is the Eisenhower administration, whether it is the Truman, Kennedy or Johnson, administration. We have become subservient to the administration, this committee and other committees.

The CHAIRMAN. That is correct.

Senator HICKENLOOPER. That does not mean we ought to go out and commit a lot of indiscretions which are basically harmful to our country, and I am not so sure that is what I meant a minute ago when I said we are probably getting into deep water on this thing and maybe we may be up to our nose right now. I do not know. But we could pursue this to the point where it will do us irreparable damage, if it has not already. I do not mean this necessarily. But a lot of these things I do not approve of myself.

The CHAIRMAN. I just do not see how he can justify that. We voted in here, in this committee, and then we, I did, and he quotes it, my language, in his statement as if that was all initiated with me. All I was doing was repeating what he told me. I believed it all then, what the testimony was here. I said it on the floor just as he said. Why he went to all the trouble of quoting me, why he did not say that is what he said then, and and he uses it in his

statement as if I was the sponsor of this thing—you would think I originated that resolution.

MCNAMARA'S TESTIMONY WAS ENTIRELY DIFFERENT

You know the facts, he brought it up here and he justified it, and if you look at what he said on the 6th of August 1964 and compare what he said yesterday, it is entirely different, very different.

Senator HICKENLOOPER. Bill, there is no question in my mind that document yesterday was written for the purpose of releasing it.

The CHAIRMAN. Yes.

Senator HICKENLOOPER. I thought so yesterday and I still think so. And while I may not approve of it, I mean of the procedure, yet I think he had a right to release it just as we have a right to release on behalf of the committee——

The CHAIRMAN. I do, too.

Senator HICKENLOOPER [continuing]. Our opinions. The only test should be our responsibility in releasing something that could be unwarrantedly injurious or harmful to our national interests at this particular period in time. I think that is the test. It is not a question of right. We have a right to do it.

Senator LAUSCHE. If we release the staff report, it contains opinions of the staff and not opinions of the members.

Senator HICKENLOOPER. I got my fingers burned on that a little while ago myself last year.

The CHAIRMAN.Well, his statement is the opinion of his staff, that is all it is really. He has to prepare it the same way. That is his staff study is what it is.

Senator MUNDT. I know what you mean.

Senator HICKENLOOPER. With Karl Mundt's assistance, you okayed it, you seconded the motion. You sure did.

WE CANNOT UNDO HISTORY

Senator MANSFIELD. Mr. Chairman.

The CHAIRMAN. Senator Mansfield.

Senator MANSFIELD. Mr. Chairman and gentlemen——

The CHAIRMAN. Will you listen to Senator Mansfield.

Senator MANSFIELD. I am sure that every member of this committee knows about my deep feelings and misgivings about Vietnam, and they are deep, and they are strongly felt. But I am also concerned about the spreading divisiveness in this country. And rather than pull further apart from the administration, it might be better if we tried to get a little closer and endeavor to influence them a little more.

I feel like George Aiken, three and a half years of history, you cannot undo it. It is done. But the important factor is what lies ahead of us in the next three months, the next three years, who knows maybe for a longer period than that.

I am not at all sanguine about the situation in Vietnam or in Korea. I do not believe this stuff about how many people we have killed, and the reports are beginning to indicate that they had been overinflated tremendously. I do not believe this stuff that what has happened in the last month in Vietnam has been a resounding victory for us and has brought about more security and stability to

the Vietnamese government. Quite the contrary. I think the groundwork is laid for a deeper and bigger and more expensive American involvement; we cannot get away from it. We are in a box and we do not know how to get out of it.

I do not care what your feelings are or how you label it. I think deep down every member of this committee would admit it.

But if you release a report like this, Mr. Chairman, I think you are just throwing this stuff up against the fan. You are going to increase the divisiveness in the country. You are not going to better the influence, such as it is, that this committe has, which in reality it does not have but should have. And I would hope that some recognition of the difficulties which confront us now and lie ahead for us in eastern Asia, and I include Korea, that that would bring about a feeling not that we ought to retaliate but we ought to exhibit statesmanship if the administration cannot. I would like to see it come to such a pass that this committee would go down and have a heart to heart talk with the President alone to tell him how we feel and to see if he would not maybe take some of our guidance, because some of it may fit in.

He does not know it all. Rusk does not know it all. McNamara does not know it all.

When we get out among our own people and we know how they feel and we know how we feel and we know we are the ones who have to vote for added manpower, added appropriations, draft bill extensions and the like.

MOVE CAREFULLY AND CAUTIOUSLY

So I would hope, Mr. Chairman, that we move carefully and cautiously and place the interests of the country first ahead of party or committee or the institution and see if there is not some way that we can bring about the recognition which is due this committee and the Senate as a body and see if we cannot develop some way in which our influence, for whatever it may be worth, could be felt more.

But you release this report—I am sorry he released the McNamara report yesterday—you have got a first-class war beginning again. It would not benefit the administration; it would not benefit us; it would not help the Senate. It will divide the country further and you will give people who are not too interested in facts a chance to exploit them and to magnify them out of all proportion. And I think we have another situation confronting us in addition to the war in Vietnam, the possibilitly of a war in Korea, the coming difficulties in the urban areas this summer, all these other problems, which are so many for which answers are so few.

In my opinion, gentlemen, I think we are living in the most dangerous period in the history of this Republic, not excluding the Civil War, and I think if any statesmanship is going to come, it is going to come from this committee and this Senate, and we ought to think this over pretty carefully.

Senator LAUSCHE. Those are my thoughts.

HOW CAN THE SENATE EXERT INFLUENCE?

The CHAIRMAN. Well, those are mine, too. The only difficulty is, What do we do to have any influence? I agree with your thought

that I think they would have been much better off if they had taken some counsel of this committee and the Senate.

Senator MANSFIELD. So do I.

The CHAIRMAN. But they have not, and now the Secretary goes off on his own in this fashion, and I do not see any way to make them take any notice of it. We have all—you have certainly as much or more than anybody tried to influence them, and we obviously are ignored just as we were yesterday when we asked him not to make his statement public. As I have already said before you came in, we only received it a few minutes before the meeting started. He read it very rapidly. Senator Case had to ask him to read it a little slower so he could follow him and he had obviously determined to make it public before he came in here.

It is a question. of is this committee going to have any influence or are we just going. to take whatever they say and do and with no response.

I particularly feel it, as he said in here the staff gave me the quote—he said, "With respect to the legitimacy of those South Vietnamese operations, you, Mr. Chairman, stated during the Tonkin Gulf floor debates," and then he gives me the quotes. Well, everything I said was based upon a belief that what they told us was the truth. I had not the slightest doubt but what they said was the truth, and I have plenty of doubts now. I think it was very questionable, the statements that he made, and he himself revealed yesterday the differences between the facts and what he told the committee.

I think this is very shabby treatment of the committee. If we do not do anything and just take it, they will certainly continue to do it.

A MOST DISASTROUS COURSE

I do not know how you expect to influence the administration. I agree with everything you said about the danger. I think he is going to plunge on into a million men by this time next year very likely. He already has given notice that 525,000 are not enough. I see no indication of his capacity to stop the escalation of this war which I think is even more desperate and more damaging, and he talks about we are fighting communism. If there is any way to lose the battle to communism, he is following it. I think it is a most disastrous course if you are not interested in promoting the cause of communism, and I certainly am not. I think he has already weakened us, and I have tried every way I know to influence his judgment, but he seems to think the Secretary of State and Rostow know it all. I think they are completely bemused by their past commitments, and I do not think they are capable of making a change. If the committee is not going to influence him, I do not think anybody is. I do not know who can. But I do not mean that this report in itself will do it. But I think the committee, accepting the Secretary's action and doing nothing about it as if that is the last word, is in a very weak position where no one will pay any attention to us at all.

I personally—I am not going to accept it, just as an individual Senator, in the way he presented that thing. I will have to make my own remarks, but of course I am not going to give the report

on the Senate floor without the committee's approval because it is a committee document. But I might as well say I am not going to remain silent in the face of that statement he made yesterday.

Well, I think it is up to the committee. If you do not want to say anything and just want to keep it secret and sit on it, why that is your privilege. I think it is a very important matter, and it is right in line with the resolution which we voted on unanimously in this area. This committee has a role to play that as Senators we are not just rubber stamps and we are supposed to have an influence. If you do not wish to or you think it is unwise to in this instance, that of course is the privilege of yours, that is your function.

HOW WILL THIS SERVE THE COUNTRY?

Senator LAUSCHE. Bill, I have been trying to analyze in my own mind what are we trying to prove: One, that the United States made the attack upon North Korean boats. Two——

Senator MANSFIELD. North Vietnamese.

Senator LAUSCHE. Yes, North Vietnamese.

Two, that we deliberately planned a situation where we precipitated the North Vietnamese to attack us.

Three, that we never were attacked and that the statements which were made are untrue.

Four, that McNamara did not tell the truth.

How is that going to serve our country at this time? I do not care which objective you have, you cannot help our country by trying to prove anyone of these four conditions.

Now, there may be others, other objectives. One, that we initiated the attack. Two, that North Korea shot at us.

The CHAIRMAN. Not Korea. You keep saying that.

Senator LAUSCHE. North Vietnam.

Three, that McNamara did not tell the truth, and, four, that we plotted and planned and designed a situation which precipitated the North Vietnamese to strike us.

THE EQUIVALENT OF A DECLARATION OF WAR

The CHAIRMAN. The most offensive thing he said was that last one, that we were alleging he had plotted and planned in the nature of a conspiracy. I do not think any of those alternatives that you state are accurate or supported by the record. The record, I think, does support that this was a very uncertain incident that took place, and they resolved the uncertainty precipitately and took retaliatory action far beyond any justification of the event and caused us to take action which was the equivalent of a declaration of war. I think it is very important as to the future conduct of the executive and the Senate that this is not a way for a responsible nation to perform.

It is not a conspiracy at all, but it is a very questionable procedure they follow in making this kind of a decision, and I think the documents support that.

When you get the task force commander of their own force sending a telegram at the last minute that this whole thing should be re-evaluated before any further action, I think one of the key messages from Hedrick, the commander, and they go right ahead any-

way, because the momentum was already established and they went on.

Now, this may not be significant, I think it is, as to the conduct of our relations. If this is the way they are going to go ahead, they are going to the same thing with nuclear weapons. I think it is probably the next step, if they feel like doing it, they are not going to tell us about it, they are going to start using them. Maybe you think they should, but I think in a matter of that importance this committee ought to know about it.

NO REPLY TO COMMITTEE'S LETTERS

We have already—for example, the way they treat the committee. Within the last few weeks, we wrote a letter to the President asking him to make Rusk available. I think it was on your motion. We have had no answer at all. The hell with us, they do not even answer the letter.

We also wrote a letter to Rusk with regard to the *Pueblo* affair. I did not initiate these, members of this committee did, suggested it in the name of the committee, write to him and ask them.

Senator MUNDT. Those 20 questions.

The CHAIRMAN. I have had no reply to either letters, and they wait to suit themselves. This is their general pattern of their conduct. Even in this matter of these other documents they waited weeks and weeks and finally they did not produce anything hardly on this, on the Tonkin thing until Dick Russell—we had a meeting in Dick Russell's office, Nitze set it up, and Dick Russell said, "You ought to make it available." On the strength of this committee's request they just ignored it. I mean they acknowledge it and we get nothing. We never did get all of it. They did not even know what Dick told them to do as was evident yesterday. He told them in my presence, "You should make available to the committee all relevant documents." The fact of the matter is they did not even pretend to do that. I mean in the final analysis he never did make them all available. They only made some of them, and the important ones we had to find out from other sources what they were before we made a specific request, and then they finally got them here.

HOLD PUBLIC HEARINGS

Senator WILLIAMS. Could we not achieve the same objective by opening public hearings on the foreign aid bill next week and just start hearings on that and you would automatically have, them down here, that is unless they did not want the bill.

The CHAIRMAN. Well, Secretary Rusk is of course not really competent on these subjects.

Senator AIKEN. Mr. Chairman, the Secretary of State told me last night that he would be up here I believe the 11th of March to testify in open session and believe it or not he was smiling broadly when he said it. You can interpret that to mean what——

Senator PELL. Before what committee?

Senator AIKEN. He was coming up here to testify.

Senator PELL. Foreign Relations?

Senator AIKEN. The Secretary of State.

Senator HICKENLOOPER. Before the Foreign Relations Committee.

Senator AIKEN. Before the Foreign Relations Committee.

Senator MANSFIELD. George, would, you yield there?

Senator AIKEN. Yes.

Senator MANSFIELD. Would you yield there?

Senator AIKEN. I do not have the floor. Somebody yielded to me.

The CHAIRMAN. Yes sir.

Senator MANSFIELD. Well, I would say that in a certain sense the committee is achieving its desire because I have an idea that while he is coming up here on foreign aid with Mr. Gaud that Mr. Gaud would not testify that day and that the questions raised by this committee will cover the rainbow, and many of the questions which have been on our minds and which we would like to find out about can and will be asked that day and it would be my assumption that the whole day would be devoted to Mr. Rusk in open session. And in that—it is the achievement of the objective which counts, not really so much whether or not we get a letter in return. The committee for the first time is getting him in open session where they can ask him any question they want on any subject.

Senator AIKEN. And the cameras.

Senator MANSFIELD. And the cameras are there, and I would assume that on the basis of conversations held in this committee when this matter was discussed before, that he would be treated with decorum, and that if he said that these are questions which would be answered better in executive session that the committee would honor that, as it always has, and that all members, I would hope, would get a chance to ask questions which are first and foremost in their minds.

So you are getting the objective because Gaud is going to come along, and the weapon is being used, not the weapon, but the vehicle is the foreign aid program, but you have got Mr. Rusk there in the open, vulnerable or invulnerable, all depending.

Senator GORE. It may be a good way to do it.

The CHAIRMAN. Of course he will not be prepared to talk about the Tonkin Gulf. It is not really within his knowledge, I do not think, or his jurisdiction. We cannot go over this matter. That is an entirely different subject, and I do not think he should be expected to answer questions on it.

Senator AIKEN. Mr. Chairman, I think if he is not willing to answer questions, general questions, in regard to our international affairs, that we would not be bound to proceed with the foreign aid bill very fast.

Senator MANSFIELD. I am sure he would answer them, George.

Senator AIKEN. He would answer them.

The CHAIRMAN. I would not expect him to know the answers as to what we had yesterday.

Senator MANSFIELD. Insofar as he can.

Senator CHURCH. Mr. Chairman.

The CHAIRMAN. Senator Church.

### THE TRUTH IS TERRIBLY IMPORTANT

Senator CHURCH. I have listened to the inquiry that Senator Lausche put to you about what our objective is. I had supposed our objective was to attempt to ascertain the truth, and then the question was: Is it then our responsibility to disclose the truth about

an event that was used for purposes of justifying the assault we have since directed toward North Vietnam? And a resolution that the President has since repeatedly referred to as his congressional authority to proceed.

I think historically the truth about this is terribly important. I think that is an issue.

As far as what influence this committee has with the President, it has none and it will not have any until we agree with his policy and attempt to assist him in implementing that policy. with him or his agents. But, on the other hand, as I said today in the Senate—and I do think that if we have any disagreement with the policy—and we obviously do—there are ways that we can force changes on the policy if we will.

I do not know that a disclosure at this time would have any influence on the administration, but I do know ways that it could be influenced. We would not raise the gold cover. We would no do those—agree to those measures that are necessary to sustain perpetually such a policy. We could effect changes.

I have not been here through all these hearings. I am not going to talk very long. I am going to look at the record and read it and try to apprise myself fully of it. I want you to have any proxy on this matter in the interim. But I think the issue is the truth and what responsibility this committee has to disclose the truth on a matter of vital importance affecting not only the course of events but an awful lot of American lives.

The CHAIRMAN. I would say that you have expressed it when you say the truth is it.

MAKE THE TRUTH AVAILABLE TO THE PEOPLE

It strikes me that in a democracy you cannot expect the people, whose sons are being killed and who will be killed, to exercise their judgment if the truth is concealed from them. I do not like to take the responsibility of making all the decisions when they do not know what is going on.

The one thing we can do, if we cannot influence the President's judgment, we can at least make the truth available to the people and they have to vote, that is their function. I would feel guilty myself if they are faced with elections, as they are going to be, and not knowing and being confused and not having had access to the truth of what happened, and I think our memorandum makes a greater contribution to it than the Secretary's. But nevertheless it is two different views of the same incident. But I think that is the one thing we can do, and I think one of our principal functions is to make available to the people what actually happened.

Well, it is up to the committee.

U.S. DID NOT PUSH THE NORTH VIETAMESE INTO AN ATTACK

Senator LAUSCHE. Mr. Chairman, on the basis of the testimony that I heard, it is my conclusion, one, that we did not designedly and by, plan push the North Vietnamese into an attack upon our ships. Two, that we were not in the territorial waters of North Vietnam.

Three, that an attack was made upon our ships, both on the 2nd. and the 4th of August.

And fourth, that we did not make an attack upon them except in return for their attack that was made upon us. That is my finding of the truth.

Senator MUNDT. Mr. Chairman.

The CHAIRMAN. Senator MUNDT.

NEED FOR MORE CAUTION AND PRUDENCE

Senator MUNDT. I find myself very badly perplexed by this whole sequence of events. As most of you know, I did not approve going into the Tonkin Bay resolution to begin with, purely on the basis that I had accepted as valid what we had been given the report of the committee would verify. As a matter of fact, when I got the committee report, the staff report, I did not even read it until we heard it in the committee, and at that time I was kind of shocked out of my happy feeling that everything was just according to the picture. And I think that we have achieved some good by what we have done so far, because I am convinced that this administration or any successor administration is going to be mighty careful in sending up another resolution to be sure that they can prove all of the points.

In hindsight, as well as looking ahead in this regard, I have the feeling that if we had gotten this Tonkin Bay thing much earlier, we would never have had the kind of *Pueblo* incident that we had, there would have been more caution, more prudence displayed, they would have had air or sea cover or something behind it.

Senator PELL. Would you yield at that point?

And probably if we had not been doing it when we were doing it, we might have had much more of an overresponse on the part of the administration.

Senator MUNDT. That is correct. There would not be an overkill on that.

The CHAIRMAN. While you are yielding, I may say we started it but they did not give us anything for nearly three months before Dick Russell intervened and told them.

Senator MUNDT. That is right, but if we had had what the staff produced to us before that and had this colloquy we had yesterday with McNamara, I do not think there would have been the kind of *Pueblo* incident that we had. I think we achieved something worthwhile.

Now, where this leaves me is almost with Frank Lausche, but not quite. I do not believe there is an effort to create an incident deliberately.

The CHAIRMAN. I don't, either, I may say.

THE RESOLUTION WAS DRAWN UP BEFORE THE INCIDENT

Senator MUNDT. Your second point, Frank, I think was that you are sure there was some kind of attack. I think there was some kind of attack, too, but I am not, it is not the kind of attack I thought it was when I voted for the Tonkin Bay resolution, there was a wake and there were some shadowy figures out there and they had some intercepts, and so I think that, I am not sure I can be critical of the commanders of these two ships even that they started shooting back out there in the dark. They thought something was coming at them and they started shooting back at them.

But what disturbs me, it was not the definite demonstrable kind of attack that I thought it was at the time. This is a rather vague uncertain kind of thing. I haven't criticism of anything we did that night in fighting back in terms of the resolution. I am disturbed, I think the resolution was drawn up and the evidence was clearly, shows a long time before Tonkin Bay. I think they expected something to happen some place in the war that would activate its presentation to the Congress. And I think it was that they should have come to the Congress with the full demonstrable story.

My main concern is that they are hanging too big a package on too small a peg when they come here with the resolution clause of the Tonkin Bay Resolution, basing it principally upon what happened out there in the Gulf on those two nights which is not as clear as I would like to see it.

If they were going to use that to bring the thing before us, I think they might have used it as one prong of a series of reasons which we could have presented to the people as to why we should take the action that we took in Congress and made the resolution which we did, and I think it is there where our committee can be useful, if we insist upon having the full story at the time.

PUT THE COMMITTEE IN A BETTER LIGHT

Now, where we go from here, I don't know. I am disturbed about the fact that they tried to put this committee in the light of conjuring up some monstrous, which it would be a monstrous thing, I think, if we had done that, to try to pretend that we believed that Johnson and McNamara had gotten together in the quiet of their room and said, we are going to precipitate it. I don't believe that, and I don't think anybody believes that, and certainly the evidence that the staff report has doesn't prove that.

I wonder whether, now that McNamara has presented his case, I thought Bill did a real good job at that long-winded series of questions that he asked prior to the rest of us asking questions, but I didn't complain about that. I thought you had a great sequence, very valuable.

The CHAIRMAN. Well, that is the staff, the staff deserves the credit.

Senator MUNDT. You did a real good job, and some of them were concerned, and you can see the concern that the Secretary expressed when he answered them.

Why don't we take this transcript and send it out to Mr. McNamara and say if there is something in here which is sensitive, take it out. We want the whole report presented to the public after it had been sanitized to protect the national interest. I think that would put the committee in a much better light, certainly put the chairman in a much better light. I was a bit appalled, I don't agree with Bill's position on the floor that he kind of made him a chief agitator, chief provocateur, his quoting you in what you had to say, which was manifestly unfair.

CHAIRMAN WAS REPEATING THE ADMINISTRATION'S POSITION

The CHAIRMAN. Yes, he quoted me. What gets me, Karl, I was only acting as a vehicle and he acted as if I initiated it, and I feel

a very deep moral responsibility to the Senate and the country for having misled them.

I was repeating what he told me.

Senator MUNDT. Exactly what anyone of the rest of us would have had to say in your position on the basis of the facts as we know them, but I don't see any reason at all that this, the whole transcript should not appear once it has been sanitized. Nobody wants to jeopardize the national interest, nobody wants to put in anything about the intersects, it is in his public release so it is not much of a secret to the communist world any more.

The CHAIRMAN. He puts it more than we do anyway, when he talks about those unimpeachable——

Senator MUNDT. Yes, let's take out this point, "Let's go into executive session now, I have something very hush-hush I want to tell you because I want you to know before you read it at night in the paper," is the effect of it.

COMPARE THE RECORD TO MCNAMARA'S RELEASE

Senator HICKENLOOPER. Karl, I think the record ought to be compared to his release.

Senator MUNDT. What?

Senator HICKENLOOPER. The record you are talking about here yesterday before its release ought to be compared, laid down side by side with the statements in his release of yesterday, that long statement of his because I think most of the stuff in our study is the same stuff he released.

Senator MUNDT. I would just put the transcript out and let the truth come out, that is what we are after, take out, I think we ought to do that, in the middle of a war I don't think we ought to release anything without having people in charge of security check it with them, through our inability to know what is and what is not secret to the enemy, violate any security, but I think that would be established.

Senator HICKENLOOPER. The point I am trying to make I didn't make. I agree with you thoroughly, but if the Department of Defense comes through and says that on the hearing of yesterday this should be taken out because it affects national security.

Senator MUNDT. Yes.

Senator HICKENLOOPER. Then check that as against what he had in his release which sometimes is the same thing and tells it on that kind of a basis.

Senator MUNDT. Yes, precisely.

But I think we have to do something to stand in a good light with the public. We are kind of condemned as a bunch of people, trying to say it is some kind of a Machiavellian plot which some of us believed.

NEGLIGENT IN NOT PROVIDING INFORMATION EARLIER

Senator AIKEN. If the Secretary had the information which he gave us yesterday afternoon he was negligent in not giving it to the committee a long time before.

Senator MUNDT. He might not have had it, George, at the time it first changed.

Senator AIKEN. I am not insinuating they made it up.

The CHAIRMAN. I don't think he had it.

Senator MUNDT. He admitted to you he made a mistake—I should have told you about this second witness a long time I ago, but I didn't.

The CHAIRMAN. Yes.

REPLACE RUMOR AND SPECULATION

Senator COOPER. I sat through the hearing yesterday and listened to all he had to say, and also all of the questions you had to present which I agree were very good, because there had been such a lot of talk on this subject, rumors, statements, I would think that the release at the proper time, I think you would have to determine the proper time, of the record. I don't see how it could harm anything because it would bring all the facts that were brought out in the hearing to the public. It would replace rumor, speculation, and charges.

I would have to say that this answer he made at the very end of some kind of conspiracy, although I don't think he could have phrased it in such a way, but in those terms—but those rumors have been out. I have had newspapermen come to me from the New York Times, and say they had been informed that there might be a situation where facts had been concealed and where there was an absolute disposition on the part of the administration to cover up facts at that time, retaliate to bring this resolution before the Senate so I think it would be fair that all the facts be brought out.

I would say, as I said before when we were talking about calling him, I think the committee would have to consider what was happening at the time, the war in Vietnam, and see what the relationship, if any, it would have to that, but the truth speaks for itself.

But I must say I do not favor putting the staff report in.

The CHAIRMAN. You do not.

Senator COOPER. I do not. I will tell you why I take that position.

DISAGREEMENT WITH STAFF REPORT

You said that his statement was a staff report. I am sure it was in the sense that it was greatly prepared by the staff, and yet when he presented it he presented it up on behalf of the administration, it was a decision by the administration. We have a staff report, but if it is put in then it appears that it is the judgment of the whole committee, and I don't know that that is correct. I agree it is a very good one, but I don't know if there are other facts which were not included in it.

Also, it does, at least so far as I am concerned, it arrives it conclusions with which I do not agree, and I say that with due respect to all the members, but it does give the impression very strongly that there was no engagement.

To my mind, there was an engagement, without question. There are other things, it does say specifically on several times that McNamara misled the committee.

Well, I don't know. I wasn't here. But I think that is a pretty strong statement.

Finally, I agree with Karl Mundt's analysis if we could look at it again and we had all the time the kind of engagements it was and evidently it was a shooting engagement, but we didn't know

what they were shooting at exactly, that might not have been the kind of situation, the kind of a battle upon which an administration would come to Congress and say, "This is such a cause, cassus belli, that we will ask for a resolution," which has later been described as a declaration of war. That was my judgment about it. I felt that there was an engagement, I felt there was not any proof it was provoked unless you take the position that the patrolling is itself a provocation, and also I couldn't find any evidence that was a deceit of the Congress in the sense that it was the purpose to mislead us.

But I do think that there probably wasn't enough. Well, I would say if you could look at it in this instance there wasn't enough to get what has later been called a declaration of war.

But, for that reason, if I were to support it at the proper time, the submission of the whole hearing, the whole truth, but I do not vote for inclusion of the staff report.

THE MONSTROUS CONSPIRACY

The CHAIRMAN. Let me say that that business of the monstrosity, the monstrous conspiracy referred to, after the meeting referred to this morning, I know some of you had left, I said that I thought that was a grave charge for which there was no foundation at all.

This morning, after the end of the meeting this morning, didn't want to stand there, at the end of the meeting this morning, just about one o'clock or a quarter of one, you weren't there.

Senator HICKENLOOPER. At the open hearing.

The CHAIRMAN. There was at the open hearing, I stated this statement about the monstrous conspiracy, that it wasn't monstrous, that we suggested it. What we suggested was that it was an untruth, that nobody on the committee and certainly including myself, had at any time implied or otherwise stated that it was a deliberate conspiracy on their part. I didn't want to let that stand. There were just a few of the press left there and Senator Gore was still there, he also made a statement to that effect that this has never been entertained by any member of the committee that it was a deliberate conspiracy, and I never have believed that. It was, if anything, it was ineptitude, if it was anything, they just muddled through and went ahead on very flimsy evidence, made a decision to request declaration of war.

RELEASE OF HEARINGS COULD HELP PUBLIC OPINION

Senator MUNDT. May I direct my remarks now to Mike because I think you made a very good presentation, Mike. But in line with that, I think it is conceivable we could help public opinion by the release of these hearings. There wasn't a word uttered yesterday to even lead anyone to indicate there was a conspiracy. It has been batted around the country that McNamara giving it the publicity it would create rumor, because mischief-makers will pick it up and use it, and I think this will put at least entirely when they read these hearings there is nothing in there to indicate it at all.

Senator Gore. Mr. Chairman?

The CHAIRMAN. Senator Gore.

THE BALLOONING OF AN UNIMPEACHABLE SOURCE

Senator GORE. After the chairman had made the statement to which he referred, I spoke up and said that so far as I was, concerned my intention, as I understood it if it was the committee's intention to make a quiet but incisive examination of these incident, not to determine the existence or non-existence of a war conspiracy but to determine if mistakes, were made.

Among the questions was whether or not the attack or attacks were unprovoked or entirely unprovoked, whether the reprisal attack was precipitate or whether it was taken only after the attack on the 4th had established beyond doubt. Whether the response was in proportion to the provocation and overall whether or not by not by design but by mistake the Congress had been misinformed or misled. And, thereafter, I pointed out, and this occurred yesterday afternoon in the committee when I don't think anyone but Senator Fulbright——-

The CHAIRMAN. Yes, it was late.

Senator GORE. Senator Pell was here late. It was about six o'clock before I got to my turn, and I pointed to certain discrepancies in the Secretary's statement that do not comport with the facts as developed before the committee.

I would like to say to my colleagues that there were two things yesterday that tended to arouse more questions rather than allay them. One was the repeated reference to the North Vietnamese prisoner who, according to the Secretary, had turned up in the last two or three days. And, second, the building of this, the mushrooming, the ballooning of this highly classified unimpeachable source.

Now, if you will recall this was built up by a letter from the President that under no circumstances was this, the intercepts to be referred to in the presence of the staff of this committee, so the staff was excused, and this was discussed, read to us.

WHAT IS UNIMPEACHABLE?

So I begin with the second by pointing out that on page 17 had cited the evaluation report to the Secretary of Defense, "The actuality of the attack is confirmed." That this occurred not before the response, but after, August 6th.

The CHAIRMAN. After August 6th.

Senator GORE. What is that?

The CHAIRMAN. After August 6th.

Senator GORE. No, this report was on August 6th.

Now, the attack, of course, is on the 5th.

The CHAIRMAN. Yes.

Senator GORE. Then the evaluation of Admiral Roy L. Johnson cited on page 17, not that it had been made before the decision, to attack North Vietnam the record doesn't so state but I got a copy of the message and it was August 14th.

If you will let me read you a couple of sentences here from the Secretary's statement he released or read to us, "In addition to the above intelligence reports received from highly classified and unimpeachable source," what is unimpeachable?

This source reported three of our planes shot down.

No planes were shot down.

You can't exactly say it is unimpeachable.

And after the release of this testimony the source can't be classified because the Secretary himself testified just here that release of this testimony would give notice to the North Vietnamese that we had broken their code.

So it stands now as not classified and it stands as very impeachable, not unimpeachable.

WE DO NOT KNOW WHAT HAPPENED

Well, let us read the second sentence:

The same source reported while the engagement was in progress on August 4,that the attack was underway.

I pointed out to the Secretary that nothing he had submitted to this committee bore this out.

What was his reaction?

Immediately, with the staff still here, he reclassified his so-called highly classified material and started reading the same thing.

One of his staff members reached over and spoke to him, if he wanted that on the record. He nodded yes.

Now, all of these things are just a little unusual, I am pointing out are just a little unusual.

I don't think this leads to anything except the conclusion that here is, here was an event on a cloudy dark night which one of the sailors said was dark as the knob of hell, and one fellow said he never could see anything to shoot at. He shot, but just to be shooting, to clean out his gun.

We don't actually yet know what happened.

If I had to resolve the doubt on it from all I have heard would agree with most of the conclusions Senator Lausche states. I don't think there was any conspiracy to create it, but they responded before they knew what happened because they had this recommendation from the task force commander, five hours before those planes left that he thought there was a great deal of doubt that there were any attacks, and recommended that it be careful and fully evaluated before any further actions were taken.

Yet the action was taken.

These are the kind of things that I think we ought to discover. I didn't think the Secretary allayed any of these questions yesterday.

INACCURACIES IN THE STATEMENT

So I don't know what to do, Mr. Chairman, but the committee is left in an unenviable position with this statement which I can point out, at least a half dozen more inaccuracies in this statement.

The CHAIRMAN. It is more than inaccurate. The way he presents the very things you mentioned are misleading because if you read it without knowing a lot about it you would think all of these reports he mentioned had been made before and were a basis for the decision, whereas they actually were afterwards. He doesn't say that specifically, but as you read it, would say that is a normal person's reaction, that these evaluations had taken place before, and all these eye witness accounts, all of these were gathered after the

decision was made to amount the retaliation, and the same way with Burchinal's report, and yet when you read it, I think it is grossly misleading because they simply had not taken place before the decision was made.

MCNAMARA DELIBERATELY LIED

Senator CARLSON. Mr. Chairman, I just want to say for the record at least that I was distressed yesterday when the Secretary was determined to release this statement. As a matter of fact, I am confident he came up here with the thought of releasing it. I hoped we could have this hearing and nothing said by anyone, that it would be truly executive.

Senator MUNDT. That was the understanding.

The CHAIRMAN. I asked him about it as strongly as I could.

Senator MUNDT. More than that, if you will yield just a minute, I recall 1 o'clock when he got up and a few of us left, he said to the Chairman, "What will you say when you go out; I am going to say nothing at all," and Bill said, "That is what I am going to say."

He knew then he was going to release this thing. He just deliberately lied to us on that statement and I do not like it very much. That was pretty shocking.

NOT CONVINCED OF A SECOND ATTACK

Senator CARLSON. That is all past now, and we are in a very difficult situation. I did not hear all the testimony yesterday, but I am not convinced of a second attack. I have no problem of the first one, but when this Admiral Sharp's first message came in, he said, "In my opinion they had an attack." He did not go full all aboard as I heard the testimony read, and I had some question about it. But now that is a matter that is past.

I doubt very much that I would vote to release the commitee staff statement, but I do think Karl Mundt has made a suggestion that I think has got merit. I believe we ought to send that record down and I think the chairman ought to send it down and "We give you 48 hours or 24 hours to desanitize it," or whatever you want to call it, and send it back here, and then we will see how it compares with the statement he makes.

They might want to take out a lot of things that even they have in their own statement because this was a pre-arranged deal in my thinking to put themselves in good position.

There is a lot—I think Senator Cooper hit the point. I have been out home, people there are asking questions about this, and they just are wondering now, was there something sinister about this, did they really arrange it, and I think we need to do something, and I would go that far, I would like to do that. In fact I think we should.

Senator HICKENLOOPER. I think, Mr. Chairman, people still remember the doubts and questions about the few days before Pearl Harbor, a lot of people were convinced there was something a little bit unusual about that situation. They have long memories.

Senator LAUSCHE. This is not for the record, but if there is going to be desanitizing, will all of us be permitted to desanitize?

Senator GORE. Only that exchange between you and me that needs to be deleted.

The CHAIRMAN. Senator Pell wants a word.

BOTH SIDES EMBELLISHED THE TRUTH

Senator PELL. Mr. Chairman, having sat through that whole hearing yesterday, I have sort of a subjective view because I guess I am the only fellow around the table who has stood a watch underway at night and served as a communications officer under combat conditions and I can see how this whole so-called second attack was thought out. They saw some starshells going in the air and they thought there were three planes singing. The other side had these ridiculous orders to attack with small caliber machine guns two large destroyers. They no more wanted to carry that out—I remember in a Coast Guard cutter we were ordered to engage and delay the *Bismarck* in World War II. We never wanted to do that at all and did not.

The point here is they probably felt they had to go through the motion of an attack as well and so both sides embellished, which we certainly did many, many times in World War II, and I think soldiers and sailors will do as long as wars go on.

I think that the release of this particular memorandum would serve no real purpose. In the first place our memorandum is built a great deal around the 12-mile limit, and they have us over the barrel on that because we really made every effort to resolve that yesterday. There is no evidence anywhere that the three-mile limit—that they had said or claimed that the 12-mile limit prevailed until after our attack.

In addition to that, this memorandum does not contain the commanding officer's statement to the effect he doubted the attack, and that is the most important single bit of evidence that came out yesterday.

PUBLIC OPINION WILL CHANGE POLICY

My own view would be that you, Mr. Chairman, should be authorized to make a little statement by us in general terms regretting the release by Mr. McNamara particularly in view of his statement that he would not make any release of that sort, and perhaps expressing a very general view that would even meet Senator Lausche's views that we may have perhaps a little overreacted with hindsight, we did not have hindsight at the time and we were requesting the transcript to be released along the line of Senator Mundt's suggestion and do exactly what Senator Carlson suggested, give a 48-hour ultimatum on it and that would be our responsibility.

In a more general way of reaction to Senator Mansfield's thought that we should not encourage divisiveness in the country, I think he knows the affectionate regard we have for them, but I wonder if we do not have to because we are a republic, and the President is utterly determined on his course apparently. His advisers are equally determined on their present course. When the majority of the country disagrees with the President on the way the policy is being conducted, then policy in Vietnam will change and we have a responsibility to change, to increase the divisiveness until our people are a majority, and that is where I would just take one slight exception to what you said.

Thank you.

THE THREE-MILE LIMIT

The CHAIRMAN. Let me say in that connection, your first part about the three-mile limit, I think that is correct. But I will remind you that McNaughton, who was speaking for the Department in his testimony in 1966 was under the impression it was a 12-mile limit, and I think everyone has assumed that without anyone thinking about it until yesterday's testimony. That is implicit in the testimony which was in an executive hearing of this committee in '66.

I did—the statement about regretting the issuing is a statement I made on my own just as I regretted the release of it, and I thought that his statement was erroneous in the respect that you mentioned, and that I thought it was, well, very unfortunate that he had made such a statement and it was over my request that he not make it.

So I will make another one if you think it will serve any purpose, but that was the one where Albert and I—Albert heard it this morning at the end, in open session of the committee just before we adjourned. I did not want the time to pass—it will take time, the reaction; you know how it goes in this business.

This is what I thought, he is calling it to my attention, and all of this, I may say, as is usually the case, was made in view of the testimony here, and I was very—they were very friendly in those days in coaching me. You know about what happened. Here is what I said in 1964 on the floor. I said, "It so happens, I say this to keep the record straight, that the actual attack according to my information, took place far beyond the 12-mile limit. The first attack was approximately 25 miles out and the second was 60 miles out.

Mr. Russell: I believe it was 30 and 60 miles.

I said, "Yes."

Mr. Russell: I might add that our vessels had turned away from the South Vietnam shore and making for the middle of the gulf where there could be no question at the time they were attacked.

Mr. Fulbright: At the time of the first attack they were steaming away from the shoreline; the second attack came at night, the first one in the daytime. Our ships were not in the 12-mile limit so-called at the time of attack. I had stated from time to time we did go deliberately within the 12-mile limit simply to emphasize our nonrecognition of the 12-mile limit or, to put it another way, to re-establish or reaffim our right to be there.

But I was under the impression, the Defense Department or nobody else said you are wrong, they only have a three-mile limit. I was clearly under the impression, as it shows in the record, and I was up until yesterday.

As I said in my conversations with Nitze, and with Dick Russell, he never raised this point at all. It just did not occur to me it was not in the 12-mile limit. This was a complete surprise to me they were going to base something on that assumption.

REITERATE OUR DISAPPOINTMENT

Senator MUNDT. I would agree with everything Claiborne said except one thing. I think it would be all right for the chairman to reiterate our disappointment that he released it and explain why we did that. I doubt the wisdom of saying it is the consensus of the committee that perhaps the administration overreacted. I think I

was a little unfair to our colleague in a summation of what happened. I said I think the administration was a little Goldwaterish in its reaction.

Senator GORE. Was this on the floor?

Senator MUNDT. No, a reporter called me up. I hope he does not use it, it may be unfair to Barry. But, anyhow, I do not think we should be finding any conclusion at this time. I think we will just say let the truth speak for itself.

SEND TRANSCRIPT TO PENTAGON FOR REVIEW

The CHAIRMAN. If I understand, the sentiment is, everybody has spoken, that you are in favor of sending the transcript of yesterday down to the Pentagon and saying—within what time do you say, 24 hours, 48 hours?

Senator WILLIAMS. By Monday.

The CHAIRMAN. 48 hours, then that would be Friday, for 48 hours so that we release it Sunday, we want it back within 48 hours, and—

Senator LAUSCHE. You have the holiday in between.

The CHAIRMAN. That is tomorrow.

Senator HICKENLOOPER. Is it the transcript of yesterday or is it the staff study?

The CHAIRMAN. I would guess the sentiment is against the staff study, is that correct? I am trying to interpret it.

Senator MUNDT. I think that is correct.

The CHAIRMAN. Frank, you feel that way.

Senator LAUSCHE. Yes.

The CHAIRMAN. But nearly everybody has spoken in favor of having the transcript of yesterday sent to them and returned within 48 hours and then to be released, is that correct?

Senator LAUSCHE. No, I am against releasing it.

The CHAIRMAN. Does everybody else?

Senator AIKEN. If they agree to it, if they delete anything that they think should be deleted that will be no different from other techniques.

Senator LAUSCHE. With the staff report out many comments which I made must be out, because I spoke about the staff report mainly.

Senator AIKEN. You are talking about testimony.

The CHAIRMAN. We are talking about the transcript of the record yesterday. He is, too.

Senator LAUSCHE. That will have to be removed because my remarks will not be pertinent.

Senator COOPER. Of course they will.

The CHAIRMAN. They are always pertinent.

Senator LAUSCHE. Impertinent.

The CHAIRMAN. Or impertinent.

Senator LAUSCHE. You show it to me.

SENATORS MAY REVIEW THEIR REMARKS

Mr. MARCY. We will show the transcript to any Senator who wants to review his remarks.

Senator GORE. I want to review mine.

Senator PELL. I want to review mine.

Mr. MARCY. Remember the 48-hour limit.

The CHAIRMAN. Do you agree with that? Is that your agreement?

The staff says we need more time than Sunday ourselves. If we give them 48 hours to do what they want and then we will have to—because of arranging for printing and everything.

Senator LAUSCHE. Is that all right with you, Mike?

Senator MANSFIELD. Okay.

The CHAIRMAN. Is that okay? Without objection, so ordered.

Senator LAUSCHE. Wait a while, let me ask Hickenlooper. He is my polestar.

Senator HICKENLOOPER. I think if you send this transcript of yesterday over and give them 48 hours to do it, they can do it in 48 hours, take out what they believe to be highly classified and sensitive material in there if there is any and then send it back here and let individual members look over their own testimony and take out what they think should not be in there. You might not have any transcript left when you get through, I do not know.

The CHAIRMAN. You may not.

Senator PELL. It may be so gilted, it is nothing.

Senator AIKEN. Could we not give it to the members simultaneously?

The CHAIRMAN. Why not give it to the members simultaneously? I do not understand it that we have to accept everything they do, particularly in light of their own statement.

Senator MUNDT. Hick makes the point they cut out something in their own statement.

The CHAIRMAN. I think we have to exercise the final judgment.

Senator HICKENLOOPER. If they take out something that it is in McNamara's statement, they release it to the people.

BREAKING THE NORTH VIETNAMESE CODE

The CHAIRMAN. I think the record will show—I do not want to trust my memory—at one point did he have any objection to releasing the transcript, taking out reference to intercept, and I think he said he did not, is that not correct?

Senator PELL. That is correct.

The CHAIRMAN. Did I not ask him that?

Mr. MARCY. That is correct.

The CHAIRMAN. That is what he said on the record.

Senator GORE. But, Mr. Chairman, he also came back after he had released his own statement and said that this is notice to the North Vietnamese we have broken their code.

The CHAIRMAN. Of course his own statement refers to the intercepts more clearly than anything we have in our record.

Senator GORE. Mr. Chairman, as I understand it, you are going to reserve for the committee the decision as to what it releases.

The CHAIRMAN. That is correct.

Senator GORE. But get their advice.

The CHAIRMAN. That is correct, its advice on what is secure and then the committee makes their final responses.

Senator MUNDT. I think we ought to be governed by what they do unless it is something taken out that is in McNamara's release.

The CHAIRMAN. Unless it is arbitrary.

[Whereupon, at 4:20 p.m., the committee recessed, to reconvene at 10 a.m., Friday, February 23, 1968.]

# PROPOSED HEARINGS ON VIETNAM NEGOTIATIONS

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**Friday, March 1, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 2:35 p.m., in room S–116, the Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Mansfield, Gore, Lausche, Symington, Dodd, Clark, Pell, McCarthy, Hickenlooper, Aiken, Carlson, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Jones, and Mr. Lowenstein of the committee staff.

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The CHAIRMAN. Let us come to order while the Senator from Missouri is here. He cannot talk, so we have got him at a disadvantage. He has to stay and he has to listen.

The Senator from Kentucky has addressed a letter to me which, I think, you sent a copy to every member of the committee did you not, Senator Cooper?

Senator COOPER. YES.

The CHAIRMAN. And I called this morning at his request to discuss the possibility of some hearings, not this week or not next week because we are booked up until, how long, Mr. Marcy, at least three weeks?

Mr. MARCY. That is right.

The CHAIRMAN. It is just to give the staff, if we wish to have any on this subject, give them some advance notice. They cannot just cook up witnesses overnight, and it is really about a month off if anything is to be done, when our hearings on aid and the present Latin American hearings of Senator Morse's, which I have been to, and I may say they have been very interesting. We have some extremely knowledgeable people yesterday and the day before.That is what this is for. Senator Cooper, you are recognized to explain what you had in mind.

## ANOTHER CRISIS IN VIETNAM

Senator COOPER. I will speak to the committee. My purpose in making the proposal I am about to make is this: I think we all know that we have reached another crisis and one of decision with respect to the war in Vietnam.

I am aware, as all of us are of the dangerous situation which exists there and, of course, as it affects our men there, and it is a rather—it is not only difficult but it makes it rather difficult to speak at this time. But yet I believe that we have that duty to keep thinking about it, and to speak if we have anything to offer which, at least, we think is of some value.

Now, many people in this Senate and House have spoken about negotiations. There are organizations all over this country that talk about negotiations. There are prominent individuals throughout the world who are giving advice to the United States Government about negotiations. There are governments now which have taken action to express an official viewpoint about negotiations.

We have had hearings upon the Tonkin Bay situation and about the question of national commitment which have great value, in my view, looking to the future, and it would seem to me that the most immediate problem which the administration must continually be considering is this question of any alternative to problem of winning the war by military means. Some want to do that.

So this—I will read briefly my statement—and I may say I have written a letter to Senator Fulbright, after talking to him, and I have sent a copy of that letter to each member. I do not know whether you have had an opportunity to read it. I have it with me. This will probably make clear my purpose in my remarks.

PROPOSED HEARINGS ON ENDING THE WAR

I have proposed that the Foreign Relations Committee hold hearings on the problem of negotiations with a purpose of leading to the end of the war in Vietnam.

I think it obvious, but I make it clear that such hearings could not intrude on the authority of the President and the administration to conduct negotiations. My purpose is that the hearings should give advice and assistance to the President.

The immediate importance of this study arises from the evident fact that our Government is faced with the decision whether it shall commit additional resources and men to the war in Vietnam.

As the administration has stated many times, that it seeks to enter into negotiations, and as various countries and individuals are offering advice upon negotiations, I think it proper and, I may say consistent, that our committee give such assistance as it is able to provide in this field, as an alternative to an expanded war.

The committee could call witnesses who have had experience in actual negotiations with Communist countries under conditions of war or in negotiations to avoid war, and I will try to give an example. If such witnesses have not been consulted by the administration, their testimony and advice would be of value and could be made available to the administration during, after the hearings of the committee.

As the subject is admittedly a delicate one, I would recommend that hearings be conducted in executive session.

PROPOSED WITNESSES

Now, concerning the witnesses whom the committee might call, I would suggest that witnesses who have participated in the Geneva Conference negotiations of 1954 concerning the protocol states

of Vietnam, Cambodia and Laos, and in the negotiations of 1962 concerning Laos.

Now, speaking of those witnesses, of course, Mr. Dulles and General Bedell Smith were the chief representatives of the United States at the Geneva Conference. Both are dead. But, undoubtedly there were assistants from the Department of State and, perhaps others, who had participated in those negotiations and were concerned with them.

Regarding the negotiations of 1962 concerning Laos, of course Ambassador Harriman was the chief negotiator, and I understand that there is a man named Chester Cooper—no relation of mine—but who was his assistant at the time, and he is now not in the State Department but with some organization called IDA.

The CHAIRMAN. Institute for Defense Analysis, is it not?

Senator COOPER. I think so.

Then further the experiences of those who participated in the Korean negotiations, I think that would be important because negotiations continued or rather the war continued alongside of negotiations.

I would think that such witnesses as General Matthew Ridgway, Commander-in-Chief of our forces in Korea at the time, and military officers who conducted actual negotiations at Panmunjon. It is rather interesting to note that, I think, the first officer who conducted the actual negotiations at Panmunjon was Admiral Turner Joy.

The CHAIRMAN. Who?

Senator COOPER. Admiral Turner Joy.

The CHAIRMAN. I did not know there was such a person.

Senator COOPER. He is dead now.

Anyhow, he was followed by a General named Harrison. I do not know where he is.

Then, in the U.N. at various times our ambassadors have had negotiations there both with respect to Vietnam and Korea and, as we know, Ambassador Goldberg and Ambassador Lodge and former Ambassador Ernest Gross, who was the deputy under Warren Austin, and they have dealt with these matters.

Then it seems to me there are more technical questions like the procedures of negotiation technique, and it might be of some interest, and certainly there are a number of people available upon that. Also there might be those who participated in negotiations at Warsaw with the Chinese, John Cabot Lodge who used to be the ambassador there, I think he negotiated with them.

WE HAVE NOT BEEN CONDUCTING NEGOTIATIONS

The committee could decide after a time whether it thought this was of value. But, as I have said, we have not been conducting negotiations. I have participated in and have approved of events that related to the past. But it seems to me here is a situation where such evidence could be made available to the President if he desired it; it would be of value to the committee, and if, under appropriate circumstances, the committee decided to submit it to the Senate and the public, I think it would give a side of this problem which up to this point has been made known just chiefly in speech-

es of individuals and the cries, organized cries throughout the country.

I said in my letter to the chairman:

It would be necessary to find out if these men would be willing to testify.

I thought it would be more likely in executive session.

It is difficult to define the exact scope of such hearings, but the committee could draw upon the large experience of such witnesses and inquire in to the procedures and means by which negotiations might be obtained under terms which would be considered in negotiations and which hopefully would be acceptable to the countries involved.

[The letter of Senator Cooper follows:]

*February 29, 1968*

Hon. J.W. Fulbright
*Chairman, Committee on Foreign Relations,*
*United States Senate*
*Washington, DC.*

DEAR MR. CHAIRMAN: I am writing you to spell out more precisely my suggestion that the Senate Foreign Relations Committee hold hearings on the subject of negotiations which might lead to an end of the war in Vietnam, and upon which the committee might properly advise and be of assistance to the President.

I believe it would be helpful to ask for the testimony and advice of persons who have been involved in negotiations with Communist countries in past years. Among those I suggest are General Matthew Ridgway, George Kennan, Ambassador Averell Harriman, Ambassador Arthur Goldberg, Ernest Gross, and Arthur Dean.

General Ridgway could be most helpful to the committee by explaining how negotiations can proceed during a wartime situation, as they did during his time as Commander of the United Nations Forces in Korea. Ambassador Charles Yost, Ernest Gross and Chester Cooper would all be very helpful in informing the committee of the technical aspects of negotiations. An important aspect of such hearings would be to define as best we can what the Vietnamese, both North and South, would consider acceptable. Toward this end, the committee could hear Mr. Thomas Hughes, the Director of Intelligence and Research in the Department of State. It would be necessary to find out if these men would be willing to testify, and I believe that hearings should be in executive session. I am sure that other members of the committee will have further suggestions.

It is difficult to define the exact scope of such hearings, but the committee could draw upon the large experience of such witnesses end inquire into the procedures and means by which negotiations might be obtained and the terms which would be considered in negotiations and which hopefully would be acceptable to the countries involved.

If the hearings should prove of value, the committee could submit the record or the summary of the record to the President, and its conclusions if it desired to do so. I am sure that the record would provide to the administration the advice of some persons of experience who have not been consulted. It is my idea that the committee would not be encroaching upon the responsibilities of the Executive, but would be carrying out its constitutional function to give advice.

I believe the consideration of this subject is important, particularly at the present time when a further commitment of United States' men and resources is being considered. Further, as the committee has been considering past events end their present end future implications, it would be helpful to consider the present situation in Vietnam and the ways by which it can give advice addressed to the subject of negotiations, which the administration has declared again and again it seeks.

Yours sincerely,

JOHN SHERMAN COOPER

JSCjr

WHOM WILL WE NEGOTIATE WITH?

Senator COOPER. Well, that is about my proposal.

The CHAIRMAN. Senator Mansfield, do you have any comments?

Senator MANSFIELD. No. I have just got notice of a meeting on further hearings, and I did not know what it was about, and I just came down to find out.

The CHAIRMAN. Did you get a copy of Senator Cooper's letter?

Senator COOPER. No. I am sorry. I meant to talk to you, but you were so busy with Civil Rights all morning, and I had no chance.

The CHAIRMAN. That is all right.

Senator Hickenlooper, do you have any comment?

Senator HICKENLOOPER. Yes, I do, but I do not know what it should be. [Laughter.]

The CHAIRMAN. Do you want to think a minute?

Senator COOPER. Say what is on your mind.

Senator HICKENLOOPER. I think I know what I am going to comment about.

Senator CLARK. You will find out after you make it.

Senator HICKENLOOPER. Well, let me make a few and then find out. [Laughter.]

While I am thoroughly sympathetic in the desire to explore and pursue every possible means of an honorable negotiation, it seems to me that is what we have been doing now for two or three years. I do not know who we are going to negotiate with.

We are still up against this impasse of a declaration that if we stop bombing the North then maybe they will negotiate. They do not say they will stop furnishing supplies to the South, troops, supplies and everything else.

I think I agree with the administration—I do not agree with a lot of things that the administration has done, do not misunderstand me, but on this I think I agree that this thing could stop almost overnight if they would agree to stop furnishing supplies and withdraw their men from South Vietnam back to North Vietnam, and we agree to stop the bombing of North Vietnam, and then negotiate the relationship of the two countries. We have made a lot of statements.

Now, these people that you mention are all very fine people. They have had varying degrees of experience. Some of them are like a piano player who was able to play Dardenella fifty years ago but have not played much since, and he has got out of practice with his fingers. I am not sure some of these people have got their fingers on the keys this time, although they have got good sense and good judgment.

But in any event, they are all available to the President, they are all available to the administration.

SEEMINGLY ANXIOUS TO SURRENDER

I said just before you came in, John, I just wondered if we would be accused of setting up a committee for the conduct of the Civil War, and which would add to the idea that we are so willing to do almost any given thing, surrender, that all you have to is hang on and we will keep fooling around with this movement until we do. Sometimes it reminds me a little bit about the fellow who called up a girl one night and said, "Is this you, Mary?" And she said, "Yes."

He said, "Mary, I have got a question to ask you. Will you marry me?"

And she said, "Yes. Who is it?"

And we seem just about that anxious to seem just about that anxious to surrender.

Senator LAUSCHE. Who is the man and who is the woman in this illustration?

Senator HICKENLOOPER. I do not know, but she was pretty anxious, I will say that.

Senator LAUSCHE. That is the United States is anxious to get a——

Senator HICKENLOOPER. Yes, that is right.

Anyway, I fear that we would be creating more of a roadblock than anything else.

In any matter of this kind, the uncertainty of what the enemy is going to do is one of the biggest psychological and strategic advantages, technical advantages, that you can have.

I do not know, I think the administration has access to all these people or could have, and I am not so sure Congress ought to be trying to either run or create the idea that it is running the administrative functions of this operation. Much as I would like to see it brought to a reasonable halt——

Senator COOPER. May I respond briefly?

The CHAIRMAN. Yes. Senator Cooper.

RESPONSIBLE HEARINGS WOULD BE HELPFUL

Senator COOPER. I am not going to take up all the time of the committee. I recognize first, that the question may be asked, well, is this committee trying to conduct negotiations. Well, of course, we have no right to do it and no authority to do it. It would be a criminal offense to do so.

I do not think it might be stated that it would have no practical substance.

The second question is, is this harmful. Well, of course, this can be argued about anything that is done by this committee. On that theory the Tonkin Bay investigation is harmful; the arguments we had over national commitments are harmful; the speeches made in the Senate are harmful, and I have no doubt it has some psychological effect here and also, perhaps on the Government of Hanoi.

But, it would seem to me, if this is conducted in executive hearings, and if responsible witnesses are called, I think these and others that you would suggest would be responsible, and that it would be helpful.

It is correct that the administration can call any of these, but I do not think many of them have been consulted with. There are some very able men in this group. Arthur Dean is another one who negotiated with the—many times under Mr. Dulles, and they are responsible people.

If we secured any information that is valuable, could be given to the President, whether he used it or not.

It is suggested in many quarters that he only listens to, well to, Mr. Rostow and Mr. Rusk, and while they are undoubtedly men of ability, there are other views in this country.

I have come to feel quite strongly, because I have suggested it, that it would be of help to this committee, and I hope it would be of help to this administration.

The CHAIRMAN. Senator Gore.

Senator GORE. I yield to Senator Aiken.

The CHAIRMAN. Senator Aiken.

GO DOWN AND TALK WITH THE PRESIDENT

Senator AIKEN. Well, Mr. Chairman, as I understand the principal reason for the North Vietnamese wanting to veto a conference is because they feel that the San Antonio formula which the President continually refers to is the one that was promulgated by Santa Ana, and it strikes me, Mr. Chairman, that the suggestion which has been made here frequently that you, maybe Senator Cooper and, perhaps, somebody else, go down and talk with the President, and you might work something out of it which could be helpful, he might have some suggestions for us—I am sure we would have some suggestions for him, too, but I think I would try that first.

Then it might be possible to go ahead and do something that would be helpful to both Congress and the executive branch in working out of an uncomfortable situation.

We are having conflicts of interest in our hearings these days now at this time of year, when some of us have two or three at the same time. But it could work out, John. I am not saying it would not, but I would like to have some members of the committee talk with the President.

The CHAIRMAN. Senator Gore.

Senator GORE. Mr. Chairman, I would like to comment.

DUTY COMPELS ONE TO BE DIVISIVE

The committee will have a hearing on Vietnam with Secretary Rusk on March 11th. So that in so far as commencing a hearing on a subject, it seems to me that is already scheduled.

What Senator Cooper suggests is in addition thereto, I take it.

Senator COOPER. It would be helpful and preparatory to it.

Senator GORE. Well, it would hardly be preparatory to it.

The CHAIRMAN. We could not have it soon.

Senator GORE. No, because he has already been scheduled, and it is proper that he would be the first witness.

What contribution can this committee make, and what is its duty that it is required to try to make?

Senator Pell said something the other day that has been ringing in my ears. It does not happen often.

Senator PELL. Maybe it was just too loud. [Laughter.]

Senator GORE. Senator Mansfield suggested, with respect to the Tonkin Bay hearing that we not do anything that would be divisive. Claiborne responded that under the circumstances duty compelled that we be divisive.

Senator LAUSCHE. At this point may I interpose that I most vigorously disagree with that statement.

Senator GORE. I remember that when Senator Pell made that statement——

Senator LAUSCHE. That is all.

Senator GORE.—that Senator Lausche swallowed real hard.

Senator LAUSCHE. Yes, I did.

Senator DODD. What was the statement?

Senator GORE. I yield to Senator Pell and I will let him speak for himself. But it was rather an arresting statement.

Senator PELL. The point that I finally came out with, a conclusion, is that, perhaps, at least I am not being completely honest with myself in wanting these public hearings.

Senator DODD. These are executive.

Senator PELL. Yes. But we are talking about public hearings in the future. This is executive.

The CHAIRMAN. The ones he is proposing are executive.

Senator CLARK. The ones that Cooper proposed are excutive.

Senator PELL. You propose executive hearings?

Senator COOPER. Yes, because I think it is a critical matter when these witnesses testify.

Senator PELL. Let me finish this thought that is in my mind, that we are a democracy and if those of us who believe we are following an incorrect policy are presently in the minority, we believe that it is a course that would bring our country to disaster——

Senator DODD. Where is the minority, not on this committee.

Senator PELL. No. We, as individuals, just one of us, if we believe that we have a duty, it seems to me, to try to make what is a minority into a majority, because I am confident the President is responsive to the will of the majority, I think we have a right and an obligation to disagree with the escalat ing upward course to say so. That is about it.

NO CHANCE OF WINNING THE WAR

Senator CASE. Would the Senator yield to me on this, on this point?

Senator GORE. Yes.

Senator CASE. Because on this I support Mr. Johnson's idea. I think it is a useful thing. It does not go far enough, in my opinion. I think we should have public hearings to bring out to the people of this country what is actually going on in South Vietnam, the extent to which the facts are in direct conflict with the statements and opinions of the administration, so that the American people can form an opinion about this war which, I think, when they do, will be the opinion which I have come to, that we have no chance of winning the war under these present circumstances, but escalation without the destruction of the country, and that this is something that the President will not change unless public opinion in this country requires him to change it, and that all the rest of the stuff we are going to be doing is shadow boxing. This does not mean we should pullout, or anything else. But it does mean that this committee, if it feels this way, has got the responsibility to bring the facts out so that the people will know.

I proposed to the chairman, and sent copies to the members of the committee two weeks ago, an inquiry as to the scope and the quality of the official reporting in the evaluation process in the Government and nothing happened. I have been groping, as we all have, for some way to make a contribution.

I think it is a curious thing that Parade, which is not necessarily my guide in all matters spiritual or intellectual or otherwise, is coming out with an editorial this Sunday in which it urges this committee to give a platform, and I will use the words here, "so that the American people might obtain the views of some of the most knowledgeable and experienced war correspondents, wouldn't

it be a good idea for the Senate Foreign Relations Committee to invite these returning newspaper and TV correspondents to testify in public session?"

Senator CLARK. Who is this, Cliff?

Senator CASE. This is coming out, Carl called it to my attention, as his general bedside reading, and this is directly on the point.

THE PEOPLE DO NOT HAVE THE FACTS

This committee, it is not a question of our learning what is going on. This is—I proposed something like this before and I was turned down by the staff and, perhaps, by the chairman, partly on the ground that we were not seeking facts. The question was a matter of judgment, not of the facts. But it may be a matter of judgment for us who have essentially, I think, the facts now, but the people of this country do not have the facts.

As this magazine says here, "The New York Times isn't read in Peoria, the Chicago Sun-Times in Hartford, or the Honolulu Star-Bulletin in San Antonio."

The country does not get this stuff, and I think we would be making an enormous contribution if we could help develop a public understanding of what the facts are, so that when an intelligent policy of measured deescalation, not quitting and running, or anything of this sort, could be worked out along the lines that Frank McCullough told some of us who were able to hear him that afternoon at a coffee which we had in the committee room, and others, too.

The only way to get the South Vietnamese to get on the job is to make clear to them that, by God, if they do not, they are going to get out. President Johnson is not determined—he is determined to win the war the other way. It cannot be won the other way without the destruction of the country, in my opinion.

Senator DODD. May I interrupt, Mr. Chairman?

Senator COOPER. May I——

The CHAIRMAN. The Senator asked me to yield first.

STRENGTHENING THE WILL OF NORTH VIETNAM

Senator LAUSCHE. It is my deep conviction that we cannot expect justly for our men on the battlefield to try to break down the will of the North Vietnamese and Vietcong to resist and let's bring the war to an end while we in this committee are strengthening the will of the North Vietnamese to continue the battle.

Now, my judgment is that if we are trying to intelligently reach a decision that would be in the best interests of the United States, we should try to coordinate the efforts of the President, the men on the battlefield, and this committee.

Tragically, this committee has become obsessed with the belief that it has been disregarded by the President and, therefore, there shall be public acrimonious confrontation between the President and this committee.

Senator Mansfield the other day suggested that we ought to meet with the President and discuss the subject with him, and in that type of meeting try to bring him to our way of thinking. But that we are not doing.

Standing out conspicuously is the effort that goes to the floor of the Senate, and in vigorous lacerating terms to condemn the administration without the achieving of anything except causing the death of more men and bodily injury to more men.

Now, what I would propose is the carrying out of what Mr. Mansfield said. Let us sit down with the President and discuss the matter and see if you cannot reach a sort of understanding without publicly throwing blows at each other, libeling and slandering each other, which is conducive to no help to anyone.

Senator GORE. Mr. Chairman, maybe it would be best if I conclude.

Senator LAUSCHE. All right, go ahead. I am through.

THE DUTY OF DISSENT

Senator GORE. Well, the response to Claiborne's statement that it was an arresting statement.

What is the duty of dissent, the duty of disagreement? What is the responsibility of it?

The CHAIRMAN. Of what?

Senator GORE. The duty and responsibility of disagreement with policy.

It is, if one does feel as Claiborne says he feels, that we are on a disastrous course, that the consequences of the policy if pursued will be catastrophic to the country, what does one do? What does a member of this committee do?

We must all rationalize our duty. Unfortunately sometimes we are accused of aiding the enemy or almost insinuating that we are on their side. I think this is most unfortunate in our system. However, it cannot be allowed to deter us.

JOHNSON'S OPPOSITION TO SENDING TROOPS TO VIETNAM

My own conviction is that we are considering a disastrous course. I would like to relate to the committee, since we are in executive session, a personal conversation I had with the President a long time ago when he was considering sending ground troops to Vietnam. I went to him and undertook to dissuade him. I suggested the possibility of trouble flaring up in Korea again, the possibility of Russia moving into the Mediterranean, and the Middle East, the possibility of a Berlin blockade flaring up again. Fortunately that has not occurred.

The President reviewed the whole situation. He recalled how he was called down to the White House when President Eisenhower was considering sending troops to Dienbienphu. I recalled it, too, because along with about a half dozen other Senators I waited in the cloakroom until he came back to tell us what the decision was.

He recalled how he had told President Eisenhower he opposed it, thought it would be very unwise, tragic, to get involved in a land war in Asia.

But he went on to say that after President Eisenhower and Secretary Dulles committed us to economic aid, and how President Kennedy had increased it there, and then how—well, he finally said, "It is now in my lap," or something to that effect. I am not sure those were his exact words. I am going to quote him exactly in a moment, but anyway he said it was his responsibility. He ei-

ther must withdraw the advisers or send combat troops, and the one thing I want to quote him as saying is, "I am not going to be the first President to run."

The CHAIRMAN. To what?

Senator GORE. To run, r-u-n.

Senator DODD. To run away.

Senator CLARK. Yes.

Senator MUNDT. You do not mean run for election? [Laughter.]

PRESIDENT'S GREAT CAPACITY AND STUBBORNNESS

Senator GORE. I did not think that was the framework in which the decision should be made. I thought we should look cooly and coldly and as dispasisionately as possible at the long-term national interest which, I thought, required our extrication from that morass instead of our plunging headlong into it.

Now, I saw the President quoted a few days ago. I did not hear him say this. He said those words to me. I read him quoted in the press as saying that the other side had not offered anything which he would find acceptable, and here are the quotes attributed to him, "I am not going to be the first President to surrender to the Communists."

I cannot vouch for the accuracy of the quote. I only cite these two things to illustrate that we are led by a man of very great ability, enormous capacity, and a stubbornness which some people admire beyond stint but which in this situation, I think, may be one of our very greatest obstacles to peace.

What do we do? I searched the Tonkin Bay resolution the other day. I think most of you will agree that it remained for me, in part, to pull the cover back and expose a situation by which we were misled, a situation which showed, I believe, that Mr. McNamara was attempting to mislead us again.

I am not sure he attempted to, intended to, in the first instance but I could not escape the conclusion that he did intend to mislead by the release of his statement the other day. So I concluded then that in so far as our records were concerned, the truth must be revealed.

WHAT KIND OF VICTORY?

What do we do now? How do we rationalize our duty? What course does patriotism dictate?

Frank Lausche, who is as patriotic as any man living, feels that we must yield our doubts and achieve unity in order to achieve victory. What kind of victory? Will it be Pyrrhic? What would be the end purpose of unity? Would the end result, the consequences, be a war with China? That is what I fear, frankly.

I do not think there are many steps, many further escalation steps, steps of escalation, short of that. Right now we are advised that the program, the Vietnam policy, is being reassessed and reviewed. I hope it is. It certainly needs reassessment. Every reassessment in the past has resulted in a decision to escalate. I hope that will not again be the result. It may be. Suppose it is? I think it would be tragic.

I do not know what to do. We are all afflicted with doubts. I can only retire to the old adage, let the Nation know the truth and the truth shall make us free.

I would support Senator Cooper's proposal, except that to the the fullest extent possible the hearings be public because this is a democracy, this is a people's government. It is their sons who are dying, it is their country that is suffering. So that is my response. Excuse me for being so long.

OPPOSED TO LIMITING INQUIRY TO NEGOTIATIONS

Senator CASE. Would the Senator yield?

Senator GORE. I have finished.

Senator CASE. Yes but on your point.

Senator GORE. Yes, I yield.

Senator CASE. I would hope you would go further than that. The trouble with limiting this matter to negotiations is, in the first place, I do not think it is broad enough. I think the facts as to what is going on and what will happen if we continue in this fashion in the war on the ground is equally important as to whether we—perhaps more important as to whether in the past we have failed to take observation of a wink of the eye or a nod of the head or something else, as many people have said, and I have never put much stock in that story.

I am certainly not against a negotiation inquiry, and I think it is fine. But I think the facts as to what will happen if we continue in the present fashion are essential to be made public.

THE POWER TO UNDECLARE WAR

Senator GORE. I want to proceed on that for just a moment. I say to you that I have about reached a conclusion in my own heart that this Congress either ought to declare war or undeclare war.

Senator LAUSCHE. I pretty near reached the conclusion that the way to bring this to a clear understanding is for the chairman to introduce a resolution that we pull out of Vietnam, let it go to a vote, and then if the vote is that we should not pull out, join shoulders in support of our men. Now I do not know whether it should be done or not.

Senator GORE. Well, the manner in which the resolution is presented would be important. But if this country declares war my dissent will end. We have not declared war. We have been led step by step into a war each time being assured we did not seek a wider war.

Senator HICKENLOOPER. Will you yield there, Senator?

Senator GORE. Yes.

A PECULIAR PARTNERSHIP WITH THE PRESIDENT

Senator HICKENLOOPER. You asked a question which is a very pertinent question a minute ago, as to what is our role. We are a legislative committee. We are not an administrative branch here, and our remedy and our weapon is legislation.

Senator GORE. Bourke, that is not all. The Constitution places the United States Senate in a peculiar partnership with the President.

Senator HICKENLOOPER. Advise and consent, on what? Advise and consent on appointments of ambassadors and ministers and a few other things.

Senator GORE. No, it is not confined to that.

Senator LAUSCHE. You were going to say something. You agree with what?

Senator HICKENLOOPER. I was about to agree with you. That is why you are so enthusiastic about it. [Laughter.]

I think there is something to what Frank Lausche says. If we feel this way about it, then from a legislative standpoint and with a legislative vehicle, introduce resolutions of legislative authority and have them voted on.

Senator CLARK. We did. We did it on April 17th—on April 4, 1967 at the behest of Senator Mansfield, to which I added——

Senator HICKENLOOPER. That is all I wanted to say.

Senator GORE. I have yielded. Let Joe talk.

Senator HICKENLOOPER. Our weapon and our forte is legislation.

Senator GORE. I will speak briefly and then I will yield. I do not agree that our role is limited to legislation. The Constitution gives to the Congress the power and responsibility of raising and supporting an Army or not doing so.

Senator HICKENLOOPER. That is legislation.

Senator GORE. Of raising the revenue.

Senator HICKENLOOPER. That is legislative.

Senator GORE. Well, let me go ahead for a moment. It also places the Senate itself in a unique and peculiarly limited partnership for the conduct of the foreign relations of this country with the President, and I do not think we can absolve ourselves from the responsibility, and I think in this particular circumstance, tragic as it is, we need to rise and assert our responsibility and our duty.

Excuse me, Joe.

Senator CLARK. I want to take my turn because my turn has not come yet.

The CHAIRMAN. All right.

Senator Carlson, do you want to respond?

Senator CLARK. Frank, await your turn. Let us let this thing go on the basis of seniority.

The CHAIRMAN. I thought you wanted to respond.

DO SOMETHING AFFIRMATIVE

Senator COOPER. If I might make one statement that I think will be helpful in this discussion, it seems to me what you all have been saying is, of course, of substance, and that is people do have a right to know everything that is going on, as far as I understand this system, conducive with security, and I certainly have made my dissent, which has not been, I would say, as critical as some, but I have tried to make my suggestions from time to time and for a good long time.

But what I see happening is this: The war, if the decision is made to send the troops, and in my judgment it will be because they will take into consideration the safety of these men, with that response then from North Vietnam of more men and weapons from China in time, I would say a response from Russia, and more sophisticated weapons, and so you have a continued war.

Now, the split in the committee, the split in Congress, the split in the country, and as long as that split goes on, I think the President is going to follow his course.

Now, we all have been agreed upon one thing, the President and the administration have said always they seek negotiation. I do not know whether you can get negotiation or not. I have always said that. But they say they seek it.

This Congress has said it sought and approved negotiations, and in the act I think which Senator Clark is going to talk about, what my proposal would do would be to limit it to that point where all have said they agreed, and see if we can build some help from distinguished men of this country who had actual experience in this field, which could be made available to the President, and which would help us, and if the committee felt right, to give it to the public.

I thought that, for the moment, because of this critical situation, and to give the affirmative feeling we are trying to do something affirmative, that it might be executive, but that is up to the committee.

That is all I am going to say.

The CHAIRMAN. Senator Carlson.

THE PEOPLE ARE GREATLY CONCERNED

Senator CARLSON. I think the discussion around the table indicates that we are all under a very severe and difficult problem and burden. We do not know just exactly what to do. We want to do what is in the best interests of our country, and I think when it gets out to the final analysis, the Senator from Ohio mentioned the President and the men overseas and this committee, and I think you have got to go further. I think you have got to go out to the people.

The people are getting greatly concerned about this situation and we are, at least the people in Kansas have a feeling that we, as a Congress, particularly this committee, are not meeting our responsibility.

When we had this up before I suggested that I hoped the President would invite members of the committee down and discuss this situation before he further escalated the war, and I am still of that position.

I am fearful that, in fact I feel confident that, they are going to escalate this war.

I was over in Vietnam last July, and there are two groups that want an escalation of this war in this way. They want more troops over there. One is the American boys themselves, and the second is the South Vietnamese, including President Thieu with whom I discussed it.

I sincerely hope that we do not act today. I think the President is going to have to make his decision now within the next week or two because there is great concern over there about our being in position to maintain our troops.

Our troops might just as well be frank about it, the Deputy Commander Abrams said that we are too thin. He just said it publicly here within the last 30 days, so they are going to have more troops if we maintain our position.

Now, the question with me is should we try to do something now or just with a hope that the President would, at least, and I think, I saw, somebody in the White House did say the other day that he is going to consult with some people up in Congress before he goes through with it, I may have misread that, but I did read that, so I would like to have it come from down at the White House instead of our trying to press it. But I do say there is a severe feeling out in the country that we are not meeting our responsibilities. That is all I have to say.

The CHAIRMAN. Senator Lausche.

Senator LAUSCHE. Yes.

WHETHER TO STAY OR PULL OUT

Frank, I do not think that I am far apart in my thinking with a majority of the members of this committee.

The only way in which I differ is the technique chosen to achieve an objective which is common in the minds of all of us. I think we are overcommitted around the world. I do not believe we can act as the policeman to bring about a pacified condition in countries far removed from our shores.

I have great apprehensions about our ability to succeed in Vietnam. But I come to the point of how can I best put into effect the thinking which I have about what ought to be done.

Frank, you say that now we are confronted with sending more troops to Vietnam. I think we are. But the issue is not whether we should send more troops to Vietnam. If we stay there we must send adequate troops to insure that we will not make a butchery out of the men who are there.

Senator CASE. That is axiomatic.

Senator LAUSCHE. Now, the issue is shall we stay there or pullout.

Senator CLARK. That is not the issue and it never has been the issue. That oversimplifies it. It is not right to say that is the issue.

Senator CASE. That is accepting the President's framework and statement.

Senator LAUSCHE. Anyhow, that is my view, that the issue is whether we stay there or pullout. If we stay there we have got to send in adequate numbers of men to make certain that those who are there will not be slaughtered.

Senator GORE. Would you yield there, Frank?

Senator LAUSCHE. Yes, I do.

NON-INTERFERENCE FROM THE NORTH

Senator GORE. Now, you put it in the hard context of stay there or pull out. We know what you mean by pull out, that is a term that has connotations.

Senator CLARK. Which are provocative.

Senator GORE. What do you mean by "stay there" and what are the consequences of staying there, in what manner stay there?

Senator CLARK. What do you mean by "pull out"?

Senator LAUSCHE. I mean stay there to reach the objective which we have in mind.

Senator CLARK. Which is what?

Senator LAUSCHE. There will be non-interference and non-aggression from the Communists in the North in the purpose of the citizens of the South trying to establish their own government under constitutional processes.

Senator GORE. Will you yield there?

Senator LAUSCHE. I yield, yes.

Senator GORE. I think the facts are that the Tet offensive which did such terrific damage to the pacification program, which recaptured a great deal of territory, was not by North Vietnamese alone, but very much by the indigenous population of South Vietnam. How would you stay there in that situation?

Senator LAUSCHE. I will not undertake to argue that issue as to whether it is the South Vietnamese or the North.

Senator GORE. But it is crucial to what you mean by staying there.

Senator LAUSCHE. I do not concede what you have said there because if the South Vietnamese are the ones who are primarily involved in this guerilla uprising under the protection of the Lunar holiday season, the expectations of the North Vietnamese that the people would rise in rebellion would have become a reality, but it did not become a reality.

Senator CLARK. There was not a single North Vietnamese soldier in the IV Corps area, not one.

Senator LAUSCHE. Let me go on.

The CHAIRMAN. The Senator from Ohio.

THE TONKIN BAY HEARINGS WERE NOT HELPFUL

Senator LAUSCHE. Thanks very much, Mr. Chairman. I agree with you, John.

Senator COOPER. On what? [Laughter.]

Senator LAUSCHE. Speeches that have been made on the Senate floor have been harmful.

Senator COOPER. I did not say that.

Senator LAUSCHE. I think the record will show that.

Senator COOPER. I said some people will consider it.

Senator PELL. Did you say that?

Senator COOPER. No.

Senator LAUSCHE. Let the record speak for itself.

The. Tonkin Bay hearings were not helpful. In my opinion, this committee acting separately, without first attempting to have an understanding through consultation with the President, has been harmful.

At this point I want to repeat that what we ought to do is ask for a meeting with the President, and there behind closed doors express our views.

Instead of doing that, we are moving farther and farther apart from the President. He is making statements in accord with his thinking. We on the floor of the Senate are challenging him, the result being that we are driven farther and farther apart.

NO INVITATION FROM THE WHITE HOUSE

The CHAIRMAN. Frank, will you yield just for a comment?

Senator LAUSCHE. Yes, I will yield.

The CHAIRMAN. When the matter came up I said to the Majority Leader who conveyed this, speaking as far as myself, that I was ready to go with any part or all of this committee whenever the President desired it, and that is what I said and that is the way it stands. It happened at least a month ago. I say this just for the record.

Senator LAUSCHE. What about the proposal of Senator Mansfield that we ask, the whole committee ask, for a meeting with the President?

Senator AIKEN. I think he has practically invited us.

The CHAIRMAN. I have received no invitation. I told Mike I was ready to go either individually or as a member of the committee or any part of it, whenever the President invited us. That is exactly what I told him.

Senator AIKEN. He invited you and Bill in the same way he would like to end the war, a tacit understanding.

The CHAIRMAN. That was a fact that I told the Majority Leader when this matter was brought up.

Senator LAUSCHE. How can we bring out this objective instead of arguing in public, sitting down——

The CHAIRMAN. My position is that unless he desires our consultation it is worth nothing to insist on going to see him. If he is interested in this committee's or my own personal view, I am perfectly willing to do it. But he is the President of the United States, and if he does not desire to have our views I do not think it is any good to insist on going.

Senator CASE. Would the Chairman yield.

The CHAIRMAN. I just wanted to clarify the record.

Senator LAUSCHE. I have the floor.

Senator CASE. Would you yield just on that point?

Senator LAUSCHE. Yes.

Senator CASE. I do think if we arrange such meeting I would be happy and flattered if I would be included, as it would be for the whole committee. It would not be on the basis of the President giving us the dope, but that we would have a chance to tell him. Not one of these formal briefings with all the boys and the panoply of the brass and all the rest, not that I want to exclude it, but this is our chance to discuss it with him.

SUSPECT STATISTICS

Senator AIKEN. Would you yield to me? I am just wondering, because we have a war, I noticed from the press releases of the administration, that the number of enemy killed exceeds the 300,000 mark, 302,000 were the figures given on the ticker. The highest number of Vietcong, plus Vietnamese in South Vietnam ever reported to this committee were 298,000. If we killed 302,000 out of 298,000, what are we shooting at?

I think the administration, somebody down there, was a little careless or a little overoptimistic. But I will leave this to Carl. The highest figures we ever had were 298,000.

The CHAIRMAN. Senator Lausche.

Senator AIKEN. I do not expect you to answer that, Frank, but I thought it was a ridiculous release.

Senator LAUSCHE. I can understand that, but that is going down a different avenue from what I am going to discuss.

Senator CLARK. Is this a filibuster, Frank?

Senator LAUSCHE. For goodness sake, Joe, others have done most of the talking.

The CHAIRMAN. You are recognized. Nobody is trying to shut you off.

WHETHER TO HOLD HEARINGS

Senator DODD. Can I raise a parliamentary question? Are we going to have a vote today?

The CHAIRMAN. This was a discussion. Were you here when Senator Cooper opened up?

Senator DODD. No. I am sorry I was not, but I was detained. I read the letter.

The CHAIRMAN. That is what it was about. He requested I this to discuss it.

Senator DODD. I want to catch a plane.

The CHAIRMAN. The only thing up before us is: Does the committee wish to agree to have hearings? They are at least a month off. It takes the staff—we have got hearings scheduled for three weeks, along the lines Senator Cooper suggested.

Senator LAUSCHE.

RECOMMEND A TRUCE

Senator LAUSCHE. Senator Hickenlooper asked who are we to negotiate with. In my opinion, the President, motivated by politics, in part, has been trying to get Ho Chi Minh to the negotiating table. He has not been able to do so.

In other words, in my opinion, the administration has attempted to bring Ho Chi Minh, yes, drag him to the negotiating table, but has not been able.

Now, here are my proposals: That this committee recommend that, there be a truce in the firing, in the movement of the troops and military equipment, and that that should be sought through the joint action of the President of the United States and the Communists. The recommendation probably will not be carried into effect. The President would join in it.

2. That there be a meeting with the President of all of the members of this committee, that being our primary objective, to talk out in closed quarters the differences which we have between us.

3. That we condemn the United Nations for failure to perform the functions which the charter says it shall perform. That is the end of my presentation.

The CHAIRMAN. Senator Mundt.

OBVIOUS DIFFERENCES WITHIN THE COMMITTEE

Senator MUNDT. I think I am as confused as everybody is sitting around the table.

I have got a few convictions. I do not think that this committee should ask the President to have us come down and discuss with him the various obvious differences which will be ventilated down

there before him, to expect him to arbitrate the various points of view.

I think if he invites us to come we should go. But at least until and unless we have got a consensus of viewpoint to carry down there and to present, I see, I try to visualize this meeting, and everybody is going to say the kind of things we are saying around the table, and I do not see how that is going to be helpful to the President, and certainly we do not want to assume the responsibility for running the war, and he has got that responsibility and he has got to continue to do it.

Regarding the Cooper Resolution, I think we have got lots of time to think about that because obviously we cannot vote on this or, in my opinion, should not vote on it until we hear Secretary Rusk in open hearing.

If that hearing goes off, as it should, I would expect him to be before us for several days, and I would think we could work out some kind of understanding among ourselves as to how we are going to conduct it, how long each one of us should take because otherwise we will have him there for the rest of the war, but I think we can decide in advance if we want to let everybody exhaust his questions on the first round or have 10– or 15–minute limitations, or nothing at all, but I think we ought to have some understanding before we start this that we do not have the customary public brawl about somebody taking too much time and somebody not taking enough.

But I think, I would think, that out of that we would get some illumination as to whether we want to proceed with the Cooper type of hearings in an executive session or in public session or not at all. But I just think it is wrong for us to ask the President to invite us down, to sort of referee our different points of view.

THRASH IT OUT AROUND THIS TABLE

I think we ought to try to thrash it out around this table so at least more than half would have the same point of view to suggest.

I do not see how we can contribute anything otherwise excepting providing him with a format to tell us what he is going to do, and then we are part of the act, because we have got no way of stopping it, we have no way of publicly protest ing it, it is not our function, it seems to me, to try to conduct the war. I think that is his function. If it is not his function then it belongs to Dick Russell's committee rather than ours, a military advisory council, I do not think it was built for that particular kind of job. We deal with foreign policy, and I think that some discussion—Bill has initiated some good ones, what is the function of this committee, we had some hearings on that. We had a very good Senate hearing, I think, on the Chinese policy, what should be our attitude toward the Chinese situation. I have been carrying around in my pocket for some time and have not offered it, and I may or may not offer it, but I would like to see us conduct some public hearings also not on the outcome of a situation which is serious, but as to the cause, the basic problem——

The CHAIRMAN. What? I did not hear that.

Senator MUNDT. As to the cause of the basic problem or the basic situation in Vietnam.

I think we are all aware of the fact, although we do not talk about it very much, that you kind of have got a war going on over there between the U. S. and Russia, between Communism and our way of life by proxy that ballooned farther out than just a little war between the South Vietnamese and the North Vietnamese, and I think it would be very illuminating and helpful to this country if we conduct a series of public hearings which we might label a study, which has never been done, of the international relations between the United States and the USSR in the last half century.

RECONCILING DIFFERENCES WITH THE COMMUNIST WORLD

This is the basic thing, unless we can reconcile the differences between the Communist half of the world and ourselves, otherwise we are going to have a war. We have a little war now, and we might have a big war.

On this we might contribute something which would lead possibly to a helpful conclusion concerning Vietnam, and it would not be directed toward trying to negotiate that war. It would not be directed toward trying to ascertain blame for that war.

It would be, here we are, here is Russia. For 50 years we have moved together, and we have moved apart, a scholarly public, intelligent hearing with the best authorities we can get on the relationships, not to form any conclusion, not to accuse the Russians of anything or say that we have always been right, but to try to find out just exactly what these differences are and what are the possibilities of reducing them.

I think that would be a fruitful and useful hearing, and I have got a resolution, as I say, but I have never introduced it. I am not sure enough about the angle, but I think in that field this committee, in its own bailiwick, can make some constructive suggestions and out of those hearings might come some concept of how to lessen the tensions between Russia and its way of life and the United States and its way of life.

Until we do, either Vietnam or some other situation, I think, is going to continue to boil up and bring us either directly or by proxy into conflict. That is all I have to say.

The CHAIRMAN. Very good.

Senator Dodd.

A VERY UNPOPULAR VIEW

Senator DODD. Mr. Chairman, I am very reluctant to say anything because I have a very unpopular view of the whole situation. I do not think anyone agrees with it. I think it is part of a worldwide conflict, and we have not faced up to it, and if it is not Vietnam it will be South Africa or some other place in Africa or Central America or South America.

I do not think there is going to be any end to it. Nobody wants to hear it. I think we are on the threshold of another war, and I do not think there is any escaping it as long as the Communists stick to their declared objective of destroying us.

I remember when the Korean negotiations went on, I remember Dienbienphu, I was a member of the House Foreign Affairs Committee at that time, and I do not pretend to want to appear as a

prophet, but it was easy to prophesy that it would occur quickly somewhere else.

Then came South Vietnam. It will be something else. So I do not share any of the views expressed here, and I have said so to the people I am privileged to represent, and I am going to go on saying so as a matter of conscience. So I do not think I can contribute much.

If there is a vote, of course, I will vote, but I do not know how the question will be posed.

The CHAIRMAN. Senator Case.

POLICIES THAT WILL LEAD TO DISASTER

Senator CASE. Well, I have said everything that I think I want to say, Mr. Chairman. I could not disagree more with people like Frank who think that ventilating the facts and the issues contributes to in any way adversely to the interests of this country. If I thought that, of course, I would keep my mouth shut.

I think the reverse is true, and I think that our responsibility and our chief function in the present circumstances, particularly with a President of the sort we have in the White House, with great ability and great stubbornness, as I said before, to bring to bear the pressure of enlightened public opinion on him, to require him to change policies which, I think, can lead only to disaster.

I think our hearings ought be based upon putting the facts out, not trying to persuade anybody of anything that is not true, but to give everybody a chance to say what he thinks about it, and that this is the way that we will get somewhere and the only way we will get somewhere with the President.

He has already committed heavily in one direction because once you take a course, make a choice, you naturally are going to continue, and it will require something very extraordinary, and nothing short, I think, of public opinion is going to do it.

This, I think will, and if we are wrong then public opinion will tell us that. But in any event I think we will have attempted to fulfill our function.

TRYING TO GET A CONSENSUS

The CHAIRMAN. Senator Dodd.

Senator DODD. Mr. Chairman, I do not want to be discourteous, but I would like to get a plane, and I would like to be excused.

The CHAIRMAN. Certainly you may, and if we arrive at any consensus, your position is against the hearings, I take it, which will certainly be considered and invited.

Senator DODD. I do not know, I really am not opposed to airing this and talking it out, and Senator Cooper's letter, I think, is a very intelligent letter. I do not know how I would vote. I do not know how it would be put up to it.

Senator CLARK. We are not going to vote today.

The CHAIRMAN. It was not intended to be strictly that. We are trying to get a consensus of what is the attitude of the committee toward this suggestion.

Senator DODD. Mr. Chairman, if you will excuse me.

The CHAIRMAN. Certainly.

Senator LAUSCHE. I am suggesting that we try to have a meeting with the President to see if we cannot reach a common understanding, and if that cannot be done, I am not against individuals expressing their views on what they think of the problem.

I am of the belief that we cannot maintain a victorious position any place 10,000 miles away. That is my own judgment.

Senator CASE. I think there are many points on which we would find ourselves completely in agreement, Frank, and I certainly am not against attempting to see the President. I have a real doubt as to whether it would be effective.

The CHAIRMAN. Senator Clark.

STALEMATE IN VIETNAM

Senator CLARK. Mr. Chairman, I think I am the last member of this committee to have been in Vietnam. One cannot obviously acquire an expertise in a week, but it certainly does sharpen one's thinking and one's vision, and I have prepared an unclassified report entitled "Stalemate in Vietnam" which has been printed by the committee. It will be issued, I think, some time next week.

I agree, I think, completely with Cliff Case. If we cannot get anything better than the Cooper Resolution I would vote for it. But I would like to see open hearings, and I would like to see them cover the entire spectrum of our involvement in Vietnam because, in my opinion—and here I agree with Albert and Claiborne that we are on a disaster course, a course which might even destroy this republic if we do not change our point of view and our position.

I think this committee has a duty to keep unrelenting pressure on for a political solution in the face of an administrative determination and executive determination to attempt to achieve a military solution which, in my judgment, is impossible, and would be disastrous if we continue much further.

I am afraid I agree, and while I am very much disturbed about the divisiveness in the country today, I do not think we can solve that by burying our convictions, smothering our consciences, and getting behind a policy which I, in good conscience, cannot agree to.

Therefore, I do not believe—I think we have to put aside, Claiborne has suggested, the argument about the divisiveness. The country is divided. I think we have an obligation to try to turn the executive thinking and executive action toward a political solution.

Now, with respect to a meeting with the President, I agree with Karl Mundt. I think if we go down there with the points of views as different as those which have been expressed today, which is no more than what we have expressed for the last six months or a year, we do not do the committee any good, and we do not do the President any good, so I would stay away from that. If he asks us, I guess we would have to go. I hope he does not ask us.

Senator MUNDT. I agree.

AN ETHICAL QUESTION INVOLVED

Senator CLARK. One final thought: I am a little worried about this meeting with Secretary Rusk on the 11th, because as I understand it, it is going to be an open session supposedly directed toward the foreign aid bill, and I would be a little bit allergic to see-

ing members of this committee attempt to convert that into a public hearing on Vietnam when the Secretary has refused to come down here on Vietnam. I think there is a very real ethical question involved.

The CHAIRMAN. Could I respond to that? It is my understanding—you all know this came through the Majority Leader, the suggestion that he would like to come, and the Majority Leader said he would not come with the idea of responding only to foreign aid. He comes with the——

Senator MUNDT. I did not get you.

The CHAIRMAN. He does not come with the idea that he is to be confined to foreign aid.

Senator MUNDT. Fine.

The CHAIRMAN. This was all initiated—I thought I said this before.

Senator CLARK. I did not understand that.

The CHAIRMAN. The Majority Leader suggested to me—this was some time ago—that the Secretary of State would be now willing to come, and they thought this was a good time to come. This came through the Majority Leader which, I assume, came through the President, and he would be prepared to discuss anything. I mean, he is not coming with the understanding that he is to be asked only about aid. I mean, you are not going to catch him by surprise by asking him about anything else.

Senator MUNDT. Joe, that should obviate your problem.

Senator CLARK. It does, completely. I did not so understand it.

Senator GORE. A graceful way to respond.

The CHAIRMAN. I think probably in his statement he will be prepared to give very forcefully the administration's current position.

Senator CLARK. Mr. Chairman, not only in conclusion but finally, I would hope——

Senator MUNDT. He should have that right.

The CHAIRMAN. What?

Senator MUNDT. He should have that right to answer questions.

The CHAIRMAN. Surely. This came, I may say, from the Majority Leader.

HEARINGS SHOULD COVER THE WATERFRONT

Senator CLARK. In conclusion and finally, I would hope that the majority of the committee would go along with Cliff Case. If it won't, I would go along with John Cooper. That is my position.

Senator LAUSCHE. What is the Cliff Case position?

Senator CLARK. Well, Cliff thinks there ought to be public hearings which will cover the whole waterfront, not just executive hearings which will cover only negotiations.

Senator MUNDT. Cliff, don't you envision that is what is going to happen, starting on the 11th of March?

Senator CASE. I do not know whether it will or not. I do think this will happen in a completely useful way unless we make this as our objective, unless we have preparation for it by the staff, by ourselves, a broad inquiry into the facts. This is a big undertaking. It cannot be just done by having maybe half a dozen first-rate people come before us, but I do think it is, in a sense, if you will what, whoever it was talked about, as unhappily, in the sense, of a com-

mittee on the conduct of the Civil War. The only trouble with a committee on the conduct of the Civil War was that it did not succeed.

The CHAIRMAN. We are not trying to conduct the war, but the matter of policy as to which direction you go, it seems to me, is quite aside from the conduct of the war.

Senator CASE. You can put it in different ways. Is this winnable on the basis of the present course? Will we succeed militarily but only by the complete devastation of the whole country and the destruction of all the people? And laying it open to Communist infiltration in a way that never would happen if the normal barriers against Communist expansion which would exist if the country remained and the people remained essentially as they have been, were still in place.

This is the kind of thing I think that the President has made it impossible for himself any longer to consider unless he is forced to look at it. That is my view.

The CHAIRMAN. Senator Pell has not had an opportunity, has not had a turn, I guess.

Senator Pell.

Senator PELL. Thank you.

NO SUPRISE ABOUT ESCALATION OF THE WAR

I have several points. In the first place, I cannot help but remember several years ago at one of the briefings at the White House, before I was a member of this committee, Secretary McNamara mentioned the possibility of 600,000 men being in Vietnam, and I think the figures he showed would even go higher than that, so there should be no surprise about the path of the administration in its wish to escalate this conflict.

To my mind, we can be sure of a couple of things. We can be sure that the war will be escalated, and from the viewpoint of tactics I imagine we will probably end up by going down to the White House. I hope it would be effective. I do not know.

When we come to this question of butchery—there is no doubt about anybody's patriotism here, Senator Lausche's or anybody else's, but I do not think that those who have disagree with the administration have slandered them in any way. I think they have been a good deal restrained.

When it comes to butchery, I think for us to leave 5,000 in Khe Sanh surrounded by 25,000 or 30,000 or 20,000 or whatever it is now, it is like a pimple or a wart over there in the corner waiting to be pinched off, I think there is going to be terrible butchery involved there.

From the South Vietnamese viewpoint, I think when we saved Hue, and the local government reports that 70 percent was destroyed, that is a kind of poor saving.

As an individual, I have always sought to be as harmless as possible in this case and probably, I think I am the only active Reserve Officer around the table, and I am conscious of the military facts involved, I come from a state which has as high a number of military people as any state of the Union, and a lot of my people are overseas, and we do not want victims, and for that reason those of us who have objected have talked strongly and privately. I have

gone down to the White House and talked to the President privately. We have talked here pretty harshly, we have taken publicly far less strongly than we have talked privately, but we have been utterly ineffective.

THE COMMITTEE HAS CHANGED ITS THINKING

I am struck, as a brand new man on this committee, or as new as anybody, I guess, I guess the newest Democrat, by the way this committee has changed its thinking.

I came on three years ago without too many preconceived ideas. I was not convinced that the policy we were leading was correct, and I fought my own election as a dove, quitting the bombing of the North, not to get into negotiations, but it was wrong and counterproductive, and to deescalate in the South, but that was my own personal view.

But as I sat in this committee and have seen, with the exception of three or four men, the majority of the people gradually come out, with all respect to Senator Hickenlooper and Senator Lausche, those others who support the President, the majority of us have come out with a good many doubts, and it is because of seeing this happen as we examined it, that I want to see the public as a whole examine it, because what has happened here, and I am sure it has happened to you, Frank, if you went over another 200 hours and asked the questions and got the answers, asked the questions and got the answers, in the end all of us are sensible patriotic men, we would come out, I think, with very similar replies.

What I want to do is to see the American public come out with the same conclusions we have because when they do, I think it is a democracy, and I think the Government will have to respond, and that is why I, for one, stick to the idea of liking public hearings.

I would hope—I would support Senator Case's suggestion. I like Senator Cooper's very much, but I do not think it is going to be as productive as public hearings on the general policy because when it comes to actual negotiations, there is no problem about negotiations. We can have negotiations and the war will go on. There were more casualties in Korea after they started it. I am not against negotiations per se. Both sides are too far apart, and the real guts of the matter is to try to bring the two sides closer together.

As far as contacts go, the contacts are galore, and I think when there is a will on the North Vietnamese part to give way—I do not think it is coming because it is their country—there is no difficulty about signaling, and when we have eventually indicated a willingness to get our fingers out of that pie, there is no difficulty about signaling. The problem is not about negotiations, but bringing positions together, is my view.

The CHAIRMAN. Senator Cooper.

Senator COOPER. I will be short.

Senator PELL. I support Senator Cooper. It can do absolutely no harm, and I like the idea of these hearing.

PUBLIC OPINION FLUCTUATES

Senator COOPER. I personally like the argument that if this resolution is carried out or the proposal could have an effect, I will try

to compare, if I can, contrast, the proposal which has been made with the more narrow proposal I have made.

I participated in these hearings since I have been a member, and I am not opposed to any public hearings. I think it is correct that in time if the public is convinced, it might work its will upon the administration. But I would only point out to you a few months ago there was a wide protest in the Congress and in the country, and as manifested by the polls, against the policy of the President in Vietnam.

Suddenly General Westmoreland came over here, Ambassador Bunker came. It seemed that we were winning some victories, and the protest died out right here in the Senate and the Congress and in the country.

So I think public opinion fluctuates as the conditions exist on the battlefield.

Senator CASE. Appear to, John; appear to exist.

Senator COOPER. Appear to, and they do, in my own judgment and examination and discussion with people, as you all do.

Now, in the time that public opinion might manifest itself, and I think the Congress has a duty of leading it. It could be months. In the meantime the war goes on, more and more resources are committed, more and more men are killed. Perhaps a year from now or some time later the war might—this idea might be impressed upon the President. But even then the conditions under which we would have to act would be much more intolerable for him. He would have to admit defeat. It would be humiliating in the eyes of many in the country, and I think it makes it more difficult.

TAKE SOME CHANCES FOR NEGOTIATIONS

I think, just to make that clear, if the President had been able to two years ago, three years ago, even last year, to take some chances toward negotiations, we cannot say they might have had negotiations, but I think we all agree that it might have been easier.

All I am arguing is this: That there is one point upon which the administration, the President, this committee, the Congress are agreed, with the exception of a very few, that they would like to see negotiations and the war ended.

My point is that having these hearings on negotiations, and soon, that it does have influence beyond just the questions discussed, the fact that this committee is discussing the importance of negotiations, the people who are important in the country are talking about it, it could influence the President, but also it could give him assistance to stand up against public opinion, if there is such public opinion about it.

I am not against all these others, all these other types of investigations. But what you are dealing with is the actuality of decisions made which will carry this war on for months and months and months, and now we are doing a thing which is acceptable, said to be acceptable to the administration to try to give their influence toward negotiation, even take some risks and chances to enter negotiations.

Kosygin,[1] and I do not—well, I do not make any—but Kosygin laid himself on the line that if the bombing would stop—I do not know whether it would be bombing or not just because I said it—that we could have negotiations.

Now, the Government of France, we do not have to like them, but when the Government lays itself on the line and puts itself in a pretty difficult position that there will be negotiations, why not give him some assistance, urge him, give him some influence instead of waiting six or seven months when the possibilities would be much more difficult. That is my argument and I hope you will all consider it.

CREATING A MORE PEACEFUL ATMOSPHERE

Senator PELL. Mr. Chairman, may I just comment here that while I do definitely support Senator Cooper's suggestion, obviously it creates a more peaceful atmosphere if negotiations are going on.

But I would also like to see it go further. The other point that I would like to make or should have made is I think what is really involved here, when it comes to the unity of the country, we will all support our President even in his mistakes as long as they are small ones. But it is when the full faith and credit of the country are put into an adventure that we feel is an open-ended one, that then one thinks we should be limited partners rather than general partners, to use a business term. What I am driving at here in a more simple analogy, I can see a very nice looking pair of shoes and admire them very much. But if they cost $75 I will say they are too expensive and I will not get them. I would get them if they were worth $25.

What we are saying here is when we have invested because of certain interests in Southeast Asia where we were perfectly justified in putting some blood, some money, but we have put the full faith and credit of our nation behind this investment, and that is where I take exception to it and feel we have to follow the channels suggested elsewhere, Senator Case and others of us, who would like to see the open hearings.

NEED FOR CONSULTATION NOT CONFLICT

Senator LAUSCHE. I subscribe to what Senator Pell has said. I only differ with him in the technique chosen to achieve the objective. I think it should be done by consultation and not by their public conflict in which there is no communion. There is no communication now between the President and this committee, and I am hoping that we would adopt some formula where there would be communication.

Senator CASE. God knows, Mr. Chairman, I do not disagree with this at all. Somebody suggested we might ask him to come up here for lunch. But I think there is something to what Joe said. There is a difference of opinion even among us in the committee. I am not sure there is a majority for any single course.

If you take good old down the line supporters of the administration like John Sparkman, in the end he will not be with me. He will be——

[1] Soviet Premier Alexsei Kosygin.

Senator LAUSCHE. I am not so sure.

Senator CASE. No. This is—I do not believe we have a consensus in the committee, except of concern, and I do not want to be against it. I would be happy to see the President any time, and honored to sit at the same board with him, and all that sort of thing. But I do not think we are going to do much more than confuse him by the way we would talk to him if we all talked as we talk now.

INITIATE THE INVITATION

Senator MUNDT. This is why I do not think we should initiate the invitation until and unless we have a recognizable consensus among ourselves, if we do have. I do not think we have got a majority point of view of any one specific course of action.

Just to go down and bat around our differences in front of him I think is a waste of time, and an imposition, unless we can consult him about it.

The CHAIRMAN. You express my own feeling about it. It was not this committee that broke off communications, it was the President who declined to have his Secretary of State come.

Senator MUNDT. I see some hope in the fact of resuming communication by the Secretary of State coming down with the understanding that we can ask him any questions we want.

The CHAIRMAN. That is correct.

Senator MUNDT. What more can you ask him? You do not want to have the President, you want him. I think he has got to try this out and then take another look at this Cooper suggestion or any other suggestion, after we find out what happens on March 11th, 12th and 13th, however long it is going to take.

Senator PELL. Why can't we do both?

Senator CASE. Except they are different functions. One, we need to tell the President what we want him to do, and, the other is to give the country the picture of what is going on. That is the thing that I want.

The CHAIRMAN. I do not see any answer to that argument. You and Senator Gore both made this.

LET THE COUNTRY KNOW WHAT IS GOING ON

It seems to me the function of this committee—we cannot make him do anything, but the principal function, it seems to me, is to give the country an opportunity to know what is going on. I mean, we are the vehicle for that purpose. It still is a democracy, and we ought to share the responsibility with him.

If you give him adequate information, and we hope that it is true information, then they have the responsibility, they certainly share the responsibility of what the decision is.

Someone has already said that—someone said all of these things—that it is their boys, their money and everything that is involved. They ought to have a reasonable opportunity to know what the best minds we have think about these things. That is one thing that, it seems to me, that is clearly within our responsibility to do.

I do not know how you can avoid that. That is its function, and I think they cannot be blamed for making a wrong decision if some-

body has not given them access to reasonable knowledge about this.

The way we do it is always open to question. I would favor either of your views, whatever the committee wishes. Maybe we can do both.

Senator CASE. They are not mutually exclusive.

EXECUTIVE AND OPEN SESSIONS

The CHAIRMAN. We have always had some executive and some open. You can have some executive, and after we have taken a look at the matter, decide what you want to have in open session.

When I was chairman of Banking and Currency, investigating the RFC [Reconstruction Finance Corporation] and so on, we always had executive sessions first and then whatever was worth, we thought was significant, we had open sessions and went over the same material.

Senator MUNDT. We do that in our investigating committee all the time.

The CHAIRMAN. There is always a limitation of time. I certainly agree with Senator Mundt's views about consultation.

I have been to these consultations. When you go to the regular ones where we are briefed, we never have an opportunity to say anything.

I do think in this question of the responsibility of the committee, the administration has vast resources to give its story. You look for the last several weeks, all the prime programs, with just one or two exceptions, have been occupied by the Secretary of State, the Secretary of Defense, Assistant Secretary Bundy, Rostow, et cetera, General Taylor, and so on, and there have just been one or two Congressmen. This is an inherent advantage he has.

This committee is about the only body which can begin to offer an opportunity for discussion that is not clearly the administration line.

JOURNALISTS GIVE AN ACCURATE PICTURE

Somebody made reference a moment ago to Frank McCullough. Unfortunately, there were not too many here. I felt after that meeting with McCullough and Just——

Senator MUNDT. Is that the Life Magazine fellow?

The CHAIRMAN. Yes. He and Just came. Later, this was not a committee—it was a private meeting—it happened to be a day later with this fellow Martin. Here were these three top American journalists, and I felt well, now, I am hearing the real truth about the situation. The same way when our staff members go, they are not under these restrictions of official things, I think they tell us the truth. They have not been as long and not as expert as McCullough and Ward Just and this other one, but I regret that we cannot put these people—we have not so far put them on in public session.

Senator CASE. I think it would be a good idea to do that.

The CHAIRMAN. I think they give the most accurate and perceptive views about the real situation in Vietnam of anybody. Of course, I think Walter Cronkite's program in its way is very good. It is limited in time. It is only 30 minutes. I think it should have been an hour, and all that.

But anyway, I think he gave an accurate picture of what goes on, and this is the function, above anything else, it seems to me, of the committee.

Occasionally we have the opportunity on certain resolutions to act in another way, but primarily we are an educational body for the enlightenment of the American public opinion.

I am for either one or both of these provisions, I mean the suggestions, that Senator Cooper and Senator Case and others have discussed here.

Senator PELL. Mr. Chairman, another thought might be, Senator Cooper's proposal calls for executive committee hearings, and you might be able to run them simultaneously with a subcommittee, an ad hoc subcommittee, set up to do it, to get the testimony from the witnesses.

A CONSENSUS IN FAVOR OF HOLDING HEARINGS

The CHAIRMAN. What I wanted to get here today, in view of Senator Cooper's proposal, was an expression of view about the committee because, at least on what our function is, even though we disagree on the substantive question as to the wisdom of pursuing this war on an all-out basis, we ought to agree on how we perform our function and what is the best way to do it.

I am perfectly willing to take the responsibility, but I certainly need guidance on how we proceed. I would like to proceed in a way the committee is most favorable to.

I think, I believe, there is a consensus that there ought to be some hearings. There is a little division in my mind, a little doubt in my mind, as to—and this is for the guidance of the staff and myself, as to—making the arrangements for it.

This is not easy, to get the kind of people that Senator Cooper suggested, and others have suggested. I cannot just call them up and say, "Come next week." They need two or three weeks advance notice. These people are busy. There are several other people who have not been mentioned here. At least for the record I would mention that we have had requests from various people who want to testify, and suggestions from members who have suggested people in addition to the ones Senator Cooper has suggested.

There has been a suggestion about having, well, Ridgway, General Shoup, a group of veterans who have served in Vietnam who have requested that they would like to be heard. I have had a number of individual letters, and also from some kind of an oranization of veterans who have served their allotted time and would like to give their views about it.

Normally, in the ordinary days, we used to always have what we called public days for anybody like that who wished to testify. These are all ideas as to how we have hearings.

But I wonder if, in view of this discussion—I am sorry everybody leaves after we discuss it and then you are up in the air as to the summary of what it means.

CONCERNED OVER THE TIME ELEMENT

Senator MUNDT. We had an understanding there would be no vote taken.

The CHAIRMAN. No vote, but I still wanted for the guidance of the staff and myself, because we have to take the responsibility of arranging them if we want to have them. I detect, I think, a majority of those who expressed themselves are for some hearings; that we ought to do something to promote the fuller understanding by the country of what we are involved in and the possibilities of a vast escalation.

I am bothered about the time element. I detect, I sense, that they are in the process right now, the JCS and the President, probably deciding on a very substantial escalation. I deeply regret it. I wish I could make them hesitate and stop a little longer, but I do not know how to do that, and I do not know that we can do that with these hearings. But we cannot be guided altogether by that.

We have our responsibility, as Senator Gore and others have said. I think we ought to have some hearings. I certainly am open to suggestions as we have had them today as to what kind of hearings.

Senator MUNDT. Could you induce the Secretary to set our hearings up a little earlier than March 11th?

The CHAIRMAN. Well, unfortunately when I got the word that he was willing to do this, we had already scheduled—Senator Morse had seven days and he had witnesses invited, who agreed to come, on his Latin American hearings, and this is not easy to invite people and then dis-invite them. It is very difficult. I only got this word, you all knew when it was, I think it was about a week ago.

Senator MUNDT. Right.

The CHAIRMAN. And this was the earliest vacant date.

Senator MUNDT. The only reason I mentioned it——

The CHAIRMAN. That we could have it.

Senator MUNDT. I think it is highly inappropriate to be conducting hearings in advance of the 11th when he has agreed to come.

Senator GORE. I think he ought to be the initial witness.

The CHAIRMAN. He is going to be. These other hearings are peripheral.

HOLD HEARINGS AND SEE WHAT HAPPENS

Senator GORE. We have a chance to have some public hearings and to see what happens. They are going to be public. Hopefully every member of the committee will have a chance to ask questions and to make speeches and make a presentation.

The CHAIRMAN. On the procedure, let me say this about it. I want to be reasonable about this. I think it is greatly to the advantage of the witness and against the committee's advantage if you have a five-minute rule or a ten-minute rule. No one can pursue it. He can take a long answer and completely snow you, and you get no where. It is not because I want to monopolize it. I am perfectly willing to yield my first time to anybody. I do not care about that.

I think the members who are interested enough to pursue it ought to have an opportunity to make some points, and you are not going to make them against a skillful witness in a limited time.

If he knows you have only got five or ten minutes you get nowhere. You just leave it dangling and you never get to make a point.

Senator MUNDT. Mr. Chairman, I agree with you 100 percent.

The CHAIRMAN. It is just to make it effective, is all in the world I want.

Senator PELL. Will the chairman yield?

The CHAIRMAN. Yes.

THE NATIONAL INTEREST

Senator PELL. As the lowest man on our side in that connection normally speaking, speaking very individually, when it is not of very great importance I would not be as much in agreement. But in a case like this where the national interest is involved, I would completely agree with you on this particular hearing.

Senator MUNDT. The only reservation I have is that we have an understanding with the Secretary then——

Senator PELL. That we all get a crack.

Senator MUNDT [continuing]. Is going to come until everybody has had chance to get his opportunity to question. Then I have no objection at all. I agree with you you are terribly handicapped.

The CHAIRMAN. You see, we do not have a fair chance, no member has, to develop any line of thought.

We did try that, and I thought it was the most frustrating thing that just as you are getting up maybe to a point, your time is up, and you just leave it dangling, and by the time you get around to it it is lost.

ATTENDANCE OF COMMITTEE MEMBERS

Senator MUNDT. When he comes on the 11th and the 12th, and I have got to go to New Delhi on the 13th or something like that what happens?

The CHAIRMAN. I really had not investigated that. If you wish, I will write him a letter suggesting that in view of the size of the committee, and so on, that we certainly would like to go on that afternoon, and would he be available the next day if we do not finish, if that is what you wish.

Senator MUNDT. That would help.

Senator GORE. We cannot finish in one day.

Senator MUNDT. I agree with you that you should be able to develop your point, and each member should. But if you do that without some understanding with him, the last half of the committee might just as well not come.

The CHAIRMAN. Yes. I think it is a terrible problem. I tried it the other way, and I just thought we did not get anywhere. He has this advantage. He comes, and we cannot prevent his taking an awful long time to make his initial statement.

I am going to suggest, as we often do, we hope that he will summarize his initial statement because in so far as aid goes we know exactly what that statement is.

Senator MUNDT. We can eliminate that.

The CHAIRMAN. And summarize that in order to give us as much time for questioning as we can have. He does not have to do that.

If I appear to be arbitrary the press and everybody says "Well, you are browbeating him."

Senator GORE. I must leave. I agree that you as Chairman of the committee must first present the case.

The CHAIRMAN. Let me ask, before you leave, do you have any strong feeling about executive versus open hearings along the line of John's suggestion?

Senator GORE. I think we ought to have a mixture.

The CHAIRMAN. A mixture.

SCHEDULING SOME CLOSED HEARINGS

Well, in order for the guidance of the committee should we schedule some closed hearings to begin with, with the idea that we are going to follow them with open hearings? Does that meet with——

Senator CASE. That is okay.

Senator GORE. That sounds good to me.

The CHAIRMAN. We have a problem about getting these witesses. I mean, they are not easy with the kind of people he wants.

What do you think about journalists? We never had them. We discussed this at the time of the Dominican Resolution.

Senator PELL. About whom?

Senator GORE. I think we ought to have a panel of journalists.

Senator CASE. Like we had Ward Just and McCullough here.

The CHAIRMAN. We discussed it at one time and decided not to.

Senator GORE. I want to suggest David Halberstam as one of them.

The CHAIRMAN. We will leave it open for every member to make his own suggestion. I am only asking about the principle because we cannot have—do you think some open hearings with the men who are acknowledged to be the most knowledgeable about Vietnam is appropriate?

Senator GORE. I do.

Senator MUNDT. If you are asking for an answer now, my answer would be no until I found out what develops out of the Rusk hearings.

The CHAIRMAN. Let me raise it and you think about it anyway.

Senator MUNDT. Yes, I will think about it. I do not want to make that decision now because we might decide to call other witnesses right in line with the Vietnamese hearings, proceed right along, I mean, with the aid hearings, that we wrap it all up together.

The CHAIRMAN. The reason I asked this, when I brought this up in the Dominican thing, the committee felt we should not. I have had them, you were there at the executive hearing. I must say I was greatly impressed by those two fellows. They are knowledgeable——

Senator MUNDT. I was, too.

The CHAIRMAN [continuing]. And they are impartial.

Senator CASE. I would suggest more of them, and we know what Halberstam is like.

The CHAIRMAN. There, are others.

PREJUDGING THE OPTIONS IN ADVANCE

Senator MUNDT. My main objection to John's letter about holding hearings, private or public on that resolution, is that it sort of pre-

judges the options in advance. It says we are going to have hearings on negotiations. I think they should be on the Vietnamese situation or something even broader than that. I do not want to forego hearings which consider other options except negotiation.

I feel like Pell, you may get negotiations and a long continuing war. A truce or something like that would be a more practical thing to me than negotiations. I do not think that necessarily solves it.

The CHAIRMAN. The way I interpret his resolution, Karl, was not just negotiations and how we set them up and so on, to develop what would you negotiate if you did have it, what do you develop, what do you wish to achieve. It was much broader.

Senator MUNDT. I mean if we were going to have hearings it should be wrapped up with the concept of where do we go from here in Vietnam.

The CHAIRMAN. I agree with you.

Senator MUNDT. Not to say we are going to negotiate or not negotiate.

The CHAIRMAN. I agree with you. What do we negotiate about.

Senator MUNDT. I mean the whole subject.

The CHAIRMAN. Yes, that is right. I felt that is what he had in mind. That is what I think he had in mind.

Senator MUNDT. Maybe so.

The CHAIRMAN. We talked about it, and I felt that is what he had in mind.

Senator MUNDT. Maybe so.

Senator COOPER. That is the purpose, to try to get them——

Senator CASE. I enjoyed it very much, Mr. Chairman.

The CHAIRMAN. I think what you said to me is exactly what this is all about, what can this committee do. The least thing it ought to do is inform the American people.

Senator CASE. I think so.

The CHAIRMAN. What is going on now. In all honesty I do not think the administration has submitted a true picture. Frankly, I do not think the administration itself has a true picture of what is going on.

Senator COOPER. I am afraid that is correct.

The CHAIRMAN. All of these reporters and our own staff members who have been there, they all disagree with the situation there, and it is a hell of a thing that this country is asked to do what it is doing in ignorance of what is involved.

HURTING A LEGITIMATE CHANCE TO WIN

Senator CASE. The question, of course, that Frank raises, and that troubles all of us—it did me—it keeps you quiet much longer probably than you should be—is are we really hurting a legitimate chance to win. Is it like the soldiers——

The CHAIRMAN. I have heard nobody but the administration and its avid supporters say that. None of these reporters that I have seen have said it.

Senator CASE. That is right. It is obvious to those of us who have seen them and talked to them privately they are just as unhappy about the situation, and they are not happy to report it.

OFFICIAL REPORTS WERE MISLEADING

Senator PELL. It is not what is best for us to do, but is there a greater harm. The greater harm is to continue it. But I do not see how we can plead surprise because I remember those briefings three years ago when McNamara had the figure, my recollection is, 600,000, 800,000, people on the wall.

The CHAIRMAN. Wait a minute. On the surprise, you know very well their official reports on that were very misleading. It was overly optimistic. It is only recently that I have become extremely skeptical of what they tell us.

Senator PELL. That is what first convinced me, got me upset when I first saw that figure of 600,000.

The CHAIRMAN. This Tonkin thing, I think I was certainly misled, and the whole committee was absolutely misled, and including the Armed Services Committee, as to what happened. I don't have any doubt we were misled about it. I think the record speaks for itself.

This was not that way, and what effect it would have had or may have had, I do not know. I think it would have been a very different situation. It surprises me—the greatest surprise to me was to find out that my own government was capable of the kind of misleading statements they made. That is the biggest surprise to me. I was naive enough to believe them, and I did believe them, and I repeated the misstatements on the floor, and I am now being taxed with telling the country what they told me.

Senator PELL. It sounds like a political campaign.

The CHAIRMAN. It is exactly. They say, "Well, you said so and so on the floor." Well, the only basis I had to say it was on what they told me, and I believed it.

Senator CASE. And they did it with the best of intentions, I am sure of that. They thought it was necessary at the time.

The CHAIRMAN. I am sure they did, but I think it is a case of grave misjudgment.

Senator CASE. Yes.

The CHAIRMAN. That is what it is all about.

Senator PELL. Misjudgment, yes, but I cannot still be convinced there was intentional lying involved or misleading, but there is a question which is very subjective, I think, for each one of us.

OUTWARDLY OPTIMISTIC REPORTS

The CHAIRMAN. It is the same argument you can make about these outwardly optimistic reports. I get the impression from these reporters and our own staff that what they get when it is finally refined through channels and down at the White House is completely misleading itself. I could go along with the idea that they do not know what the facts are and, therefore, they mislead us.

Senator PELL. I guess intent comes into it.

The CHAIRMAN. I say this could be from their point of view perfectly honest because they have not got the facts, and they really are not willing to consult the kind of people we are. They do not listen to these people.

Senator CASE. I think that is true.

The CHAIRMAN. I do not think for a moment the President has ever talked to a man like Frank McCullough. I am quite sure he has not personally and privately with an open mind or a man like Ward Just or this man Martin. They do not talk to that kind of people. He gets this refined through Mr. Rusk now. It has come up through channels and each one of them being very careful not to offend his superior. This is inherent in a bureaucracy.

ONLY THE SENATE CAN CHANGE THE PRESIDENT'S COURSE

Senator CASE. I would like to say one more thing, Mr. Chairman. About a year ago, a little more than that, we were on vacation down in Jamaica, and I happened to run into General David Sarnoff, and we were unhappy, and he is very unhappy, about Vietnam, terribly depressed, and he said——

The CHAIRMAN. You mean the RCA Sarnoff?

Senator CASE. Yes.

I said, "Why don't we get hold of some of your friends like you know, Sidney Weinberg and Eddie Weisl, and somebody like this and go to the President and explain how bad things are and how he ought to change his view about this thing."

This is the point: Sarnoff said, No, these fellows have no influence with the President at all. They have a position to maintain as Presidential advisors. They would not say anything to him that they thought he would disagree with.

He said, "Only you guys in the Senate of the United States are in a position to disagree with him and to change his course."

This may be true. He is a very wise man, this guy Sarnoff.

The CHAIRMAN. Yes, I think that is correct.

Senator PELL. Let us do it.

The CHAIRMAN. I think that is the function of this committee, and if we have any function at all that is it, especially in a time of crisis. The idea that you should not speak out in time of trouble, there is no point in speaking out when you are not in trouble.

Senator CASE. Poor old Frank, he just about dies with this patriotism.

The CHAIRMAN. Close the record.

[Thereupon, at 4:25 p.m., the committee was adjourned.]

# FOREIGN ASSISTANCE AND OTHER MATTERS

[EDITOR'S NOTE.—Although President Johnson submitted a record-low request for Foreign Assistance funds in 1968, a growing mistrust of the program together with the burden of increased spending for the Vietnam War caused Congress to slash the amount even further. The administration's requested $2.9 billion was reduced by a third to $1.5 billion in economic aid and $375 million in military support. The largest share of this trimming originated in the House of Representatives, but the Senate Foreign Relations Committee cut nearly $50 million more. Amendments for additional cuts were rejected on the Senate floor.]

**THURSDAY, MARCH 21, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 4:35 p.m. in room S–116, the Capitol, Senator J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright, and Senators Sparkman, Morse, Gore, Symington, Pell, Hickenlooper, Carlson, Mundt, Case and Cooper.

Also present: Mr. Marcy and Mr. Kuhl of the committee staff.

The CHAIRMAN. We have a pretty good representation here. I will call the meeting to order.

The main reason I called you just at noontime was that Mr. Marcy gave me a report—tell them, Mr. Marcy. He has done the negotiation, and you relate what is happening. It made me kind of hot, and I think the committee ought to know about it without my just responding on my own.

Mr. MARCY. Mr. Chairman, since about the middle of February I have been negotiating with Mr. Stempler, who is the aide to the Secretary of Defense, to arrange a time for the Secretary of Defense to appear in connection with the hearings on the subject of foreign aid, especially the Military Assistance part of that program.

INVITATION TO CLARK CLIFFORD

This, of course, ran into Mr. McNamara's leaving, and Mr. Clifford's coming, and the understanding in the early stages was that it would be up to Mr. Clifford to decide whether he would appear or not.

Senator HICKENLOOPER. Mr. Who?

Mr. MARCY. Mr. Clifford, the Secretary of Defense.

When he first assumed office, Mr. Stempler called me and said, Mr. Clifford would appear but it would have to be with the under-

standing that he had not had a great deal of time to familiarize himself with the program, and I said I was sure the committee would understand that, and he could certainly bring any aides along, but I thought the committee would want to follow the past practice and hear the Secretary of Defense on this subject.

We have never been able to fix a date until on March 12th when Mr. Rusk appeared before the committee and, at that time, Mr. Rusk said, in answer to a question, "That the Secretary of Defense will be before this committee, I understand, on Monday in connection with the Military Assistance Program."

So that was the first notice, and it was public notice, and the press boys began to say, "Well, has Mr. Clifford, has the Secretary agreed to come?"

I called Mr. Stempler and he said, Yes, that was his understanding, but he could not be real firm about it.

INVITATION TO PAUL NITZE

On about the 14th of this month, Mr. Stempler called and said that Mr. Clifford had just come back from a Cabinet meeting and that he wanted to pass word on that Mr. Clifford felt he was too busy to appear before the committee, and he had not yet had an adequate time to acquaint himself with the program and, therefore, he wanted to have Under Secretary Nitze and Assistant Secretary Warnke appear in his place.

At that time I informed Senator Fulbright, who was home for a couple of days, and asked him whether that was agreeable to him, and the chairman said he did not want to make a fuss, and he understood about it, understood that, so we scheduled Secretary Nitze to appear on last Monday.

On the Friday before last Monday I got a call from Mr. Stempler asking if we could make another arrangement for Mr. Nitze's appearance because Mr. Nitze was tied up over the weekend on the subject of gold. So he gave me then on Monday of this week three alternate dates for Mr. Nitze to appear, and of those three dates I selected next Monday for Mr. Nitze to appear before the committee.

About 12:30 today when I called Mr. Stempler on another matter, he said that he was under instructions to call me this afternoon, and this is the language he gave me. He said, "He had been instructed to tell me that the Defense Department was sending its best two authorities on Military Assistance to appear at the Monday meeting, Assistant Secretary Warnke and Vice Admiral Heinz."

I asked Mr. Stempler at that point what about Mr. Nitze. And Mr. Stempler said all he could do was to repeat his statement, which he then repeated to me.

I then told Mr. Stempler that I thought I got the message, and I would pass it on to Senator Fulbright.

PAST PRACTICE FOR TESTIMONY

I might add that since then we have checked on past practice and we find in—this applies not only to an appearance on the subject of Foreign Aid, in 1958 Mr. Neil H. McElroy, who was Secretary of Defense, appeared in public. In 1959 he was still Secretary, he appeared in public. In 1960, Mr. Thomas S. Gates was

Secretary of Defense, and he did not appear, but Mr. John N. Irwin did. In 1961 Mr. McNamara appeared only in executive session. In 1962 he appeared in public session. In 1963 he appeared in public session. In 1964 he appeared in executive. In 1965 in executive. In 1966 he appeared twice in public session, and in 1967 he appeared only in executive session.

I may say that in connection with the executive session appearances the Department of Defense has always gone over and sanitized the record so that even the executive appearances of the Secretary of Defense have always been published in the hearings.

NO EFFORT TO COOPERATE

The CHAIRMAN. Well, we have had this thing of Mr. Marcy and I trying to set up a hearing. These are routine hearings, and they act like they are trying to make it difficult, and it kind of puts me off. We have been asking them and asking them, and finally they agree on Nitze, and they back off and I cannot hear of any good reason. They do not give a good excuse, and don't even try to give one. It is a sort of impertinence, I think, and I thought—maybe I take it too seriously—but take these other things. We have never had a reply really from the *Pueblo* letter, which I think you, Karl, moved we write, you remember the letter. They acknowledged it and that is all. They apparently intend to do nothing about it.

Then the material promised by McNamara on several occasions, I mean at different spots during the hearing, nothing more is done about it, there is no follow-up. There is apparently no effort made to cooperate. It looks that way to me, they are just trying to be difficult.

APPEARANCES BEFORE THE HOUSE COMMITTEE

Senator HICKENLOOPER. Mr. Chairman, do you have any record as to who appeared before the House Foreign Affairs Committee?

Senator MUNDT. On this bill?

Senator HICKENLOOPER. Yes, on this bill.

Mr. MARCY. I do not know this year. We can check on the phone right away. Every year the Secretary of Defense, the normal practice is when the administration presents its bill, for the Secretary of State and the Secretary of Defense to appear and testify on the overall policy considerations.

And it has been the practice for the lower level employees to come in and talk oftentimes about the specifics of the bill in executive session. I believe that is the same practice in the House. We will check on what the situation was this year.

Senator HICKENLOOPER. I was just wondering if they had their hearings at this stage of their hearings and who appeared——

Mr. MARCY. We will find out.

Senator HICKENLOOPER [continuing]. Before the House Committee.

The CHAIRMAN. I do not like this, their being so difficult.

The Secretary the other day made a great concession to come before this committee—no concession, well, he was worn out because he had been four days, I think, before the Armed Services Committee. That is the only time he has been before this committee in

two years, but they think nothing of going three or four days before the Armed Services Committee.

SEEKING TO ACCOMMODATE THE NEW SECRETARY

Senator MUNDT. I think the only mistake we made was we should have asked for the Secretary of Defense. We did not ask high enough.

The CHAIRMAN. We did ask on this.

Senator MUNDT. Did we?

The CHAIRMAN. We did. You did not hear the beginning. You did not hear, before you came in he gave the beginning of it. Tell him again, Mr. Marcy. You were not here.

Mr. MARCY. About the middle of February I began negotiating with Stempler, who is the representative——

The CHAIRMAN. He is their representative.

Mr. MARCY [continuing]. Of the Secretary of Defense, and we were going to try to get Mr. McNamara in before he left. Then subsequently I said that the committee would want to hear Mr. Clifford in the usual course because we always heard the Secretary of Defense.

Then subsequently he said, Mr. Clifford just had not had time to prepare himself, and at that time Senator Fulbright said he did not want to make a fuss.

Senator MUNDT. I think we ought to give him time to familiarize himself with the job, because you have a new Secretary, but I am all the more interested, because you have a new Secretary, in hearing him than to have McNamara. I knew what he was going to say. This is a new man, and I would like to know what in the world he has to say.

The CHAIRMAN. We asked him, and it was only to accommodate him that we agreed to take Nitze.

Senator MORSE. Before you came in, Karl, Marcy pointed out that Rusk in our hearings said that he understood on a certain Monday that the Secretary of Defense would be up, and Carl Marcy then talked to Stempler and he said that was his understanding, too, Stempler's understanding, and then subsequently there was a Cabinet meeting, and after that Cabinet meeting Stempler called Carl and said that he would not be able to appear because he was going to send up Nitze.

The CHAIRMAN. They changed their mind.

Mr. MARCY. Mr. Chairman, I think I should make it clear that I do not know whether that was discussed after the Cabinet meeting or not. All that happened was that Mr. Stempler called me and said, "Mr. Clifford has just come back from a three-hour meeting of the Cabinet and I finally got to talk to him and he said he was too busy."

AT THE SECRETARY'S CONVENIENCE

Senator GORE. Mr. Chairman, I think Senator Mundt has a good idea. Secretary Clifford has now been in office some weeks, and since Under Secretary Nitze does not wish to appear, I would be glad to join with Senator Mundt and suggest that we now renew our invitation to the Secretary of Defense.

Senator PELL. And, perhaps, adding a little polite note we do not want to hurry him in any way. Let it simmer for a week or two.

Senator MORSE. Yes, no hurry.

Senator MUNDT. At his convenience.

The CHAIRMAN. No hurry. Let that bill just sit.

Senator GORE. We do not have to say that.

The CHAIRMAN. No, don't say that.

Senator PELL. We do not want to hurry him.

Senator GORE. Say it deserves the testimony of the Cabinet, pertinent Cabinet rank, and we will await his pleasure.

Senator MUNDT. Right.

The CHAIRMAN. Is the committee agreed on that?

Senator MORSE. I think that is what we ought to do.

The CHAIRMAN. Any other thoughts on that?

PUEBLO AND TONKIN GULF DOCUMENTATION

Do you think we should do anything about the *Pueblo* letter and the Tonkin hearings? I think they should furnish the things which they agree to furnish during the course of the hearings certainly, somebody ought to have done it. I think we ought to write. What do you think about it?

Senator MORSE. That is exactly what I think.

The CHAIRMAN. Don't you think we should on both of them?

Senator CARLSON. Yes.

Senator MUNDT. Yes.

The CHAIRMAN. Say that the committee is disappointed that they have hot been received. They would like to receive something.

Senator HICKENLOOPER. I just got a report from a telephone call. They think over there that Rusk maybe a wind-up witness before the House committee but as yet they have not had anyone from the Armed Services testifying before the House committee.

Senator MUNDT. They have not finished their hearing.

Senator HICKENLOOPER. No, but they are in the process of having their hearings.

OTHER COMMITTEE BUSINESS

The CHAIRMAN. What about further hearings on the economic, that is, not the military but the economic bill? Is there any desire to have further witnesses other than just starting to mark up that bill?

Mr. MARCY. You usually have some public witnesses, Mr. Chairman.

The CHAIRMAN. We do?

Mr. MARCY. Yes.

The CHAIRMAN. How many?

Mr. MARCY. About 8 or 10. We scheduled them for next Friday.

The CHAIRMAN. A week from tomorrow?

Mr. MARCY. A week from tomorrow, yes.

The CHAIRMAN. Ten of them?

Mr. MARCY. Eight or 10.

Senator SPARKMAN. The 29th.

SOLVING THE FOREIGN AID PROBLEM

Senator SYMINGTON. Am I to understand, Mr. Chairman, that Mr. Nitze does not intend to testify?

The CHAIRMAN. Yes, we just went over that.

Senator SYMINGTON. Doesn't that solve the Foreign Aid problem?

The CHAIRMAN. It does for the moment, and the committee agreed to just extend an invitation to the Secretary and let it stay there, not do anything about it.

Senator PELL. Terribly politely.

Senator MORSE. A polite letter.

The CHAIRMAN. But to tell them we are not prepared to receive Admiral Heinz.

Senator SYMINGTON. I would think that Clifford would be very glad to have Nitze testify because he does not know a thing about it yet. He has been on the job a few days.

The CHAIRMAN. You came in late. Marcy just explained the routine. We first asked—Carl, tell him about what you told us.

Mr. MARCY. About the middle of February we began negotiating with Mr. Stempler to have the Secretary of Defense, whoever he might be, come before the committee, as they have in the past, to testify on the military side of the Foreign Aid bill and, at that time, it was understood it was going to be either Mr. McNamara or Mr. Clifford.

After Mr. Clifford took office, the first reference we had thereafter to it was the statement of the Secretary of State on March 12 in public session when he said, "That question would be one that could be better answered by the Secretary of Defense who is coming on next Monday."

I then checked with Mr. Stempler and he said that that was is understanding, but he could not really confirm it.

A few days later he called back and said that Mr. Clifford had just returned from a Cabinet meeting and told Mr. Stempler that he, the Secretary of Defense, Mr. Clifford, would not be able to appear because he had not had a chance to bone up because he was too busy.

Senator SYMINGTON. I have not discussed it with Clifford, but I think it was very smart of him.

Mr. MARCY. But that Mr. Nitze would appear in his place accompanied by Mr. Warnke and then this afternoon I got a call from the Secretary, from Mr. Stempler, who said that next Monday, when Mr. Nitze was to appear, Stempler simply said the two best, the two most competent people to testify are Mr. Warnke and Admiral Heinz, and I said what about Mr. Nitze, and he said, "I am just instructed to tell you that the two best informed people on the Military Assistance Program are Mr. Warnke and Admiral Heinz, and they will be there on Monday."

COMMITTEE CANNOT LET DEPARTMENTS PICK WITNESSES

Senator MORSE. It is not for their prerogatives to choose the witnesses this committee wants. The Secretary can come and he can bring whatever staff members he wants to advise with him to testify, but we cannot let them pick our witnesses for us.

The CHAIRMAN. We have done everything we could do to get him.

Senator SYMINGTON. If you could get Nitze's reversal on that you would not object to that?

The CHAIRMAN. No. We already agreed to that.

Senator SYMINGTON. Because he knows about it.

Senator MORSE. In view of this Clark Clifford should come and bring Nitze with him. The Secretary of Defense—the American people are entitled to know what he has to say, and he can pass it right over to Nitze whenever he wants to, but he is the Secretary of Defense and he ought to appear.

Senator GORE. Mr. Chairman, can I have a moment on another thing?

The CHAIRMAN. Yes.

"MODERATE" INCREASE IN TROOPS REQUESTED

Senator GORE. We were advised in the hearing by Secretary Rusk that the policy in Southeast Asia was under examination from A to Z.

When questioned about General Westmoreland's recommendation and request he answered that no specific recommendation was before the President.

Well, last Sunday there appeared on page 1 of the press across the country a news story quoting some anonymous but official source that a "moderate" number of troops would be sent to Vietnam. That is all the information that either this committee or the American people have had.

I do not know what "moderate" means. There was a speech Saturday by the President in which he said, and I would like to quote:

> As your President, I tell you today we must meet our commitments in the world and in Vietnam, and we shall. We are going to win. To meet the needs of our fighting men in Vietnam we will do whatever is required. We and our allies seek only a just and honorable settlement. We seek nothing else. The Communists have made it clear that they are unwilling thus far to negotiate or work out a settlement except on the battlefield. If that is what they choose then we shall win a settlement on the battlefield. If their position changes, as we fervently hope, then we are prepared to meet anywhere, any time in a spirit of flexibility and generosity. But make no mistake about it, we are going to win in Vietnam.

I suggest that in view of this statement, following the public notice by the Secretary that the policy was being reexamined from A to Z, that it is very appropriate for the Secretary of Defense to testify. What does this Military Assistance Program mean? Is this an all-out war for victory in Vietnam or is it not?

Now, in the afternoon paper there is another story, page 1, again quoting some anonymous source, but officially identified as official but anonymous, to the effect that this is rhetoric, I'm not sure what the words are.

LIMITATIONS ON U.S. FORCES IN VIETNAM

Senator SYMINGTON. Will the Senator yield to a sinking hawk? How can it be an all-out war if instead of using your airpower and your seapower you are going to draw blank thousands of more boys to go out in the woods in the country they have never seen except a few weeks before, with a rifle that is not as good as the Russian rifle, and continue this on a one-to-one basis? And if they do happen to have a little success they are not allowed to go into Cambodia or into Laos or into North Vietnam, so the sanctuaries extend

all around to the ground troops, and it is forbidding the proper use of airpower and seapower, so how are you going to win? I know this is not part of this discussion, I know that. I see the Senator from Oregon giving me the cool, gray look.

Senator MORSE. I was smiling.

Senator SYMINGTON. It is a question.

Senator CASE. He does not care how you get there as long as you get there.

Senator SYMINGTON. They do not care how they lose so long as they lose.

UNWILLINGNESS TO CONFIDE IN THE COMMITTEE

The CHAIRMAN. Well, I will say to the Senator, in following up the last hearing, I instructed Mr. Marcy to try to set up an executive hearing. Rusk said he would come in executive hearing, you will remember, and to try to set up a hearing in executive session for the first week in April. That was our understanding, it was the first chance we would have, perhaps the week after next, in executive session for the discussion of what you are talking about.

Senator GORE. What about the American people?

The CHAIRMAN. Well, I agree with you. I think it is terrible his rejection of a willingness to confide in this committee and, for that matter, the people, what their policy is. It irritates me very much.

UNWISE TO MAKE A THREAT

Senator SYMINGTON. Can't you just send the letter to the Secretary of Defense and say since one of his henchmen notified the committee that now he was not going, to testify, and that Nitze was not going to testify, the committee would be glad to consider the possibilities of some Foreign Aid any time they changed their mind. But put that language in there.

Mr. MARCY. That is what we had in there at one time.

The CHAIRMAN. We talked about it, and thought it would not be wise to put it in the nature of a threat or bargain. They give it to the press and say that, the committee, are trying to blackmail them or something, so they decided not to give any excuse.

[Discussed off the record.]

The CHAIRMAN. I think, of course it is getting awfully bad, too—but coming back to the proposal, I think they ought to get off this high horse, and ought to tell the committee what they have in mind.

Senator GORE. Mr. Chairman, let me just read you this now:

> President Johnson's recent win-the-war speeches are causing trouble for State Department officials who have been badgered by foreign diplomats and newsmen who want to know if America's objectives in Vietnam have changed. The answer is 'No'. U.S. objectives remain limited, say, but U.S. officials privately say that Johnson's apparent decision to campaign on a theme that the United States will 'win the war' either on the battlefield or at the negotiating table is leading to suspicions that America is not interested in anything but an unconditional surrender by North Vietnam.

If we are confused, what about the American people whose sons are dying?

CANNOT WIN THE WAR

Senator SYMINGTON. You cannot win the war now, that is what distresses me. Today North Vietnam has got the most sophisticated defenses in the history of the world, radar, weapons, and the Russians are pouring it in there with delight. I just learned from the State Department today that all the weapons that the Jordanian terrorists have are Russian or Chinese, and a lot of it is moving into Syria. They are going to make in North Vietnam—in due course they could take a small tactical missile and it is an ICBM, there are no distances over there, so the idea—there is no way you can win this war the way I can see. You can smash Hanoi and Haiphong. I think a military victory is relatively easy if they had taken Rostow out of handling the war and letting the generals and admirals handle it. That could have been done two years ago. But they are calling for the and I think the Russians are raising the ante. If we raise it they will raise it. Remember they have a marvelous new supersonic bomber, the Blinder, and they have all kinds of missiles.

They are very close. Look at Hainan, just a spit from Danang. So if they want to get serious about it they can really have a lot of fun.

Now, you have got an ironical situation that nobody talks much about, and that is you go down to the delta, and they put this stuff up, boatload after boatload is going into Cambodia and being shipped right to the Vietcong and the North Vietnamese, and our people are patrolling the river, but they cannot stop the boats going into Cambodia. It is the damndest war.

Senator GORE. Do you want me to tell you something else that is happening?

Senator SYMINGTON. I wish you would.

PROTECTION MONEY TO THE VIETCONG

Senator GORE. A lot of U.S. corporations are weekly paying protection money to the Vietcong in Vietnam.

Senator SYMINGTON. That is horrible. Are you sure of that?

Senator GORE. I think I am. I will produce it within a few days.

The CHAIRMAN. Coming back to this, is there anything we can do, think of to do, first, to induce them to confide in the committee so that we can have something to deal with, get our teeth into? I think it is a dreadful situation when they do not.

CLOSED OR OPEN SESSION

Senator SYMINGTON. Is this an executive session we are asking them to come up?

The CHAIRMAN. No.

Senator SYMINGTON. It makes no sense.

Senator PELL. It was an open session.

The CHAIRMAN. No. He said he would come in executive session. What is your situation? I told you to try to arrange it.

Mr. MARCY. We have not got a firm time. The first time the committee has any time free will be the first week in April.

The CHAIRMAN. That is the week after next, about 10 days. after that. What did they say?

Mr. MARCY. They have not fixed a date.

Senator SYMINGTON. When Nitze declined to come was that in an open session?

The CHAIRMAN. That is customary. They were not arguing about open or closed.

Senator SYMINGTON. You were willing to have—they were willing to have an open session?

The CHAIRMAN. They always do. This is on Foreign Aid. We always have had it.

Senator SYMINGTON. I want to be sure that it was not——

The CHAIRMAN. They did not make any point about that, did they?

Mr. MARCY. No, sir. there has been no question about his appearing. We have always talked about public sessions.

The CHAIRMAN. They did not say anything else.

Mr. MARCY. As we have in the past.

Senator SYMINGTON. Did Nitze offer to come in a closed session?

Mr. MARCY. No, sir. We have never talked about a closed session.

Senator SYMINGTON. You have my proxy, Mr. Chairman.

The CHAIRMAN. I do not know that there are any votes.

What about this Clark——

Mr. MARCY. Senator Clark has withdrawn that idea. You might mention it to the members.

A LETTER TO THE SECRETARY

Senator CARLSON. Before you get into that, Mr. Chairman, why don't you write the letter, write the Secretary a very nice letter, informing him that we would like very much to have his appearance before the Senate Foreign Relations Committee and we would be ready to proceed with further consideration of the Foreign Aid Bill without much further ado, and he will understand. We won't set any dates. He will set a date. If he does not want to come up, why, that is fine.

Senator MORSE. I think Frank is right. I do not think you ought to proceed with the bill at all until you——

Senator GORE. You do not have to say that in a letter.

Senator CARLSON. No.

Senator MORSE. But except for that letter you have some other hearings scheduled.

Senator PELL. I think it is very important not to say it at all.

Senator GORE. Say the importance of the subject deserves and requires the testimony of a member of Cabinet rank, and we will await his pleasure.

Senator MORSE. We shall wait for the administration to move. When they have made their case we will go ahead with other public hearings and do not go ahead with any until that happens.

The CHAIRMAN. I think that is right. That is the main thing I wanted to do.

You say Clark has asked you to withdraw this?

Mr. MARCY. Yes, sir. Senator Clark said he talked with you about that. I sent to all the members of the committee a resolution that Senator Clark expected to introduce this next week, and he wanted to know how many members would join him in it, but he

gave me word this morning he is not going to push it. I think he had a conversation with you that he referred to.

COMMENDATION OF PAT HOLT

Senator MORSE. Mr. Chairman, I want the record to show my high commendation of Pat Holt for the work that he has done in helping put on our hearings of the Subcommittee on Latin American Affairs in regard to the Alliance for Progress. I want to thank the members of the committee who came as much as they were able to come to assist, but you are going to be proud of that record when you get it printed.

I have been around here a long time, and I want to say that I think the hearings that we held on the Alliance for Progress are going to be of great help to us when the full committee comes to work on some of our Alliance for Progress programs.

I know many of you were busy and many of you could not come, and some only for a little while.

The CHAIRMAN. I enjoyed them. I thought the one on the military was one of the best ones.

Senator MORSE. Very good hearings.

I want the record to show that as chairman of the subcommittee I highly commend Pat Holt. I wish he were here. I have already thanked him personally for the fine work he did.

Senator GORE. He did a fine job with me on a trip to South America, and he helped me in preparing a speech for the floor.

Senator CARLSON. I want to join in that. They were fine educational hearings, and Pat Holt did a fine job.

The CHAIRMAN. Yes, they were.

You were not here, Wayne, when they came up—what was the hearing a couple of days ago—it was a study they had made, Bill Foster's outfit, disarmament. They had a study made on arms in South America and paid $25,000 for it, and I said I would send him a copy of yours, which cost $4,000, which was a lot better than the one they paid $25,000 for.

Mr. MARCY. Yours was done in four months, and they have been working four years.

The CHAIRMAN. Four years on the military situation, arms in Latin America. But I thought that hearing on that subject was extraordinary. That fellow [Edwin] Lieuwen was a very good fellow.

Senator MORSE. Very good.

The CHAIRMAN. They were all good hearings.

Anything else, Mr. Marcy.

A PRESS PROBLEM

Mr. MARCY. There is a press problem on this, on this Nitze business, because the press knew he was coming.

The CHAIRMAN. This is really embarrassing, giving and taking back and changing. I think sometimes they are deliberately trying to make the committee look foolish.

Senator MORSE. A dignified statement to the press that we are going to wait on them is what we should give out.

The CHAIRMAN. That is all, I guess, that is all we can do. Any other ideas that you have got?

The leadership now says the commitment resolution should be up about the first week in April for discussion. Anything else?

U.S. AID TO INDIA

Senator CARLSON. This does not deal with military, but I was on an international program at Topeka last Friday night with two Greek college professors and Ambassador K.B. Lall who had represented India at the United Nations for 12 years, and he is a very fine man. He conducted himself in a very fine way, but he made this statement to this group in attendance. He said the U.S. is sending more money to India than they should send.

The CHAIRMAN. Should send?

The CARLSON. Sending more money to India than they should send. They would do a lot better if they sent less dollars and more technicians and begin to cut it back. I was amazed at it.

Senator HICKENLOOPER. Is he teaching now in New England?

Senator CARLSON. That is Lall. He is a very fine man.

Senator HICKENLOOPER. He was considered to be a second brother to the Communists, a complete Communist sympathizer, unless he has changed. I happen to agree with what you said he said, but I know his reputation.

Senator CARLSON I do not know him at all.

THE GRAIN AGREEMENT

The CHAIRMAN. Frank, what about the grain agreement? You are supposed to be our authority on grains.

Senator CARLSON. I do not say I am any great authority on it, but I am glad the Senator from Alabama set up hearings beginning on the 26th, as I understand it, and I think there are some good problems involved in this, and I am for it, because it is an extension of the International Wheat Agreement. I wish it were two years instead of three, but I think we ought to have a good hearing and let the facts speak for themselves, I really do.

Senator CASE. Let the chips fall where they may.

The CARLSON. Yes, sir; and I have talked with John Schnittker who is going to represent, I understand, the Department of Agriculture, and he said, "I am going to come up here and lay all the facts on the table," and I think he should.

Here is what happened: These 6 countries over there formed a common fund for the moving of agricultural products out of these 6 countries. So France sells 500,000 tons of wheat to China, and they paid an export duty of $63 a ton. Now, a ton of wheat is 33 bushels, it depends on whether you go to a long ton, so it makes about $2 a bushel subsidy, and we talk about our subsidy at the present time is one to three cents a bushel. We were at 60 cents, we went to 17, and we have—France did not pay it, this Common Market paid it, so those are some of the problems.

The CHAIRMAN. Two dollars?

The CHAIRMAN. $63 a ton for 500,000 tons of wheat. They want to get the wheat out of the country to help the farmers get their local market up. That is what they did.

Senator HICKENLOOPER. Who got the subsidy, the farmer?

Senator CARLSON. Well, the farmer——

The CHAIRMAN. To whom did they sell this?

Senator CARLSON. Red China.

The CHAIRMAN. What did they get from China for it?

Senator CARLSON. I do not know.

The CHAIRMAN. I just wondered. It is a cut price.

Senator CARLSON. Let us find out when the Department gets up here, but I know my figures are correct on the export duty, the subsidy.

Senator CASE. What country?

The CARLSON. France.

Senator SPARKMAN. France selling to China.

The CHAIRMAN. 500,000, $2 a bushel.

Senator CASE. That is not soft red winter wheat, is it?

THE COMMITMENT RESOLUTION

Senator MORSE. Are you going to take up anything else?

The CHAIRMAN. No, unless you have something on your mind. I hope you will be a round the week after next when there is the debate on the commitment resolution. You know the one, this committee, the Senate should be advised about making commitments, play a part in it.

Senator MORSE. I am for that.

The CHAIRMAN. It is going to come up on the floor for debate.

Senator MORSE. When?

The CHAIRMAN. The week after next.

Senator MORSE. I am always ready for that.

Senator SPARKMAN. Mr. Chairman, on these grain hearings, I would suggest that all members might, other members might, like to attend.

The CHAIRMAN. Oh, yes.

Senator SPARKMAN. I think they all should be given notice.

Senator CARLSON. I think they will. I think you will find a lot of interest in it. There is quite a lot of opposition to it, too.

[Whereupon, at 5.10 p.m., the committee adjourned.]

# ASIAN DEVELOPMENT BANK AND INTER-AMERICAN DEVELOPMENT BANK

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**Wednesday, April 3, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:15 a.m., in room S–116, the Capitol, Senator J. William Fulbright, (chairman) presiding.

Present: Chairman Fulbright and Senators Mansfield, Gore, Lausche, Symington, Pell, Hickenlooper, Aiken, Mundt, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Miss Hansen of the committee staff.

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The CHAIRMAN. Let's come to order and take up the first item and have Mr. Holt explain for the record the significance of Ex. L. 90–1.

AMENDMENTS TO THE GAS CHARTER

Mr. HOLT. Yes sir, the committee had a hearing on this February 6th at which Ambassador Sol Linowitz explained it in some detail and I think you have got those before you, but briefly, these are a series of fairly detailed and far-reaching amendments to the Charter of the OAS reorganizing the organization, upgrading somewhat the Economic and Social Council which is the agency for the Alliance for Progress and creating a new Inter-American Council for Education, Science and Culture. The Council of the OAS will be called the Permanent Council and its powers will be broadened somewhat particularly with respect to the Pacific settlement dispute. The Inter-American Conference will be done away with, and replaced by something that is going to be called the General Assembly which will be a foreign ministers' meeting and will be held every year.

The term of the Secretary General is reduced from 10 years to five, and the General Secretariat is given kind of more explicit budget-making powers. At the same time, the articles of the Charter having to do with economic and social standards are very considerably expanded and rewritten.

You will recall, Mr. Chairman, that in the Spring of 1966 this committee held a number of meetings with the then responsible officials of the State Department with respect to the wording of these

economic and social articles, and the wording which has now been approved and which is before the committee is substantially the same that the committee worked out at that time.

The CHAIRMAN. Is there anything in this relating to this question of administration of the funds, because recently there have been rumors about misapplication of funds. You are familiar with that, are you not, Under Secretary Jose A. Mora?

Mr. HOLT. Yes.

There is a little on this, I will find it in just a moment. One of the things that has happened in that respect quite apart from these amendments to the Charter is that within the existing framework a new assistant Secretary General has been created to have charge of the administration of the Pan American Union.

The CHAIRMAN. Well, in any case, even though something should be done about that it is too late to try to incorporate anything of that character in these changes, is that correct?

Mr. HOLT. That is right.

The Secretary General has more authority.

Senator MANSFIELD. I think we might just as well declare a recess for the time being.

[Short recess.]

A SCANDAL OVER MISAPPLIED FUNDS

The CHAIRMAN. Where were we, Mr. Holt?

Mr. HOLT. Well, you were considering these amendments to the Charter of the OAS, and you had asked a question of whether new provisions are made for the control of funds, and so on. The only thing specific really that these amendments do is to give the Secretariat of the Organization the authority to prepare the proposed program budget, and that is about all.

The. CHAIRMAN. How much of this budget do we pay?

Mr. HOLT. We pay 67 percent, I think.

The CHAIRMAN. Well, I think we ought to have some safeguard about it. I forget now, Pat, the exact details but there was a scandal in the paper not long ago about somebody misapplying funds.

Mr. HOLT. That is right, there was.

Senator MANSFIELD. The Dominican.

Mr. HOLT. There were two instances: One an OAS representative in Costa Rico and one in Argentina.

The CHAIRMAN. If we pay 67 percent it seems to me somebody, the GAO or someone, ought to have the right to see that the money goes for what it is appropriated for.

Senator SYMINGTON. How much money is involved?

The CHAIRMAN. How much does it amount to?

Mr. HOLT. Not very much.

The CHAIRMAN. About?

Mr. HOLT. Well, it is in eight figures.

The CHAIRMAN. Less than a million dollars.

Mr. HOLT. No, it is more than a million dollars. I would guess less than $10 million.

Senator SYMINGTON. You have gotten to a point where you don't think $10 million is much.

Mr. HOLT. What is that?

Senator MANSFIELD. Is it?

Senator SYMINGTON. It is to me. [Laughter.]

Mr. HOLT. It is a minor fraction of what we put into the U.N.

The CHAIRMAN. I do think we ought to have some safeguards about it, not being stolen or wasted.

THE BUREAUCRACY OF THE OAS

Mr. HOLT. This problem you refer to has been dealt with through the creation of a new Assistant Secretary General who will be in charge of administration, and he will be——

The CHAIRMAN. I didn't hear that last.

Mr. HOLT. They have created, quite apart from these Charter amendments that are before you now, these were negotiated incidentally before any of these other problems came up——

The CHAIRMAN. Has that other problem been dealt with?

Mr. HOLT. The other problem has been dealt with through the creation or a new office of Assistant Secretary General for Administration who will be an American.

Senator SYMINGTON. You say the General Secretariat, who is that?

Mr. HOLT. Well, the General Secretariat is the bureaucracy of the OAS.

Senator SYMINGTON. Who runs it, who controls it?

Mr. HOLT. The Secretary General of the OAS controls it and the Secretary General was Jose Mora and now is Galo Plaza of Ecuador.

Senator SYMINGTON. What they want to do is get more control of the funds that we put up.

Mr. HOLT. The administration——

Senator SYMINGTON. More explicit budget making power, that would imply they want more control of the dough.

Mr. HOLT. That is right.

And the dough is now controlled scarcely by anybody and to the extent it is controlled it is by a subcommittee of the Council of the OAS.

Senator SYMINGTON. Are we on that council?

Mr. HOLT. We are on the council, yes, sir.

Senator SYMINGTON. Is there cumulative voting as to who controls the money?

Mr. HOLT. One man-one vote. I mean one country-one vote.

Senator SYMINGTON. Following the chairman's thought wouldn't that be a good idea?

Mr. HOLT. It would depend, I think, on whether you want to have an Inter-American organization.

The CHAIRMAN. I wasn't raising that point so much because they don't really do other than negotiate. What I was raising is the honesty of the administration of the money we put in, the question of somebody stealing it. It isn't very much. This is not an operating organization to actually do anything of any consequence similar to the Inter-American Bank, but it is very bad to have stories in the paper that employees of this outfit fit embezzled the money. I was looking only for honesty in administering what they have involved in the administration. That isn't in here I am now informed, but you say subsequent to these they have taken means for setting up

a mechanism for controlling the honesty of the administration, is that right?

Mr. HOLT. That is correct, yes, sir.

The CHAIRMAN. That is all I wanted to know.

U.S. CONTRIBUTION TO THE OAS

Mr. HOLT. I have the figures now on the U.S. contribution to the OAS which is approximately between $9 and $10 million a year.

The CHAIRMAN. It is a substantial amount, it ought to be honestly administered.

Senator MANSFIELD. Did you say, Pat, there will now be a new Administrative Assistant Secretary who will be an American who will have control of the budget?

Mr. HOLT. That is correct.

Senator COOPER. Mr. Chairman, I read some place last year at the insistence of this committee that the Department of State agreed that it would see that some new fiscal procedures and auditing procedures were instituted. Has that been done?

Mr. HOLT. Yes.

The CHAIRMAN. That is what he just said was done, as I understand it.

Are there any other questions on this from anyone?

Senator Gore, have you got any?

Senator GORE. None.

The CHAIRMAN. Senator Hickenlooper?

Senator HICKENLOOPER. Do we have a breakdown as far as we can go of the disposition of the money that is available to the OAS now?

Mr. HOLT. We could get an OAS budget. We don't have one immediately available.

Senator HICKENLOOPER. You have examined it, have you, Pat?

Mr. HOLT. Well, I haven't examined it lately but I have at various times in the past, yes, sir.

The CHAIRMAN. Would you describe very briefly——

Senator HICKENLOOPER. A loose accounting system or a loose system, do you think?

Mr. HOLT. Well, it used to be looser than it is now.

Senator HICKENLOOPER. Well, that doesn't mean anything. How would you rate it now?

Mr. HOLT. Well, I would rate it as perhaps somewhat looser than the United States Internal Revenue Service and somewhat tighter than the Government of Mexico. [laughter.]

Senator GORE. Do you feel any better informed, Senator Hickenlooper?

Senator HICKENLOOPER. Yes, I do. I understand it clearly. I don't think there is any question about the efficiency of this, or the degree of efficiency——

Senator LAUSCHE. Did you hear there is an announcement from Hanoi they want to sit down and talk?

Senator MANSFIELD. There is supposed to be a statement at 11:15.

OPPOSITION OF SOFT LOANS

Senator SYMINGTON. Mr. Chairman, I want to go to another mark-up of the Armed Services Committee at 11:00 and I asked them to put the meeting off. We are in a brawl over there. We are not spending much money. [Laughter.]

But before going, anything I would support are reducing money for the Organization of American States or getting more control of it, and I want to leave by proxy with you, I would hope whatever it is that the Arms Control Agency wants in the way of money and years we give them because if they have got 33 million it would be about one third of the cost of, considerably less than one half of the cost of, one day of the war in Vietnam alone, let alone other military expenditures.

Senator HICKENLOOPER. I don't understand you.

The CHAIRMAN. He is shifting to item two, aren't you?

Senator SYMINGTON. Yes, I was just shifting it.

The CHAIRMAN. He is not talking about OAS. He is getting ready to leave us, as he often does, and he is jumping down——

Senator SYMINGTON. If I was on the Finance Committee I would have no problem but I have an unfortunate position.

On the bank loans you have my proxy so long as there are no soft loans in it and no monkey business on three and four. I just as a matter of interest say on the Asian Development Bank we created that bank and I was out there with Gene Black in 1965, so was John Cooper, and we put up a billion bucks and they have lent $5 million which they did last month because it was found out that they hadn't loaned any, $5 million out of a billion.

Senator HICKENLOOPER. Is that bad?

Senator SYMINGTON. Everybody around the world was waiting until the suckers put a soft loan window in and saying "If we wait long enough they will do this." And I hope we don't give them any soft loan windows in those banks. So with those remarks, I will be patient and listen until I leave.

The CHAIRMAN. All right, let's come back to one.

ORGANIZATIONAL AMENDMENTS

As I understand it, these amendments do not directly affect the amount of money we give them?

Mr. HOLT. It doesn't affect it in any way, no, sir.

The CHAIRMAN. These are organizational and are a statement, however, of aspirations within the agency and this was the language we struggled over last year, isn't it?

Mr. HOLT. That is right.

The CHAIRMAN. We struck out the language that appeared to commit us by treaty to a specific aid program, is that right?

Mr. HOLT. That language is no longer in here.

The CHAIRMAN. That is right.

Mr. HOLT. We had meetings about that. Are there any questions from anybody about these first ones and do you want to vote on it?

Senator LAUSCHE. Which one are you on?

The CHAIRMAN. Item No. 1 we have been discussing. We had some meetings, I may say, I think you were there, last year about certain language on aid and we raised objections, and it is my un-

derstanding the Department has changed those in accord more or less with what the committee thought.

Senator LASUCHE. Has there been any objection raised and documented why we should not do this?

The CHAIRMAN. I know of none. Are there?

Mr. HOLT. No objection has been made—none to the committee.

Senator HICKENLOOPER. Weren't we down there in Buenos Aires?

Mr. HOLT. You were and I wasn't. I think you were.

Senator HICKENLOOPER. I think I was.

Mr. HOLT. This is a long negotiating process. It began in Rio in 1965.

The CHAIRMAN. Well, do I hear a motion?

Senator LAUSCHE. I so move.

The CHAIRMAN. The Senator moves, and it is seconded, that we report this favorably. All in favor of the motion say "aye."

[Chorus of "aye."]

The CHAIRMAN. Opposed "no."

[No response.]

The CHAIRMAN. The "ayes" have it.

THE ARMS CONTROL AND DISAMAMENT AGENCY

The CHAIRMAN. Now, do you want to come to item 2, H.R. 14940, authorizing $20 million appropriation for Arms Control and Disarmament Agency for carrying on its activities for fiscal year 1969 and 70?

We had hearings on this about two weeks ago. Personally, I favor all of their activities except the proliferating research programs many of which I believe are for prestige alone and are of no real value. I would personally favor our cutting the research part of it out of the agency, not their own in-house agency, but these programs which they pay outside people, the so-called think tanks to make, we had examples of them, and I don't see that it means very much. Some of them are utterly meaningless and I don't think they even read them. I am not in favor of cutting down any of their negotiating activities and so on, and this is clearly distinguishable from there, what is the word for it, out-house research is what it is, external. It is a big difference. The staff has looked at some of these.

Mr. Marcy, you report. I will ask Mr. Marcy to investigate this. We looked at some of these external researches and they didn't look to me as if they were worth anything, and they duplicate a lot of other things.

Our own subcommittee made a study on arms in South and Latin America which I think is good or better than their own for about a fifth of what it costs. These think tanks have developed a system by which they can pay large salaries for simple research and I think it is kind of a racket. It has nothing whatever to do with the negotiating activities at Geneva, et cetera, and all that. It is purely external research.

EXTERNAL RESEARCH

Senator LAUSCHE. Mr. Chairman, I believe it is as far back as five years ago when we were probing the witnesses of this agency wanting to know why they were indulging in research I work of the

character which you have just described. I did not feel content at that time with what they were doing, and I don't know——

Mr. MARCY. Could I just say this, Mr. Chairman, you all have a little folder on this, and on the back page you will find out the amount that they have put into external research over a period of time. In 1966, in the external research they put $5.8 million; 1967, $4.7 million; 1968, $4.5 million, and they propose for 1969 $5.3 million. They propose for 1970, $6.5 mi11ion, and then back to $5.4 million.

Senator LAUSCHE. Can you identify the type of research?

Senator HICKENLOOPER. This says in-house research, I don't see anything about out-house research.

The CHAIRMAN. They call it external. I apologize for the word, I couldn't think of the right word.

I think it is too much. The staff, I am relying in part on what I read and the staff's advice, they have looked into some of these and they analyzed them. There is a tendency for this to just grow and grow, and it isn't very relevant to their main purpose, in my opinion. I would suggest we cut that back to about $4 million and leave them some, but instead of $5 a year, whatever it is about, just a reasonable cut-back so don't proliferate.

Senator HICKENLOOPER. On the external research I agree thoroughly with you and have agreed that that is a pernicious practice and I don't see we get any commensurate results from it.

The CHAIRMAN. I agree, we don't.

Senator HICKENLOOPER. Some of the other stuff, this whole agency, I think probably its functions can be done by somebody else, by some existing agencies, but this proposes to spend $5,427,000 in 1971, $6½ million in '70, and $5⅓ million in '69 in this external research, and I think basically that is a colossal waste of money.

QUESTIONABLE PRACTICES

The CHAIRMAN. There is another practice I don't like, they will employ the State Department or some other agency of the Government to do it for them and pay them for it which seems very questionable practice. They had one, the role of the Armed Forces in Latin America. They paid $25,000 for that. Wayne Morse's subcommittee had a very similar, and I think a very good, study because I heard the testimony, for $4,000, a similar study as opposed to $25,000. I think it served the same purpose, and I don't think that they are very prudent about it, so I would suggest, if it meets with your approval, the staff has prepared an amendment to cut that to $8 million for the two years.

Senator LAUSCHE. What are they asking?

The CHAIRMAN. They are asking, well, they asked, for three years $33 million. The house has cut it to two years for $10, each year, half, approximately half, of which is this external. I am suggesting we cut the external research by $2 million a year below that, making it $8 million. The staff has prepared language.

Senator HICKENLOOPER. I think I would like to ask for information here. Doesn't external research include mechanical testing of one kind or another? Why they are in that, I don't know, of devices.

The CHAIRMAN. It did, and the Defense Department paid them a million dollars for it. That has been cut back but you are quite right they did have such a program.

Senator HICKENLOOPER. I don't see that they need personnel for that purpose at all. I think basically they should confine their efforts to a negotiating agency.

The CHAIRMAN. I do too.

Senator HICKENLOOPER. And a research agency along those lines. We have got vast organizations for technical and mechanical research and experimentation.

The CHAIRMAN. That is right.

Senator COOPER. Don't they do a lot of that in AEC?

Senator HICKENLOOPER. AEC, the military, NASA, the space program.

REDUCING THE APPROPRIATION

Senator LAUSCHE. Mr. Chairman, in view of this background, and I am reading from the memorandum, Carl, in 1965 ACDA requested a four year $55 million authorization. Was that $50 million a year?

Mr. MARCY. No, sir, that was over a period of five years—three years——

Miss HANSEN. Four years.

Senator LAUSCHE. That would be about $14 million a year.

Mr. MARCY. That is right.

Senator LAUSCHE. The House granted three years at $40 million and the Senate two years and $20 million. We granted $10 million a year.

Mr. MARCY. That is right.

Senator LAUSCHE. How much per year are they asking now?

Mr. MARCY. Now, they are asking $11 million a year for a period of three years.

Senator LAUSCHE. All right. Now, what is your recommendation, Bill?

Mr. MARCY. Could I add one thing?

Senator LAUSCHE. Go ahead.

Mr. MARCY. The administration is asking for $11 million a year for three years. The House cut them back to a two year authorization and $20 million for two years, in other words, $10 million for each of two years.

Senator LAUSCHE. That clears it. What is your proposal?

The CHAIRMAN. That the external research be limited to not more than $8 million, which we estimate would be a cut of $2 million.

Mr. MARCY. That is right.

That would be, they would not be able to go above $4 million a year on external research.

The CHAIRMAN. It is a limitation and not more than that. The rest of it would be the same.

Senator HICKENLOOPER. I personally, but I suppose that snap judgment is no good at all ordinarily, but I think $4 million a year is too much for those people.

The CHAIRMAN. I am inclined to do that, too. But I was inclined to believe that was the best I could do.

Senator LAUSCHE. I am inclined to agree with you.

Senator HICKENLOOPER. Every negotiating agency that we have gets its technical advice as a rule from some other agency that is equipped to do that. Here we have set up an agency, they have expanded the functions of this disarmament agency, and I have great respect for Bill Foster, but he has got some people in there who are just expanding the funds of this agency I believe, in duplication and unnecessarily, and I have felt that way about it for a long time. I hate to suggest an arbitrary figure because I don't really have enough evidence to base that on except I am quite sure it ought to be very substantially reduced. I would go for reducing it even further.

The CHAIRMAN. Let's get on with this other thing. I propose——

EMPIRE BUILDERS

Senator LAUSCHE. I will raise it to $3 million. You propose a cut of $2 million, didn't you?

The CHAIRMAN. Yes.

Senator LAUSCHE. I bid three.

Senator COOPER. What would be the program per year?

The CHAIRMAN. For two years it would be $7½ million, wouldn't it, what is it, Mr. Marcy?

Mr. MARCY. Are you talking about the research provision now? If you are going to limit external research that really has nothing to do with the overall authorization unless you want to cut back the overall authorization.

The CHAIRMAN. We might as well, I always thought it would be a cut.

Miss HANSEN. Then go down to $15 million.

The CHAIRMAN. It would have been $18 million, this way it would be $17 million of which $3½ million a year would be external research, wouldn't it?

Senator HICKENLOOPER. Not to exceed.

The CHAIRMAN. Your amendment, the one you drew, said $8 million for two years for external research.

Mr. MARCY. That is right.

The CHAIRMAN. The Senator from Ohio is moving that this be $7½.

Senator LAUSCHE. Per year?

The CHAIRMAN. No, he is moving it one more million, it would be $7 million for two years.

Senator HICKENLOOPER. It should be not to exceed.

Mr. MARCY. Not to exceed $7?

The CHAIRMAN. That is what he is moving. I am agreeable.

Senator COOPER. I have no objection to that in any way. I do want to say in listening to Foster and others that day they gave great importance to a three year authorization. They said it would help them maintain, to keep, their personnel, and their position in the State Department and so forth and give them more effectiveness in their negotiations. I think they made a good argument for the three year authorization.

The CHAIRMAN. There is an argument. On the other hand, it seems to me they ought to be looked at every two years. The only time we look at these is when they go up for authorization, other-

wise we forget them and they go their own way and nobody pays any attention to them.

Senator HICKENLOOPER. These people are empire builders.

The CHAIRMAN. It is our duty to look at them.

Senator COOPER. You remember his emphasis on this?

A CEILING ON EXTERNAL RESEARCH

The CHAIRMAN. Let me restate this. The House gave $20 million, if we accept the Senator's motion it would be we would give $17 million for two years of which not more than $3½ million per year would be for external research, is thatnot right, Mr. Marcy.

Miss HANSEN. I think it will be a $5 million saving, Senator, and $15 million would be the figure.

The CHAIRMAN. Would it be 15?

Miss HANSEN. Yes, here is what they plan, $5.3 in 1969 and $6.9 in 1970, and if you made $3.5 million you would have a $5 million saving.

The CHAIRMAN. That suits me, if it does the committee.

Senator HICKENLOOPER. It does me.

The CHAIRMAN. Then you understand how you should write it up, Morella, do you? That would allow then $3½ million a year for external research.

Miss HANSEN. Right, and an overall ceiling of $15 million for two years.

The CHAIRMAN. That is correct.

Miss HANSEN. Total authorization.

The CHAIRMAN That would give them $5 a year roughly for their ordinary operations which covers what they are presently doing, is that right?

MissHANSEN. What they are planning to do, $4.6 in 1969 and $5.4 you would not cut that?

The CHAIRMAN. That is right.

We don't want to cut the regular. Does everybody understand now? Are you in favor of it?

Senator HICKENLOOPER. Yes.

The CHAIRMAN. All in favor of the motion say "aye."

[Chorus of "aye."]

The CHAIRMAN. Opposed "no."

[No response.]

The CHAIRMAN. The ayes have it.

The overall is $15 million for two years of which the regular program of approximately five is to be continued. No cut in that. The whole cut would be in accordance with the Senator from Ohio's motion to cut the external research to $3½, not more than $3½ million a year, is that right?

Senator SYMINGTON. What has it been in the past?

The CHAIRMAN. It is the external research.

Mr. MARCY. Anywhere between 4½ and five million.

Senator SYMINGTON. It is a cut of between $1½ and $2 million.

The CHAIRMAN. Only on external research.

Mr. MARCY. That is right.

ASIAN DEVELOPMENT BANK

The CHAIRMAN. What do we do, with the next item, S. 2479 a bill to authorize $200 million for the Asian Development Bank?

Senator SYMINGTON. I move we reject it, Mr. Chairman.

Senator LAUSCHE. Is this for the soft window?

The CHAIRMAN. It is not exactly that. This is a special fund actually. It is a special fund of which we pay 50 percent and a number of other countries pay the 50. I think it is over simplification and not accurate to say this is a soft window of the Asian Bank. It is a specialized operation restricted to certain activities.

Senator AIKEN. There is no deadline on this, is there?

Senator COOPER. So much a year.

The CHAIRMAN. Mr. Black is very anxious to have us do it.

Senator SYMINGTON. I will oppose it in committee and I will oppose it on the floor. I think it is terribly wrong.

IN CASE OF A CEASE FIRE

The CHAIRMAN. I think it is the way to give aid. If you want to give it, if the war is being liquidated it is the way to do it.

Senator AIKEN. I think we ought to wait a little to see if there are prospects.

The CHAIRMAN. I will put it this way, if this thing develops, supposing we did get a cease fire, just supposing for illustration we got a cease fire, and they begin to negotiate, then I think it would be very important to do something.

Senator SYMINGTON. That would be another matter.

The CHAIRMAN. I agree. If the war is going on full blast, I don't think they can do anything much about this anyway. Instead of objecting to it, would it be agreeable if we past over and not take action?

Senator SYMINGTON. Mr. Chairman, let me say one thing, what impressed me most of the Asian Bank was (a) we only put up 20 percent of the money and (b) it was all a reasonably business-like job. Here they have loaned $5 million out of a billion, and now they come in for an extra situation where anyway you cut it ours goes from 20 percent to 50 percent, and to me that just shows what I have been told by people who might know something about it, that the boys were saying "just hold up, we will get our soft window, relax."

The CHAIRMAN. I think——

Senator SYMINGTON. Then you don't have to get into the business.

The CHAIRMAN. I think you are exaggerating. In the first place they haven't put up a billion dollars. Very little has been put up.

Senator SYMINGTON. Then they have another one on the Mekong Delta, that was a really big one and that was important so we are doing that one practically all by ourselves.

Senator AIKEN. If we can let it go for two days and a half and if we can phase the war that much we ought to do it.

The CHAIRMAN. Let's put it off without taking action.

Senator COOPER. Can I give my views on it?

Senator SYMINGTON. I have to leave for another meeting. You have my proxy to put it off.

The CHAIRMAN. I think we ought to just sort of let it go.

SOME PEACEFUL WORK

Senator COOPER. I would like to give my views: The Congress did authorize $200 million to the original capital stock. It has not all been paid but they authorized this and $1 billion has been pledged altogether, and whatever we put into this special fund, of course, it is to be a minority, what is pledged by other countries, less than 50 percent. Mr. Black testified, differing from the original capital stock which was authorized and our contribution to it, that this will be tied in such a way that there will be no adverse effect upon the balance of payments.

The CHAIRMAN. That is right.

Senator COOPER. I have great confidence in him. He feels very strongly, as he said to us and he said to all of us privately, they can't make any progress in raising this money until the United States takes some action. It is a pledge of $50 million for four years. My own thinking is that this would be a help, if a cease fire came or if it doesn't come, namely to give some impetus to some peaceful work-out in that area rather than war. I feel very strongly we should authorize the money, and if we have to take it out of, if we have to take this amount of money out of, the regular foreign aid I will—I would be in favor of this, reducing the amount of foreign aid bill to put into these banks.

The CHAIRMAN. I think it is better, too. I agree.

Senator AIKEN. Don't you think the committee can let it go a week?

The CHAIRMAN. How about letting it go a week and see what develops in a week. I agree with you I would rather take it out of the regular foreign aid and put it in this.

Senator COOPER. I would like to see us reduce the foreign aid, I am sure it is going to be reduced anyway, but reduce it by an actual amount we put into these banks.

The CHAIRMAN. I agree with you. I think actually and psychologically it is a better way to do it. Would it be all right to let it go over a week? The thing is in kind of turmoil and without any vote we will just sort of pass it over for a week. Is that agreeable to you, Frank?

Senator LAUSCHE. I think that is the way it should be done.

The CHAIRMAN. All right.

Let's take number four, we will pass over that one, and take no action today.

INTER-AMERICAN DEVELOPMENT BANK

The CHAIRMAN. H.R. 15364 authorizing an appropriation of $411,760,000 for U.S. subscription to the capital stock of the Inter-American Development Bank.

The CHAIRMAN. Mr. Holt, or Henderson, you describe this.

Mr. HENDERSON. This money would all be subscribed capital stock. This is callable capital. In other words, there would be no actual financial transaction. The purpose of it is to allow the Inter-American Bank to make other bond flotations. They have reached almost the limit of their possibilities or their authority to issue

bonds, and this is all for hard-lending commercial terms. This is the hard window of the Inter-American Bank.

Senator HICKENLOOPER. What is the record of payment of these bonds? Have any of them come due?

Mr. HENDERSON. Yes, sir, they have come due. There is one installment I gather that has already been paid. One is coming or is in process of coming due.

Senator HICKENLOOPER. Will any of this money be used to repay the bonds that are coming due?

Mr. HENDERSON. Not this money, sir, no. They have a sinking fund which is established to take care of repayment of bonds.

Senator HICKENLOOPER. I am just wondering what the financial structure is like here, whether it is like a stable or an unstable structure or whether they have to keep borrowing money or put up money——

Mr. HENDERSON. The testimony of the Under Secretary of the Treasury, sir, is that they are under the process—there will be a bond issue shortly due, they have the money already in hand to cover this. They have it in a sinking fund and the Bank is in fully stable condition financially. This was the testimony of Joseph Barr.

PAYMENT TO THE BOND HOLDERS

Senator HICKENLOOPER. If they have money in hand to pay it why don't they pay these bonds and reissue some new ones if they need more money?

Mr. HENDERSON. Well, you see, I think this would be an outflow, the payment to the bond holders, but I don't think that enough is coming due, I think it is a very, very small percentage of the actual bond flotations that have been made that they would need for ongoing operations.

Senator HICKENLOOPER. I see. How much of the bonds do they contemplate issuing as against this stand-by subscription?

Mr. HENDERSON. The amount, you see, the overall proposal is for a billion dollar increase in capital stock. They couldn't go beyond the amount of the U.S. subscriptions to this $1 billion which would be $411,760,000. Because of the understanding with the bond holders, the determination by the Bank that the U.S. subscription should be the upper limit for the guarantees of bond flotations.

Senator HICKENLOOPER. Is our payment into the capital stock fund, our purchase of capital stock, is it based upon commensurate purchases or contributions by other countries, in other words, do we put up what is our proprotionate share as other countries put it up or do we put up ours and then just trust to the hope that they will put in theirs?

Mr. HENDERSON. No, sir, in the agreement the resolution which has to be accepted by the governors of the Bank, the shares are all set out, these are all proportionate. The proposal can't go into effect until three-quarters of the amount of $1 billion is actually subscribed. So 75 percent of this money has to be subscribed before it can come into effect.

Senator HICKENLOOPER. I understand.

But the point is can we be called upon to pay all of our $411 million to count on the 75 percent and then 25 percent not be subscribed?

Mr. HENDERSON. Theoretically, sir, that is possible.

The CHAIRMAN. I don't understand that. You mean they could call on us and not call proportionately upon the other subscribers?

Mr. HENDERSON. No, sir, what I mean is if we subscribe the $411 million and the other members—11 members have already accepted their shares, so if we accept our share this will bring it over the 75 percent now which could put the operation into effect.

The CHAIRMAN. I understand.

A CALL ON CALLABLE CAPITAL

Mr. HENDERSON. Now, this doesn't mean that anybody is left off his obligation, but the other 11 members who have already subscribed would also have to put up their money. I mean they have made—they have guaranteed that they will. Are you talking, sir, about making a call upon the callable capital?

The CHAIRMAN. Yes, if they call.

Senator HICKENLOOPER. That is what they call upon?

Mr. HENDERSON. Callable capital is a different question.

Senator HICKENLOOPER. Let's say they call on us not to take up the full $411 million. I understand that is callable from time to time, as it may be needed or something of that kind or proportions of it. But let's suppose they call on us, I may be wrong about this so correct me if I am wrong, suppose they call on us and they say "well now, we need $50 million from the United States," if you take up your stock to the extent of the $50 million out of the $411 million. That means, of course, under the agreement, I think, that Ecuador, Peru and all the rest of these countries have a proportionate amount which they should put in in proportion to the $50 million which we put in, there is a formula there in other words, now suppose they call on us for the $50 million? Is there any way we can say all right, we put up the $50 million or a portion of the $50 million as other countries put up their proportionate amount on the barrelhead and if they don't put it up we don't put it up?

Mr. HENDERSON. Could I try to describe just how this would operate? In the event any callable capital would be called this would be because of a sizeable default in the Bank's operations in the loans. Normally this would be covered by the Bank's reserves. If—let's take the worst pessible hypothesis, let's say that a country failed in its guarantees and these loans are government guaranteed, and there was a total, I am just using a hundred million figure because it makes the percentages very easy, let's say there was a hundred million dollar default, series af loan defaults, the Bank would then issue a call on its members, it couldn't cover this with the reserves. The call would be out to all members and the United States would have a share of 41.1 percent.

The CHAIRMAN. Percent?

Mr. HENDERSON. In this first call percent. If in the first call some members are member or more do not fulfill their obligations and come up with their percentage, then there would be a second call, and again the same process, the United States—in this case, in the second call you are assuming that the country where all these loans went bad and the Government refused its obligations and destroyed in effect its international credit, that country would not be fulfilling its obligations so it wouldn't join in the call. Let's say it

was a country that had 6½ percent of the total shares. Well, obviously in the first call there would be one country defaulting on you so there would be 6½ uncovered. Now, of that 6½ percent that is uncovered the United States again would take a 41 percent share of that 6½ percent.

The CHAIRMAN. I see.

Mr. HENDERSON. I worked this out——

A FIXED PERCENTAGE OF RESPONSIBILITY

Senator HICKENLOOPER. But do we pay in the 41½ percent of the call irrespective of whether any other country puts in?

Mr. HENDERSON. Yes, sir, we would, each country is obliged. We would pay it, every country would be expected to do so, even a country that was in default, let's say this 6½ percent country, where the loans all went sour and the Government refused its obligations. That country is still not let off its obligation to the Bank. In other words——

The CHAIRMAN. It is just in default?

Mr. HENDERSON. It is in default.

The CHAIRMAN. Then on the default we would still share only our percentage among those who are not in default?

Senator HICKENLOOPER. No, wait. We have a fixed percentage we are responsible for.

The CHAIRMAN. Correct. It starts out 41 percent. But if country X defaults, suppose we say Haiti would go absolutely out, then the rest of us, we don't take up the whole part, we only take 41 percent of that?

Senator HICKENLOOPER. Of Haiti's default.

The CHAIRMAN. The others still have an obligation.

Senator HICKENLOOPER. In other words, we hold the sack eventually.

The CHAIRMAN. Well, only to the extent there is a complete and absolute default.

Senator HICKENLOOPER. Let's take an extreme example.

Senator COOPER. Bourke, you asked this question of Mr. Barr, do you remember?

Senator HICKENLOOPER. Yes.

Senator COOPER. And he said to the extent there is any default we would always have to pay up our 41 percent, but if there is a total default we would have to pay up the full amount we pledged.

The CHAIRMAN. But only to the point of 41 percent. We can't go beyond that.

AN EXTREME EXAMPLE

Senator HICKENLOOPER. I understand that. But the point is this: Let's say there is a hundred million dollar obligation outstanding and that country goes sour, and they have to make a call on this.

The CHAIRMAN. And everything is exhausted, the Bank's resources.

Senator HICKENLOOPER. 41 percent of that, $41 million is what we are liable for. Now, every other country defaults, I am taking an extreme example, every country defaults and says "we won't pay it." Then we have got to step in and take 41 percent of what they default, is that, correct?

Mr. HENDERSON. Sir, if all countries default——

Senator HICKENLOOPER. I am taking an extreme example.

Mr. HENDERSON. If all countries defaulted the U.S. would have its obligation up to its amount of callable capital and it would be total because they can't go above our subscription. In other words, what we subscribe is the total they can use as guarantees. They don't use the amount.

The CHAIRMAN. But it would still be only 41 percent?

Mr. HENDERSON. It would still be $411 million would be the amount of the total of it.

Senator LAUSCHE. That is if all defaulted, if everybody defaulted, and we in the end became absolutely liable for the full amount.

RESPONSE OF THE TREASURY SECRETARY

Senator HICKENLOOPER. Here is the answer that Barr gave us the other day.

Senator LAUSCHE. Barr didn't give us the proper information.

Senator HICKENLOOPER. I don't know why he didn't.

Senator LAUSCHE. He was not informed.

Senator HICKENLOOPER. Let me quote what he said here. I asked him the question. I said or Barr repeated what I asked and this is the rhetorical question: "What is our liability in that case?" This answer is to my question. He said: "Well, I am afraid, Senator, I don't like the answer very well, but I want to be accurate, failure of one or more members to make payments on any such call would not excuse any other member from its obligation to make payments, and successive calls could be made on non-defaulting members if necessary to meet the Bank's obligations." So they can just keep call, call, call call and if we were the only ones who meet our obligations we would have to pay the whole thing.

The CHAIRMAN. Up to the limit of $411 million. You can't go beyond that.

Senator HICKENLOOPER. That is right, up to the limit of $411 million.

Senator LAUSCHE. That answer is correct, isn't it?

Mr. HENDERSON. This is correct, sir, but this assumes that every member of the Bank except the united States defaults.

Senator HICKENLOOPER. I understand that. I tried to make that clear.

The CHAIRMAN. We would be entitled to foreclose our lien and take over all of Latin America.

Mr. HENDERSON. No, but we certainly would get all the repayments going to the Bank if there were any and the outstanding assets.

Senator HICKENLOOPER. I said at the outset I am taking an extreme example.

Mr. HENDERSON. In the event of absolute international financial monetary chaos this would be absolutely true.

Senator HICKENLOOPER. It is like a fellow who puts a mortgage on the farm.

The CHAIRMAN. Of course, I guess this is necessary or they can't sell the bonds.

Mr. HENDERSON. Well, they might have been able to sell the bonds but at a higher rate and they wouldn't have gotten a triple A rating.

The CHAIRMAN. Yes, that has to be.

A MAJOR DEFAULT

Senator LAUSCHE. To me the question is whether we should be spending money in face of the bill that we passed yesterday. Now, I know that in this situation the argument is you are not putting up the money, you are only obligating yourself to put it up in the event of a call resulting from a default on the part of some debtor to pay his obligation.

Mr. HENDERSON. It would have to be a major default, sir, because there are $45 million in reserves now which would be used to cover the default.

Senator LAUSCHE. Well, the issue is putting us in the category of an obliger who says he will answer to a call. Is that sufficiently ameliorating to take it out of the category of spending money at a time when the dollar is in trouble, and I don't know.

The CHAIRMAN. It seems to me we ought to do this unless we are just going to operate out of everything because this is about the least you can do.

Senator HICKENLOOPER. Frank, I don't think we are taking too much of a chance here. I am merely trying to find out what obligations we are getting into so we understand it, and, you said a minute ago correctly that we don't have to put up the money until there is some major default, and they have got $65 million surplus.

The CHAIRMAN. $45 is in their reserves now, Frank, that would come in before.

Senator LAUSCHE. Yes.

Senator HICKENLOOPER. And they will be accumulating more reserves if things go along all right.

A CONDITIONAL OBLIGATION

Senator LAUSCHE. That is, your position is we are on solid ground when we say we are not spending any dollars or pouring dollars out?

Senator HICKENLOOPER. We are obligating ourselves under certain contingencies and it is a clear obligation under a contingency.

Senator LAUSCHE. And those contingencies to happen are remote?

Senator HICKENLOOPER. We are not actually spending any money. Now, if you were running a Bank, business or a law firm you would put it down as an obligation. The government won't carry it that way. The government doesn't do business like ordinary people.

Senator LAUSCHE. It is a conditional obligation.

Mr. HENDERSON. Sir, may I point out that the World Bank, the Inter-American Bank works the same way, the World Bank. It is almost an identical position and the World Bank over the years has accumulated reserves of $1.2 billion. In fact there was embarrassment they were so large.

Senator LAUSCHE. John Cooper, what is your view?

THE RECORD IS GOOD

Senator COOPER. We went into this at great length during the hearings, and Barr responded to these questions. You drove him very hard upon what we would have to pay if there was default and it is absolutely correct, I think if everybody defaulted we would have to pay up to the amount of our subscriptions.

I asked him then what the prospects were about default. You see they issue these bonds on the basis of this guarantee, and then when those bonds come due with interest, the question is whether or not the Bank will have any funds to pay them off or whether it will have to resort to our guarantee. He says they have got about $45 million in reserve and there are only two loans in default, and they contemplate that when these 20 year bonds fall due that there will be sufficient money to meet them as the different issues fall due. It is a prospect but so far he says the record is good.

Senator HICKENLOOPER. I assume that these bonds that are—they are about $3 million and the other is——

Senator COOPER. They have refunded some of them, I guess.

Senator HICKENLOOPER. I assume that there is a deficiency liability against the country or whatever outfit defaults, there is a possibility of recoupment there eventually, but that doesn't—you have to step in and make the bonds good.

Mr. HENDERSON. Yes, sir.

Senator HICKENLOOPER. And take a chance of taking over the property, assignment or something else.

Mr. HENDERSON. Yes, sir, in the testimony they pointed out these two loans in default to the total of $10 million. They were made before they insisted on a government guarantee and they are presently taking legal action.

Senator HICKENLOOPER. There is some recoupment in there?

Mr. HENDERSON. There is some recoupment. They are taking legal action now in this.

Senator HICKENLOOPER. Some recovery?

The CHAIRMAN. Okay.

A PROPORTIONATE AMOUNT

Senator COOPER. There is one question that I asked and I never did get a firm answer on it and it is this: When we authorized this amount, is it an absolute authorization of the $11 million even though other countries do not subscribe their full amount or is it just a proportionate amount of the $411 million?

Mr. HENDERSON. Sir, this would be proportionate to this amount but it would depend on 75 percent being subscribed.

Senator COOPER. I know it, but if you got 75 percent subscription we would still be obligated.

Mr. HENDERSON. Still obligated to that amount of money regardless——

Senator COOPER. So that would be more than the 41 percent then?

Mr. HENDERSON. Yes, sir, it would, sir, more than the total that was actually subscribed but not more than the total that was totally authorized.

The CHAIRMAN. Any other questions? Are you ready for the vote?

Senator GORE. Mr. Chairman, I want to ask some questions about the audits of these loans. I had a gentleman call on me this morning and he raised some serious questions that almost half of the loans were not in accordance with the purposes of the program, and that there were no even reasonably satisfactory auditing provisions.

AUDITING PROVISIONS

The CHAIRMAN. What about the auditing?

Mr. HENDERSON. When you talk about auditing provisions, you will remember when last year the House Committee put on an auditing provision, wrote it into the Act, and this asked, directed the GAO to draw up guidance to be delivered to the Board of Executive Directors of the Bank. This has been done. Apparently the Board of Executive Directors has accepted the advice, the advisory opinion of the GAO, and is in the process of discussing how to undertake a more thorough audit than the Price Waterhouse audit has been. That is where it stands right now, as I understand it.

Senator LAUSCHE. But the audit has not been made in pursuance to the views of the House.

Mr. HENDERSON. Well, sir, the House provsion, well, it is in the bill as it was passed it is in the law, it was not a GAO audit to take place. Rather it was for the GAO to draw up its advice and guidance to be delivered to the Board of Executive Directors.

Senator LAUSCHE. Well now, my question is, we gave a procedure that was to be followed, but has that procedure now been executed and a report made on what the findings are?

Mr. HENDERSON. Sir, as I say, it has gone to this extent, that the GAO has drawn up this advice, it has been given to the Board of Executive Directors. The Board of Executive Directors is meeting on the subject. It hasn't gone further.

Senator LAUSCHE. It still doesn't answer Albert's statement.

The CHAIRMAN. Price Waterhouse makes an audit. Is the complaint that their audit isn't as thorough as it ought to be, doesn't go as far as it ought to go, is that it?

Mr. HENDERSON. That was the original complaint.

Senator HICKENLOOPER. Don't you remember the evidence was pretty clear that Price Waterhouse didn't attempt to make an audit. They just made sort of a cursory superficial examination of general policies and so on? They didn't go down in depth. in this.

Mr. HENDERSON. Sir, I think the distinction is they did make an audit of the books, but I think what the House people were talking about was actually going down and evaluating the projects.

The CHAIRMAN. Evaluating the projects?

Senator GORE. That is what this man was talking to me about.

The CHAIRMAN. That the projects are not good?

Senator GORE. Some are not good and some are veering completely away from the purposes for which the Bank was created. I am only reporting you this conversation, I am not I informed, I wish I were.

CORRECTING BAD PRACTICES

Senator COOPER. Mr. Chairman, I think Albert has raised, Senator Gore has raised, a pretty important question.

The CHAIRMAN. Yes.

Senator COOPER. Barr testified with their subscription, of course or liability would be a billion dollars in the next decade and we assume to be another billion, two billion dollars. Why don't you call up the, our representative on this Bank in executive session and let us find out what the procedures are before we move? We might have some influence in correcting any bad practices.

Senator LAUSCHE. John, I think we must go beyond that. If there is any question about the solidity of these loans we ought to find out. We have been told that two loans are in default. All others are in good standing and sound. Now, they may look sound on the books, but if the, what you call the, pledged property is not of the valuation that it is supposed to be, that is something different, isn't it?

Senator COOPER. It is the credit of the country in which the loan is made.

USE OF THE GAO

The CHAIRMAN. I think you have a good suggestion and I wonder if we ought not to think about assuming that he raises this question and Albert's information is very accurate, contemplate at least or consider maybe employing someone independently, an expert accountant or a qualified person, to go down there and take a look on our own, I mean have someone responsible to this committee take a look.

Senator LAUSCHE. Why can't the GAO do it?

Mr. HENDERSON. Excuse me, sir, but this was a kernel of dissension last year about this audit provision because if the GAO made an audit this would be auditing the books of an international organization, and this is why it was couched the way it was that the GAO would make recommendations for an audit, but it would not itself participate. It could not, in fact draw up the audit, the full guidance. It couldn't be identified as a U.S. Government instrumentality because this is an international organization.

Senator GORE. Mr. Chairman, I don't think the International Bank can be too squeamish about the United States trying to safeguard its liabilities.

The CHAIRMAN. What I was thinking was this committee might get a man who was just acting for the committee who was a qualified man and we authorize him to go look for us and at least take away the GAO, it is a governmental thing. We have a direct responsibility. This might get around that objection.

Senator GORE. Couldn't that be deferred until we do what John has said?

The CHAIRMAN. I just said think about that. The staff can think about it and see about what would be a device, in view of a clear warning from someone in the organization that this ought to be looked into, I don't think we ought to ignore it and this would be a procedure and the staff can think about maybe someone of that character.

Mr. HENDERSON. We certainly can invite the U.S. representative, U.S.

The CHAIRMAN. Who is it?

Mr. HENDERSON. At the moment it is acting Reuben Sternfeld.

Mr. MARCY. The new nominee is Mr. Clark of Texas who has still got his nomination before us.

The CHAIRMAN. Clark won't know a thing about it.

Mr. HENDERSON. Mr. Sternfeld is the alternative director.

The CHAIRMAN. Is he informed?

Mr. HENDERSON. Yes, sir, he has been in that position for sometime.

The CHAIRMAN. Well, ask him. If that is agreeable then we will do that, we will call in Sternfeld and have a go with him and I hope you will be here whenever it is reasonable. Maybe we can do it at the next session.

Mr. MARCY. The next session with Shriver.

The CHAIRMAN. There is no urgency about this. We can let this go.

ROUTINE FOREIGN SERVICE LISTS

The CHAIRMAN. What else is there, Mr. Marcy.

Mr. MARCY. Just the routine nominations and in accordance with the practice that was suggested sometime ago we have sent copies of the nominees to all members of the committee so they have had a chance, your offices have had them, one since February 14 and one since March 13. We have also checked and there are no lateral entries from the U.S. Information Agency or from the Foreign Service in here in accordance with the Hickenlooper rule.

Senator MUNDT. When are we going to have Sargent Shriver up?

Mr. MARCY. Next Tuesday, we hope.

The CHAIRMAN. Next Tuesday.

Is he in town?

Mr. MARCY. Yes.

The CHAIRMAN. Any other questions about this Foreign Service list? You say no lateral entry?

Senator LAUSCHE. Any challenge to any of them? Any adverse word?

Mr. MARCY. No, sir.

The CHAIRMAN. Any questions about it?

Mr. MARCY. The only——

Senator MUNDT. We might as well take them.

Mr. MARCY. I might call attention to the fact that this is the list that has a lot of new appointments and sometimes in the past the committee has selected a few of them to bring them in——

The CHAIRMAN. You mean the new boys, the new recruits?

Mr. MARCY. That is right.

But these have all been cleared by the FBI——

Senator LAUSCHE. Won't it be well to have some of them?

Senator HICKENLOOPER. Just a minute.

The FBI doesn't clear anybody.

Mr. MARCY. The Department of State says they have been given a full field investigation and——

Senator HICKENLOOPER. The Department of State clears them. The FBI doesn't clear them. The FBI submits only the evidence and the Department has the responsibility of saying whether they are cleared or not.

Senator MUNDT. That is correct.

Senator HICKENLOOPER. I just want to keep that record straight.

The CHAIRMAN. Are you ready to act on them?

Senator MUNDT. It might be a kind of interesting safeguard to just call them up or write them if any of these have any adverse reports. But Hickenlooper is right, they don't clear them.

The CHAIRMAN. Read it, you have got the letter. Is that the letter you are talking about?

Mr. MARCY. Yes.

The CHAIRMAN. What does it say?

Senator HICKENLOOPER. It says "Secutity Clearance based on the full field investigation conducted under standards prescribed by Executive Order so and so, has been accorded each of the nominees." I was just being a little technical here with Carl. But the FBI has never cleared anybody, and they don't evaluate evidence. They collect evidence, and the Department to which they submit it evaluates it and either clears or not clears.

Senator MUNDT. They don't even make a recommendation.

Senator LAUSCHE. How many new appointees are there? If you can tell whether we would want to call in specimens.

The CHAIRMAN. Specimens.

Mr. MARCY. Senator, there are about 75.

Senator LAUSCHE. Why not call in about half a dozen at random there and question them?

Senator HICKENLOOPER. Wait a minute, there is somebody here from Iowa on this. I am surprised.

The CHAIRMAN. Really. Maybe we had better call them in. [Laughter.]

Iowa is a very subversive state.

Senator HICKENLOOPER. This is a girl, she is all right. You wouldn't question a nice young lady. [Laughter.]

The CHAIRMAN. Well, I don't know. What do you want to do about it.

Senator MUNDT. Rather than call them in, I think it would be better to get a letter from the Department of State saying that none of these are sent up which carry any adverse information from the FBI. If they say we have four or five that have, you might decide you want to call them up or not. Otherwise, you don't want to call them by eenie, meenie, minie mo.

Mr. MARCY. As Pat points out adverse, you mean picked up for speeding?

Senator MUNDT. I mean something serious. Get a better phrase, Carl. If somebody says why didn't you ever call them up we can say well we have a showing that these are decent lawabiding people.

A LOT OF TEXANS

The CHAIRMAN. I don't know. There are an awful lot of Texans on it. That is odd, isn't it?

Senator HICKENLOOPER. It is unusual.

The CHAIRMAN. It would be interesting, Mr. Marcy, if you would give us the percentage of these names in accordance with the percentage of the states from which they come. In other words, how close a correlation is there between the number of people from each state and the state population. Have you ever done that?

Mr. MARCY. No, we haven't.

The CHAIRMAN. Will it be difficult to do?

Mr. MARCY. We would just ask the State Department to do it so it would be fairly easy.

The CHAIRMAN. I think it would be interesting.

Mr. MARCY. We could do it very easily.

The CHAIRMAN. Do you want somebody, Senator, from Ohio, would you come and help hear them?

Senator LAUSCHE. I was going to ask that I get a biographical background on those from Ohio because if I saw that I could pretty well tell.

The CHAIRMAN. I don't know anybody here from Ohio.

Senator HICKENLOOPER. Cleveland and Massillon and Columbus and all kinds of places. Oberlin, and Lorain.

Senator MUNDT. I will certainly be glad to look over those from South Dakota, I can do it awfully fast. It won't take much time. [Laughter.]

Senator HICKENLOOPER. This is full of Ohioans.

The CHAIRMAN. I see two Smith brothers, James and James E., both from Ohio.

Senator LAUSCHE. I will not ask for a biographical——

The CHAIRMAN. Do you want to have five, six or 7 up?

Senator LAUSCHE. I would like to and I will be here to question them.

The CHAIRMAN. You promise to be here?

Senator LAUSCHE. I will.

The CHAIRMAN. Will you arrange the meeting and have it coordinated with the Senator from Ohio? I will try to be here, too, but I may or may not but he promises to be here.

Mr. MARCY. How many do you want?

Senator LAUSCHE. 75, we ought to have about 10 available, pick them at random.

Senator MUNDT. You are talking about the new ones.

Senator LAUSCHE. The new ones.

Mr. MARCY. We have done that in the past.

Senator LAUSCHE. I know.

The CHAIRMAN. Shall we approve the list or wait until after that hearing?

Mr. MARCY. We might as well hold them over.

The CHAIRMAN. All right.

OTHER NOMINATIONS

Are there any other nominations you wanted this morning, routine of any kind?

Mr. MARCY. No, sir, only that one of Mr. Clark, but I think you will probably want to see him.

The CHAIRMAN. At the urgent request of Mr. Yarborough the committee wanted Mr. Clark approved for HemisFair. I hope everybody understood that. Mr. Yarborough really put the pressure on and I thought it was a small matter and primarily in Texas and it was all right with me and I guess it was with everybody but he still has to be confirmed for this other position.

Mr. MARCY. That is correct.

The CHAIRMAN. Do you want him to come before the committee, do you?

Senator COOPER. Is he the one who was in Australia?

The CHAIRMAN. Yes.

Senator MUNDT. Is he the one who is going to take the job with the Inter-American Bank?

The CHAIRMAN. Yes. Ask him to come up next week.

Mr. MARCY. We will have Mr. Shriver and Mr. Clark.

The CHAIRMAN. How about Cabot Lodge?

Senator GORE. No. He has been here, and been here, and been here. He has been wrong in every estimate he has given us. Why do we have to listen further?

The CHAIRMAN. Why Senator. [Laughter.]

Senator HICKENLOOPER. You are not biased, are you?

Senator MUNDT. Al, you mean you are against him?

Senator GORE. No, I am going to vote for him, but I don't know why we have to hear him further. He is pleasant but not informative.

The CHAIRMAN. Well now, Secretary Rusk is coming in executive session on April 10th, is that right, Mr. Marcy?

Mr. MARCY. Yes, sir, that is tentative. He is still down in Australia, but they expect him back by then.

The CHAIRMAN. This is it executive session simply to inform ourselves, if you feel like it, about whatever you want to know. This is an executive session. You remember he offered and more or less suggested he do that when he was here before? Everybody understands that.

Senator HICKENLOOPER. I won't be here. But I think you can struggle along without me. I will be out in Iowa at that time.

DISCUSS THEIR FOREIGN POLICY IDEAS

The CHAIRMAN. Things have changed so fast, I don't know whether this is any longer appropriate or not. It has been suggested that the candidates, announced candidates, be invited simply to come and discuss their foreign policy ideas with the committee if the committee wishes.

Senator HICKENLOOPER. I would be very much against that. It is ill-advised.

Senator GORE. I think we ought to defer that for a while.

The CHAIRMAN. The change, it might be very interesting.

Senator MUNDT. Wait until the list is complete. [Laughter.]

The CHAIRMAN. I think it would be very interesting. I don't care.

Senator MUNDT. I am afraid Fulbright is going into that.

The CHAIRMAN. I have already paid my filing fee, you can rest assured I wouldn't do that because it is high in Arkansas. It cost me $2,500 to run for re-election. What does it cost you?

Senator MUNDT. Nothing. It is free.

The CHAIRMAN. $2,500. We have to pay for the cost of conducting the primary, that is, the candidates do. They all have to pay, they are all high, it is not just me, everybody pays.

Senator HICKENLOOPER. That keeps away the grocery clerks. That pays for the cost of conducting the primary.

The CHAIRMAN. You don't have to have a primary petition or anything. Just put your money in and you have to sign that you agree to support whoever the primary selects and abide by the rules of the party. It is a party matter.

Senator MUNDT. It is a loyalty oath.

The CHAIRMAN. Loyalty oath.

Senator HICKENLOOPER. Do you think that is democratic government?

The CHAIRMAN. It is so since I have been in government.

Senator MUNDT. Does it say you have to support the administration's government?

The CHAIRMAN. It doesn't say national. Whoever enters the primary you sign a pledge to support the primary.

Senator COOPER. We have to sign to support the last nominee not the present, one dollar.

The CHAIRMAN. Anyway you can rest assured I am not looking for a platform.

All right, any other business, Mr. Marcy?

Mr. MARCY. No, sir, that is all.

DISTRIBUTION OF NEW MEMBERS

The CHAIRMAN. So, next Tuesday we will have a regular meeting with these people that we have already mentioned?

Mr. MARCY. Yes, sir, if I can just clear that now, what we will do then we will have Mr. Shriver and Mr. Clark, and about five or six of the routine new appointments to the career Foreign Service.

The CHAIRMAN. I want that calculation, I am curious.

Mr. MARCY. And the calculation.

The CHAIRMAN. I am curious as to the distribution of the new members.

AN ERROR IN CALCULATION

Mr. MARCY. Senator, could I just say one thing? On recalculating what the committee did on the Arms Control and Disarmament Agency, the action shows that the committee authorized $15 million for two years. That was the figure which was reached on the basis of reducing the amount for external research? We made a mistake in that calculation. It should be $17 million instead of $15 million.

The CHAIRMAN. Well, I thought so at the time, but you all stood me down. I said he offered to make it $1 million less than I had proposed which would make it $17.

Mr. MARCY. Well, it is always gratifying to have the members of, the committee smarter than the staff.

Senator LAUSCHE. You see, Bill, you are obsessed with weakness that you always give in even though you might be right and those who advise you are wrong.

The CHAIRMAN. It does show that I gave in too easily because I calculated $18 million. [Laughter.]

Because I had it drawn, you drew it $8 million and Senator Lausche said "I want to reduce it one more million," which would normally make it $17.

Senator LAUSCHE. Let's approve it with the correction.

The CHAIRMAN. Anyway subject to that correction because that was, the purpose was to reduce it $1 million under what I proposed which meant $4 million a year. That is clear.

Mr. MARCY. Yes.

The CHAIRMAN. I will draw the bill in accordance therewith and it has been approved for reporting. We have to go to conference and you know what happens in conference. We will do the best we can anyway.

CUT EXTERNAL RESEARCH

Let the record show that Senator Clark opposed our action on the Disarmament Agency, that he opposed the action taken on disarmament.

Mr. MARCY. As did Senator Pell, both of whom wanted to support the full amount requested by the administration over a period of three years, namely $33 million.

The CHAIRMAN. Just for the record, Mr. Foster came to see me the other day and I expressed that we were for everything they were doing except for the external research.

What we did, Senator Pell, the Disarmament Agency was not to cut their regular operations at all, but specifically the cut is only to the external research.

Senator PELL. Right.

The CHAIRMAN. A number of examples of which we have here and a number of examples which occurred to at least a number of the members as being either duplicating or not of any direct relevance to their major responsibility.

EXTEND THE AUTHORIZATION

Senator PELL. From the viewpoint of the length of authorization was there any motion made to extent?

The CHAIRMAN. The matter was raised by Senator Cooper, and nobody supported it on the theory that every two years it is our duty to look at these and every other operation.

Senator PELL. It is my error probably because I left the proxy when I was away last week asking you have the, supporting the, maximum period of time for authorization which I failed to renew.

The CHAIRMAN. There was only one member who supported it, everybody else who spoke up said two years.

Mr. MARCY. You said for the longest term, but the funds up to the discretion of the chairman.

Senator PELL. Exactly. So I would have been for the longer term.

The CHAIRMAN. Three years.

Mr. MARCY. That question wasn't even raised.

Senator PELL. It was not raised?

The CHAIRMAN. Senator Cooper, raised it. He said what about it. He didn't push it and no one else would support it and we didn't push it to a vote.

Senator PELL. I feel very guilty not having been here. I guess it can be raised on the floor.

The CHAIRMAN. It has been raised before and the House has cut it to two and we have this argument on other programs time and again and they nearly always resulted, well, every Congress ought to look at it, in other words two years is about it.

Mr. MARCY. They were cut back in the House, you know. The House Committee reported for three years.

Senator PELL. That is $30 and three to $20 and two?

The CHAIRMAN. The House cut it back to two.

Mr. MARCY. On the floor.

The CHAIRMAN. Nobody—I would say there was no criticism of the regular negotiating operations. Those research projects, a number of them, seemed a little irrelevant to what they do. They are very costly, one, for example, that struck my eye was this one on military in South America compared with the one that Wayne Morse's subcommittee made which was a very good study, as a matter of fact, they paid $25,000 for it, Wayne paid $4,000. And they haven't finished theirs yet.

Senator PELL. Even if it had been brought to a vote I imagine there were not enough votes for a three year authorization.

The CHAIRMAN. No, there was not.

Senator PELL. Just being Cooper, Clark and myself.

The CHAIRMAN. I don't think you would have had the votes.

Senator PELL. That makes it academic.

The CHAIRMAN. I would think so.

Senator PELL. I would reserve my position if it comes up on the floor to move for three years.

The CHAIRMAN. Anything else before the committee? Well, committee is adjourned.

Thank you very much.

[Whereupon, at 11:45 a.m., the hearing was adjourned, to reconvene subject to the call of the chair.]

# BRIEFING ON VIETNAM NEGOTIATIONS

[EDITOR'S NOTE.—The political and diplomatic situation in American changed dramatically on March 31, 1968 when President Lyndon B. Johnson made a nationally televised address to announce that he would halt nearly all bombing of North Vietnam and to offer to send negotiators to peace talks with the North Vietnamese and Viet Cong. In the same speech, Johnson declared that he would not be a candidate for reelection that year. On April 3, North Vietnam accepted Johnson's offer to begin peace negotiations. Averell Harriman and Cyrus Vance led the U.S. delegation at the negotiations, which began in Paris in May.

Four days after Johnson's dramatic announcement, on April 4, civil rights leader Martin Luther King., Jr. was assassinated in Memphis, Tennessee. Rioting, looting and arson erupted in 125 American cities including Washington, within blocks of the White House and Capitol. President Johnson ordered troops to enforce a curfew and protect government buildings.]

**Wednesday, April 10, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:00 a.m., in room S–116, the Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Mansfield, Church, Symington, Clark, Pell, Carlson, Williams, Mundt, and Cooper.

Also present: Mr. Marcy, Mr. Holt, Mr. Jones, and Mr. Lowenstein of the committee staff.

The CHAIRMAN. The committe will come to order.

We are very pleased to have the Secretary of State with us this morning. So much has happened since the last time we met in open session that it is difficult to suggest any particular issues, but I am sure you have just been to the SEATO meeting and also the meeting at Camp David, so we might as well proceed, and I would appreciate your filling us in particularly on the meeting yesterday and the progress on the talks, if there is any. Will you proceed in your own way?

## STATEMENT OF HONORABLE DEAN RUSK, SECRETARY, DEPARTMENT OF STATE; ACCOMPANIED BY WILLIAM B. MACOMBER, JR., ASSISTANT SECRETARY OF STATE FOR CONGRESSIONAL RELATIONS

Secretary RUSK. Right. Thank you, Mr. Chairman.

I know that the Senators are very much engaged in trying to get things cleaned up before the Easter recess, and I myself have the

Chancellor of Australia on my hands later this morning, so I hope we can proceed with dispatch.

For the past 10 days I have been concentrating on the issues which involve Southeast Asia. I spent a week in New Zealand in meetings of the SEATO Council, the seven nations with troops in Vietnam, and the ANZUS partners, that is Australia, New Zealand and the United States.

Those meetings were, of course, dominated by the statement of the President a week ago Sunday. So we had some, I think, very interesting discussion. I am glad to report there was full support among the allies for the President's statement and the act of de-escalation which he announced in that address.

A VERY DELICATE MOMENT

I would emphasize, if I may, Mr. Chairman, that we are in a very delicate moment here, and that it would be extremely important that nothing be attributed to me of what I said this morning, and that as much restraint as possible be shown with regard to speeches which might complicate the problems of negotiation which we are facing at the present time.

Just to recapitulate briefly, the President's speech announced a major and unilateral step of de-escalation involving cessation of bombing affecting almost 80 percent of the territory of North Vietnam and something like 90 percent of its population. I have seen some speculation that show we might have been in some private contact with Hanoi before the speech was made and that this speech was related to some private understanding with Hanoi. That was not the case. It had been some weeks since there had been any contact with Hanoi and there was nothing of an understanding between us and Hanoi at the time.

The purpose of the speech, of that portion of the speech, was to try to entice or press Hanoi to make some move of its own, which would try to break through the impasse which has existed for so long. I think one of the first effects of the President's statement was to cause a good deal of feeling in various quarters around the world that it was up to Hanoi to make some response and to show some motion as a result of the action taken.

A PUBLIC STATEMENT FROM HANOI

We did, therefore, on April 3rd receive from Hanoi a public statement in which Hanoi said that it declares its readiness to send its representatives to make contact with the United States representatives to decide with the United States side the unconditional cessation of bombing and all other acts of war by the United States against the D.R.V. so that talks could be begun.

Now this——

The CHAIRMAN. When was that, April 3rd?

Secretary RUSK. April 3rd.

The CHAIRMAN. When was the President's speech? I forget.

Secretary RUSK. March 31, Sunday, March 3l.

Now, you also have seen some speculation by CBS News Correspondent Charles Collingwood and one or two others that Hanoi had something in mind to do before the President's speech and that

the President's speech anticipated in some respect some step that Hanoi had in mind taking.

Collingwood did not attribute that to any senior North Vietnamese official, it was his own speculation. Again quite frankly we don't have any information bearing that out. It is possible, but we just don't have anything to support it.

Now, let me point out that there is a positive and a negative aspect to this Hanoi reply. On the positive side it is the first time in a long time that Hanoi has been willing to make any contact of any sort in the absence of a full cessation of bombing.

A NARROW BASE FOR CONTACT

On the negative side and the cautious side, their response indicated an extremely narrow base for the contact, that is a contact to decide with the United States the unconditional cessation of bombing and all other acts of war.

We know that the North Vietnamese seemed to draw a distinction between contacts, talks and negotiations. They seem to look upon this in three stages. Nonetheless we felt somewhat encouraged by their readiness to have a contact while some bombing was still going on in North Vietnam.

The problem was the time and place. On the same day in which they made their announcement we sent them a message suggesting that we meet on April 8, that is this past Monday, in Geneva. At the time we sent the message we suggested Geneva because we had some hope at that time that perhaps the two co-chairman would take an active part in the discussions. There could be substantial advantages if the two co-chairman were to become more or less chairman of the negotiating committee.

You may remember, some of you, that in negotiating the Japanese Peace Treaty there were many complications and the problems of holding the conference were enormous. So that the treaty was in fact negotiated by a peripatetic John Foster Dulles, with his briefcase in his hand going among capitals negotiating and concluding the treaty before the actual conference met in San Francisco. Similarly we thought if the two co-chairman could take an active role here that one or the other of them could be in touch with anybody who seemed to have any views to express or consider they had any interest in the matter, and that the two co-chairman then would have an opportunity to find out whether there were handles which could be taken hold of to begin to move this thing toward a peaceful settlement. So we suggested Geneva on that account.

Unfortunately, although we were in touch with the Soviets just prior to the President's statement unfortunately the two co-chairman seemed not able or willing at the present time to play that role although the Soviet Union has publicly supported Hanoi's response.

HANOI'S PREFERENCE FOR PHNOM PENH

Hanoi has come back suggesting a preference for Phnom Penh but they say the place of contact may be Phnom Penh or another place to be mutually agreed upon.

Now, that—Phnom Penh does create some problem for us because we do not now have a mission there and do not have facilities, particularly communication facilities, and it is not an easy capital in which liaison officers, liaison representatives, from our various allies could be present if they wanted to be present in the course of the talks. It has been our thought that as a minimum although we ourselves might be the principal interlocutor with the North Vietnamese, that it would be very helpful in terms of managing the problem of our allies and helping them with their own public opinion problems if at the site of any such talks there could be representatives of the allies, who could be kept in close touch with what was going on.

There are four Asian capitals—in the absence of Geneva, we see some advantage in having these talks take place in Asia, there are four Asian capitals—in which both we and the North Vietnamese could meet, Vientiane, New Delhi, Rangoon and Djakarta. We believe anyone of those four would be preferable to Phnom Penh and we would be hopeful that Hanoi would agree to one of those four.

We have not yet heard, had back a reply from Hanoi on an alternative site for the talks.

We do attach some importance to a capital in which different allies could have their representatives in comfort because Prince Sihanouk, for example, has said publicly that South Vietnam is not a party to these discussions, and has indicated that some of these people would not be welcome. That creates a complication we have to take into account.

THE LEVEL OF VIOLENCE

Now, it should be, I think, also pointed out that the subject matter of the first contact is going to be the problem of the level of violence. The President, in his statement, indicated that we were looking for some restraint on the part of the other side. That we are prepared to stop all of the bombing, but Hanoi has indicated that, publicly that, there will be no bargaining, that they have rejected the idea of reciprocity. We know they are sending large numbers of replacements down the Ho Chi Minh Trail to South Vietnam.

We also know that although Moscow has approved this contact that Peking has made some very grumpy noises about it, and seemed to have threatened Hanoi with the possibility of cutting off assistance to Hanoi if Hanoi engaged in talks with us so that is a complicating factor, the full effect of which we cannot yet assess.

We have gone over these matters carefully with our allies and, as I say, both publicly and privately the allies have indicated that they support the President's suggestion and these first contacts and we are in touch with them about location and about the actual handling of the discussions.

HARRIMAN AND VANCE WILL LEAD U.S. DELEGATION

Ambassador Harriman will head our delegation. He is very experienced in these Southeast Asian matters and negotiated the Laos agreement. I can tell the committee privately, I don't know when the President will make any announcement on this since the two co-chairman are not directly involved in the talks as we had originally hoped, it seemed desirable that Ambassador Thompson re-

turn to Moscow to keep in touch with the Soviet Union as co-chairman and to work at that capital and we would expect to call on perhaps Mr. Cyrus Vance to assist Ambassador Harriman in these talks.

We would be prepared to have this contact as soon as feasible. I should think that today being Wednesday that about next Monday would be about as soon as physically possible, given the necessity for another day or two to try to agree on a site for such talks to begin.

I would expect the talks to be difficult and perhaps protracted for sometime. We, ourselves, have no intention of putting an ultimatum and then breaking off the talks if not accepted by the other side, we are in a situation where a good deal of perseverance and grit and patience will be called for. We have nothing from Hanoi privately on the substance, on the merits, on the question of what subject they want to get into. But we hope very much that we can make some headway on this matter of restraint, and begin to get some feel about the possibilities of moving on to larger issues, and moving the situation toward a peaceful settlement.

PARALLEL TO NEGOTIATIONS WITH FRANCE

We are not encouraged by the very severe attitude taken by Hanoi in its propaganda, but nevertheless we are inclined to set that aside and let the matter rest on what we learn in official and private contacts.

There is some belief in Hanoi that they faced an exact parallel with France in 1954 as far as the United States in 1968 is concerned. We have the impression that they feel that our position has eroded. This is not reflected in the general impression I get from Ambassador Bunker and General Westmoreland, but that will affect the nature of the discussion and the question of what kind of bargaining will go forward.

Mr. Chairman, those are very brief introductory remarks. I think we might have some disucssion because one of the hopes I had in coming to the committee this morning was to get the observations and reactions of members of the committee on this matter.

FIXING THE PLACE AND TIME

The CHAIRMAN. Thank you, Mr. Secretary.

Of course, I am, and I think nearly all the members are, very pleased that there is some movement starting, I know I am. I hope that nothing will be allowed to stop it, especially where they meet. That seems to me, as I understand it a first meeting, as you say, is a contact. They don't anticipate serious discussions or do you have the view that if the contact is made in a particular place that becomes the place for negotiations in the future?

Secretary RUSK. Not necessarily, because if the contact can develop the next step, the next step presumably, would be talks as distinct from regotiations, talks at a time and place to be fixed in the first contact.

The CHAIRMAN. If you think the place, the first contact set also continues all the way through then I think it is a matter of great importance and it deserves that kind of attention. If the contact is simply to sort of discuss the agenda and then later make plans for

talks then it doesn't seem to me to make much difference if you meet at Phnom Penh or anywhere else. That is a matter that I think is a common sense matter. I would agree that it is an evil. If you are going to have a prolonged conference involving the kind of similar conditions such as the '54 conference, Geneva would be far better or some large city.

Secretary RUSK. In terms of a large conference a city like New Delhi would have more facilities than Phnom Penh.

The CHAIRMAN. Yes.

But be that as it may, I do hope we can get together.

SETTING THE AGENDA

Secretary RUSK. You mentioned agenda. Let me make a very brief and private comment on that. Theoretically the two sides could get locked up indefinitely on trying to agree on an agenda. You remember the Palais Rose Maneuvers went on for several months without particular agreement on the agenda at any particular stage. I am relatively optimistic about that because we have some reason to believe that Hanoi is prepared to take the view that at a meeting each side is free to bring up any point which it wishes to bring up. In other words, an open agenda and there is some advantage in that.

The CHAIRMAN. I would think so.

Secretary RUSK. We would not have to wrestle over the actual structure of an agenda in this situation.

The CHAIRMAN. I would hope so.

MISUNDERSTANDING THE PRESIDENT'S LANGUAGE

Of course, we have all had our various views about it. I might say that my comments made, I think, last Tuesday or whenever it was, were based upon, I suppose a misunderstanding of what the President's statement was. I heard the President's statement on television, yes, I heard it on television, I was in Cleveland, and I did not recognize the significance of the language that apparently authorized bombing of 20th parallel, as I understood that language had been used and then deleted. I only wish to say that, not to delay this meeting, but when I read the paper that afternoon it appeared to me the number of missions, together with the 200, I believe and 10 miles above the DMZ struck me as not being in accord with what I understood the President's language to have meant be that as it may, it has been hashed over and I didn't want to go over it again.

Secretary RUSK. Mr. Chairman, 93 percent of the missions have been in the far South.

The CHAIRMAN. I understand the figures.

Secretary RUSK. And only 8 sorties have been flown up at the edge of the 20th parallel.

The CHAIRMAN. The papers said there had been many more sorties than average in the last few days in numbers. The paper on two or three days has said there has been the highest number of sorties on each day for a number of times. It looked as if we were stepping it up.

Secretary RUSK. Well, we are faced with a sharply inreased infiltration from North Vietnam to South Vietnam, and that, in part accounts for some increase in the sortees.

PRETENDING TO BE STONGER

The CHAIRMAN. That, together with the language of Mr. Bunker and others that we are making great progress, I believe you said, and so did Westmoreland, we have never been in a more favorable military situation, I don't know whether diplomacy is such that you pretend you are much stronger than you are in order to do a better deal or really trying to tell the facts. I am always puzzled about this, whether this is psychological shadow boxing or whether they expect us to believe it. I don't know whether you need to comment on that, but it does leave some of us deeply concerned about making progress a little at sea as to what the facts are. We personally having heard these optimistic statements over the course of four or five years I don't believe them, but I don't want to say anything about it and if you are playing a game that is trying to impress the other side that you are well off, I don't believe that it ever fools the other side. They know how serious their damage is. They know about the military situation a lot better than I do. If it is intended to impress them with our confidence, I don't think it will necessarily succeed. But what I am interested in is proceeding to the discussions, and I hope we won't let anything stand in its way.

U.S. TRAVELERS TO NORTH VIETNAM

May I ask you about Collingwood's mission? Did he go over there with the approval of the State Department?

Secretary RUSK. He went over there with a passport, but not as an agent of the State Department.

The CHAIRMAN. Without instructions?

Secretary RUSK. He was not in contact with us, he was not representing us in any way nor were Ashmore and Baggs.[1]

The CHAIRMAN. I was going to come to that. There was Ashmore and Baggs, there was Collingwood, there was Mary McCarthy and someone else, none of them were with your approval.

Secretary RUSK. Well approval in the sense we gave them passports.

The CHAIRMAN. What I meant is carrying any messages.

Secretary RUSK. They were not there as representatives of ours at all.

The CHAIRMAN. And carrying no messages to the Government?

Secretary RUSK. That is correct.

The CHAIRMAN. And then the statement that they had filed these reports as a result of consultations with the members of the Government of North Vietnam, was entirely on their own and it has nothing whatever to do with your——

Secretary RUSK. It is true when people like that come back we talk with them in order to find out what they have learned and who said what to whom, what points might have come up.

The CHAIRMAN. Have you talked with Collingwood?

[1] Journalists Harry S. Ashmore and William C. Baggs.

Secretary RUSK. I have not myself talked with him, but our Ambassador in Vietaine talked with him and I am not sure, I have just been back too recently, I am not sure whether anybody in the Department did.

ASHMORE AND BAGGS

The CHAIRMAN. Have you talked with Ashmore and Baggs?

Secretary RUSK. Yes, talked with them to see what their reactions are.

The CHAIRMAN. Have you talked with them yourself?

Secretary RUSK. Myself, no.

The CHAIRMAN. Do you plan to talk with them?

Secretary RUSK. I don't myself plan to, but an officer of the Department would who is familiar.

The CHAIRMAN. Did they file an aide memoire with our Ambassador in Laos when they came out?

Secretary RUSK. I think wasn't something published on that?

The CHAIRMAN. Not to my knowledge. All I saw was very short reference in the paper that they had come out and along with Collingwood and McCarthy and it seems to me there is another person, I have forgotten who it was. I was just——

Secretary RUSK. They gave Ashmore and Baggs and Collingwood approximately what they had put out in their public statement. There was very little which any of those brought back with them that is not in the public record now.

The CHAIRMAN. Was the memorandum, aide memoire that was filed given to our Ambassador Sullivan in Laos?

Secretary RUSK. I believe so. I don't happen to have a copy of that with me.

The CHAIRMAN. Was it communicated to the Department?

Secretary RUSK. Yes, it was.

The CHAIRMAN. Could we have a copy of that? Is there any reason why we cannot?

Secretary RUSK. I don't see any reason why not, I will look and see.

The CHAIRMAN. Can you have one?

Mr. MACOMBER. I don't have it with me.

The CHAIRMAN. Have I seen it?

Mr. MACOMBER. I haven't seen it, but I know they reported in.

Secretary RUSK. I saw it in—when I was in New Zealand, I don't happen to have a copy with me.

The CHAIRMAN. I thought it was an official response.

OFFICIAL CONTACTS IN LAOS

Secretary RUSK. We have our official contacts between the two official representatives in Vietaine.

The CHAIRMAN. What representatives?

Secretary RUSK. Hanoi's representative and our representative.

The CHAIRMAN. I see.

Secretary RUSK. You see they have a charges d'affaires in Vietaine and they have an ambassador there that was the contact.

The CHAIRMAN. There is an article in this morning's paper Baggs apparently the beginning of a series, I have only read one.

Secretary RUSK. I think he was given, if I am not mistaken, I would have to check this, Mr. Chairman, but I think he was given something called an aide memoire from an editor of London, their newspaper and they are trying to keep this on a government to government basis so far as official contacts are concerned.

The CHAIRMAN. Is that editor a member of the Central Committee?

Secretary RUSK. I don't think he is a member of the Central Committee. Of course, he is their official spokesman for all internal affairs. It is a matter of some interest to see what was said under those circumstances but since we are in contact with official representatives we rely on the official channel rather than these informal and unofficial channels.

APPROVAL FOR THE PRESIDENT'S ACTIONS

The CHAIRMAN. I understand Senator Church has an emergency in his family and must leave and I would like to yield to him. I just heard that and I would like to yield to him at this moment with the indulgence of the committee.

Senator CHURCH. Thank you, Mr. Chairman.

I just came to pay my respects to the Secretary and I won't be able to stay owing to a death in the family.

Secretary RUSK. Right.

Senator CHURCH. But I wanted to express my warm approval for the action that the President has taken and wish the Secretary well in his efforts.

FINDING A MUTUAL MEETING PLACE

The CHAIRMAN. These questions, and I won't delay it any longer, are designed really to encourage you as best I can, to proceed and not let anything that isn't of major important intervene with a clear, one clear chance at least for them to have conversations. I am often reminded of your statements to this committee and in public that if they just wouldn't hang up the phone or if they would produce a body any place, any time anywhere, you would be there. It looks as if they have at least made a slight offer to be in Phnom Penh and we quibble about it. I can understand there are preferable things, but I hope this sort of thing won't be allowed to stop it.

Secretary RUSK. They have said Phnom Penh or another place to be mutually agreed upon, just as we said Geneva or another place so we would like to find a mutual meeting place.

The CHAIRMAN. I understand, but if we don't go to Phnom Penh we go to where they want because we have said so often we would be there at any time if they would just produce somebody, and it may not come to anything. I am not prophesying that it will although it seems to me that both sides have had about enough of this ridiculous war and what I have, seen of the war here in Washington and Baltimore, I really don't think we can continue to afford one 10,000 miles away. We have just about got our hands full right here in Washington. You missed most of that, didn't you?

Secretary RUSK. I did.

The CHAIRMAN. You have been away. You ought to go down and see the results of our own war which are very interesting by the

way particularly down on H Street. You ought to go see it. I was over there yesterday. Senator Mansfield.

PERSONAL CONTRACTS

Senator MANSFIELD. Mr. Secretary, I am encouraged by what you have told the committee this morning. I only have one question. Instead of public contacts by way of radio, has there been personal and definitive contacts with North Vietnam?

Secretary RUSK. The official messages for all practical purposes have been made public, that is the substance of the official messages.

Now, when our Ambassador in Vietaine exchanges a message with the charge' there usually is some surrounding conversation which adds a little bit. For example, the charge', the Hanoi charge' in Vientiane indicated from their point of view Phnom Penh was not necessarily the best place because of problems of air communication, but there is nothing that indicates a broadening of the point which Hanoi says they want to discuss in the first contact and this is one of the things we have to be very cautious about.

Senator MANSFIELD. But there has been personal contact, suggestions and answers.

Secretary RUSK. Oh, yes, they have had conversations with each other and there has been contact. So that much is a plus, that much is a plus.

Senator MANSFIELD. That is all.

The CHAIRMAN. Senator Carlson.

HOW FAR CAN U.S. DEPEND ON THE SOVIET UNION?

Senator CARLSON. Just one thing, Mr. Secretary. You mentioned in your discussions about meeting at Geneva you had contacts, I believe with the Soviet Union?

Secretary RUSK. Right.

Senator CARLSON. How far can we go in depending on the Soviet Union to get some help in this situation?

Secretary RUSK. I don't think, Senator, that we can depend upon them to go out in advance of Hanoi. The Soviet Union has taken the view that they are not a spokesman for Hanoi. We have an impression that they are not prepared to put much pressure on Hanoi partly because of their competition with China for influence in Hanoi, perhaps for ideological and other reasons as well.

On the other hand, we were encouraged by the fact that when Hanoi replied to the President on April 3rd, it is our impression that they did that without consultation with Moscow, and nevertheless Moscow publicly indicated their approval of what Hanoi had done, and that is a very slender thing, a very slender thing indeed, but it does contrast with Peking's very negative attitude on what Hanoi has said.

I don't think we can expect much help from Moscow at this stage in pressing Hanoi beyond the point that Hanoi is prepared to go.

SOVIET OBLIGATIONS

Senator CARLSON. I would be hopeful that we could get help from them, my thought goes back to the evening that a number of us

were invited to the White House on the *Pueblo* incident and I can well remember the Secretary stating that evening at midnight he was expecting a message from the Soviet Union that he thought might be helpful in working out some solution of the *Pueblo* problem and evidently it declined.

I get back to that. I wonder if we can place much reliance on them or we should try to. Much as I would like to have their assistance and I have some questions on it, and it concerns me.

Secretary RUSK. Well, it concerns us a great deal because we feel that the Soviet Union has an obligation as co-chairman, and particularly with respect to the Laos Agreement of 1962, which we more or less negotiated with them, to exercise their role as a co-chairman and try to give effect to these basic agreements affecting Southeast Asia. We have been disappointed that they have not done more about it. Meanwhile they are continuing to send substantial quantities of arms to the North Vietnamese.

So I think that we are in a situation where the key is in the hands of Hanoi. I do not expect the Soviet Union to pressure Hanoi in the negative direction, but we, I think, will be under an illusion if we expect Moscow to press Hanoi in a more positive direction.

Senator CARLSON. Well, I am in favor of keeping contacts, but I haven't had much faith, I regret to say, as far as getting assistance from the Soviet Union. That is all, Mr. Chairman.

The CHAIRMAN. Senator Symington?

Senator SYMINGTON. Thank you, Mr. Chairman.

RIOTS IN THE UNITED STATES

Mr. SECRETARY. I am very glad that we are trying to get some form of peace out there. Following the thoughts of the chair based upon what has been going on in this country in recent days.

The CHAIRMAN. Speak up a little.

Senator SYMINGTON. We had a very bad development in Kansas City last night.

The CHAIRMAN. Last night?

Senator SYMINGTON. Yes, two men shot and killed and 175 fires.

The CHAIRMAN. In Kansas City?

Senator SYMINGTON. Yes.

Following the developments in this country, I think they support my feeling for sometime that the economic aspect of this situation has become very serious. Also we have had testimony that we only have 15 combat-ready divisions in the Army, and four more in the Marines, we have got eight divisions roughly in Vietnam, five in Europe and two in Korea, it doesn't take anybody long to realize that if we had a dozen cities like Washington we would be in very serious trouble indeed from the standpoint of protecting our own country.

Secretary RUSK. The President still has in mind that he would call certain reserves as he indicated he would in his speech.

Senator SYMINGTON. Yes.

Secretary RUSK. And this would help in part to reconstitute a part of the strategic reserve.

Senator SYMINGTON. I understand. I think your words in part are well chosen because you can't snap your fingers and have a trained soldier.

Secretary RUSK. That is right.

Senator SYMINGTON. Nobody knows that better than you based on your own career.

OPPOSED TO CAMBODIA AS MEETING PLACE

I am interested to see that respect for the Reserves being per se, what the regulars, per se, have generated in this city. I would hope that we would not go to the Cambodian capital because I think that Sihanouk is a slanted faker and he could slant news out, probably control the situation more than if you went to a place like New Delhi. But I think that is relatively unimportant, although I am impressed with the dangers that might develop if you do go to that silly little man's capital.

I have read the notes Mr. Marcy took of what you said before I came in, there is one thing that worries me a great deal about the way we handle these negotiations, and I wish, if you felt it was in order you would present my thinking respectfully to the President.

I believe one of the reasons we have such a can of worms in the Defense Department now is the consistent intermingling of staff with line to the point where the line people did not know what they were supposed to do and the staff people had great authority. It developed, it has developed into a situation, I think that is most unfortunate from the standpoint of the functioning of our military establishment, which takes by all odds most of our defense dollar.

QUESTIONING THE U.S. DELEGATION

I notice here in negotiations Mr. Harriman for whom I have known many years and respect. He is a relatively elderly man, I notice he is going to head a delegation and that now Llewelyn Thompson is not going to go. We have people like Mr. Vance for whom I have the most complete respect, but he is handling problems in New York, the problems in Detroit, the problems in Korea, the problems in Greece, the problems in Washington, and now apparently may handle the problems in this overall vitally important problem. When he goes as a direct representative of the President, even though he is only a staff man, along with the gentleman who is sort of an Ambassador at large, and people who are real experts on the Soviet Union are left out and people who are real experts on the Far East are left out, doesn't that give some apprehension? I remember Mr. Harriman's activities with respect to Laos, and there are a lot of people who were disturbed about the results over there.

Isn't there any way that the State Department in itself can express its sincerity towards wanting a peace and utilize its vast well trained, relatively very well trained, as against this constant introduction of staff into these fields? It was very successful in Greece, it was not successful in Korea. It was not successful in Detroit. Apparently it is successful in Washington, although a lot of people have been hurt, a lot of people have been burned out. Why do we have to have a lot of different people involved when we come up to a problem that really fundamentally is your problem and the problem of your organization. I ask this with great respect and complete sympathy for State.

Secretary RUSK. Let me say, Senator, that when the suggestion was made that, announcement was made that Ambassador Thompson would assist Ambassador Harriman, it was our hope, and at that time even expectation that the two co-chairman would be directly involved in these discussions and Thompson would be invaluable there in dealing with, helping us deal with the Soviet Union as one of the two co-chairman. The Soviet Union has more or less declined that role. Nevertheless it is important for us to keep in touch with them as co-chairman and, therefore, we think Thompson had better be in Moscow where he can keep directly in touch with the Soviet Union.

Now, the first contact here is going to be about cessation of bombing on the Hanoi side, and restraint, as the President used the expression in his speech, is going to involve substantial problem on the military side, and we thought that it was important to have on the delegation a senior man who had had a good deal of defense experience.

Now, there will be expert staff, expert assistance with these two gentlemen, who are completely familiar with the Far Eastern scene, the Southeast Asian problem and all the details of all the contacts, there are many dozens we have had over the past three or four years. So that they will have very capable staff along with them to assist.

I take your point, and I will pass that along, but I am just telling you what the theory of it is at least.

AMBASSADOR HARRIMAN'S DEAFNESS

The CHAIRMAN. If the Senator will yield, I want to join the Senator's view about Mr. Harriman. Mr. Harriman is extremely difficult to carry on a conversation with him. The Senator and I both have a great deal of respect for him and we don't like to say it publicly, but the fact is that it is most difficult for an American to talk to him.

Senator CARLSON. Will the Senator yield, I want to join in that? I didn't want to say anything. I think it is most unfortunate.

Senator SYMINGTON. He is a great patriot and a wonderful person, but as long as we brought it up what is the function of the State Department? Is it to hear the problems——

Secretary RUSK. Mr. Harriman is a member of the State Department. He is ambassador at large.

Senator SYMINGTON. Yes, he is, but he is a staff member.

Secretary RUSK. And he be backed up by the necessary experts from the State Department, and his instructions will come from the President and from me at every stage of this, you see. Let me just say about Mr. Harriman that he hears pretty well when he wants to.

Senator SYMINGTON. I am not sure about that. That is what we used to say about Mr. Bernard Baruch who was my dear friend, but there are some things that he didn't hear at one point that were very unfortunate.

Secretary RUSK. Secondly, we do believe he is a man for whom the other side has considerable respect and that is important in his situation.

SOVIET ARMS SALES TO HANOI

Senator SYMINGTON. I would like to bring up another point if I may.

Secretary RUSK. Mr. Chairman, may I emphasize since a number of Senators came in before I started that my discussion this morning is very private in character and I would hope we could be very much in executive session as far as what I am saying in executive session.

Senator SYMINGTON. Mr. Secretary, I would like to ask this question, too, about it. It worries me, you have some real experts on the Soviet Union. Even though this is in reply to your answer, they don't want to participate, now, there are a lot of people who get mileage out of our being bitter about the Soviet Union and if I were in the Soviet Union I could get mileage out of being bitter about the United States. I wouldn't have to try very hard. People say they sell goods to Hanoi and that, therefore, we should not like them. We have increased our sales in five years from $300 million a year to $1 billion and a half selling anybody who will come along to buy.

Secretary Rusk, I don't see why we should be so irritated about their selling arms by the Soviet Union. If we are suckers enough to get this deeply involved in Vietnam, I should think it would be a normal patriotic gesture in as much as we are the only country who have any clout, using a new word around these days against them, why shouldn't they want to reduce our clout just like we would like to reduce their clout. On the other hand, they are the only people who can say to the North Vietnamese with any grounds of effectiveness "We think that the Secretary Rusk or some of the President's assistants have made a fair offer to you. Now, we want you to take it." Any other country in the world including Red China, the North Vietnamese could say to my opinion "We didn't intend to take it and you can shove it."

However, the Soviet Union are the ones who can make it stick. I am one who believes that the most important thing in the world is for this country to reach some accommodation with the Soviet Union.

Senator CLARK. Three cheers.

OPERATION COMPLETE VICTORY

Senator SYMINGTON. Because I have two sons who will have to go back to fight and three grandsons who shortly will be the age of fighting and I don't want to see them get into some wasteful war that can be avoided. The idea that we would send a mission out there without somebody who has got a good man, I am just thinking out loud with you now, you take Chip Bohlen, he is fluent in Russian, he is a very experienced diplomat who has felt all the negation about Vietnam characteristic of the French and there must be some reason for them to feel how they did. He is fluent in French too, which wouldn't hurt him with the Vietnamese incidentally. I just worry about the way we approach these things, although I have the greatest respect for Secretary Harriman and the greatest respect for Secretary Vance, it seems to me that to first announce Ambassador Thompson is going to go and then he is not

going to go, is unfortunate from the standpoint of what might develop out of these negotiations, because we have got a lot of other problems in the world, and a lot of problems right here at home. Stopping the bombing as against stopping everything, the radio and television this morning said we are now embarking on the largest offensive action in South Vietnam in the war.

Senator CLARK. Why?

Senator SYMINGTON. Operation complete victory. At the same time the front page says the Pope says we are going to stop all the qualitative superiority action that we have, namely hitting North Vietnam. So if we are going to get on with this thing and get out of it as soon as we can, I only hope that you would give consideration to my two main points: First, why do we need, just because it is a big job why do we need people who haven't been trained under U.N., the State Department, and secondly, I hope we can get somebody expert with the Soviets who is sitting right there with our negotiatiors.

Secretary RUSK. I doubt, Senator, and I am not debating you on this point, I have been listening to what you have been saying, I doubt that we have any American who has had more experience in negotiating with the Soviet Union than Averell Harriman.

Senator SYMINGTON. I knew that would be the answer, but I think we have covered him already as far as the question of debate goes and negotiation, and I know this is an executive hearing, I feel very badly if he felt I had any lack of confidence in him as a great American patriot.

Secretary RUSK. I understand.

Senator SYMINGTON. It just seems to me at this stage of the game, this question of staff and line out to be pretty clear in these negotiations and it hasn't come through to me.

Thank you, Mr. Chairman.

THE STATUS OF THE WAR FRONT

Senator MUNDT. What is the exact status, you may have described this before I came in, Mr. Secretary, on the war front now, not from the standpoint of negotiation, but we get so many conflict reports in the press which leads us to believe, from one newspaper article we are on a great new offensive and the other one we have pulled down all the bombing and nothing is going on, and you must have the facts.

Secretary RUSK. The South Vietnamese and allied forces have resumed the initiative in all parts of the country in the South. At the same time the North Vietnamese are stepping up their infiltration of replacements and personnel from the North. There is heavy traffic on the trail, along the Ho Chi Minh Trail.

Senator MUNDT. Still trying to bomb that?

Secretary RUSK. Yes, in the Khe Sanh area the North Vietnamese who have been there and have thinned out, we think two regiments pulled out because of very heavy casualties from the bombing around Khe Sanh, prisoners tell us of the heavy casualties and also we find evidence of it as we go back into that area surrounding Khe Sanh.

The sweep around Saigon is to get rid of the remnants of these elements who came in there during the Tet offensive and to restore the position of the countryside surrounding Saigon.

Of some 580 or so, so-called revolutionary development teams that were active in the pacification program, all are back in position with the exception of about 80 to 100 in the 4th and 3rd Corps. Second and 1st Corps they are—they were very little disturbed by the Tet offensive, and this is an attempt to ensure the security of the general Saigon area.

We know that some of the Viet Cong, North Vietnamese units in the area have pulled back to War Zone C and B where they were for many years. But we also know that the other side seems to be preparing a further offensive. We expect offensives in the highland area almost all the time and we know they are selling a lot of replacements now to fill up their casualties down the Ho Chi Minh Trail. But generally speaking throughout the country the South Vietnamese and allied forces have the initiative at the present time.

UNITY AMONG U.S. ALLIES

Senator MUNDT. I think we all realize it is very important that we move into these talks with as much unity as we can, it is, at least among the Americans, South Vietnamese and the Thais, and perhaps Koreans. Are we maintaining that unity as we go along?

Secretary RUSK. Yes, sir, we are keeping in close touch with our allies. I met with them last week in New Zealand, first with SEATO and then with the 7–W troops in Vietnam. And we are in touch with them about these contracts that we now have with Hanoi.

It is important that we keep in close touch. They have some public opinion problems themselves. They are not necessarily the same type problems we have and one of the ways to help them deal with those is to keep in close touch so their governments can say they are part of the efforts.

ALLIED REPRESENTATION IN PEACE TALKS

Senator MUNDT. That is my next question: Are we arranging for them to have some representation in the talks with Mr. Harriman and Mr. Vance, or whether they have not or whether they have asked for it.

Secretary RUSK. I have commented on that earlier and this affects to some extent the location. They are prepared for a bilateral contact with the U.S. and Hanoi. But they would probably want some form of liaison at the same site. In the case of Phnom Penh this is difficult for some of them, Sihanouk would find it difficult in some cases. But we would expect, we would hope, we would have a site where they could have contacts at the same time so our delegation could be in touch with them all the time, such as we had with the NATO countries at the disarmament talk. I think if we could manage that we could keep the allies reasonably together.

Senator MUNDT. The reason I ask that I think it is important. I try to put myself in the Government of Vietnam because it is their country where the war is being fought and I think it would be a tough public relations job to the people of South Vietnam if

they were in on the arrangements and they didn't have any representation.

Secretary RUSK. That is quite right.

Senator MUNDT. I think it would be almost impossible and I can't think of anything worse than for us to say we have got the pat figure on it the way it ought to be and they say count us out, we won't go, that is a bad deal.

WHO SITS AT THE MEETING

Secretary RUSK. I think I commented before you came in, Senator, one of the devices by which both sides could avoid some of the problems who sits at the meeting and who constitutes a conference would be for the two co-chairman perhaps reinforced by the three members of the ICC, to undertake the primary negotiating role by being in contact with anybody it wants to be in contact with. The British could be in contact with a variety of people, the Soviets could be in contact with a variety and the British and Soviets could put their heads together to see if they could find any common ground. We hope we can get to a point where that would be possible. Then you could have opportunity for anybody to be heard. But without losing months arguing about who sits in the conference. There is some reason to believe, for example, that the Soviet Union doesn't want a conference in which Peking sits and then you have a problem with Hanoi not wanting anything to do with the Saigon government or the NLF. Many of those problems if there were some interlocutory such as the two co-chairman working with anybody who wants to speak.

Senator MUNDT. The Russian co-chairman from what gather from your testimony says "not yet." How about the U.K, are they willing?

Secretary RUSK. They are willing to do anything at any time. They are very helpful.

Senator MUNDT. And that is why the Ambassador Thompson is back.

Secretary RUSK. Yes, to keep the Russians involved.

Senator MUNDT. Thompson is a pretty good Ambassador. What is your evaluation of his evaluation of the prospects of the U.S.S.R. assuming that role?

Secretary RUSK. He is——

Senator MUNDT. Will they have to be asked to do it by Hanoi?

Secretary RUSK. In effect, that Moscow is not likely at this stage to go beyond the point that Hanoi is prepared to go. This is partly Moscow's own orientation, but it is also partly that they are in competition in Hanoi with Peking for influence and they are afraid if they press too hard that Hanoi will just go off all the way to Peking, so I think this is complicated by that factor.

MOSCOW'S REAL MOTIVATION

Senator MUNDT. One final question: Isn't this a pretty good test of the laboratory of life concerning the real motivation existing in Moscow now? If really they want to approach this detent that we all have hopes will come, this gives them an excellent opportunity if on the other hand they want to continue the cold war era of disagreement, very obviously the war going on down there suits their

purpose because it doesn't cost them much even though they are putting in a lot of equipment and so forth, it is a cheap war as far as they are concerned compared to the war that we are fighting. So it seems to me that out of these preliminary talks at least we should get what you told us down at the White House if we got a little bit of an indication on the *Pueblo* incident of their general attitude when you said that you were using the Russian embassy to make our contacts in North Korea, and some of our colleagues looked a little askance and said "Why the Russians?" And you said two things: One, we didn't have much choice as to who to go to, but primarily this might give us a little inkling as to their attitude towards the *Pueblo.* I don't know that we have got much of an inkling out of that or not, but at least I thought it was a good move.

Secretary RUSK. We haven't gotten so far as we can tell yet much ascertainable help out of the Russians on that one. That one is on dead center still.

RUSSIA'S NATIONALIST PROBLEMS

The Russians are in an equivocal mood these days. They are having some major issues develop for them in Central Europe. The contrast between what is happening in Czechoslavakia and the anxieties and concerns of the East Germans about how far liberalization is going on in Eastern Europe and is very sticky and the present plenum that was suddenly announced yesterday is presumably meeting on agriculture in the Soviet Union and on these events in Eastern Europe. One of the things that disturbs us is in domestic broadcasts in the Soviet Union they are about as bitter towards us as they ever have been. What they are saying to their own people about us is extremely harsh these days and has been for many months.

Senator SYMINGTON. Who is that?

Secretary RUSK. The Soviet Union. They have not done this so much in their overseas broadcasts. Of course, they exploit something like the Martin Luther King affair, but they have been somewhat more reticient in their overseas than in their domestic propaganda. They are showing some of the problems of change that are going on in Eastern Europe in their country. They are not concerned about the fact they are young people. We see anxieties about their nationalist problem within the Soviet Union. We have reason to think that they were pretty upset about the extent of the changes in Czechoslavakia and in effect the defection from the Warsaw Pact Bloc of Rumania in many respects.

So that are going through some pretty far-reaching re-examinations themselves.

Senator MUNDT. Of course, that can work either way.

Secretary RUSK. Yes, it could.

BRING THE TWO BIG POWERS CLOSER TOGETHER

Senator MUNDT. They have a lot of problems and maybe this is the time to play for the big victory, because I believe this war in Vietnam is just part of the ideological struggle between the two problems. We could bring the two big powers closer together.

Secretary RUSK. It is a sensitive period. We have been working with them closely with the non-proliferation Treaty. Both we and

they face some problems with non-nuclear countries who were not anxious to give up their nuclear option. That has been one of the more encouraging developments in our bilaterlal relations.

We think we will go ahead with renewed cultural agreements, they seem to be prepared to do that. They have not yet on their side ratified the consular agreement. They told us that they expect to, but they have not given us the date. Most important of all they have not yet been willing to set a date for discussion of offensive and defensive missiles. We feel that it would be very important for us to get to a discussion of that matter to avoid just new plateaus of expenditure on both sides that won't change the underlying situation very much, and try to get some ceilings put on this arms race and try to begin to turn it down a bit if we can.

Senator WILLIAMS. Would you yield at that point?

Senator MUNDT. Yes.

POSTURE OF SOUTH VIETNAM TOWARDS NEGOTIATIONS

May I ask you one question of Senator Cooper? He had to yield and he asked me to put it in the record. He said I would like to have you ask the Secretary to describe more exactly the posture of South Vietnam with respect to the talks. If you haven't done that, please do.

Secretary RUSK. Well, the South Vietnamese government and we are in close touch on what has happened thus far, and they an we are in full agreement on what has happened thus far.

Now, they are going to at some stage run into some public opinion problems among themselves. One of the ways that we hope to forestall that is through close consultation at all stages. They will be very sensitive to anything that indicates that we are somehow abandoning them or pulling out our support or anything of that sort.

We have gotten them to go quite a distance in the Manilla communique and the President's joint statement with Thieu at Canberra in other ways to be reasonably responsive to anything at all that we can get out of Hanoi, but it is going to require some handling.

I think we can recall during the Korean affair we had major problems with the Koreans during the wind up of that affair. We expect some problems with the South Vietnamese perhaps not as difficult as they appeared to be at the time with the Koreans.

Senator MUNDT. Is it possible that Ky or some other opponents of the Government in power might utilize this in a demogrorgic way now to say "look——"

Secretary RUSK. I don't think Ky would. Thieu and Ky at the present time are working more closely together than ever before at the present time and Ky is kept in touch with matters, too. I discount very much the possibility of another coup out there, because I think there is one thing that those people now understand that is a coup would be the end as far as we are concerned. We have had enough coups.

A PARTIAL ORBITAL WEAPON

Senator WILLIAMS. Mr. Secretary, you referred just a moment ago to the hoped for discussions with Russia concerning the use of

expansion of weapons and particularly the ballistic missiles and the anti-ballistic missiles. I read in Baron's this week an article which indicated that the encouragement we have been given by Secretary McNamara about the ineffectiveness of one of their weapons was underplayed and that the administration knows that for a fact at this time that Russia has perfected rather a super weapon which can be put in orbit and contrary to what McNamara has been telling us. Do you know anything about that?

Secretary RUSK. I know very little about it, Senator, except they have a partial orbital weapon of an ICBM character that goes into orbital altitudes, but then returns by direction out of that into normal ballistic configuration.

We know they are experimenting with that, working with it. I don't quite see what the big advantage of that is likely to be from a military point of view, but I am afraid my military colleagues would have to talk about it.

Senator WILLIAMS. Well, what concerned me in this article, they indicated that Russia was in position now to put this in orbit and controlling it and indicated that the administration knows that.

Senator RUSK. If they were to put a weapon into full orbit that would create a major problem because it would be in the first place a violation of the Space Treaty, and I think if they would put weapons in orbit we would have a pretty good idea pretty soon of the patterns they were flying that would give us knowledge as to whether they were in fact violating the Space Treaty.

Senator WILLIAMS. I appreciate that and I know it brings up problems, but the question is do they have the ability to do it if they wish to do it, because if they have the ability it would be a simple matter to do it when called upon to do it later when there was a showdown and if so what preparations do we have to offset that? This article indicated that we have known. I was just wondering about it.

Secretary RUSK. Well, Senator, I frankly am not in very good position to speak to that on the basis of firm information that I have in my own head. I think that is more for the Defense people than myself. I think our main lines of development have been in other directions with the nerves and other types of weaponry.

Senator WILLIAMS. I appreciate that and I realize it is not exactly in your place, but the reason I just mentioned it because the subject was brought up.

Secretary RUSK. Right.

### A PRELIMINARY EMISSARY

Senator MUNDT. Just one comment in connection with what Senator Symington was mentioning about Averell Harriman, and I think I agree with you, I think Thompson probably had better be up there in trying to get the Russians to work with us if possible, but I contend if you have Averell Harriman for the main negotiator for terms of peace that you are just using him as sort of a preliminary emissary to try to work out preliminary problems when you meet, before you meet, and what you talk about, because I certainly think we need our top hands when we settle on terms of settlement. But as I understand this first conference we are not going

to talk about terms of peace, but it is going to talk about what they are going to talk about later.

Secretary RUSK. Well, at the beginning, Senator, I pointed to the distinction which Hanoi seems to make between what they call a contact, talks, and negotiations. This first contact is unfortunately in their minds, and what they have said publicly, limited to a complete cessation of bombing and our problem there is to inject into those discussions some of the elements of mutual restraint that the President referred to in his speech. So this first contact is going to be a very difficult contact and we should be rather cautious about it and realize that it will be tough.

If that contact itself is successful, then it is anticipated that there will be a time and place arranged for what Hanoi calls talks. Now, these again would presumably be largely between the United States and Hanoi. Out of those talks could come the shaping up of some issues, the shaping up of a series of points which might then be taken up in formal negotiations of some sort which might have a broader base in terms of participants.

STATE DEPARTMENT SUPPORT FOR CHIEF NEGOTIATOR

Senator SYMINGTON. I would like to ask as long as my name has come in this, the Senator from South Dakota, is Mr. Harriman going to be the head negotiator or isn't he?

Secretary RUSK. Well, the future is for the future. He is at the present time designated as our chief negotiator on this, has been for the last two years, since he has been Ambassador at large and has handled directly many of the contacts we have had with other governments directly on this subject.

It depends on how it develops and often what length of time.

Senator SYMINGTON. Understand, Mr. Secretary, I am not in any way critical as against other people who may have been brought in, but for instance, when the Greek thing came up nobody heard about Assistant Secretary of State Battle who, in any opinion, is one of the best men you have in there and has the full confidence of this committee and he disappears.

Then you have Assistant Secretary of State Bundy when the Korean situation came up and he disappeared when you came to a big problem.

Secretary RUSK. But, Senator, in the case of the Vance mission, Luke Battle stage-handled that one here in Washington throughout, played the key role in it. As a matter of fact, just very privately, I had to put in minimum time on the Vance mission because of the superb job that Luke Battle himself was doing with it.

Now, he will be on this end. But we have to have somebody of that statute and capability here while we are putting together U.S. Government position.

STOPPING THE BOMBING

Senator SYMINGTON. One more point: I recognize the complete lack of confidence in air power, naval air power and Air Force air power, that is characteristic of many people in this government. It is difficult for me to recognize that lack of confidence with what is often a corollary, namely the immorality of it. If it is so immoral

then also how can it be so effective. But I think we ought to know that our Ambassador in Laos in 1965 in front of witnesses told me that he did not think that air power should be used against North Vietnam. That he thought we should invade North Vietnam with ground troops, and that he felt it could be done without any assistance from the Air Force. Inasmuch as he is supposed to be a protege from what I heard of Mr. Harriman, this worries me a little bit as to what the detail of these negotiations are going to be. This worry is somehow enhanced by the fact that you say the preliminary negotiation the first negotiation will be "Do we or do we not stop the bombing."

Secretary RUSK. No, I was putting that in Hanoi's words.

Senator SYMINGTON. Of course, they are going to sort of dictate what we are going to talk about.

Secretary RUSK. What we are going to talk about is what the President talked in his speech, that is the question of mutual restraint.

WHAT THE WAR IS COSTING

Senator SYMINGTON. Well, I do say, it does disturb me, some of the thinking I found in the Far East and coordinated with some of the—if we really are sincere, I have got to a point now where I agree with the chairman, if we are really as sincere, about wanting to get this business stopped because of what it is costing us, gigantic costs in treasure as well as heavy costs in lives. I think we ought to do everything we can to get to any place to get them to open up, wouldn't you agree with that?

Secretary RUSK. We will do our very best on it. What we can't do is to simply hold our own hand very tightly while they go ahead with full scale war with every resource they have available.

Senator SYMINGTON. That has been my thinking, that is why I asked you in the hearing why we didn't think about all cessation, we were worried about increased infiltration, I was talking about offensive action on our part which is not offensive to them in North and North and South Vietnam and say as of a certain date we come and talk about anything, it seems to me this will be the night bombing stop is this goes on, I am told.

Secretary RUSK. That is right.

Senator SYMINGTON. So I had a new and better idea if for no other reason, first it never had been tried before and secondly, you would have less casualties.

NEED FOR A CEASE FIRE

The CHAIRMAN. I think you have a good thing. That was the first thing the French did was a cease fire, all over, then they proceeded to negotiate all the details of the accords. Of course, I would hope something like that would happen. That is why——

Secretary RUSK. We don't rule out a cease fire on doctrinal principle.

The CHAIRMAN. Everywhere.

Secretary RUSK. When U Thant made a proposal——

Senator SYMINGTON. Why don't you not only not rule it out, Why don't you recommend it? Why don't you?

The CHAIRMAN. Why don't you pursue it?

Senator SYMINGTON. Why don't you do that instead of sending our kids out against a better Russian rival than we have had, one for one in the jungle, what's the clout with that instead of saying "We will stop everything after a certain date, then what will you do?"

Secretary RUSK. Stopping requires some arrangement.

WARNING AGAINST STOPPING AIR ATTACKS

Senator SYMINGTON. There has to be some offensive action. You would certainly give the boys a right to defend themselves. But here we are making this morning on the Today's Show it says we are making the biggest war, one hundred thousand of our troops with the Thais and the South Vietnamese operation "Complete Victory" is what they call it on the ground, what is the point in all that kind of stuff if at the same time the one thing they are afraid of you are stopping, the one thing that is hurting them. One of the very best of all ground generals in the field said to me "These people in North Vietnam if you stop the bombing they don't even know a war is going on, because they never had a standard of living before, they haven't got one today. Their kids go away, like our kids come back to college, some of them do and some of them don't, that is true in San Francisco and New York of some of our kids today, and if you stop the air attacks they don't even know a war is going on."

So I say why stop the one thing that is hurting them, even though it has been badly shackled. When Secretary McNamara came in and said he was going to put in that McNamara line, which he did before the Armed Services Committee, because the Navy and the Air Force together had made no serious inroads on the stopping of supplies, and I said "Inasmuch as we had testimony 85 percent of the supplies came through the Port of Haiphong," I said, "Well, eliminating the political problems, militarily wouldn't it have helped stop the supplies if we took out the harbor of Haiphong?" His answer was, "No, it wouldn't have helped." Well, okay. If you are going to run a war like that and have all this staff in it I don't see where you are going to get in negotiations if it is going to be operating on that basis.

The CHAIRMAN. Gentlemen, I wonder if we hadn't better proceed, I would like our two further members to have an opportunity.

Senator Clark?

Senator CLARK. Thank you, Mr. Chairman.

HARRIMAN IS NOT THE RIGHT MAN TO HEAD THE DELEGATION

Mr. Secretary, I get no pleasure out of hitting you over the head with a blunt instrument either in public or in executive session.

Secretary RUSK. Go right ahead, Senator. [Laughter.]

Senator CLARK. I also dislike the apparent hypocrisy in telling you every time I see you what a great guy you are, but I do, and the fact we disagree certainly leaves no animus in my heart and I am sure it doesn't in yours, but I am very concerned.

I share the views of the chairman and I share the views of Senator Symington, if I can have his attention for a moment, Averell Harriman is a very good friend of mine and has been for years, and I just don't think that he is the right fellow to head this mission,

and that is for two reasons: First, because he is terribly deaf, but more than that, Averell is a fellow of very fixed ideas, and I don't know anybody who is more anti-Soviet than Averell Harriman despite the success he had.

Senator SYMINGTON. Anti-what?

The CHAIRMAN. Soviet.

Senator CLARK. Soviet, despite the success he had with the limited test ban treaty which the credit in my book should have been going to Bill Foster and Averell picked it up towards the end, but I would just hope you would give some serious thought to having somebody else up there besides Averell. I wouldn't even want to have Averell as the head of the delegation.

Don't forget what happened to Woodrow Wilson at Versailles when he wouldn't take anybody from the Senate. Don't forget we have a Mike Mansfield who has the absolute respect of everybody concerned and also is desperately anxious to get this thing over with and who is no fool and understands these things.

OTHER POSSIBLE NEGOTIATORS

I would give you a couple of other suggestions, Eugene Black, Bob McNamara, Ambassador Reischauer, Arthur Goldberg. I think you ought to have somebody on that delegation up at the top who really wants to make peace, and I would suggest to you, what was it that Cromwell sent word over to the head of the Cavalier Army before one of those big battles in the Civil War in England "I beseech ye in the bowels of Christ, think lest you might be mistaken." I think we need a new team here. I think the old fellows, some of you, God knows all patriotic and magnificent people, I don't think you are the fellows to make peace. It is just like sending World War II generals back to fight World War III, and I think you ought to see it—even Nick Katzenbach who is newer and fresher, and Charlie Yost, this Ambassador Porter from Korea, pretty junior to be sure, I would rather have Ellsworth Bunker who did such a good job in the Dominican Republic. I think you have to have Averell in there because he has done negotiations, but I would hate to see him in charge of working out a detentes with the Soviet Union and, believe me, Mr. Secretary, the country wants peace and if these negotiations break down because we are too stiff backed and not willing to make the concessions of relatively minor importance, and if we are going to put on all these great offensives, as Senator Symington says, just at the time when I think we ought to be unilaterally de-escalating, stopping this search and destroy.

Well so much for that. Actually the only other thing I want to suggest to you is that in my opinion, the situation of the dollar is absolutely desperate. All we have done is put some scotch tape over it in Stockholm. How long that will last, I don't know.

SITUATION IN AMERICAN CITIES

I went to Martin Luther King's funeral yesterday. You have got riots all over Pennsylvania, Pittsburgh, Harrisburg, other places, the situation in our cities is desperate and the only way this thing, to my way of thinking, can be pulled out is if we get ourselves in position in foreign policy where we can make enormous cuts in the military budget because that is the only way we will save the dol-

lar and save the cities. Now, this is an observation, I suppose it is an argument, it is not a question. I felt impelled to say it to you.

I say again I wouldn't have your job for anything in the world and I think you have done a magnificent job all things considered, but I think it is time to change the approach, thank you, Mr. Chairman. You know, you don't need to respond. You can take it and dish it out, too.

Secretary RUSK. Well, the President is going to be very much involved personally in this situation and I have no doubt myself that no one in the world wants peace more than the President.

Senator CLARK. Yes, Dean, but he has got to have some people on the firing line who aren't committed to the old point of view.

COMPARISON TO LAOTIAN NEGOTIATIONS

Secretary RUSK. You know, if you study the Laos agreement which Averell Harriman negotiated, the problem of the Laos agreement was not a lack of flexibility on the side of the United States. After all we did accept the Soviet nominee as prime minister, we did accept the coalition government. We accepted international neutralization of Laos. The problem of the Laos agreement is we didn't get performance.

Senator CLARK. You can make a magnificant argument against everything I have said. It is a question of judgment.

Secretary RUSK. Yes.

Senator MUNDT. You don't want to use the Laos formula.

Secretary RUSK. The Laos formula has some major problems, but it is a recent experience in the attitude of what these fellows are all about. However, that takes us a long way.

The CHAIRMAN. Senator Pell?

Senator PELL. Thank you, Mr. Chairman.

POLITICAL EXPERIENCE OF CHIEF NEGOTIATOR

I must say I strongly agree with Senator Clark that the man at the head of the negotiation delegation should be one whose full objective is the attainment of peace, and for that reason and here I would disagree with Senator Symington, I would think thought should be given to the idea of having somebody of a political background included in the delegation or leading it, because very often a politician and I don't mean a businessman or a lawyer, but a man who has run for public office, be it a governor or a mayor, will be willing to cut through to attain the main objective. As one who has in a very modest way, who has engaged in both politics, and diplomacy and my father had the same life I did, I have always been struck by the fact that real politicians, a real political appointee, not a contributor or businessman or lawyer, but a politician who has been working with people, getting other people to go a certain way can very often help. I don't think we should be as leary as has been expressed here with the idea of bringing in a true political appointee.

With regard to where the negotiations take place, or not the negotiations——

Senator SYMINGTON. Excuse me, as long as you use my name, I am not leary about a political appointee. I don't know what you mean by that. I am not leary at all.

Senator PELL. You said use the career diplomats to the full. I would agree this should be beefed out by a politician.

Senator SYMINGTON. Of high ranking office in effect including the Secretary of State is a political appointment.

Senator PELL. Right. But by a politician I mean a man who has run for office, been working with people, been a Senator, been a governor.

Senator SYMINGTON. I have no objection at all.

Senator CLARK. It might take Hubert out of the political campaign to send him over.

Secretary RUSK. Do we have any choices on that?

Senator CLARK. Yes.

The CHAIRMAN. Proceed.

PARIS AS SITE FOR NEGOTIATIONS

Senator PELL. With regard to the first stage of the three levels of contacts towards negotiations, I think it is a very interesting, fundamental point you made there. Has thought been given to the idea of really pushing for Paris where Mai Van Bo has such respect and regard, he has some problems, as you know, with communications having to go through Prague which we, problems almost as difficult as we, might have in Phnom Penh, but at the same time the regard and esteem in which he is held by his government that this might be a logical spot.

Secretary RUSK. Well, Paris would be a site that we would not object to. We thought there would be some, as a matter of fact, there are 120 capitals in the world that would be eligible as far as we are concerned. There is some advantage, we think, in this being held in Asia if Geneva is not a place where the two co-chairman can get together and sort of begin to build toward a Geneva conference. We wouldn't object to Paris and if—we have expressed several choices, additional choices, to Hanoi, if they come back with a European capital we would have no problems with that.

Senator PELL. Wouldn't one of the requirements be direct radio communications to both capitals?

Secretary RUSK. It would be a matter of convenience to be in a capital where both sides already have missions with established communications, now, Paris would qualify from that point of view. We don't have a mission in Cambodia, but we do have, both of us have missions in Rangoon, New Delhi, Vientiane and Djarkata. Any of those would be acceptable as far as we are concerned.

Senator PELL. Just from a very technical viewpoint wouldn't it be a greater advantage if we had it in a capital where both sides have their own regular transmitters there which is not the case in some of these countries?

Secretary RUSK. There would be some advantage in that, I would suppose.

Senator PELL. It would be a factor I would think for both sides.

Secretary RUSK. I am sure that Hanoi is taking that kind of problem into account just as we are in trying to find a place.

SITUATION AT KHE SANH

Senator PELL. How do you account for the fact that the North Vietnamese seemed to remove the pressure at Khe Sanh?

Secretary RUSK. We have the impression, which is confirmed now by what we are finding on the ground around Khe Sanh, that they did take very heavy casualties there from the intensive bombing in the Khe Sanh area, and that two of their regiments withdrew into Laos largely because of casualties. We picked up some prisoners now that are beginning to give us further information on that. We find evidences of heavy casutalties as we get into the area around Khe Sanh. We also had the impression they are sliding down into the Ashau Valley and coming down that way and building up what looks like a possible intention to attack the Hue area. Whether or not they ever intended to launch a major assault on Khe Sanh is speculative, General Westmoreland thinks they did at one time. They put in three divisions in the general area there and he thinks at one point they were planning to attack it.

AN EFFORT TOWARDS DE-ESCALATION

Senator PELL. You don't think it might be to our advantage to assume that this is an effort towards de-escalation on our part to be responded by a de-escalation on our part, even if it is not, but sometimes we can make assumptions if they are in our diplomatic interests, they can produce counter-reactions as happened in the Cuban crisis that are to our advantage.

Secretary RUSK. Well, that is something that can be considered. That is, I wouldn't reject that as a matter of doctrine, I think we have to see what happens on the ground a bit.

Senator PELL. But just reading, you can see the differing views, I think Joe Alsop also had a predictable viewpoint there, but if one took the opposite viewpoint and assumed that they were trying to de-escalate, it would give us perhaps more of a reason to move in the direction some of us think we are going.

Secretary RUSK. That doesn't seem to fit other evidence we have as to what they are doing, but if that was in their minds it could lead very quickly to finding out what was happening and to what it would lead, and it lead to something else, to Russians or somebody else to drop a hint this was in the wind without making it public or without making it a contact or anything of that sort, we haven't had anything of that sort.

Senator PELL. No wise person of that sort has come around.

Secretary RUSK. I have seen a little public speculation here and there that maybe this would happen.

PSYCHOLOGICAL IMPRESSION

Senator PELL. I think what you and what you said is a very important thing psychologically here to give the impression we want to affirmatively move.

Senator CLARK. Why start a broad new offensive with a hundred thousand?

The CHAIRMAN. That is what I meant. I don't know, none of us know that they didn't take Khe Sanh that you hampered him but it could well be interpreted they didn't wish to overrun it. We thought for a while they could. They were so close, but psychologically we are giving the impression we are backing off when we return up to the—and psychologically this is not going forward.

You said you would consider a cease fire. I don't know why we don't propose one.

Senator CLARK. I don't know why we don't start one unilaterally, and see what happens.

The CHAIRMAN. Propose one is what you are saying, an invitation to go forward.

Senator PELL. What I am driving at, even if our reasons are exactly as Joe Alsop in his usual lugubrious way assumes they were, if they were the reasons for their wish to de-escalate it might put a certain amount of pressure on the other side to follow suit. I realize it might sound naive.

The CHAIRMAN. I don't think it does at all. You gave the impression, we were told about Cuba we had two letters. One sort of conciliatory and the other we chose to take the other one and it worked out. It could be similar.

Senator PELL. That is right. This could happen often in diplomacy.

COMMUNIST PARTICIPATION IN SOUTH VIETNAMESE GOVERNMENT

Another thing occurring, Mr. Secretary, in connection with the final solution, not the final solution, but you go through a series of stages, as I understand our policy we are changing our course a little at this time, as to what we would accept. I am delighted and I think all of us who are delighted should in no way seek to embarrass the administration by saying this is what we have urged or we were delighted at the change of course welcoming in our own government the same thing I am saying about we ought to do with the enemy. But assuming there is a tiny shift, could you give us some idea as to the kind of government that you would be willing to see emerge? Would you be willing to accept, for instance, a government in which the Viet Cong voted, participated and really reflected the numerical forces that presently exist in South Vietnam?

Secretary RUSK. Well, I think that is a problem that is quite a long way down the trail.

Senator PELL. Right.

Secretary RUSK. And it could depend a good deal on what happens to North Vietnamese forces. If the North Vietnamese forces were to be taken out of the picture, and if we would begin to get anywhere with the Manilla formula when the North Vietnamese forces get out the allied forces can get out——

Senator PELL. May I interrupt for one second there just so I have it in my own head?

Secretary RUSK. Yes.

Senator PELL. By North Vietnamese forces you mean people born in North Vietnam or people born in South Vietnam and trained in North Vietnam and sent back?

Secretary RUSK. I mean the people sent down from North Vietnam.

Senator PELL. But that would include the people who went out in fifty-four being trained and go back.

Secretary RUSK. That is right. How you verify that, I mean there is also some wiggle room on that kind of problem because of the problem of verification.

Senator WILLIAMS. Would the Senator yield?

Senator PELL. Yes.

PROBLEMS WITH A COALITION GOVERNMENT

Senator WILLIAMS. In this question of North Vietnam and Viet Cong sympathizers in the Government, isn't that choice going to be made during the election process if there is going to be a democratic government or could we sit around a negotiation table and put these men in because if you did we would have to replace some duly elected officials and other things.

Secretary RUSK. You see this is why I said this is quite a way down the trail because present talk about a coalition government runs into two or three very great difficulties. In the first place, the Viet Cong and North Vietnamese have made it very clear they will have nothing to do with the elected representatives in South Vietnam. Secondly, we would have a major problem on our hands if we tried to impose on the South Vietnamese a coalition government which they are not prepared to accept.

Senator WILLIAMS. Right.

Secretary RUSK. Third, if you get the North Vietnamese out of this I think there are possibilities of reconciliation among the authentic Southerns. With amnesty and with all sorts of other pressures they could give some effect to what President Thieu and President Johnson called in Canberra one-man, one-vote sort of situation.

But the problem about talking about a coalition government under present circumstances is that the kind of coalition government that North Vietnam is talking about is a take-over of the South, whereas if the people in the South realize that North Vietnamese forces are not going to determine the politics of the South, I think you would find a great deal of flexibility among the Southerners as to how they can work these problems out.

AMNESTY AND ASYLUM

Senator PELL. In your contingency planning is that given to not only amnesty but of asylum so that if in the end through the political processes if not through force the Government does become a communist government there, a nationalist government, that those who would suffer would be given haven somewhere else. Has that been considered?

Secretary RUSK. We haven't gotten to that one because the prospect is this that would be a fantastically large number of people in the South.

Senator PELL. Would it really be more than, say, a hundred thousand?

Secretary RUSK. It would be a very large number and I don't believe in the first place many countries would receive them. You have a million people in the South who come down 10 years ago in order not to be under the regime in the North, just to start with. You have the Catholics, the moderate Buddhists, you have the two sects down in the Southwest who are very strong on these matters, so I don't see, I just don't see, it developing that way.

EQUIVALENT TO COMPLETE SURRENDER

Senator WILLIAMS. Would not, if you will yield, would not even making the plans for such a movement in effect be equivalent to complete surrender meaning we are going to turn it over to them?

Secretary RUSK. Now, amnesty and safe conduct for those who want to return to the North, of course, creates no problem. That was the basic idea in 1954, those who wanted to be under one kind of regime go in one direction and those who wanted to be in another go in another.

The CHAIRMAN. Someone mentioned a while ago of what was going on in Eastern Europe. In Czechoslovakia there is a change in the process and you don't know what it would be today. They have suffered so much under this it could well be a different attitude.

CONGRESSIONAL REPRESENTATION

Senator PELL. I was coming to that, in connection with Asia, winding up that aspect with this question: Do you expect when you go into negotiations, the third step, that even the second step, talks, do you expect to have any Congressional representation in the delegation?

Secretary RUSK. We haven't gotten to that point very frankly, Senator. I just don't know, if there were a formal Geneva conference or something of that sort, it is possible. I just don't know what the President's view on that would be if we got into more formal and systematic talks than are now on the immediate horizon.

Senator PELL. I realize this would be a White House decision. I must say again supporting Senator Clark's view and my own, too, I can't imagine any man who knows the area with greater depth and has the respect of us all more than our majority leader.

The CHAIRMAN. I would like to add that I join him in that. I would think both the majority leader and possibly Senator Cooper because of his having been ambassador in the general area and highly respected both there and here, I think it would be very reassuring to everybody if someone like Mansfield and Cooper could be included.

Senator PELL. I would think the White House would see it from the viewpoint of just securing the acceptance of the arrangements that are made there.

The CHAIRMAN. I would think so.

DEVELOPMENTS IN CZECHOSLOVAKIA

Senator PELL. Going to the point Senator Fulbright mentioned about Eastern Europe, our eyes have been so far taken up with the Far East and with the wars in the cities and our problems here we have not followed as closely as we might the developments in Czechoslavakia which I guess are particularly vivid to me, having opened our mission as counsul general in Bratislava 20 years ago at which time half the people were put in jail or fled, and seeing how communism is working itself out there just because it contains the seeds of its own destruction the idea being that as people acquire goods and knowledge they want more goods and they ask questions, and they have certain standards, and particularly in a

highly civilized country of Czechoslavakia won't take the claptrap of communism indefinitely. Can you see how we can speed this up so the erosion in Eastern Europe won't take two generations, but one generation?

Secretary RUSK. Yes, I can think of ways, we have to appear we do not ourselves appear to meddle in a way that causes reaction. We have to be very careful about it. But I personally believe that it would have been a great advantage to us could we have moved promptly on the East-West Trade Bill. I personally think that it would be of advantage to the West for us to have been more cooperative about imposing upon the Soviet Union hundreds of thousands of Fiat automobiles, to give impetus to these changes because I do think in Eastern Europe, and I hope I don't sound full of illusion, but I do think in Eastern Europe they are having to find a place in their system for the individual. They are having to come to terms with them. They have had to do it in science and technology, they have had to do it in the arts and in literature, they are having to do it in their economy. These are producing changes that may be very profound in their total structure. I think our exchanges ought to be strengthened. But in the general atmosphere of Vietnam, it isn't easy for us to move as promptly as we would like to move here in our own situation. I think it would be a great advantage to us to have an East-West Trade policy so we can negotiate some trade agreements with some of these countries who don't have a most favored nation treaty.

ENCOURAGE CONGRESSIONAL TRAVEL

Senator PELL. This may even sound a little bit far out, but won't it be a matter of policy for even perhaps to encourage Congressional travel behind the curtain and had sort of political contacts develop, to try to do some of these things we have been doing with the NATO parliamentarians?

Secretary RUSK. Yes, I would agree with that. I would hope that Congressmen and Senators would not suddenly flock to Czechoslavakia to a degree that would be, you know, get in the way of developments going on there.

Senator PELL. And it depends on who flocks.

The CHAIRMAN. They are not going to as long as the war in Vietnam is going on.

Senator PELL. And it is very unpleasant traveling.

INCLUDING THE OCEAN BEDS

Another question, behind you, Mr. Secretary, you have a remarkable chart showing 75 percent of the world covered by water. We discussed this in the open hearing a little bit. I was very struck, I went to that meeting in New York, and we were trying to get into this ocean bed problem. I was struck by the fact that the Soviet Union wanted to take the disarmament prospect out and move them to Geneva. I was wondering if you had any reactions on that, whether you thought they really meant business or whether this is a ploy to throw the ball into our court?

Secretary RUSK. No, I think there is something to be said for getting the deep ocean beds in on the framework of disarmament. We have got, we are working on that in our own government now, as

you could surmise there would be some who would be nervous about abandoning some possibility for the future, but that has been true of space and these other things. I think we ought to move on that.

Senator PELL. In this case, and I want to thank you so much for the cooperation of your people in New York, what my treaty seeks to do is to permit Polaris and Poseidon, permit Sosus, permit everything we have now, but quite frankly to prevent the development of new weapons of mass destruction on the Atlantic ridge or foreclose the oceans for the future. Naturally the Defense Department is opposed.

Secretary RUSK. I personally, and we haven't compeleted our official government work on this yet, but I personally believe that just as we have eliminated such weapons from Antarctica and from outer space that there is everything to be said for trying to—in the deep oceans as far as we possibly can.

Senator PELL. When you look at the time table for forward planning you realize there is an element of urgency now because as of now the Defense Department——

[Discussion off the record.]

Senator PELL. Thank you so much.

INFORMAL CONTACTS

The CHAIRMAN. Well, Mr. Secretary, you have heard, I think, some very good advice this morning. I don't know whether it appeals to you or not. I only wish to join with the expressions of some of my colleagues here about the seriousness of our situation at home and abroad and the great importance of our keeping a movement going. I think the President's statement was good. I think everybody here agreed to it, but in all frankness, and I understand some of the reasons about the site but I hope you won't let that stand in the way of a preliminary meeting and to give the impression that we are at all reluctant about moving forward and I would just reinforce the suggestion that we progressively propose a cease fire and that we, I would like to again say, I think someone like Mansfield and Cooper would have a great psychological effect aside from anything they might contribute substantially, a psychological effect that we mean it, that we really are interested in bringing this war to a close, and I think that has great importance domestically as well as internationally, for whatever its worth, and these contacts, these informal contacts, I only wish to add that I am reminded we were under the impression, I think it was true, that in 1948 informal contacts with a man named John Scali were of some significance in bringing about agreements with the Russians. I am not completely fully informed about all of it, but the general impression is he played a part.

Secretary RUSK. 1962.

The CHAIRMAN. Was it '62?

Secretary RUSK. In the Cuban missile crisis.

The Chairman. I had forgotten it. One of them.

Secretary RUSK. Yes.

The CHAIRMAN. I am not trying to pick any particular one, but I think when a private individual, they sometimes are in a position to play a part, they are often more sympathetic than officials and

can be more free in the way they talk to these people, and if they have anything to offer I would hope the department would receive it sympathetically and take advantage of it.

Secretary RUSK. We have used private individuals a good deal, but it is not very tempting to use private individuals for contacts whom we know are going to make the maximum use of it from a public point of view with articles and broadcasts and all sorts of things.

The CHAIRMAN. Well, of course, what use they make of it is their own business and you can't help it, but if they are, as I have understood it, have consulted with your people before they go, and then give reports and the reports are not received with any sympathy or of any significance, it creates the impression that we are being awfully difficult to move.

Secretary RUSK. When we get reports, Senator, that are along side of official contacts where we and Hanoi are in direct touch with each other then the unofficial discussions are of interest in trying to throw some light on the official contacts, but the heart of the matter is what is said officially between the two sides.

THE STABILITY OF OUR SYSTEM

The CHAIRMAN. I don't wish to quibble over all the details but I am very much impressed by the kind of feeling and statement of, say, Governor Kerner who spent and did such a big job in this recent report on the cities. Yesterday it was reported as saying he was very, I think he said, very apprehensive about the stability of our system. Now, that is a broad statement, I don't know exactly what he means, I think I feel the same thing, the apprehension that arose here in Washington and all over this country, and it is a combination of the war plus other difficulties that have arisen out of it. In other words, I think we have a great incentive here to create the impression that we have at least come to the conclusion that it is in our mutual interest to have a negotiation and to bring it to a close. If we don't, if we let this opportunity pass, it may not again recur and I think we are the ones who have to take some risks. We are the big country and we are the powerful country, relative to Vietnam and that it is proper and everyone would understand it. We are not giving up, we haven't been defeated or any of those things. We simply recognize that the interest of ourselves and the world is in bringing this terrible war to a close, and I do hope we can create a feeling of momentum and a willingness and not a feeling that we are reluctant to negotiate with these people.

What bothers me is this very thing mentioned this morning. We read of a new expanded attack there, whatever they call it, around Saigon. This does create the impression we are not taking seriously the prospect of a negotiation.

Secretary RUSK. Well, Senator, this is happening with a greatly increased infiltration from the North.

The CHAIRMAN. Well, each side blames the other one.

Secretary RUSK. I know.

The CHAIRMAN. This is what I mean.

Secretary RUSK. But unless both sides get together to try to find some way to push this thing downward it is awfully hard to go that

way unilaterally. Now, the President made a major—took a major unilateral step.

MOVE QUICKLY TO THE FIRST STEP

The CHAIRMAN. I can't understand how it could be so greatly increased when we have read every day for the last week that since the President's statement there have been more missions numerically concentrated in the area about 100 miles to 200 miles north of the DMZ than there have been in the months—this has been in the press. I mean it is 144 or 160 mission, right there where they are coming in. Surely that is having some deterrent effect upon the infiltration because they are numerically very large and concentrated in the panhandle. But these are the details, I think, that, of course, there is some significance. The big problem to me is to create the impression we really want to settle this matter. We want to have a negotiation, you said it time and again, the President said it and he said it very well in his speech on March 31. All I am saying is for us to move, I would hope, as quickly to this first step and then the second and third if that is the way it is to be, and I think what Senator Clark and Senator Pell have said about some new faces, such as the ones that have been suggested would be very helpful in creating that impression.

FEAR FOR INTERNAL STABILITY

I myself fear for the internal stability of the country when we have the kind of outbreaks we have had during the past week. I have had one in Arkansas although nothing like as serious as these in the big cities. We had a small, relatively small one in Pine Bluff, thank God it is the only one so far. But I think these things are very serious at home, and I think our financial position is in extremis practically not because we have no resources, but because of the dislocation and disarray in which they are presently encountering, and I think it is just as serious as can be. If this falls and we resume full-fledged fighting, by Jove I think we are in a very serious situation domestically as well as foreign. Yes.

Senator PELL. May I just make one comment? I was marching in that parade yesterday in Atlanta and there was more of a sense of unity in that parade, I am not an emotional man and I am not much of a civil rights legislator at all. I am a soldier, not an agent or leader, yet you had more sense of correctness and goodness with people walking along there, who are mostly not extreme people than any experience I have felt in the last several years, far more than this big march that came down here a few years ago.

Secretary RUSK. I feel very deeply about these matters.

The CHAIRMAN. The Senator from Missouri told me, I didn't know about it, there was a very serious outbreak in Kansas City. I don't think they have had it in recent years and this is getting out into the heartland of the country and I really can't exaggerate or overstate the seriousness of our domestic situation. I know you have to concentrate on foreign relations and this is not your immediate concern. It is our concern as well as the foreign, but this all enters into it, in my feeling about the seriousness of moving on this and not creating the impression that we are reluctant or that we are quibbling about where to meet or who is to be there.

HARRIMAN IS INFLEXIBLE

I don't like to be personal. I hadn't publicly said anything about the Ambassador Harriman. Everybody here though, you see, you could see, he has that—we have seen him. He is inflexible, he is old, deaf, and it is difficult to talk to him. He is a fine man and I never intend to say anything.

Senator PELL. I left the Foreign Service to be his campaign manager.

The CHAIRMAN. Everybody has said here he just is not fit for this particular job, that is what everybody here this morning thought and said so.

Senator PELL. Excuse me, I do not want to associate myself with it.

The CHAIRMAN. I do. Everybody here.

Secretary RUSK. He is a very distinguished American and a very skilled negotiator and I really don't, Mr. Chairman, understand this notion that he is inflexible.

The CHAIRMAN. You may not understand it. You deal with him very closely, but I think with the exception of Senator Pell, everyone else who spoke out believes he is. Now, what they believe and what the other side believes is probably much more important than what he actually is, if that is what they think, they will think and conclude we are not serious about this. That he is there only to accept a surrender, that he is not there to negotiate, and there has been the feeling among many people, not just here, that we are not interested in negotiation. We are only interested in this surrender.

Secretary RUSK. He won't be there to accept a surrender or to tender a surrender.

The CHAIRMAN. No, but as I say it isn't me. I didn't bring it up. I thought maybe I was the only one who felt that way, but when it was brought up by others and Senator Carlson and everyone else spoke, I have to join it, because I share it. I think he has really passed his prime for matters of this kind, and he has had a reputation since 1945 of being the man who recognized the evil character of Joe Stalin and the communist world, and I have heard him often talk about it. He has been given great credit for his foresight as of 1945. The point is that 22 years ago, 23 years ago, the world has changed, and I think we don't think that the continuity of that is likely to bring about results at the present time.

These are things that are difficult to talk about in public, but this is executive, and I expect to keep it executive, and our only purpose is to offer the best advice we can give. We are politicians, and I think some of us, as the Senator says has a sense of how people, ordinary people review these, that is maybe as good as the professionals.

I don't want to lecture you anymore. I think it has been a very interesting hearing. For whatever it is worth, we wish you well. For goodness sake we hope you can get the show on the road and proceeding to a cease fire.

Secretary RUSK. Thank you, Mr. Chairman, we will do our best.

The CHAIRMAN. That is all I guess we can add unless you have something else.

INFORMED OF THE NEW OFFENSIVE

Senator PELL. One question, Mr. Secretary, do you get consulted prior to this new round of attacks?

Secretary RUSK. Do I what?

Senator PELL. Were you informed prior to this new ground action?

Secretary RUSK. We have known since the Tet offensive that the South Vietnamese and allied forces would resume the initiative just as rapidly as possible, and that this is happening all over the country. This so-called new offensive, is more putting a label on a good many operations that are going on in any event, and largely, I suspect for domestic consumption in South Vietnam.

Senator PELL. Thank you, sir.

Secretary RUSK. These units that are referred to this morning are operating more or less in the areas in which they have been operating, and I think that the public impression of it is probably for South Vietnamese momentum and public opinion than anything else. I don't want to say that publicly.

The CHAIRMAN. I don't want to—I understand publicly. But there was the impression, it may be quite false, that the military, and the President's speech, took advantage of the situation, not in violation of any rules, I mean they were within the limits established by the President, but within those limits, they were excessively active to step up the violence of the attacks. This, I have heard members of this body say they wondered about whether or not the President really intended that. I mean there is the possibility the military are going within the limits, they didn't violate any orders, I don't mean that at all but I think really did step it up in a very significant way.

Secretary RUSK. I don't want to leave any misapprehension, Mr. Chairman. I think there is nothing that the President said which limited in any way the most active effort in South Vietnam to bring this thing to a conclusion on the ground in South Vietnam.

The CHAIRMAN. I was talking about the increased number of missions within the limitations set down by the President's speech.

Secretary RUSK. Well, these related, I suspect, to it about the increased infiltration and certain weather changes that came about. There has been some changing in the weather in the Southern Panhandle.

CONTRADICTORY REPORTS

The CHAIRMAN. One of the major differences as I gather from the private reports of these private citizens and the official reports is the degree of weakess, if you like, or strength of North Vietnam, the private reports are that they have very much more modern equipment, better trucks and everything else than they had a year ago and they are not about to collapse, and yet when Bunker and Westmoreland report you get the overall impression that we have never been in better condition. These are in contrast, these are not in agreement. Somebody is misjudging it. As I said in the beginning, maybe this is propaganda to set a stage for a hearing.

Secretary RUSK. I think there is no contradiction here. They have got more modern weapons and they have got replacement trucks

and they have got further supplies coming in, but I think the fact that the Vietnamese and allied forces bounded back from the Tet offensive appeared when the Viet Cong, North Vietnamese forces were in some state of confusion just after the Tet matter, would lead General Westmoreland to that conclusion. We will have to see. There will be further fighting and some of it will be hard fighting unless we can get something started here.

The CHAIRMAN. I certainly hope you can get something started. I would go as far as you possibly can to get the talk started in any case.

It would be a terrible thing if we would just have this thing blow up over where we meet and some of the details.

Secretary. RUSK. Thank you, Mr. Chairman.

A COPY OF THE AIDE-MEMOIRE

The CHAIRMAN. Did I understand you would give us, I don't insist on it, I am just curious, a copy of the report that was filed?

Secretary. RUSK. That Aide-Memoire we that you asked about?

The CHAIRMAN. Yes.

Secretary RUSK. Let me look into it and see.

The CHAIRMAN. Give Mr. Macomber clearance on it. If for any reason you don't want to it is all right. But I was curious what it was all about.

Secretary RUSK. Yes, I will have to look at that and see.

The CHAIRMAN. All right.

Secretary RUSK. I don't see any reason at the moment why we can't send it down. I don't know whether the North Vietnamese or Baggs and Ashmore asked that it be held private. If so we can send it to you on that basis.

The CHAIRMAN. I imagine it is up to the Department how you judge it.

Secretary RUSK. All right, sir.

The CHAIRMAN. Well, thank you very much. Good luck to you.

Secretary RUSK. Thank you very much.

[Whereupon, at 12:00 noon, the hearing was adjourned.]

# BRIEFING BY MR. ASHMORE AND MR. BAGGS ON THEIR TRIP TO NORTH VIETNAM

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[EDITOR'S NOTE.—In Jan., 1967 two American journalists associated with the Center for the Study of Democratic Institutions, based in Santa Barbara, California, visited Hanoi and met with North Vietnamese leaders to discuss ways ending the Vietnam war. Harry S. Ashmore, former editor of the *Arkansas Gazette,* and William C. Baggs, editor of the *Miami News,* received clearance from the Department of State to make the trip. They transmitted a conciliatory message, written in collaboration with the State Department, only to find that President Johnson had sent another message through diplomatic channels in Moscow that stiffened the preconditions for negotiations. Ashmore and Baggs returned to Hanoi in March 1968, again bearing messages from the State Department. They were meeting with North Vietnamese leaders when word came of President Johnson's withdrawal from the 1968 presidential election in order to press for peace. They later published their findings in *Mission to Hanoi: A Chronicle of Double-Dealing in High Places* (New York: G.P. Putnam's Sons, 1968).]

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**Wednesday, April 10, 1968**

U.S SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 2:40 p.m., in room 4219, New Senate Office Building, Senator J. William Fulbright, (chairman) presiding.

Present: Chairman Fulbright and Senators Mundt and Cooper.

Also present: Mr. Marcy, Mr. Jones, and Mr. Lowenstein, of the committee staff.

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The CHAIRMAN. The committee will come to order.

This is an executive session of the Committee on Foreign Relations, to receive testimony of Mr. Harry Ashmore and Mr. William Baggs, who have recently returned from a visit to Hanoi, to North Vietnam, and had some conversations there with members of the establishment—I don't know exactly how to describe the establishment.

Was he a member, of the central committee or the party?

That will come out in the testimony.

So, without further ado, I wonder, Mr. Ashmore, if you would start giving us the information you can which is pertinent to our work and then Mr. Baggs, whenever you feel so inclined can get in.

## STATEMENT OF HARRY ASHMORE AND WILLIAM CALHOUN BAGGS

Mr. ASHMORE. I think I might begin by explaining briefly the background of our visit.

The CHAIRMAN. I wish you would.

Mr. ASHMORE. This is the second time we have been to Hanoi. We went out 14 months ago in January of 1967, and for the first time we both have a connection with a Center for the Study of Democratic Institutions in Santa Barbara, which has a continuing interest in international matters and has acquired a special interest in Southeast Asia.

The Center for the Study of Democratic Institutions sponsored a convocation in Geneva about a year ago, a little more than a year ago, and negotiations prior to that led us to believe that the North Vietnamese were willing to attend even though there might be South Vietnamese and other Southeast Asian countries represented.

In the course of those negotiations, we established a contact in Hanoi in the Center which resulted in an invitation for Mr. Baggs and me to come out and discuss the possibility of their coming to Geneva. We made the first trip, as I mentioned, in January 1967. We were in Hanoi for one week. We had a long talk of almost two hours with Ho Chi Minh, and we talked to other principal people in the Government.

### EXTENDED DISCUSSIONS IN THE STATE DEPARTMENT

We made this trip with the full knowledge of the State Department, and with their encouragement, and we were asked to report to them fully when we came back on what our impressions were.

We did have extended discussions in the State Department on our return, the result of which was that they asked us to transmit a message back to Hanoi, to Ho Chi Minh, expressing the views of the State Department, that were what I consider quite conciliatory, signed the letter looking toward the beginning of a negotiation. There was nothing particularly specific this first time around, but our report to the State Department was that they were convinced that the North Vietnamese at that time, I am still talking about January 1967, were disposed to negotiate and did want to end the war, and that the outstanding differences stated publicly by both sides were negotiable.

Questions like recognition of the NLF in the south, questions about halting the bombing and when and how.

The State Department, at least the people we dealt with there, seemed to share this view and asked us to send a letter back which we were convinced probably would have led to further negotiations, which might have started negotiations even then. I suspect that most of you gentlemen are familiar with the fact that it developed later that at this time the President signed a letter directed to Ho Chi Minh which went out parallel to ours in which he restated the most stringent terms for negotiation that our policy had ever included, and this seemed to us to cancel out in effect the conciliatory letter that we had sent out on behalf of some people in the State Department.

CONTRADICTORY BEHAVIOR WITH THE GOVERNMENT

A little while later, well, as a matter of fact, some months later, it seemed to me, at least, and I speak for myself here, and not Mr. Baggs, that this kind of contradictory, confusing behavior within the Government, where they seemed to be pursuing two parallel and conflicting lines, ought to be exposed, and so I wrote a public article which was published in the magazine of the center and which led, as some of you may recall, to a rather large controversy between me and Secretary Bundy of the State Department last August.

However, throughout this period, the center has been able to maintain this contact with Hanoi.

They have always responded any time we have asked them for a message, and so after the escalation, around the Tet period, where both sides seemed to be escalating, Mr. Baggs and I concluded that perhaps we ought to go back out there and see if we could get in. So we asked our source in Hanoi if we could get visas, and we got a prompt reply saying that we could.

We then immediately informed the State Department that despite our previous altercations we wanted to keep them completely informed, they approved our going, and asked Mr. Baggs to come to Washington, and he was thoroughly briefed for several hours on what our position was, that we might represent to the people we talked to in Hanoi.

DEALINGS WITH STATE DEPARTMENT PERSONNEL

The CHAIRMAN. Mr. Ashmore, I think for our record if you don't mind, if you would identify people in the Department and otherwise that you talked to, insofar as you are not committed to do so, but this is important for our record to know who you talked to.

Mr. ASHMORE. In the initial instance, Mr. Baggs can tell you about the second briefing, in the first case, which I have just recited, we dealt from the beginning with Under Secretary Katzenbach.

The CHAIRMAN. This was a year ago January?

Mr. ASHMORE. A year ago.

With William Bundy, the Assistant Secretary of State, and with Governor Harriman, Ambassador Harriman, were the three principal functionaries we dealt with and who were quite cordial through all this, and lesser people.

GEN. WESTMORELAND'S REQUEST FOR MORE TROOPS

On the second time around, the one we were coming to, I did not come to Washington. Mr. Baggs was asked to come and he came here and went through the briefing and so I think he might take over here.

Mr. BAGGS. What happened, Senator, was that you will recall—I am William Calhoun Baggs.

The CHAIRMAN. Editor of the Miami News.

Mr. BAGGS. Miami News.

If you will remember, Senator, I was in Washington, and I discussed with you and other persons the gossip and some possibly more than gossip that General Westmoreland had requested

206,000 troops in addition to the troops we had in the territory of South Vietnam.

I returned to my home in Miami, Florida, and I talked to Mr. Ashmore.

Mr. MARCY. When was this?

Mr. BAGGS. This would have been in February, I would guess.

Mr. ASHMORE. March.

The CHAIRMAN. He was here just shortly after the news came out, that rumor that Westmoreland—it was reported that Westmoreland had requested 206,000. I have forgotten the exact date. We can ascertain that.

Mr. ASHMORE. It was in March.

The CHAIRMAN. In March.

CONTACT IN NORTH VIETNAM

Mr. BAGGS. He called at that time from my home, Mr. Ashmore, and said that this was very disturbing, and we had a conversation about this, and because of the interests of the Center for the Study of Democratic Institutions in the affairs of Southeast Asia, we developed out of this conversation the idea to send to our contact in North Vietnam a request to come in.

The CHAIRMAN. Is there any reason why you shouldn't name it or not, that is up to you.

Mr. BAGGS. The name of the person we contacted is Hoang Tung.

The CHAIRMAN. Can you identify his position?

Mr. BAGGS. I will identify Mr. Hoang Tung. Mr. Hoang Tung is the editor of the morning newspaper in Hanoi, Nham Dan. He runs or is the director of the committee for the cultural relations with foreign countries. He is the official spokesman for Ho Chi Minh, and he wears various other hats and carries the equivalent rank of minister, and he is a member of the central committee of the Democratic Republic of Vietnam.

Mr. ASHMORE. If I might interrupt here just to identify Mr. Tung a little more, he was the one we met on the first trip and took us to see Ho Chi Minh, and who was designated by Ho Chi Minh as the person if we wanted to deal with him we could reach, and a system was set up whereby we could send cables in the clear to their embassy in Phnom Penh which would be relayed to Mr. Hoang Tung. In a number of contacts since, they have always gotten through and they have always been honored.

The CHAIRMAN. All right.

SPECIFIC REQUESTS

Mr. BAGGS. Without taking too much of the committee's time, let me rush through the sequence of events, Judge Cooper, Senator Fulbright.

We got a response from Hanoi through Mr. Hoang Tung. We went there. I did get a briefing from Assistant Secretary Bundy. His briefing consisted of three points, largely: One was to see if we could negotiate a prisoner exchange; two,——

The CHAIRMAN. This is his request to you?

Mr. BAGGS. His request to us.

The CHAIRMAN. Yes.

Mr. BAGGS. Two, if we could establish a Red Cross agency in the north and the south. There are many specifics in these requests, as you can imagine, and then I brought up a proposal that Harry Ashmore and I had discussed last June in Paris with Mai Van Bo, which was the idea of why couldn't the countries have a private meeting, that is the DRV and the U.S., and agree on an agenda for a conference which wou1d not be convened until the bombing stopped. The bombing being stopped being the first insistence of the DRV.

Well, Bundy thought that all of these should be raised. There were peripheral matters, such as mutual de-escalation, such as the introduction into the DRV of the testimony of Clark Clifford on January 25 before the Senate Preparedness Committee that there would be anticipated normal infiltration, these were little trade points.

So we went to Hanoi.

NOT REPRESENTATIVES OF THE STATE DEPARTMENT

The CHAIRMAN. Before you leave Mr. Bundy, just for the record——

Mr. BAGGS. Yes.

The CHAIRMAN. Were you in any sense a representative of the State Department?

Mr. BAGGS. No.

The CHAIRMAN. Why did you happen to see Mr. Bundy?

Mr. BAGGS. No, at Mr. Bundy's request.

The CHAIRMAN. Did he ask you to come see him?

Mr. BAGGS. Well, Senator, let me say this——

The CHAIRMAN. These are points that will be raised, the relation between you and Mr. Bundy.

Mr. BAGGS. That is right.

Ashmore and I at no time have assumed the costume of formal emissaries of our government.

The CHAIRMAN. Yes.

Mr. BAGGS. When Harry called me back after we had arranged a contact in Hanoi, I, as a courtesy, put in a call for Nick Katzenbach, Nick was out, they sent me to Bundy, on the phone. Bundy asked me if I would come to Washington to get a briefing.

The CHAIRMAN. You merely told them you were going and he asked you to come?

Mr. BAGGS. Yes, he asked me to come.

The CHAIRMAN. I see.

DID NOT DEFY STATE DEPARTMENT BAN

Mr. ASHMORE. I would like to say more about the prior history thereof because it is very important.

The Center has always taken the position with the State Department in all these matters that we do not want their official sanction but welcome them wholly informed of what we are doing and, therefore, if we have any kind of contact with one of these governments or whatever, we will let them know what we are doing in advance.

Obviously, we reported to them fully on any information that might seem relevant to the State Department when we come back from a place like Hanoi.

I also would like to emphasize the fact that the first time going out we asked for and did receive clearance of our passports, so we did not go as one of these people defying the ban.

The CHAIRMAN. Yes.

Mr. ASHMORE. So to that extent, we went with the sanction of the State Department in that it was with their full knowledge and approval.

The CHAIRMAN. But you didn't carry their introduction or they weren't speaking of you as their spokesmen. They simply approved of your going.

Mr. BAGGS. I would like to address myself to that point. As I indicated, the State Department asked me through the person of Bundy, with other persons, a conversation on the phone with Governor Harriman, who was not in the city at that time, to take up three points which I have described briefly in the record. We went to Hanoi, we met with Mr Hoang Tung, whom we have previously described.

MEMBER OF THE CENTRAL COMMITTEE

It became very obvious to us that Mr. Hoang Tung, if I may make a diversion, as our understanding is of the Government in North Vietnam, this government is largely controlled by the central committee, what you might call, of the Communist Party. They have control over the army to an extent that is unusual in this society.

Mr. Hoang Tung is a member of this committee. He is not a member of the Government, but seems to be rather proud that he isn't, and he was designated by the central committee and the Government to discuss these matters with us.

We were honest with Mr. Hoang Tung. We said that we were not formal emissaries of our government. We followed the instruction of Mr. Bundy, who suggested that we say we know what our government thinks, and we will report to our government——

The CHAIRMAN. You told him you would report to the Government?

Mr. BAGGS. Oh, yes.

The CHAIRMAN. And that you had seen him before you went?

Mr. BAGGS. Oh, yes.

The CHAIRMAN. I just wanted to know it.

Mr. BAGGS. We talked to Mr. Hoang Tung and we talked to Mr. Bundy about this briefing and it was this skimmy little gossamer, a mere game that we played.

The CHAIRMAN. I don't know what it means.

Mr. BAGGS. It is pretty good, it is pretty good aliteration.

TRAVELED TO HANOI AS PRIVATE CITIZENS

Mr. ASHMORE. I think to make clear this relationship because I think it is important, we always took the position with the State Department, and I will assert we have never abandoned it at any time, either in the first negotiation or the second, and if I sound

a little testy about this, it is because we have been accused of things.

The CHAIRMAN. I know, last year.

Mr. ASHMORE. The fact is that we had made it perfectly clear to everybody that we talked to in Hanoi on either trip that our role was as private citizens, that we had certain information we could report to them as in the form of private citizens, and representing our belief that this was our government's position—we were very careful to do this in all of our dealings with the North Vietnamese to make the point that while we were cleared by the State Department to be there we were not in any sense official emissaries. We had no authority to negotiate.

What we would do was report back anything that we wanted to say to our government as soon as we got back. Possibly we could give them an informed opinion on what we thought our government's position was, because, in fact, we had been briefed by the State Department before we came out.

I don't think there is every any compromise on this understanding by anybody on the other side in DRV.

Mr. BAGGS. Harry, let me at this point, I think in all practicality we were asked by the State Department to use reasonable language in understanding of language, we were asked to see what we could do on prisoner exchange in North Vietnam, and to see what we could do to establish a Red Cross in North Vietnam and South Vietnam, and also discussed with Bundy as I pointed out, was the idea of private meetings between the DRV and the U.S., to arrange an agenda for a conference which would not be convened until the bombing halted.

This, in peripheral subordinate terms, we carried to Hanoi.

OFFICIAL SPOKESMAN FOR HO CHI MINH

We had seven days of rather intensive conversation with Mr. Hoang Tung, whose name you already have.

The CHAIRMAN. Only him, or others, too?

Mr. BAGGS. No, he was designated by the Government and the central committee of North Vietnam to discuss these matters with us. I would remind you, again, that he is the official spokesman for Ho Chi Minh and that he is also a member of the central committee.

The CHAIRMAN. I am not clear what that means. Ho Chi Minh must have others or is he the only one, or what is he?

Mr. BAGGS. No. He is the only one. He is the fellow——

The CHAIRMAN. Is there any position comparable in our government to his position?

Mr. BAGGS. Well, like the editor of the Arkansas Gazette, he is the editor of the morning paper, that is his minimal title.

The CHAIRMAN. Is this like Robert J. McCloskey of the State Department?

Mr. BAGGS. No.

Mr. ASHMORE. No.

Mr. BAGGS. A little more than that, I guess.

Mr. ASHMORE. If I may clear this up—if I may.

The CHAIRMAN. Is it like Tass, official——

Mr. ASHMORE. The statement that came out from Nham Dan, the leading party paper, they are the official pronouncements of the capital and so considered. In addition to that, Mr. Hoang Tung has these other hats he wears which seems to have to do with the intellectual leadership of the country. But he is the man who arranged to take us to Ho Chi Minh when we were there the first time.

The CHAIRMAN. Would he be like George Christian?

Mr. ASHMORE. He would be of higher rank than that, I think.

The CHAIRMAN. I see.

Mr. BAGGS. He would have the relative rank of minister.

Senator MUNDT. Does he have a party position?

Mr. BAGGS. Yes, he is a member of the central party.

The CHAIRMAN. Member of the central committee.

DISCUSSIONS WERE FULL, FRANK AND UNOFFICIAL

Mr. ASHMORE. This is interesting, and I think it ought to be pointed out here. We got the strong impression the contrast between the first visit and the second, in the first visit we were exposed over and over again to ministers of the Government. We talked to the minister of justice, we talked to the chief of staff of the military, and finally to Ho Chi Minh himself. But they seemed to be making a great distinction this time in wanting to have conversations that could be full and frank and could not be characterized as official. And my judgment is that they accepted us as wholly unofficial Americans who were in a position to inform our government without any commitment on anybody's part of what their thinking is, and they put the same kind of fellow up to us.

The CHAIRMAN. Could I go one step further, I mean to clarify this. Is this Mr. Tung the editor of the paper which is the official organ of the Communist Party in North Vietnam?

Mr. ASHMORE. Yes.

Mr. BAGGS. Yes, it is, Senator.

The CHAIRMAN. That is then similar to the editor of Pravda.

Mr. ASHMORE. Right. It is, it would be.

The CHAIRMAN. Pravda is the party paper.

Mr. BAGGS. That is right.

The CHAIRMAN. So it would be equivalent to the editor of Pravda.

Mr. ASHMORE. When you receive a report form Hanoi Radio saying that the Government of North Vietnam made a statement which was published this morning in Nham Dan, that is the official paper.

The CHAIRMAN. That is the official paper.

Go ahead.

Mr. ASHMORE. Let me just pursue this one more line because I think it is important.

CONDITIONS FOR NEGOTIATION

It struck us that this time they were anxious to be very meticulous as having as wide a latitude of discussion as possible, and they did not want to inhibit this by having any official get into it, and, however, they said from the beginning that at the end of these discussions we would receive a piece of paper which would represent the official view of the conditions for negotiation of their government, and this we did do.

The CHAIRMAN. Yes.

Mr. BAGGS. Senator, let me say to sort of go through this, I won't take up too much of your time, although we represented ourselves as not being officials of the State Department, we were instructed by the State Department to negotiate certain things, involving prisoners, Red Cross, and inquiring into the idea of this gimmick type arrangement to get bombing stopped and get some meetings started.

IMPACT OF PRESIDENT JOHNSON'S ADDRESS

We landed in Hanoi on a Friday evening. We met Saturday, and discussed many things with Mr. Hoang Tung, who obviously speaks for the Government. We learned——

Senator MUNDT. Was he alone, was he the only man?

Mr. BAGGS. Well, he, his interpreter and his political adviser, Senator Mundt.

After this at 9 a.m., Monday, nine or ten a.m., we discovered the President's address in which he was de-escalating, he said 90 percent, wasn't going to run again, and other things. This threw everything out. We leaned very hard on Hoang Tung when we heard this and said that the President of our country has made a very earnest address, and this deserves a response from you. Mr. Hoang Tung and Harry and I had an extensive conversation lasting most of Monday. At the end of which Mr. Hoang Tung asked if we would summarize our understanding of what he had said.

The CHAIRMAN. Of what the President had said?

Mr. BAGGS. No, of what he, Hoang Tung had said on behalf of his government, which we did.

We again impressed on Hoang Tung that "You have had a most unusual candid, forthright statement by the President of a large country, and that you should respond to this."

He said, "We will."

LANGUAGE OF THE AIDE MEMOIRE

The language which we can provide you with, appendix matter that we summarized was quite similar to the language expressed in the April 3rd statement of the DRV in the third paragraph of page 3(k) of the DRV response and which has now become known around Washington as the "however" paragraph, in which they expressed an interest to meet, to stop the bombing and do many things.

The other thing which I think cuts through a lot of this is that after reading this paragraph and talking this paragraph over with Mr. Hoang Tung, it became evident there was ambiguity in the paragraph. So we suggested to Mr. Hoang Tung that the Government of North Vietnam should be more specific. This led to another long conversation which took nine or ten hours of the day of Thursday between Mr. Hoang Tung and between Ashmore and me.

At the end of this, again emphasizing to Mr. Hoang Tung that our government deserved a more specific response than the paragraph of April 3, Hanoi time, Mr. Hoang Tung said, "Our government will respond to you. It will give you a paper."

Now, we have that paper, it is an aide memoire, and it was given to us—have you gotten a copy of it, Senator?

The CHAIRMAN. Is this the one Mr. Macomber brought?
Mr. BAGGS. I don't know.
The CHAIRMAN. April 5, 1968.
Mr. BAGGS. I have a copy for the committee.
The CHAIRMAN. We will put it in the record.
[The document referred to follows.]

*Translation*

AIDE MEMOIRE

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1. The Government of the Democratic Republic of Viet Nam has repeatedly protested against the U.S. action in illegally laying hold of civilians and military personnel on board fishing boats and freighters even in the territorial waters of the Democratic Republic of Viet Nam. The Government of the Democratic Republic of Viet Nam demands that the United States stop all its arrogant acts, respect the sovereignty, territory, and security of the Democratic Republic of Viet Nam, and release immediately, unconditionally and without any need for an agreement between the two parties, all citizens of the Democratic Republic of Viet Nam now being illegally detained.

As for the captured American pilots, they are regarded by the Government of the Democratic Republic of Viet Nam as guilty to the Vietnamese people. Acting upon orders from the U.S. Government, they have bombed the Democratic Republic of Viet Nam, an independent and sovereign country, killing civilians and destroying property of the Vietnamese people. However, in accordance with the humane and lenient policy of the Government of the Democratic Republic of Viet Nam, they have enjoyed good treatment. On the occasion of the last Tet festival, for the 1st time, three of the captured U.S. pilots were released in view of their correct attitude during their detention.

2. With regard to the "limited bombing" of North Viet Nam announced by President Johnson, the Government of the Democratic Republic of Viet Nam made clear its view in its April 3, 1968 statement.

The U.S. Government has not seriously and fully met the legitimate demands of the Government of the Democratic Republic of Viet Nam, of progressive American opinion and of world opinion. However, for its part, the Government of the Democratic Republic of Viet Nam declared its readiness to appoint its representative to contact the U.S. representative with a view to determining with the American side the unconditional cessation of the U.S. bombing raids and all other acts of war against the Democratic Republic of Viet Nam, so that the talks may start.

Details about the contact between the representatives of the Democratic Republic of Viet Nam and the United States may be as follows:

—The representative with ambassadorial rank of the Government of the Democratic Republic of Viet Nam is ready to contact the representative of the U.S. Government.

—The place of contact may be Phnom Penh or another place to be mutually agreed upon.

—In the course of the contact, the U.S. side will specify the date when the unconditional cessation of the U.S. bombing raids and all other acts of war against the Democratic Republic of Viet Nam will become effective; then the two parties will reach agreement on the time, place and level of the talks.

3. Any interpretation of the point of view of the Government of the Democratic Republic of Viet Nam at variance with the content of this aide memoire is null and void.

April 5, 1968.

DISPOSITION TOWARDS INFORMAL TALKS

Mr. ASHMORE. If I could intervene just a moment, I think Mr. Baggs is going over this sequence a little too rapidly, so that perhaps you are not appreciating quite how it worked out.

The fact of the matter was that while we were dealing with Mr. Hoang Tung, and while there seemed to be a disposition to have informal talks where everything could be laid on the table, there were intervals between every discussion we had in which Mr. Hoang Tung made it perfectly clear he was going back to his government, and then on the next session he would amend to some degree some of the statements he made earlier.

At the end of every extended session, he used what I think is a very effective technique. He would say, "Well, you two gentlemen write down in English what you understood, what you understand I described as the position of our government today and bring this back to me and then I will take this to our government and I will come back and we will discuss then whether this is a correct interpretation."

So, in fact, this was a device that was used throughout the week.

CAREFUL READING OF THE PRESIDENT'S SPEECH

Now, there were interesting gaps in this because after the President's speech was received in Hanoi on Monday there was about a 2 day interval in which Mr. Hoang Tung couldn't say anything much because, obviously, the Government was reading the Johnson speech line by line and trying to figure out what it meant and what their response should be.

Senator COOPER. When did you first hear about the President's speech?

Mr. ASHMORE. We heard it in Hanoi Monday morning time.

Mr. BAGGS. Monday morning Hanoi time.

Mr. ASHMORE. We did not hear it directly and it was not announced to the people of Vietnam or the press or radio for another two days.

Mr. BAGGS. Until Thursday.

Senator COOPER. Did you get the language then of his proposal?

Mr. ASHMORE. We got it, first, secondhand. They said they would provide us with an English language text, which we never got, but we went to a neutral diplomat ambassador of Indonesia who we happened to know and heard his speech on shortwave radio and got a pretty good briefing from him, so we know what was in the speech.

Obviously, this was a source of great interest and excitement in the Government.

VISIT BY CHARLES COLLINGWOOD

The CHAIRMAN. Incidentally, was Mr. Collingwood there during this period?

Mr. ASHMORE. He came there exactly the same time we were. We met him in Phnom Penh. We didn't know he was going up. He went up there, he went up there on the CIC plane.

The CHAIRMAN. Same plane?

Mr. ASHMORE. Same plane which is the only way you can go in, and he came out a week later.

The CHAIRMAN. Did he have similar messages or a similar mission, do you know?

Mr. ASHMORE. We don't know. We avoided, meticulously avoided, any mission we had from the State Department.

Mr. BAGGS. Senator, what might explain that is on Tuesday the DRV asked us if we would leave the hotel where we were staying, and asked us to move to a villa, which was a government villa out on the western side of town, and the reason they asked us to do this as they explained it was that they did not want us in communication with the various people, Mr. Collingwood, Mary McCarthy, who happened to be there, the various eastern European journalists and others. They wanted, they said, to carry on these conversations in private, and did not want these auditions with the other people who were in the hotel. So we were out of touch with Mr. Collingwood and the rest early Tuesday.

DIFFERENT HANDLERS

Mr. ASHMORE. I would like to make another intervention here, if I could, Mr. Chairman, because I think it is important to understand this.

The press, the accredited press from the United States when they are allowed in, and we were there before, Harrison Salisbury was there the week before us, there had been very few American correspondents as such who had been allowed in, Salisbury, David Schoenbrun, and Collingwood now, when they are allowed in, they are handled, their affairs are all handled by a section of the foreign ministry of press attache of the foreign ministry, and Wilfred Burchett, who is the Australian correspondent who probably you are all familiar with and he is in and out of there and normally assists in these arrangements. The Peace people, the Peace Action people come out, the pacifists, the Quakers, Mary McCarthy for example, and Professor Franz Sherman, who happened to be there at the same time, they had gone on ahead, they are handled by something called the Peace Committee and this is a sort of propaganda outfit that works with the peace groups in their country and arrangements are made through them.

We were handled by Mr. Hoang Tung, and his committee for cultural relations with foreign countries, and the interesting thing about this is there is no overlapping, you have entirely different handlers, you have entirely different interpreters, and in fact they seem to kind of discourage particular contact except you all stayed

in the same place, they know you are there and then they moved us out.

The people we were with seemed to be not much interested in propagandizing us. We were not subjected to endless harangues.

Mr. BAGGS. We went through that the first time.

Mr. ASHMORE. The first time around we got a little of it but not this time. I think they assumed we were past this.

DIRECT COMMUNICATION TO THE PRESIDENT

Senator MUNDT. This sounds very much like the direct communication that was reported in the press that the President is supposed to have received on Monday. Is this the communication?

Mr. BAGGS. Senator, let me explain this.

Senator MUNDT. Yes.

Mr. BAGGS. This, as an insistence, putting this in sequence, on April 3 Hanoi time after we argued with the North Viets that they should respond to the President, they came out with the April 3 statement which I am sure you read.

The CHAIRMAN. Before you go on, did they get a formal communication of the President's speech?

Mr. BAGGS. No, not that I know of.

Mr. ASHMORE. But they said they had the text of it; I suppose they took it off radio.

Mr. BAGGS. After the April 3 text the President responded quite quickly and he said he would meet at any place. We read this paragraph, the central paragraph on the third page, they did, the third paragraph of the third page, and said that this to us was not a reasonable paragraph, it wasn't clear in the language.

The reason we did that was that in language with Hoang Tung, his understanding of this paragraph in English was different from ours. We suggested he be more specific. We pressed him on being more specific. We had, as I say, that long, long Thursday of conversation with him, at the end of which he said, "Our country will be more specific and we will give you a paper before you leave."

He also emphasized, he said, "This will be an official paper and it will be a response to the President's response to our April 3 communication."

This paper was finally delivered to us at special invitation of Hoang Tung on the Friday we left, and the paper puts in the details on the bottom of page 2(k) of "How you will start the contact and the talks with this government and our government."

That is the history of the thing.

ASKED TO COMMUNICATE STATEMENT

Mr. ASHMORE. It was understood, Senator——

The CHAIRMAN. Go on and finish that, though. What do you mean history? He gave it to you on April 5th.

Mr. BAGGS. He gave it to us on April 5th.

The CHAIRMAN. What did you do with it?

Mr. BAGGS. We were asked not to communicate it from North Vietnam.

The CHAIRMAN. By whom were you asked?

Mr. BAGGS. We were asked by Hoang Tung.

The CHAIRMAN. Yes.

Mr. BAGGS. We were asked to communicate this. He said, "Our government would appreciate it if you would communicate this beyond the territories of this government," and he suggested that we can do this in Vientiane through Bill Sullivan, our Ambassador then.

The CHAIRMAN. Did you do it?

Mr. BAGGS. Yes, we went to Vientiane, we gave this to Sullivan. We told him this was an official formal response, and Sullivan, I suppose, sent this, transmitted this to the Department.

Senator MUNDT. This is the direct communication that the President alluded to?

Mr. BAGGS. This is what is the same as the official communication that was received four or five days later.

Senator COOPER. What day did you send this?

Mr. BAGGS. We sent this on April. 5.

URGENT MESSAGES

Mr. ASHMORE. Bill seems to be confusing the days. I would like to go over the sequence of communication because I think it is very important.

On Monday, when we went to Hanoi, we had been told by the State Department that if we had any urgent messages to get out to Vientiane, we could send messages through if anything came up that was of any significance.

Well we had assumed when we went up on Friday that this would be a fairly leisurely long-winded discussion of the kind that you get accustomed to, and I am sure that Hoang Tung assumed this at our first meeting on Saturday because he kept saying, "We will have much time to talk; we are going to have many times for discussion."

But on Monday morning after President Johnson's speech was received there it obviously was a brand new day. New conditions had been introduced at the highest level that had to be considered. So on our own motion after talking with Hoang Tung, his reaction—he said his government was reading the speech line by line—we decided we had better open up a contact in case anything had to come out that would be immediate. So we went to Roho, the Indonesian ambassador to Hanoi, whom we had met and who had invited us over for lunch, as a matter of fact.

The CHAIRMAN. You knew him before.

Mr. ASHMORE. We knew him before.

So at lunch we said to Roho, "Would it be possible for us to use your radio, direct radio contact, down to Vientiane to transmit messages to Ambassador Sullivan from us," and he said he would be glad to do this, and we said, "Is this going to get you in any compromising position in the Government here?" And he said, "Well, I will take my chances on that," but we said, "We don't want you to run that risk. We will raise the question with them if they object to it." We did and they indicated they had no objection. So from this time forward we were sending messages one, two, and three a day, and we established a contact, they were getting them in Washington to Bill Bundy at the State Department through Sullivan in Vientiane, all these were received. We were keeping them abreast of the state of our exchange of papers back and forth.

The CHAIRMAN. I see.

Mr. ASHMORE. Which were refining the points that apparently were going to be the official position of North Vietnam.

TWO RESPONSES FROM NORTH VIETNAM

Senator MUNDT. In the historical record you gave us, where does this statement fit into it as against their first reaction which had a lot of invective in it, but also had that paragraph?

Mr. BAGGS. Senator, let me respond to this. I will try not to burden the record with it. There are two responses from the North Vietnam government in our experience of last week. On began when we heard the President's message at 9 or 10 o'clock on a Monday morning Hanoi time. Everything we had discussed with the DRV at that time went out the window. It was a brand new soccer game or ball game. We felt compelled then, within the limits of the directions given us by the State Department, to press for a response.

This was, as we could hear it half-way around the world, a very forthright message. We pressed very hard for that, and the language of that came out, as I said, in the third paragraph of the third page of the April 3 statement by the DRV. I think you have it.

The CHAIRMAN. We do not have that, do we?

Mr. BAGGS. Well, I have got it somewhere, and I will be glad to submit it to the committee.

Mr. ASHMORE. This was the one published in full.

Senator MUNDT. The one that had a lot of invective but an encouraging paragraph.

Mr. ASHMORE. Two pages of invective.

Mr. BAGGS. Where they raise a barrage of invective.

The CHAIRMAN. Is this it? We will put it in the record for identification.[7]

"HOWEVER" PARAGRAPH

Senator COOPER. Did they show you this statement which was printed here?

Mr. BAGGS. What was that, Judge?

Senator MUNDT. That is that "however" paragraph.

Senator COOPER. Did they show you the statement which appeared in the press in the U.S.?

Mr. BAGGS. It was sent over to us by the Government.

The CHAIRMAN. Is this the right one?

Mr. BAGGS. Yes, it is.

The CHAIRMAN. We will have it in the record.

Senator MUNDT. Did they show it to you fellows or did they just send it?

Mr. BAGGS. What they did, Senator, they sent a minister of the Government over and delivered to us this statement. But now you get, as Harry and I have gone into this, you get into all of this barrage of polemics and then on the third page you find out what they are saying. You just always turn to the last page to find out what they are saying. This was the first statement.

[7] "Text of North Vietnam's Offer to Discuss Bombing Halt," Washington Post, April 4, 1968.

Senator MUNDT. That page you are identifying by (k), you now identify as the "however" paragraph.

Mr. BAGGS. It is the 3(k) "however" paragraph.

The CHAIRMAN. In that statement.

Mr. BAGGS. Yes.

The CHAIRMAN. That will go in the record.

Mr. BAGGS. This is the first response of the DRV.

AN AMBIGUOUS STATEMENT

Senator MUNDT. That was the one you told them was the ambiguous thing.

Mr. BAGGS. Yes, the second response of the DRV came after reargued with these people, principally Hoang Tung, who was the person assigned to do these talks, was that this was an ambiguous statement, as you have mentioned, and that he should be more specific. Out of this and long conversations and arguing came the last five paragraphs of the aide memoire, which was given to Harry, and me and I hope he will correct me if I am incorrect, which was given to us as the official position of the DRV and the official response to the statement of the President responding to the April 3 statement. We promptly brought this out. We did not transmit it from the DRV, were asked not to. We gave it to Ambassador Sullivan in Laos. He transmitted it. We have been over to the State Department for two or three days explaining some of these things, and I think the statement pretty well speaks for itself.

Senator MUNDT. I understand there is a third statement which is direct conveyance of this by their government to the White House, is that correct?

Mr. BAGGS. A third statement, Senator, was sent by Hanoi to the charge d'affaire of the DRV and sent to Sullivan in Vientiane, Laos, and transmitted to our government and it is the same statement as you have here.

Senator MUNDT. Good. Right.

The CHAIRMAN. We get it.

COMMUNICATION FROM STATE DEPARTMENT

Mr. ASHMORE. There is a point about their confusion that you are bringing up that I think we can clear up. We never had any communication back from the State Department through the channels we were using to inform them.

Mr. BAGGS. We had one, Harry.

Mr. ASHMORE. Except one which acknowledged that the channel was opening and they were standing by and expecting further reports. We were never told that what we now know is true, that a messaged had been sent proposing Geneva as a site for the conference from Ambassador Sullivan through the Vietnamese charge in Laos. We did not know this while we were in Hanoi, and I suppose there is no particular reason why we should have been told, but it would have avoided some confusion had we known it but in any event, we knew nothing about this other channel supposed ly that had been opened up. We knew very well that the Vietnam ese Government was using us as a channel because they knew, for example, we were transmitting these messages down to Vientiane The specifically handed us a list of the first 12 bombing violations

north of the first prescribed zone and virtually asked us to transmit this immediately to Washington, which we did.

Mr. BAGGS. After Johnson's speech, after the President's speech.

Mr. ASHMORE. Yes, after the President's speech when the charge later came out. The day after that they gave us a message and they obviously wanted us to transmit directly to Washington that there had been a bombing up near the Chinese border. So there was no question in my mind, at least, that the North Vietnamese government had information it wanted to get to Washington and thought we had a way to get it there. So we were sending this information out as it seemed pertinent and also keeping them informed that we were in a process of what you could call negotiation—it was not exactly that, but a refinement of position, where the Government had promised to give us before we left an official aide memoire which would represent their position.

ALTERNATIVE PROPOSAL TO GENEVA

Now, that is the document that we delivered to Mr. Sullivan in Laos as we came out.

The CHAIRMAN. On April 5.

Mr. ASHMORE. Yes. We came out on April 5. This was transmitted to Washington. We did not know that the other message proposing Geneva had gone up through the official channel. But a point about this that is very critically important is that the aide memoire that we brought out proposed Phnom Penh, in effect, as their alternative proposal to Geneva.

Senator MUNDT. Or some other site.

Mr. ASHMORE. Or some other site.

Mr. BAGGS. Some other site mutually agreeable.

Mr. ASHMORE. Some other site. They had suggested Geneva, but they sent back to us Phnom Penh. So the statement that was issued the following day saying there had been no official response caught up with us in Japan, and when we checked into the embassy there, we were somewhat concerned about why this aide memoire had not been officially accepted as a reply, and this has caused some controversy between us and the State Department since we got back, but it has now all been ironed out, and our understanding is that there in official communication they are now dealing on the site, and they feel that there is not going to be any great difficulty in working this point out.

Mr. BAGGS. Mr. Chairman, may I make a statement here?

The CHAIRMAN. Yes.

SEEKING ACCOMMODATION NOT SURRENDER

Mr. BAGGS. This is one of both opinion and fact. Mr. Ashmore and I are not peaceniks, we are neither of the Marxist-Leninist persuasion. Our impression—we had some very frank talks in Hanoi with responsible people—our impression is that these people would like to have the bombing stopped and they would like to make some accommodation with the United States, that they are in no mood to surrender. They feel they are very strong and they can survive a long season of onslaught but they are in a mood to be reasonable. They keep mentioning in all of their suggestions that "We will be sensible."

I think it should be put into the record of this committee that what we have found over there are people who would like at this time to terminate this war on a reasonable and sensible basis.

PRISONER EXCHANGE

Senator MUNDT. Mr. Chairman, I have two questions.

Mr. BAGGS. Yes.

Senator MUNDT. Entirely unrelated. I came in a little late. Was your mission conceived by you gentlemen and you went to the State Department and said——

The CHAIRMAN. They explained that in detail, may I say. It really is in the record.

Senator MUNDT. Or did the State Department tell them to go first?

The CHAIRMAN. They asked him to come by for a briefing, they asked Mr. Baggs.

Senator MUNDT. The idea originated with you fellows.

Mr. ASHMORE. That is right.

Senator MUNDT. You mentioned three things you had in mind and you made an impression with one. Did you make any progress on the Red Cross and the other?

Mr. BAGGS. Well, I mentioned three. There were others, but these are the prominent three. We went into prisoners at great length.

Senator MUNDT. Did you mention those?

Mr. BAGGS. As a matter of fact, the counselor of our embassy in Laos met us in Laos where he put on the three North Vietnam sailors on the plane who were to be exchanged for the three Americans previously sent out of North Vietnam, and he said they were doing this to identify us with prisoner exchange. We discussed prisoner exchange at some length. We had intelligence reports from our government which were given to me here that some of our airmen up there were ill. We went into great lengths in this and quiet arguments with the DRV people. We were told that this should not be confused with stopping the bombing and starting the talks. It was a separate issue, and once we had gotten talks started, this would happen very quickly.

Senator MUNDT. In other words, they did not want to do anything about that until you did the other one.

Mr. BAGGS. That is right.

Senator MUNDT. The same way with the Red Cross.

Mr. BAGGS. The Red Cross—the Red Cross was taken under advisement. We suggested by instructions of the State Department that we could establish a Red Cross of any of the Scandinavian countries, France, Switzerland, or name you own country. Mr. Hoang Tung said that his government would take this under advisement, and I assume that is the status of it at this time.

Mr. ASHMORE. They are always perfectly correct in this response, but they made it very clear they felt these matters were subordinate to what they considered the large question, Can we get a conference going that will bring peace? And Hoang Tung said, "If we can get the conference going, that if we will get some kind of an armistice or settlement, we will exchange all the prisoners."

MUTUAL DE-ESCALATION

Senator MUNDT. Did they demonstrate that priority of interest on peace and against these other things prior to their getting the message that President Johnson——

Mr. ASHMORE. Yes, they did. It was perfectly clear, if I had to summarize reaction, we presented in order the set of propositions that the State Department had given Mr. Baggs in a briefing, and we stayed within the limits of what we thought they wanted us to say and this was prisoner exchange and then Red Cross. Then they wanted to explore the possibility of some kind of mutual de-escalation. They wanted us to mention the Clark Clifford proposal which seemed to modify the San Antonio statement.

Mr. BAGGS. Harry, I think that is of some interest to this committee.

Mr. ASHMORE. There was a series of these things.

Senator MUNDT. It is intensely interesting they were kind of willing, eager almost, or desirous of talking of peace before Johnson's speech.

Mr. BAGGS.. That is quite correct.

Mr. ASHMORE. Their response was quite polite. "We have many conversations, and we can talk about many things, and we will come back to the question of prisoner exchange and Red Cross," but he said, "I think we should concentrate today on attempting to find out what the conditions are for the negotiation for a settlement where we can really talk about settling this thing," and I would say that is a fair burden.

Senator MUNDT. That is the most encouraging part of it all.

COMPARING THE TWO STATEMENTS

Senator COOPER. I want to ask a question. I want to compare these two statements and ask you your judgment about them and what were the talks which lead to the second statement.

The first statement says the DRV, and I quote, "declares its readiness to appoint its representative to contact the U.S. representative with a view to determining with the American side the unconditional cessation of the U.S. bombing raids and all other acts of war against the Democratic Republic of Vietnam so that talks may start."

I think a good many people believe that that phraseology meant in that first contact if one comes that there would be talks beyond just the mere question of cessation of bombing. Did you try to get some information as to what the DRV was willing to do?

But now looking at the second one, it seems to me more restrictive and limited. It says, "Details about the contact between the representatives of the Democratic Republic of Vietnam and the U.S. may be as follows:"

The first paragraph: "The representative with ambassadorial rank of the Government of the DRV is ready to contact the representatives of the U.S. Government.

"Two. The place of contact may be Phnom Penh or another place to be mutually agreed upon."

This is the one important paragraph as I see it: "In the course of the contact, the U.S. side will specify the date when the uncondi-

tional cessation of the U.S. bombing raids and all other acts of war against the DRV will become effective; then the two parties will reach an agreement on the time, place, and level of talks."

Now, commenting on that, it would seem to me that if that is interpreted strictly, that it would mean all our contacts, our representatives would say then, "Well, we are ready to stop the bombing on a certain day."

Mr. ASHMORE. Senator, the only thing I can say in response to that is that the State Department, as I understand it today, has had some subsequent exchanges on this question that we have not seen, and we are not privy to. The only thing I can give you a judgment on, and Mr. Baggs, is what we could interpret as to the shift on this point that seemed to take place while we were there.

I am still not clear exactly. I think this is fuzzy, although the State Department is now confident they have a harder reading on it than I do.

SPECIFYING THE DATE

Senator MUNDT. Harry, as an editor and an old proof reader, it seems to me the important word that John has said, "then." Does "then" allude to the time we have said we were going to cease bombing or does it allude to——

Mr. ASHMORE. This is what I am trying to reply to if I may.

Senator COOPER. He was not here a minute. My specific question was whether or not the second message with the appropriate paragraph was more limited and restricted than the first message and what it seems to say. It does not seem to say—it says when the contact occurs the U.S. representative, U.S. side—"The U.S. side will specify the date when the unconditional cessation of U.S. bombing raids and all other acts of war against the DRV will become effective. They the two parties will reach an agreement on the time, place, and level of talks."

Senator MUNDT. You specify the date or the stopping——

Mr. BAGGS. Judge, I think this distinction should be made, and I think we have been derelict in making it.

The April 3 statement of the DRV is sort of a public broadside that is sent out to the world. This aide memoire was given to us as a private paper to be delivered to the Government of the United States, as an official response to Mr. Johnson's statement of April 4. It gets more specific, and it does not have all of the propaganda—it has a good bit, as these fellows always put in it, but it does not have all of that propaganda so that is the distinction between the two papers.

I think you have to go to what the lawyers call res ipsa loquitur in this paragraph in the course of the contact, and I think there are latitudes in here. This would be my impression on the basis of our conversations in Hanoi, that you determine when the bombing is going to be stopped.

SUBJECT TO TWO INTERPRETATIONS

Senator COOPER. It is your judgment that was all that they would look for at the contact, the first contact that the United States would specify the time and the date when the bombing would cease.

Mr. BAGGS. Yes.

Senator COOPER. If that is all it means, it is really just a restatement of their position, is it not?

Senator MUNDT. I think it is subject to two interpretations. Let us assume the word "then" being there so we announce, "All right, we are going to cease all acts of war and all bombing July l," and we announce it May 1. Do the talks begin on May 1 or July 1 after we stop it?

Mr. BAGGS. The translation of language from Tonkin language to English, as I understand it—and my understanding is not very goat-fitted or sure-footed, I think you have to take that clause in the course of the contact, Senator, that somewhere within that context of time in the course of contact——

Mr. ASHMORE. I think he is not being responsive to your question. I would like to be responsive.

Mr. BAGGS. I think you are being very nasty. [Laughter.]

THE BOMBING HAD TO BE HALTED

Mr. ASHMORE. In the first instance, and I thought this was the interesting shift on this, we do not know what the present exchange wherein the state Department and the other side is. They are in direct contact now, and my impression is that they think they are in agreement on what this language means. But when we started in on this before the Johnson speech, there is no doubt in my mind that the one inflexible condition that was not negotiable was that the bombing had to be halted before any talks of any consequence started.

We were convinced that this position was modified to some degree in response to Mr. Johnson's partial halt of the bombing, that they moved away from that absolute position which they started with to indicate that they would make some gestures an at least have some preliminary talk.

Now, my impression, if I had to state it, is that the extent to which they were going, at least in the time when we were talking to them, was they would not say that absolutely no bomb would be dropping north of the DMZ before talks could take place, but there would be no productive talks until they were assured in some fashion that the bombing was going to stop.

Now, that is what I came away with, it was my impression of what their position still is. The only difference being that presumably they might even meet while some bombing was going on the assumption that we were prepared to move on to the next step, but I do not think—and I think it would be a mistake for anybody to assume—that they have ever yielded on the real principle. I do not think they will negotiate until acts of war against their country were stopped.

CONTACT, TALKS AND NEGOTIATIONS

The CHAIRMAN. I think what is pertinent, this morning the Secretary said they seemed to make a distinction of three different things—contact, talks, and negotiations. Contacts is quite a different thing from talks.

Mr. ASHMORE. That is right.

Mr. BAGGS. That is right.

Mr. ASHMORE. That is right.

The CHAIRMAN. And he would say, I think, this means contacts.

Mr. BAGGS. Senator, what Mr. Ashmore is saying, I think, is very valid. You may get some contacts going and do some other things, but I do not think you are going to get any agreements going until we stop the bombings. Now these people—we have been over there twice.

Senator MUNDT. They add to that all other acts of war.

ACTS OF WAR

Mr. BAGGS. Let me give the interpretation of that, because we specifically said, "what are other acts of war?"

Senator MUNDT. I am sure you asked that question.

Mr. BAGGS. These two acts of war are two acts outside. One is naval bombardment of the coast areas and the other is bombing above the DMZ. There are peripheral impressions of the DRV, such as capturing the sailors in the south whom the DRV regard as fishermen and they play that semantics game. But this, I think, is so important for the committee to understand, and I am sure it does understand, that you are not going to get anywhere with these people in any substantial conversation until until you stop the bombing, and they are rather humorous about this in a way. They say that—we brought up the Clifford statement of January 25 before the Senate Preparedness Committee. "We would anticipate normal infiltration." Well, Hoang Tung said, "We are not worried about that. We will infiltrate at any rate we wish, and we will infiltrate"——

Mr. ASHMORE. He said, "We are able to do this, as you can see, while you are doing your bombing. We will continue to do it after you stop."

NORTH VIETNAM IS NOT AN INDUSTRIAL SOCIETY

Mr. BAGGS. "Your bombing has not had a serious effect on this country." I was in bomber groups in World War II, but you are bombing a country that has no substantial industry. It is a way station for goods. If you want to take a risk and bomb the hell out of Haiphong harbor and bomb China, then you perhaps could seriously decrease the inflow of these goods, but otherwise this is not an industrial society. It does not depend upon industry.

Senator MUNDT. Their proposition, if I understand you right, is they want us to stop the bombing.

Mr. BAGGS. Yes.

Senator MUNDT. But they are going to continue the infiltration.

Mr. BAGGS. I think this is negotiable. But I think it is a matter of who takes what first. Hoang Tung said—we started talking about lots of things: What of the political future of the political composition of the Government of South Vietnam? What of the exchange of prisoners? These many matters. He said that "The first question is to stop the bombing of our country, and we can discuss all these questions."

BOMBING IN SOUTH VIETNAM A DIFFERENT MATTER

I might say the committee might be interested—we said, "What about the bombing of South Vietnam?" He said, "Well, that is an entirely different matter." This is a man now speaking for the central committee and speaking for the DRV government.

Senator MUNDT. Did you ever push him hard enough to say, "How about a complete mutual cease-fire all around"?

Mr. BAGGS. No, because we were not instructed to go into that area.

Mr. ASHMORE. However, I think there is a fair judgment to be made on that.

Mr. BAGGS. There were hints on that.

Mr. ASHMORE. They make what you might say is really a legalistic distinction for propaganda purposes, but I do not think it should be dismissed. They say—their position is that what they define as acts of war against the DRV, bombing, bombardment, seizing of their sailors in coastal waters, is a unilateral action by the United States with a country that is not at war with them.

A LEGALISTIC POSITION

They take the position, and this is their propaganda—it is a legalistic position—that all of these acts of war against the territory—and they specify it—that the action against the territory of the Democratic Republic of Vietnam is a unilateral action by the United States in which they have responded only defensively. Now, what is going on below the demilitarized zone, they say—and we pressed them very hard on this—the fighting down there has got to have some bearing—they say this is a different situation. "There are two parties fighting down there, and we are supplying one party and you are supplying the other party. This is multilateral action. This is bilateral action. This is not at issue on the question of whether you stop bombing up here. What happens down there would depend on whether we can work out an arrangement to end the war down there. But that we will not associate"—and I say this is pretty legalistic—"but we will not in any discussion associate these two things. We are going to—we do not connect the fighting in the south with your aggression," as they call it, "against the north. We are not committing such acts against you. We are supporting people who are fighting in the south and you are supporting people who are fighting in the south, but that is a separate matter."

A CIVIL WAR

Senator MUNDT. Would that mean that they look at that southern part of the war sort of like a civil war with United States helping one side and they helping the other?

Mr. ASHMORE. Well, a little bit. Let me back up a little, Bill, because I think these things are very important. They do not deny their support for the NLF in the south. They no longer—they never admit they have regular units down there, but they still, I suppose, would deny it if pressed. They do not deny it, but they never admit it either. But they still make—and I think legitimately—a distinc-

tion between these two things. You are right. They look upon this as a civil war.

Now, we should be perfectly honest and say they have never relinquished their basic claim to the fact that the country will ultimately be unified in some fashion, and there is no doubt in your mind when you are talking to them that they assume that some day Hanoi is probably going to be the capital of all of Vietnam. But short of that I think they are quite realistic in accepting the fact that it is not going to be—the unification is not going to come soon. I do not know, ten years, sometimes they say ten years, 15 years, but I do not think the question of physically putting the country back together under the direct control of Hanoi is a serious issue. I would say that is one thing that is negotiable in whatever kind of conferences may come about.

PEACE COULD ONLY BE MADE STEP BY STEP

Mr. BAGGS. Senator Mundt, may I amend his remarks? I have here some notes made of this conversation in which Hoang Tung turned to the proposal for talks. First he said the U.S. must stop the bombing of North Vietnam without condition. We asked if this demand included the territory of what is known as South Vietnam. "No," he said, "It was fighting between two parties in the south," and anyway he emphasized the peace could only be made step by step, step by step. If the U.S. wished to test the good will of the DRV as a beginning step," he said, "you should stop the bombing." The DRV, he said, "was then prepared to sit down with the United States to find sensible solutions to all problems." This was his response.

Senator MUNDT. This makes clear to me for the first time why they distinguish—what they mean by acts of war and why they distinguish the two——

Mr. BAGGS. Yes, I have been confused of this even after the visit last January in 1967.

Senator MUNDT. I am glad you cleared that up.

Senator COOPER. You did not listen to me when I spoke and said it. I said this. I believe it was their reason.

WHITE HOUSE RESPONSE

The CHAIRMAN. There are one or two things, this may not be important, but we have these press releases, here is one, that returns a bit to those communications. This is of 4/7/68 from the Washington Evening Star by Bernard Gwertzman and it says, "Christian said the United States has received messages through private individuals recently in Hanoi 'but these do not appear to be a reply to our proposal'."

" 'We hope to receive an official reply from Hanoi soon,' Christian said."

I do not understand this.

Senator MUNDT. That is the Geneva bit he is talking about.

The CHAIRMAN. He must be referring to your first message.

Mr. BAGGS. This disturbed us greatly, Senator.

Mr. ASHMORE. It certainly did.

Mr. BAGGS. We ran into this in Tokyo on our way back from Hanoi. Alex Johnson, who is our ambassador in Tokyo, called us,

what, 2 o'clock in the morning, and asked if we—if we could come over there, and we suggested that we see him the first thing in the morning, which we did, and Ambassador Johnson at that time gave us this statement. We were very upset by the fourth paragraph of that statement, which I think is the paragraph you have just read, so much so because we thought that this would be misinterpreted in Hanoi, because this aide memoire was the official paper of the Government and was given to us as the official paper and said "Please transmit it to your government as the official paper and as the official response of the DRV."

At this time we did not know that our government had sent a message from Vientiane, Laos, through the DRV attache or charge d'affaires to Hanoi. Notwithstanding that, we thought that these people would feel that they had been repulsed with this aide-memoire, which from their position is fairly generous as an opening statement. So we were extremely—to the extent that we consulted with Ambassador Johnson, who said he thought we should send a message to Hanoi to the appropriate parties as a holding message saying that we were going on to Washington, which we did, and which Ambassador Johnson said he certainly has no disagreement with.

PRIVATE INDIVIDUALS REFERENCE

The CHAIRMAN. There is one other paragraph. I am going to put the whole thing in the record, but it says, "The reference to 'private individuals' apparently was to CBS correspondent Charles Collingwood, who was in Hanoi last week and who said on television Friday night that North Vietnamese Foreign Minister Nguyen Duy Trinh had proposed to him that Phnom Penh, Cambodia, be the site for talks."

What does that mean?

Mr. ASHMORE. The only thing I can say to that, Charles Collingwood is an old friend of mine, and I have no idea of whether he had some kind of briefing from the State Department before he went and whether he fancied himself, as he said on the air a kind of an official emissary or the missing link between the two parties. I do not know. I do not know what happened. He had a piece of information which he received in an interview from the foreign minister which mentioned Phnom Penh, and to that extent confirmed what was in the aide memoire given us. But the point about whatever Mr. Collingwood's status was had nothing to do with ours. We felt that we had received a piece of paper prepared for the specific purposes of making an answer by the Government of North Vietnam and had taken it with the under standing we were handing it to Ambassador Sullivan in Vientiane and for transmission to Washington, and that statement—that somehow they had not received an official answer we found quite alarming. We have been told since we have been back, in this part was a confusion of communication, misreading of messages and so forth, and I am perfectly willing to accept it, because now apparently the contact has been established and no great damage has been done.

THE SAME MESSAGE

The CHAIRMAN. On what date did the North Vietnamese charge give the aide memoire to Ambassador Sullivan in Vientiane?

Mr. ASHMORE. You mean the other way around, when did Sullivan send the message?

The CHAIRMAN. No, you sent yours on the 5th. At some later date you said that the charge of North Vietnam in Vientiane gave Sullivan the same message but they now accepted it as official.

Mr. ASHMORE. We do not know that. But something like that must have happened. All we know is they say now this question has been resolved, and we have been——

Mr. BAGGS. We have been officially informed by the State Department that the aide memoire which we brought back which was represented to us as the official response is the same message which the State Department later received through Ambassador Sullivan in Vientiane at the loss of three or four days.

The CHAIRMAN. It seems sort of like a comedy of errors.

Mr. BAGGS. It seems like that to me, Senator.

MUTUAL DISTRUST

The CHAIRMAN. Just for the record, why did the State Department, do you think, ask you to do what you did do instead of, say, Schoenbrun or anyone else? What is the reason why they asked you this, to do this? I want this for the record, whatever your views are about it. I have no ideas. I say this particularly in view of what happened last year.

Mr. ASHMORE. Yes. Somebody asked me yesterday after I had returned because I had had this public controversy with Bill Bundy of an exchange where he issued a white paper and I issued a few replies myself, somebody said to me last night, "What is your present relationship with Bill Bundy?" And I said, "Well, I would describe it as a condition of detente based on mutual distrust."

But I think that beyond that the State Department, I would like to think, recognizes that there must be some value in the channel that we have established to Hanoi, where we can almost always get a response and that even though some people in the State Department, at least, might feel that since they know that our views do not coincide with theirs on the policy level of the conduct before, might accept us as being at least reasonably patriotic and trained reporters, and again the only function we have ever tried to serve is never to negotiate for them but simply to report accurately to the other side what their views were and report back what response we could get.

STATE DEPARTMENT'S ATTITUDE TOWARD NEGOTIATIONS

The CHAIRMAN. Can you make it clear for the record at what level have you reported to the State Department in the past few days? I understand you have been talking to them for two or three days.

Mr. BAGGS. Yes.

The CHAIRMAN. First, to whom did you talk, and what is your impression as to the Department's attitude toward these negotiations?

Mr. ASHMORE. Well, in response to the first question, we met initially with Under Secretary Katzenbach, Mr. Bundy, and Governor Harriman.

The CHAIRMAN. That was what day?

Mr. ASHMORE. This was on Monday.

The CHAIRMAN. Monday. Go ahead.

Mr. BAGGS. Monday of this week.

Mr. ASHMORE. We returned Sunday night and the State Department was anxious for us to come back. I might put in they thought our information was important for them to hear. They were completely cooperative in bringing us back and first suggested in Laos that at that time it looked as though since the Honolulu conference was on, we might stop there and check in with Bundy. Then we were told in Japan by Ambassador Johnson that the Honolulu conference had been cancelled and they wanted us to come straight back to Washington, so with their assistance we flew nonstop to——

The CHAIRMAN. What do you mean, "their assistance"?

Mr. ASHMORE. Their assistance in getting us tickets and getting us on and off.

The CHAIRMAN. Did they pay for the tickets?

Mr. ASHMORE. No.

The CHAIRMAN. I wanted to make it clear.

Mr. ASHMORE. They did not. We were a private person.

The CHAIRMAN. They merely saw you got reservations.

AGREED NOT TO TALK TO THE PRESS

Mr. ASHMORE. They asked us again to stay out of the press as much as we can even though Mr. Collingwood was already broadcasting. We agreed to do that, and we said we probably would need some help because the word is in the paper we are out here, so they said they would have a State Department man in San Francisco get us off the plane privately. They took us off the back end of the plane at Dulles and brought us to a downtown hotel where they blocked the telephones, and we agreed not to talk to the press until we had a chance to talk with them. So we went out Monday morning and we met initially with Katzenbach Monday and Harriman and other people concerned, and we went over the general situation, including at that time our somewhat real concern still about the statement that you just read, which we had heard about in Tokyo. We got that cleared up on the grounds that the official contact had been made and therefore this was water over the dam. We then agreed that we would dictate at great length as background for Governor Harriman, who would be the negotiator, the sequence of everything that we heard there. We have done that, and we wound it up today. It has been typed over there and it is quite a voluminous briefing document, and then this morning we had a discussion with again—well, Katzenbach was not there, but with Bundy and Harriman who had some questions.

So we have attempted to cooperate as much as we could, and we continue to do so, and we told them that we are appearing over here before the committee and that we felt free to speak because it was an executive session on what happened.

MINIMALLY OPTIMISTIC

The CHAIRMAN. What is your impression about their attitude toward negotiation?

Mr. ASHMORE. Well, I would like to reserve judgment on this. I am minimally optimistic at the moment. I think that if I had to make my guess, I think that the contact would develop into some kind of meeting.

Now, I simply have no way—it would be a purely subjective judgment to try to estimate the extent to which our side would be prepared as a policy matter to make concessions to get a settlement.

My own view, which I have stated repeatedly, is if you are talking about a negotiated settlement instead of a peace treaty, you start with the assumption there have to be concessions on both sides and concessions that have been made so far on both sides are fairly minimal. If they are enough to get the talks started, then you are into a brand new series of questions, it seems to me, on what the policy of our government is in terms of what it would accept as a suitable settlement in the south. I would have to guess on this. I have been confused about it from the beginning.

I wrote after the first time around I felt at one point that I was dealing with two State Departments which had two different policies. It depended on who you talked to in the morning and who you talked to in the afternoon, and I still have something of that feeling.

The CHAIRMAN. When the vote comes, we will go.

SECRETARY OF STATE HAS NOT SEEN MESSAGE

I would say this morning I asked the Secretary about this message. I believe he said that he had not seen it, is that correct?

Mr. BAGGS. What message?

The CHAIRMAN. The message of April 5. The Secretary of State was before the committee this morning.

Mr. BAGGS. My goodness, Mr. Chairman, this message was sent April 5.

The CHAIRMAN. This is for the record.

Senator MUNDT. What he said, he had not seen these two gentlemen.

The CHAIRMAN. I know he said that, but I think he also said he had not seen the message.

Mr. BAGGS. This message was sent, in Washington time, on April 4.

The CHAIRMAN. I understand that. I am just making it for the record.

Senator COOPER. He said it had been seen by some in the Department.

The CHAIRMAN. But he himself—he said he had not seen it. You were there. I just wanted it for the record. You have not seen him.

Mr. ASHMORE. He did not see us when we returned the first time, and he has not asked to see us this time.

Mr. BAGGS. He did not ask to see us, and we did not ask to see him.

PRESIDENT AND SECRETARY OF STATE WOULD NOT SEE THEM

The CHAIRMAN. For the record, I requested that either he or the President see them and they both said they would not do it, and for the record——

Senator MUNDT. These two?

The CHAIRMAN. Yes, that was last year. This year, yesterday, for the record, the Secretary of Defense called me and I just brought up the question, "Would you be interested in seeing these two gentlemen?" He said it would be improper, that is a matter for the Department of State, not Defense. And he was aware that you had been there, but he said it was improper. I want to show you the attitude.

Senator MUNDT. Who was it who briefed you?

Mr. BAGGS. On the way out?

Senator MUNDT. When you returned.

Mr. BAGGS. Bundy and Harriman. I talked to Harriman by phone.

Mr. Chairman, may I make an observation that——

A COALITION IN SOUTH VIETNAM

Senator COOPER. Somebody before we leave here should tell us your contacts, he has not said anything about South Vietnam.

Mr. BAGGS. Yes, I was getting into that, Judge Cooper.

It is my impression, and Harry can correct me if he feels otherwise, that these people want to do some talking, they want to stop the bombing and they want to make some kind of peace. How harsh and unconditional the terms, I do not know. As far as South Vietnam is concerned, we have had many conversations and meetings, and these, I believe, accurately reflected the opinion of the Government of the DRV in which the Government felt that somewhere in the future the NLF, or what we call in this country the Viet Cong, and the Saigon government would have to get together in some kind of coalition and other interests in South Vietnam.

It did not seem anxious about this or particularly disturbed about this. As a matter of fact, my impression was that the U.S. and the DRV should sit together and determine some timetable for this and not be too anxious.

Mr. ASHMORE. I would say the only absolutely flexible position they evidenced as to the south was that Thieu and Ky had to go. They would not deal with them. We then tried to find out if that included the whole of this government, and the implication, I would not say it was a clear statement, was no, but there were other people.

Mr. BAGGS. That is right.

Mr. ASHMORE. That they could deal with.

Senator MUNDT. You mean this is the Hanoi position.

Mr. ASHMORE. The position of the Hanoi——

Senator MUNDT. You said the south, Ky and Thieu.

Mr. ASHMORE. Yes. But there were people in the south, and the strong implication, we could not press them too hard, they might even be in the present government that they could deal with. But on the question of the president and the vice president, they are adamant. These are bad names, as you can understand, and I

think it would be impossible to conceive their dealing with these two. Beyond that, they seemed to me to be obviously trying to send the word back they were flexible in what kind of coalition might be set, up.

Mr. BAGGS. Harry, may I add one comment here—Mr. Chairman?

The CHAIRMAN. Yes, anything. Go ahead.

EXCHANGE OF LETTERS

Mr. BAGGS. We were very distressed by the behavior of the Department of State in January and February and March of '67. I don't know how carefully the committee has examined the letter which we wrote back to Ho Chi Minh and the request, and the discrepancy between this letter and the one Mr. Johnson wrote him, these letters were written only two days apart and they were totally different letters.

Senator MUNDT. Do we have them in the record?

Mr. BAGGS. One cancelled the others out.

The CHAIRMAN. I think so.

Mr. BAGGS. This was a bad experience.

The CHAIRMAN. I think we will get them and put them in the record just to know what they are talking about at this point.[2]

EXTENSIVE BRIEFINGS ON FIRST TRIP

Mr. BAGGS. Because we felt that perhaps our government at that time didn't want to stop the war.

Senator MUNDT. May I interpolate a question?

You are talking about your first trip now?

Mr. BAGGS. Yes.

Mr. ASHMORE. Yes.

Senator MUNDT. In your first trip were you called in and briefed like in the second trip?

Mr. ASHMORE. Yes.

Mr. BAGGS. Senator, on the first trip we had a series of briefings. We went to Hanoi and we had a long series of talks.

The CHAIRMAN. He meant a series of briefings here.

Senator MUNDT. Yes, Katzenbach.

Mr. BAGGS. Oh, yes, extensive briefings. I think I made four or five trips.

Senator MUNDT. I just wanted to establish they knew you were going and were supposed to bring them back some information.

Mr. BAGGS. Yes. And we went with the consent of the State Department, of course, and with its enthusiastic goodbye, and we came back——

Senator MUNDT. In a sense to perform a mission for them.

The CHAIRMAN. But unofficial.

Mr. BAGGS. Yes, but we came back—an unofficial mission. We came back in consultation with the Department of State, inside of the Department of State, we wrote a letter to Ho Chi Minh in answer to some suggestions he had made. This letter was dated February 4, 1967. We found out that later, on February 2, 1967 that

[2] The correspondence between Lyndon B. Johnson and Ho Chi Minh was published in the *Department of State Bulletin,* LVI, No. 1450 (April 10, 1967), pp. 595–596.

Mr. Johnson had sent a letter which contradicted what we had sent. It was a very harsh letter and the proposals——

Senator MUNDT. Had the State Department seen a text of your letter?

Mr. BAGGS. The State Department wrote the letter with us. We cleaned up the language.

A BADLY WRITTEN DOCUMENT

Mr. ASHMORE. Let me clear that up. This started, Senator Fulbright was in on part of it, at the President's request, he was asked to come over, and because we had had this long conversation, two hours, with Ho Chi Minh, the decision was made that some response should be made, they didn't want to make it officially, so Secretary Bundy had a draft of a letter, the State Department thought would be suitable suggesting that it go over my signature but the language was "I can communicate with you the judgment of high officials of the State Department."

Well, this draft was a badly written document. I am an old editor, as you can appreciate, so Mr. Baggs and I sat up in the State Department and we wrote the letter, but without changing the sense of it, without attempting to put any of our own views in it and I thought it was a quite conciliatory letter.

The CHAIRMAN. Then it was approved by Bundy.

Mr. BAGGS. By Bundy and Katzenbach and sent over to the White House.

Mr. ASHMORE. I don't know when it went over. We left that night and came back over in the morning and it was actually typed in the State Department and I signed it. So I took this to mean it was a fair expression of State Department views.

Senator MUNDT. Naturally.

LETTER CONTRADICTED BY THE PRESIDENT

Mr. ASHMORE. This was the letter that was contradicted, in our judgment, by the letter at the same time that was being, virtually being sent out from the White House over the President's signature.

Mr. BAGGS. There were discrepancies in both letters. The reason I mention this and introduced this in the testimony is because in Hanoi, this last trip, Senator Mundt, I asked Mr. Hoang Tung, who is a man of some prominence in that country, well, I didn't ask him, I said, "I apologize for what I am sure was a confusion in the two letters." And he said there was great confusion. He got this letter from us, which, obviously, was an unofficial letter, if you wish to describe it as that written in the State Department.

Mr. ASHMORE. He being Ho Chi Minh.

Mr. BAGGS. That is right.

Both letters went through Hoang Tung to Ho Chi Minh.

LETTER DELIVERED VIA AIRMAIL

The Chairman. As a matter of record, was your letter typed on plain paper or official paper?

Mr. BAGGS. Our letter was typed on plain paper in the Department of State.

The CHAIRMAN. How was it delivered?

Mr. BAGGS. It was delivered by Ashmore by airmail stamps he bought at the Dulles Airport by agreement with the Department of State.

The CHAIRMAN. Directed to who?

Mr. BAGGS. Ho Chi Minh through Hoang Tung.

Mr. ASHMORE. No, not through Hoang Tung. It was through the channel that he had set up. We asked him, we asked Ho Chi Minh, if it should go to Hoang Tung. He said, "Send it directly to me." But they had set up a channel through their agency in Phnom Penh and it will be transmitted, and we know it was received.

The CHAIRMAN. You know it was received.

Any other questions or any other comments?

Any questions?

Senator MUNDT. Were those discrepancies matters of significance?

Mr. BAGGS. Yes, they were, Senator. One of the discrepancies in this letter involved, we were advised by the Department of State that this letter should not in any way mention Tet because this might sound like an ultimatim.

Tet in '67, I think was four and a-half days.

Mr. ASHMORE. The truce.

Mr. BAGGS. We avoided Tet and the Truce of Tet. The President's letter mentioned Tet.

SOME RECIPROCAL RESTRAINT

After great discussion in the Department, we came up with the language which was really State Department language, that, how did that language go, Harry?

Mr. ASHMORE. I think the key phrase was this, they avoided anything specific. They said they thought talks could begin if both parties would agree.

Mr. BAGGS. To some reciprocal restraint.

Mr. ASHMORE. Restraint so that neither side would take military advantage of a talk.

Mr. BAGGS. The President's—the discrepancy with the President's letter——

Senator MUNDT. Sort of San Antonio.

Mr. ASHMORE. This was before that.

The President's letter specifically demanded various assurances there would be a halt of all supplies to the south. Now that, to me, was a key discrepancy and this was about a hundred percent discrepancy, because one was deliberately conciliatory and the other one seemed to me to be deliberately hostile or deliberately tough.

Mr. BAGGS. As I say, I introduced this subject, Senator, because we did bring this up in Hanoi, and the people there were, they did confess that this was very confusing, and I think it is quite pertinent that they released the President's letter and made it public, as you recall, but they didn't release ours.

The CHAIRMAN. How did the State Department explain that discrepancy, was it lack of communication?

Mr. BAGGS. The State Department said there was no discrepancy.

ASHMORE'S STATEMENT

Mr. ASHMORE. This was, after, later, when I published over my own name an account of this because I thought that the public ought to know about this, the State Department reacted with a formal statement issued by Mr. Bundy at an extended press conference, the transcript of which they have released in which they explained or, in my judgment did not explain, the discrepancies, but attempted to justify the fact that the Presidential letter had gone forward at the same time that our letter went forward in terms that I found not impressive but I am a prejudiced party and I was sort of a victim of the testimony, but that is all a matter of record and can be looked at. I would suggest that it be looked at, because I still find it very interesting even in retrospect.

The CHAIRMAN. We will get those and put them in this record at this point.[3]

SOME SENSIBLE SETTLEMENT OF THE WAR

Mr. BAGGS. Senator, before you conclude this, may I make a remark?

Senator MUNDT. You ought to get that press transcript. He said it was available.

Mr. ASHMORE. You mean the Bundy——

Senator MUNDT. Bundy.

Mr. ASHMORE. Yes, sir, the transcript of the press conference.

The CHAIRMAN. Do we have this? We will put it in.

Go ahead.

Mr. BAGGS. This is a philosophical remark, if you can stand it. It is distressing to me, after two visits up to North Vietnam, and I have no love for the people of North Vietnam, they will cut your throat or mine if it served their purposes and I assume our government would, too, that we are in a season, as I understand it from conversations with these people, in which they think that we should conclude this conflict, and we got into an internal argument in our own country in simplifying with hawks and doves and all kinds of political birds in the aviary, and I think we are doing ourselves a disservice, and I would hope that the appropriate committee of the Senate, which is to advise and consent on foreign policy, would consider that these people seem at least amenable to some sensible settlement of this war, and I don't think it is important whether they are sensible now because we have bombed them hard, because the bombing of these people doesn't seem to really have deterred their military competency.

Maybe so, but I haven't seen any evidence of this, and we have been around a good bit of that country or for any other reason, but the appropriate committee, this Foreign Relations Committee, will use its influence in the appropriate way under the Constitution to encourage serious continuance of what our government is now doing in making these contacts with the North Vietnamese government.

[3] "Ashmore's Letter to Hanoi Chief," Washington Post, September 18, 1967.

REACTION TO JOHNSON'S DECISION NOT TO RUN

Senator MUNDT. Did you get any reaction that was meaningful to what must have been as big a surprise to them as to us about President Johnson saying he isn't going to run?

Mr. BAGGS. Oh, yes.

Senator MUNDT. What was your interpretation of that? Does it make it easier for them to negotiate or difficult to negotiate?

Mr. BAGGS. My interpretation of that reaction, these are very sophisticated people. Some thought that this represented the recognition by the President that his policies must be very unpopular. This gets into the national pride of the DRV. Others thought that perhaps the President was running into domestic political problems. In this regard, I would like to say that Mr. Ashmore and I among the few people to go to North Vietnam, who have not been Quakers or pacifists or these people, and we have made strenuous arguments against the ministers of that government to counteract the arguments made by the Quakers, not the Quakers, but peaceniks who have been up there, that the American people will follow the flag. A number of Americans, of the few who have been in there, a number of them have said, "Oh, hell,"——

Senator MUNDT. "Hang on, we will quit."

Mr. BAGGS. "Hang on, we will change things." We have argued the other way because we believed it.

The reaction, then, which maybe will go to you, because of your political persuasion, was whether Bobby or Gene and they call them on a first name basis, they are very sophisticated out there, who was going to be ahead, and what was Nixon going to do and Rockefeller, they sounded sort of like the first draft of a Newsweek Magazine story.

A SIGNIFICANT CHANGE IN POLICY

Mr. ASHMORE. I would say that they accepted, it took them a couple of days to figure it out, they accepted the Johnson speech as representing a significant change in policy. I would say that had the President not coupled that speech with an announcement that he was withdrawing that race they would have rejected it out of hand as saying this is just more of the same thing, you know, and they are talking about not bombing and they are bombing more in the south, but they could not ignore that imprimatur as we kept saying to them, "Look, you couldn't have a greater evidence of sincerity from any national figure than this, and he has done this publicly and done it on the record, and you have to assume that this means a moderation of the hard line military policy we have been pursuing and a hoped for negotiation."

AIR RAIDS NORTH OF THE DMZ

The CHAIRMAN. What was the reaction to the fact that this was an increased number of missions the following day, within four hours north of the DMZ, but within the 200——

Mr. BAGGS. I don't know, Senator, but on April 1 and 2, Hanoi time, there were represented to us as 12 large raids extending far north of the DMZ to 350 kilometers north of the DMZ.

The CHAIRMAN. What did they say about that?

Mr. BAGGS. We were given a protest by Mr. Hoang Tung of these raids, giving the time of the raids, the place of the raids, the number of bombs dropped, and we were asked to transmit this to our government as being a violation.

The CHAIRMAN. They gave you that. Did you transmit it?

Mr. BAGGS. We did, we transmitted it through Ambassador Sullivan in Vientiane.

Mr. ASHMORE. Along with our judgment we transmitted the State Department, must recognize that if this continues whatever conciliatory act they expected from the DRV was going to be ended. We said this, and I believed it very strongly at the time.

The CHAIRMAN. What we have been told is that something like 90 percent of the raids had been within 50 miles of the DMZ and only two or three or four percent, something like this, have been up near a place called Thanh Hoa.

Mr. BAGGS. Thanh Hoa.

The CHAIRMAN. Is that correct?

Mr. ASHMORE. On the basis of the information given us an all we know is what they handed out, they gave us two sets of figures on bombings. The first one covered the period of, I would say, 18 hours after the speech, and there they listed specifically 12 raids. These came as close as 350 kilometers north, they came as far north as 350 kilometers.

The CHAIRMAN. Of the DMZ?

Mr. ASHMORE. Of the DMZ.

Now, the following day they gave us, and I thought at this point the whole show was going to be over, because they came back with a rather curt note postponing our meeting and which said you also should know we have been informed that this bombing was way up and they named the province up near the China border.

The CHAIRMAN. And we have denied that.

Mr. ASHMORE. We have denied that, that we had anything to do with it. All I know now from press reports is that we seem to have gotten the bombings now restricted to the bottom. But we have increased the intensity of them. This has happened since we left, so we have no word to report to you on the reaction.

The CHAIRMAN. Okay. Anything else you have got?

Thank you very much gentlemen.

[Whereupon, at 4:20 p.m., the committee recessed, subject to call of the chair.]

# MINUTES

## THURSDAY, APRIL 18, 1968

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in public executive session at 10:05 a.m., in room 4221, in the New Senate Office Building.

Present: Chairman Fulbright and Senators Gore, Symington, Aiken, Carlson and Mundt.

Sargent Shriver, nominee to be Ambassador to France, and Edward Clark, nominee to be Executive Director of the Inter-American Development Bank, were approved as were Henry Cabot Lodge, nominee to be Ambassador to the Federal Republic of Germany, and George C. McGhee, nominee to be Ambassador at Lodge.

For a record of the proceedings, see the official transcript.

[The committee adjourned at 11:15 a.m.]

# MINUTES

**THURSDAY, APRIL 25, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 10:35 a.m., in room S–116, the Capitol.

Present: Chairman Fulbright and Senators Clark, Pell, Hickenlooper, Carlson and Cooper.

EX. p, 90/1, convention relating to International Exhibitions, and S. 2914, to authorize the further amendment of the Peace Corps Act, were both ordered reported without objection. Brief discussion on a long staple cotton bill that was reported out of the Agriculture Committee.

For a record of the proceedings, see the official transcript.

[The committee adjourned at 10:55 a.m.]

# BRIEFING ON SITE NEGOTIATIONS AND THE *PUEBLO* INCIDENT

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**Wednesday, May 1, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington DC.*

The committee met, pursuant to notice, at 4:05 p.m., in room S–116, the Capitol, Senator J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Sparkman, Manfield, Gore, Symington, Dodd, Clark, Pell, Hickenlooper, Aiken, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr Jones, Mr. Lowenstein, and Mr. Bader of the committee staff.

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The CHAIRMAN. The committee will come to order.

Mr. Secretary, we are very pleased to have you here today I understand that we are to hear a report from you on the site negotiations and the *Pueblo* problem, and the recent Honolulu Conference, and all sorts of things.

Ambassador Brown, I didn't notice you here. I looked at the Secretary. We welcome you, too.

Mr. BROWN. Thank you, Mr. Chairman.

The CHAIRMAN. I didn't realize you were with the Secretary. I was thinking about something else when I looked at you. We are very glad to have you.

Mr. Secretary, will you proceed?

## STATEMENT OF HONORABLE NICHOLAS deB. KATZENBACH, UNDER SECRETARY OF STATE; ACCOMPANIED BY WINTHROP G. BROWN, SPECIAL ASSISTANT TO THE SECRETARY, DEPARTMENT OF STATE

Secretary KATZENBACH. I haven't got a prepared statement. I thought I might just take a few minutes——

The CHAIRMAN. That is fine. I prefer it that way. Just give us a little run-down on the situation in Korea and then the situation with respect to the *Pueblo*, and anything else that you want to ask that I am able to answer.

Senator HICKENLOOPER. Just so you don't get caught by surprise, I want to ask you about the *Liberty,* Mediterranian, what is happening there.

Secretary KATZENBACH. I won't be anymore caught by surprise after I finish this statement than I will be now.

The important thing——

The CHAIRMAN. Before you—that is the main subject—I wonder if you would mind saying a word about the site. Is there anything new at all, because I may have to leave, I have got constituent trouble.

Senator CLARK. Who doesn't?

The CHAIRMAN. I may have to leave before you get around to the end of it. Just a few minutes, I mean not too long. Hickenlooper will stay here.

Senator HICKENLOOPER. I have got to leave, myself.

SITE SELECTION DISCUSSIONS

The CHAIRMAN. He has no problems. Anything new to be said about it?

Senator HICKENLOOPER. On what?

The CHAIRMAN. Site selection, talks.

Secretary KATZENBACH. I have nothing new on the site selection. I would say that the bulk of the information with respect to that has been public information. We still haven't come to any agreement with Hanoi with respect to a site. They haven't——

The CHAIRMAN. Are you still talking, or is it still a complete stalemate?

Secretary KATZENBACH. Still talking, or at least still exchanging pieces of paper with them. On this——

The CHAIRMAN. I raised it the last time I talked with you on the phone; you were very optimistic. I expressed a little skepticism after we turned down Warsaw that we would get any where, and you thought we would. This was about two weeks ago.

Secretary KATZENBACH. Yes, sir.

The CHAIRMAN. And there is nothing new at all, and they show no disposition to make any further offer at all?

Secretary KATZENBACH. They have not shown any disposition as yet to get away from either Phnom Penh or Warsaw. To date, as you know, the Indonesians had made an offer of a vessel out in the, I think it is the Gulf of Tonkin.

The CHAIRMAN. What a nice place. [Laughter.]

Secretary KATZENBACH. And George Christian indicated that that would be agreeable enough to us. There has been no formal response or even informal radio statement from Hanoi with respect to that proposal.

The CHAIRMAN. Does Hanoi take the attitude they made two bona fide offers and are going to make no more?

Secretary KATZENBACH. They have not said.

The CHAIRMAN. What do they say? In substance, what have they said?

Secretary KATZENBACH. They said, "We don't like your suggestion; why don't you come to Warsaw?" They have in a sense dropped Phnom Penh. In my judgment they have not pushed Phnom Penh since the initial statement, but they have suggested it ought to come to Warsaw——

The CHAIRMAN. One last question——

Secretary KATZENBACH [continuing]. And we have suggested, as you know, a number of other sites.

The CHAIRMAN. I know, all of which are all right with me. I mean I am not defending them.

Secretary KATZENBACH. There are still a lot of other countries, I suppose, that have not been suggested, which might be possible to arrive at an agreement on. So far they haven't——

OBJECTION TO WARSAW

The CHAIRMAN. What is exactly your objection to Warsaw? Last year in your letter to Ho Chi Minh, I mean the President suggested Moscow, and I can't quite, for the life of me, see why Warsaw is worse than Moscow.

Secretary KATZENBACH. I think the problems with respect to Warsaw, Mr. Chairman, are those that really have been indicated publicly. We believe that it should be a site to the extent possible where the atmosphere is neutral. If we are going to have what may turn out to be fairly long and difficult negotiations, this would be helpful. It should be a place where we can be guaranteed that there will be no difficulties with respect to our allies at least being present in determining on whatever the pattern of the negotiations may be. At least they have access to it.

The CHAIRMAN. Couldn't that be determined ahead of time? In other words, as a condition of accepting it would be that our people, all that we wished to have, could be represented.

Secretary KATZENBACH. Yes, sir. I think some of these things conceivably could be worked out. But I don't see how you could work out the fact that with the site that they suggested for this as a site of a country that is supplying armament, as Poland acknowledges that it is, and other things to North Vietnam. We would have been highly criticized.

PRESIDENT'S OFFER TO GO TO MOSCOW

The CHAIRMAN. How do you reconcile it with the President's own offer to go to Moscow a year ago when he wrote to Ho Chi Minh?

Secretary KATZENBACH. I think that the circumstances have somewhat changed on this, Mr. Chairman, and I think the question really is whether they are serious about this and will want to have talks about this. We have already made a gesture with respect to the bombing on this, and their response was a little bit like a response we might have said, "Why don't we have the negotiations in Seoul or Taiwan or some other place," very difficult for them.

We did suggest, as you yourself indicated, Mr. Chairman, a group of sites which seemed to us to be appropriate sites, which were not particularly in the first group, it seems to me, sites that would be difficult for them. They are countries they have relationships with.

The CHAIRMAN. I have no objection to the site.

Senator SYMINGTON. I wasn't clear, what was the reason we didn't go to Warsaw?

The CHAIRMAN. I was trying to get at this. Some of the availability of communications, and also the acceptability of some of our allies there, and so on.

What really is difficult for me, in the President's letter—I don't know whether you all remember this or not—but the President wrote Ho Chi Minh, not just a general letter but to Ho Chi Minh on February 8, 1967 and he said as follows, among other things:

As to the site of bilateral discussions I propose there are several possibilities. We could, for example, have our representatives meet in Moscow where contacts have already occurred.

Now, it is hard for me to see why he was ready to go to Moscow and he can't go to Warsaw. That was all, and I think other people feel this way, and I don't, I am now saying our offers aren't good and bona fide, I am all for it, but we are losing a whole lot more anyways in a country than they are.

SITE SELECTION IS IMMATERIAL

Senator AIKEN. Mr. Chairman, isn't all this talk about selecting a site for formal talks immaterial? What I would like to know is, what progress are they making towards a deal or an understanding with the North Vietnamese. You don't have to have a site for that. We don't need a band.

Secretary KATZENBACH. Well, not on that score because we haven't talked any substance with them in the absence of being able to find any agreement on a site.

I do think, Mr. Chairman, that there was a difference between what we had thought was quite private correspondence and what we had thought was the possibility of a very unpublicized way of having Ambassador Thompson meet with their person, their representative, Ambassador in Moscow for the purpose of preliminary discussions. In a sense that phase was gotten over in the President's March 31 speech, coupled with their April 3 response. Then when we proceeded to go into the sites, they made a, quite an issue out of this by responding to us publicly before they responded to us privately and putting it in a propaganda framework.

I think another feeling on this has been that if they are going to treat it in this way, it becomes—if it is done for a propaganda point of view perhaps for the purpose of making life more difficult for us, not around the world as much as really in, perhaps in Vietnam itself, South Vietnam.

We don't want to mislead them with respect to the negotiations. We have positions that we want to maintain in the negotiations as undoubtedly they do. We are not in there for the purpose of simply acquiescing in their demands. Their making a propaganda issue out of this certainly made it much more difficult for us to accept the site that they proposed and could, indeed, be misleading to them as to just what we intended to do when we went there, and make it much more difficult for us with our allies. So the very fact that this whole thing gets into the public realm makes the issue more important, perhaps, than it might have been if it had been, as we had thought with respect to the correspondence you referred to, Mr. Chairman, a private matter for some preliminary discussions as to what we might do and how this thing might be resolved.

The CHAIRMAN. Well, Senator Sparkman, if you want to pursue it. I wanted just to raise it. Go ahead.

PRESIDENT'S PROMISE TO GO ANYWHERE, ANYTIME

Senator SPARKMAN. I was just going to make this comment. I will be very frank with you, I have been rather disturbed by the way things have been going. I realize that in this statement of April 3rd in which he said some other mutually acceptable site, I realize that

that may be argued as taking some of the steam out of it, but the President said it so clearly, that he was willing to go anywhere, any time, and talk to anybody, I believe it was, that I will say to you frankly, I think we made a mistake in not accepting Warsaw right off the bat. We are carrying on negotiations there with the Chinese and have been for several years, not getting anywhere, but nevertheless carrying them on, and if we made a mistake in making that proposal, I just think we ought to have taken our medicine and not gotten to this long harangue over it because I can't see how it could be beneficial to us. That is all I care to say.

Senator MANSFIELD. Will the Senator yield there?

I want to express my approval of what has been said and point out the very strong possibility, in my opinion, that if we end up with no meeting, no initial contact, and to me this is the most important, all the good which the President achieved by that March 31st speech will go down the drain and we will be in a more difficult position than ever, and furthermore, it is my understanding that the first contact, just for the purpose of establishing contact, and at that time the permanent site could then be discussed. It wouldn't necessarily have to be Phnom Penh, Warsaw or any other place, and I think it is very dangerous to keep on as we have, and that we are losing out in the propaganda battle and we lose out more severely if it continues on that basis.

The CHAIRMAN. Senator Gore.

REGAIN THE INITIATIVE

Senator GORE. Mr. Secretary, I wish to make a suggestion. I have not been critical of the manner in which it has been handled, and I doubt if you will find many members who have been more extensive in their praise of the action which the President has taken.

I wish to suggest to you, in line with the comments that have been made, that the administration might very well, I mean the President might very well gain a notch by communicating with Warsaw and establishing, as you indicated, and Senator Fulbright thought might be possible, the conditions which would make Warsaw satisfactory. It seems to me that the President might regain the initiative here by just out of the clear blue sky saying, "Gentlemen, we well accept Warsaw under these conditions"

The CHAIRMAN. That everybody is given free access that we want, and we can designate who they are.

Senator GORE. I rode across the Atlantic the other day with Mr. U Thant, which was an entirely private conversation and he was not attempting to inject himself in the conversation but just in the course of a long conversation, I think I distinctly recall that he indicated that Poland would agree to the conditions about which we raised questions with respect to Warsaw. If that be the case, why run the risk of losing the opportunity, and I think instead of losing face and accepting one of their suggestions, the President might regain the initiative in saying, yes, we will be magnanimous. There are certain objections that we had but we think these will be agreeable to Poland, and I would like to add one further point. I doubt if you would find any place in Eastern Europe where there is such popular favor for the United States, as is the case with Poland, and

I make this suggestion to you for the consideration of the administration, not in a critical way but it seems to me you might regain instead of losing, you might gain.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Clark.

Senator CLARK. I have to go in three minutes, and I would appreciate it if you would let me make a comment.

Senator GORE. Yes.

EASE MILITARY OPERATIONS

Senator CLARK. Mr. Secretary, could you give us a brief statement of the philosophy under which the administration is acting in accepting and hopefully moving forward with negotiations while at the same time we intensify the bombing of the North and in new operations called complete victory. I would think that we would look towards easing of military operations with a view to a cease fire instead of accelerating them.

Secretary KATZENBACH. I think as far as the bombing is concerned, it has been confined, as you gentlemen know, and I think it is pretty hard to say we should ease off with the bombing, Senator, at a time when they are making the largest amount of infiltration that they have made in any period during the Vietnam War.

Senator CLARK. We haven't decelerated the bombing. The number of sorties or the number of bombs dropped is greater than it has ever been before.

Secretary KATZENBACH. It has been concentrated in the area near the South and it is being done at a time when their infiltration rate has been approaching a thousand a day.——

Senator CLARK. I think what I was——

Secretary KATZENBACH [continuing]. In the South and I don't see what we gain by easing off on the bombing of infiltration routes at a time when their infiltration is actually up.

Senator CLARK. When I was over there they told me they infiltrated just as much as they wanted to always, that came from both military and Air Force officers.

Secretary KATZENBACH. That is interesting, Senator, because I don't believe we know how much they want to.

Senator CLARK. There are lots of things. I don't want to get into an argument with you.

OPERATION COMPLETE VICTORY

Secretary KATZENBACH. As far as operation complete victory is concerned, I think the name is, and I understand taking issue with a name like that. The purpose of the operation was simply to try to clear out units around the area of Saigon, which to me made pretty good sense. I think to have had a major attack on Saigon at this particular point would be extremely difficult for us, and extremely difficult, Senator, from the point of view of carrying on with a peace effort, to have had them make a major attack on Saigon, to have had major issues in Saigon would have made it much more difficult, in my judgment, for us to have gone ahead to a peace table.

Now, so far as the name is concerned, I suppose the name was chosen, I don't know this, I am speculating, the name was chosen because of the morale effect with respect to the South Vietnamese and an indication that the U.S. was not backing off or getting out or this kind of thing. I agree in terms of other public opinion it was not an ideal choice of names.

Senator CLARK. It seems to me a little silly to mount an operation called complete victory around Saigon while at the same time we are giving news to the rest we anticipated any moment an attack on Saigon by the enemy.

Secretary KATZENBACH. It is also obvious out of the environment of Saigon you couldn't get a complete victory.

Senator CLARK. I agree with you.

The CHAIRMAN. Senator Cooper or Senator Mundt.

WARSAW AND GENEVA

Senator MUNDT. To return just a moment to the site, my own position is I think we should have accepted Warsaw. Now that we have refused it, at least for the time being, has any consideration been given to this proposition, to say to them, yes, we will go to Warsaw if you will go, say, to Geneva for contacts.

Secretary KATZENBACH. That idea and other ideas of that kind have been discussed within the administration. They have not been put to the other side at this point.

Senator MUNDT. Thank you.

Secretary KATZENBACH. It is a matter that has been considered.

The CHAIRMAN. Senator Mundt.

INFILTRATION RATE FROM THE NORTH

Senator MUNDT. Just a minute ago you said the infiltration rate from the North to the South had been increasing during this lull in the bombing.

Secretary KATZENBACH. Yes, Senator.

Senator MUNDT. I did not know whether you said it was increasing by a thousand a day or to a thousand a day.

Secretary KATZENBACH. To pretty near, it is perhaps, and again the figures on this are estimates, it was running about 24,000 a month, and I, on our figures, which is close to a thousand a day.

Senator MUNDT. What I was trying to get is a benchmark of comparison to what it was before the lull in the bombing. How does it compare?

Secretary KATZENBACH. This is higher than it has ever been.

Senator MUNDT. Higher than it has ever been.

Secretary KATZENBACH. And this proceeded in this way following the Tet period, and I would, my judgment of it would be that in many respects it is an effort to replace a very large loss that they suffered during Tet.

Senator MUNDT. Not in comparison with the Tet offensive. What is the comparison between the time just prior to our announcement of the bombing lull and during the lull, is there acceleration of the infiltration?

Secretary KATZENBACH. No, and I think it is important to remember that as far as infiltration is concerned, the area still being

bombed is being bombed defensively and has covered all the infiltration routes.

Senator CASE. Laos, too.

Secretary KATZENBACH. It covers all the entrances into Laos and there has been no change in any bombing policy with respect to Laos.

Senator MUNDT. Has there been any increase in materiel?

Secretary KATZENBACH. Yes, sir. So far as you can judge by counting the vehicles and porters and people, and so forth, of that kind.

Senator MUNDT. On this site, this may have been asked before, has anybody on either side suggested Moscow as a site?

Secretary KATZENBACH. No, sir. Moscow has not been suggested by either side.

Senator DODD. I didn't hear that.

The CHAIRMAN. Not been suggested.

Secretary KATZENBACH. Not been suggested.

AVOID QUIBBLING OVER SITE

The CHAIRMAN. Any other questions on this before we go on the *Pueblo*?

Senator GORE. I want to make one further suggestion. I think, Mr. Secretary, we might make an error in standing on the rate of infiltration. After all, the last time Secretary Rusk was before the committee, I asked him how many troops North Vietnam had in South Vietnam, and he said 65,000, and we have 525,000. So I hope that the administration will not get into this tit-for-tat business.

We are a great and powerful nation, and we can accept Warsaw, and not stand and quibble on this, that or the other, and I think the quicker we do so the better we will stand in world public opinion. I will not press the point, but I do insist this might be a big mistake.

Senator DODD. Will the Senator yield?

SECRETARY ARRANGEMENTS IN WARSAW

I wanted to ask Albert something. Don't you worry about the security arrangements in Warsaw?

Senator GORE. No, I don't think so. Our ambassador meets with the Chinese ambassador there every few days. I don't know why a conference with North Korea would be any more sensitive than a conference with Red China.

Senator AIKEN. Mr. Chairman, I think there are some grounds for agreeing with Senator Lausche's statement of yesterday, that if we met in Warsaw we would be surrounded by 40 million friends. [Laughter.]

A LOGICAL HORSE-TRADING SWAP

Senator SYMINGTON. First, Mr. Chairman, I noticed my good friend from South Dakota came in a little late, and the answer to Moscow was not suggested. I think he might be interested in the letter.

The CHAIRMAN. This year, last year the President, as I read excerpts from the President's letter to Ho Chi Minh last year in which he said, "We could, for example, have our representatives meet in Moscow where contacts have already occurred."

Senator SYMINGTON. I thought you would want to be interested in that.

The CHAIRMAN. But that is in the current series.

Senator MUNDT. It seems to me a logical horse-trading swap would be Warsaw, and if that is unacceptable, say no, how about Moscow.

The CHAIRMAN. Well, he did suggest that last year.

Senator AIKEN. Mr. Chairman, has the President thought of inviting them to Washington?

The CHAIRMAN. We turned down a visa to come to New York.

Senator AIKEN. Let's try, anyway.

The CHAIRMAN. It is too dangerous here. We are liable to have a riot any day. They wouldn't want to come here for fear of their physical security.

Senator MUNDT. Saigon might be safer.

Secretary KATZENBACH. Of course, they might counter with Hanoi.

A LOT OF FRIENDS IN POLAND

Senator SYMINGTON. Mr. Secretary, for what it is worth I would like to add my support of Senator Gore's position. When Cambodia came out, I think that would be a great mistake. I think Mr. Sihanouk has taken us as good as anybody in recent years, with the possible exception of General de Gaulle. On the other hand with respect to Warsaw, everybody knows we have been meeting there for years with the Red Chinese, we have got a fine ambassador there, knows the people, we are very close to Berlin, where we have got a setup in Berlin ourselves, and it would seem to me most unfortunate, considering the weakening of the alliances behind the Iron Curtain, that we, in a sense should kick Warsaw in the face by refusing to meet there, because I do think that we have a lot of friends in Poland today.

I am not one of these professional anti-Communists, I want to make that clear. I just feel this is most unfortunate that this has developed this way, and I think Warsaw would have been an ideal place to meet.

SELLING OF ARMS

You said something about selling of arms. I just respectfully present to you if there is any reason for us to be constantly, you might say, at war in theory against the Soviet Union, which I have an increasing doubt about, we have increased our arms sales in the last five years from 200 million a year to a billion and a half a year to all of the countries of the free world, and I don't see why we should be especially critical considering the amount of arms we are putting into South Vietnam about a country that is trying to increase its standard of living by shipping arms to Vietnam.

One other point, as the Soviets continue to develop their arms sales around the world, I think we should start considering what our policies should be because we don't want them to move in and

control other countries like Syria through the sale of arms, but that is another addenda, and my only point is I reported to somebody in the administration and requested that they tell the President that I thought it would be a grave mistake to turn Warsaw down. And so I am only saying he would do that if he could, and I imagine he could, and I just want re-emphasize, I was very distressed, especially after the statements we made about any place, any time, anywhere, that we didn't go to Warsaw.

Thank you, Mr. Chairman.

The CHAIRMAN. Any other questions?

INCREASE IN INFILTRATION

Senator MANSFIELD. Mr. Chairman, I am just going back to what the Secretary said about the rate of infiltration. As I recall there was a story in the New York Times by Neil L. Sheehan, supposedly out of the Department of Defense under the date of April 21. He said according to their estimate there was an infiltration of 20,000 men from the North in January, 10,000 in February, 15,000 in March, and 10,000 up to the date of the issue of that particular issue, April 21.

I think it ought to be pointed out also that prior to the Tet offensive, there was indisputable evidence that tanks had been transported to the region around Khe Sanh and even a little bit south and west that could be used by the North Vietnamese.

I think also that on yesterday, Clark Clifford, in response to a statement by the press, stated that this increase in infiltration since the bombing, since the President's offer, was news to him. Do you recall that? We are trying to check it out.

Secretary KATZENBACH. Increase in what?

Senator MANSFIELD. Infiltration.

Secretary KATZENBACH. Yes.

Senator MANSFIELD. Beyond what it had been.

Secretary KATZENBACH. No, I think that is correct, and I think I answered that in response to your question, Senator, that there hasn't been any noticeable difference since that time.

Senator MANSFIELD. I see.

Secretary KATZENBACH. There has been a good deal since Tet. There was some prior to Tet. I assumed that the increase since Tet is related to the losses that they took in the Tet offensive, and is a regroupment, a refilling of some of their units down there, and also a replacement of some of the supplies and ammunition and so forth that were expended. There has been no change in the pattern that we have noticed since March 31 as compared with March 1 or even the period prior to that. But it has been high throughout, Senator.

Senator MANSFIELD. Yes.

A NEUTRAL MEETING PLACE

Senator DODD. Mr. Chairman.

The CHAIRMAN. Senator Dodd.

Senator DODD. I don't have much to say because I came in late. I thought this was on the *Pueblo*.

Senator MANSFIELD. We are going to get to that.

The CHAIRMAN. It is on the agenda. It is on several things.

Senator DODD. As a matter of making a record, I just think we ought to meet in a neutral place, as neutral as it could be, and I am a professional anti-Communist, Senator Symington, like I hope I am professionally against evil, and I think it is a mistake to put ourselves in one of their cities where I am sure they will take advantage of us. I don't know whether my opinion is worth anything.

Senator SYMINGTON. How many thousand Americans do you want killed to make the point?

Senator DODD. I don't think that you do.

Senator SYMINGTON. I don't. But as you put me into it——

Senator DODD. I don't want any Americans killed or anybody else killed.

Senator SYMINGTON. Tom, if I had known you were a professional anti-Communist, I wouldn't have stated it.

Senator DODD. I didn't want the record to stay that way. I understand it to mean that one is committed and dedicated to a belief that this is an evil thing in the world. It varies, it changes, it shifts, but I can't do less with my conscience and I won't ask you to do less.

MEET IN THE DMZ

The CHAIRMAN. Speaking of that, there is one last suggestion. If one of these cities is agreeable, why don't you propose we meet in the DMZ under a white flag out in the open like Panmunjom, if you couldn't get anywhere else. That surely ought to be neutral, half-way between, exactly half-way between the two borders.

Secretary KATZENBACH. The border is actually in the middle of the DMZ.

The CHAIRMAN. All right, on the border then, in the middle.

Secretary KATZENBACH. Could I make two points, Mr. Chairman, at least in response or comment to what Senator Gore said?

The CHAIRMAN. Yes.

Secretary KATZENBACH. And others have said.

The first one is this: I think it was said that we shouldn't let dispute over the site become the occasion of an opportunity not to get into contact or have discussions and negotiations. I would say with respect to that that if, as you indicated, Mr. Chairman, we have made reasonable proposals and there are other places still that could be considered that would have a more neutral quality, if they are prepared, because we don't take one of their two suggestions, to let the whole thing go out the window, then I would have serious doubts as to how serious they are about wanting to have talks and discussions and negotiations. I can understand their turning down sites that would make it difficult for them. But I do think there is an element in this of how serious they are, and I don't think we gain very much by going into talks or discussions with them if they are not as serious as we in trying to work out this situation.

I say that despite the fact that I agree it would be very, very unhappy if a disagreement about site were to have the whole thing go down the drain, but at the same time it seems to me if they are prepared to start off, say it has either got to be Phnom Penh or Warsaw, and that is it, that they are not very serious about wanting to have peace in this area.

Senator SYMINGTON. Mr. Chairman, may I comment on that?

The CHAIRMAN. Yes.

IF THE SOVIETS HAVE ANY CLOUT

Senator SYMINGTON. May I comment on that. If they have a letter, the Soviets, from the President of the United States suggesting Moscow, and if there is any truth in what we hear about the Soviets being anxious for them to settle this situation, and if the Soviets have some kind of clout with respect to them which they certainly must have because the degree of sophistication of the armaments they put up there is, it is probably the most heavily defended sophisticated country in the world today, why wouldn't it be a natural thing if the Soviets wanted to see this matter brought to an end, if they do, to say to the North Vietnamese, "Well, the President offered Moscow and certainly they will take Warsaw so let's offer Warsaw where they have an Ambassador."

To take your point it might be exactly wrong. It might be they thought, in good faith they thought they were doing in effect what they wanted to do in offering Warsaw, there can be no logical interpretations 180 degrees apart. You could be the ones who could be destroying the possibility of reaching a peace settlement because you refuse to take a city which would obviously be a much more friendly city, much closer to us in every way as well as geographically, having once offered a city much farther away which is the center of communism.

I offer that suggestion.

Secretary KATZENBACH. If they thought that they now have been disabused of that notion.

SUFFER ANOTHER DEFEAT

Senator HICKENLOOPER. Mr. Chairman, I thought I would probably keep still because I am in such a substantial minority in my views, but I guess I can't keep still any longer.

I think that we are on a high way to being taken if a lot of these suggestions that I have heard this afternoon are being carried out and we will suffer another defeat, and I would like to see a place picked where we can negotiate, yes, and I wouldn't have too much objection to Warsaw, although I think we are playing right into their hands on Warsaw. Every spot that an American would be in Warsaw would be bugged, of course. There would be, you couldn't have any secret conversations about problems or programs, they would be right in the heartland of the enemy, and we might be able to survive it. But I think these people are hurting now, and I think that this probably is the first step toward a possible discussion, and if we completely surrender to them we will be dealing from, not from strength but from weakness, because we will have to stop what we are doing over there.

I don't know, I have great doubts that we will be making any gains on this at all, and I don't think I am any more blood-thirsty than anybody else.

Senator MUNDT. Mr. Chairman.

Secretary KATZENBACH. I just wanted to make one other point.

The CHAIRMAN. Senator Mundt.

Secretary KATZENBACH. If I could, Senator.

THE SOUTH VIETNAMESE ARE NERVOUS

The South Vietnamese are very nervous. I think understandably, despite our assurances on this, that somehow or other the United States is going to sell South Vietnam down the drain. They get this impression from various things they read and hear and despite assurances that one makes that this is not our intention, they get very nervous about it.

It is extremely important to us, in any negotiations that the Government of South Vietnam and the people of South Vietnam not have the impression that we are simply going there in order to give up South Vietnam. Therefore, having been a little bit nervous, as they were, about cutting back on the bombing, having been a little bit nervous, as they are about just what is going to happen in negotiations, particularly when Hanoi is saying we will talk to the Americans and further steps have not been reached on this, there is a point on this in our not rushing to the first place that Hanoi suggests, because this would be viewed, rightly or wrongly, in South Vietnam as giving currency to these fears that many of the people in South Vietnam have. So that it might mislead, as I said earlier, not merely Hanoi, but might make things more difficult in South Vietnam, and might give surrency to the sort of rumor and sort of feeling that they have in South Vietnam, and I would say something you are all familiar with, and yet to me it is appalling, in that during the Tet offensive and afterwards, the rumor that was rife in South Vietnam was that the United States and the Viet-Cong were in cahoots on this.

Now, as incredible as that sounds, that rumor had great currency in South Vietnam. I offer it only as an indication of how very edgy they are in this situation.

So our acquiescing in the site to which they and others, the Thais, the ROKS, and so forth take exception to rather strongly, is another factor in viewing this situation, because it is terribly important to us that there be confidence in South Vietnam.

A HISTRIONIC, HYPERBOLIC STATEMENT

Senator MUNDT. To a certain degree, I agree with Senator Symington in feeling that in view of the President's statement that we would go any place, any time, anywhere, which I think was a little bit histrionic, hyperbolic, and maybe shouldn't have been made, but since it was made, I think we made a mistake not to go to Warsaw.

But having said that, I would like to say I think it would be a much more serious mistake if, having turned down Moscow, we now came running back and say we could, because this is part of the negotiating process itself.

I think if we get knocked out in the first round by having stated a position, with some validity, but if now we come full wheel around, "All right, you won that point and we won't go," I think we are half beaten when we start and the worst answer to South Vietnam, and this Senator would think, too, we are not leading from strength in these negotiations.

Secretary KATZENBACH. Well, Senator, I might dispute the first part of your statement.

Senator MUNDT. Yes.

Secretary KATZENBACH. But the other part, from the point of view of Hanoi, the negotiations began with their statement of April 3rd, from their point of view, I think the site is a substantive matter, because they want us to come to them in this situation for the reasons that you indicate, and for reasons that I indicated that weakens our position in South Vietnam and elsewhere.

Now those—I appreciate the fact there can be disagreement on these points. I am merely wanting to make the point that there are arguments, and I think reasonable arguments, that can be made on this point even if there are those who disagree, to view things differently.

A RULE OF REASON

Senator GORE. I want to ask a question.

The CHAIRMAN. Please let us draw this part to a close.

Senator GORE. Just one brief comment. Of course there is merit to what you say, but let us look at this in total context. So far as public relations with the world are concerned, President Johnson has for months and months and months been trying to persuade the North Vietnamese to come to the conference table. Indeed this was the reason for the bombing program. We were going to punish them until they were willing to talk peace.

Now, he achieved a magnificent position by his dramatic renunciation and coupling that with a plea for peace and an offer of partial cessation of bombing, but now, to reject Warsaw, after the suggestion of Moscow, after the statement that we would go anywhere—of course like the Secretary of Defense I think that should be interpreted with a rule of reason, but so should their suggestion of Warsaw be taken with a rule of reason. I think the President stands to lose a very great deal by rejecting Warsaw, and even more, if by rejecting Warsaw, the chance of bringing them to the conference table is completely missed, then I think we are right back where we were, and maybe worse.

So I will not say anything further, but I do suggest to you in the strongest of terms my feeling that we ought to be magnanimous and accept Warsaw with the conditions which I understand from other sources they are willing to agree to.

The CHAIRMAN. Senator Dodd.

Senator DODD. I simply wanted to make an observation. I do not understand the logic of those who argue that it was a mistake to say anywhere, any time, any place, and then to argue that since we made that mistake we should make another. If that can be explained to me, I would be happy to have it explained.

SUGGESTIONS FOR SITES IN ASIA

The second thing I wanted to say is this: We have here at the table with the Secretary a man whom I consider a great and experienced diplomat in Asian affairs. Ambassador Brown, in my judgment, is one of the best we ever had any where. I wanted to ask the Secretary, has he not got any ideas of why we might not meet in Asia?

Secretary KATZENBACH. I do not know whether the ambassador does or not. We put forward really——

Senator DODD. I may embarrass you.

Secretary KATZENBACH. We put forward every neutral place that we could put forward in Asia at this point.

Senator DODD. I do not want to jeopardize his job or his position.

Secretary KATZENBACH. No, he is free to speak and he is, as you say, an expert on Asian affairs. I would merely point out we have put forward a half dozen Asian sites now and there are not very many left.

The CHAIRMAN. Senator Pell.

Senator DODD. I do not think so either, but I thought he had an idea.

THE SUNNY SIDE OF THE COIN

Senator PELL. I wish to strongly support the words of Senator Gore and Senator Symington, they are correct. When we wish to do something, we should look at the sunny side of the coin. I am always reminded what President Kennedy did in Cuba when he took the method that he thought most met American national interests, and I think we can make out all right in Warsaw.

As a second and third thought, I do not think we need worry about dignity or equate ours with North Vietnam which is not an equal country—she is about a tenth of our size and about a hundredth of our potential and she is not on an equal basis. We are a great nation and we should keep that in mind.

GENERAL SITUATION IN KOREA

The CHAIRMAN. Could we go on now to the *Pueblo*? Proceed, Mr. Secretary.

Secretary KATZENBACH. Could I take three or four minutes before going to the *Pueblo* itself, Mr. Chairman, just to run down the general situation in Korea?

The CHAIRMAN. Oh, yes, sure.

Secretary KATZENBACH. Because it is one that gives me concern. I do not mean to be alarming in any way, but I think it is a situation that does give concern.

For the last year and a half, the North Korean line has been very tough indeed in terms of their public statements. Starting in October of 1966, Kim Il Sung talked about unification, talked about unification of Korea by 1970, talked about revolution in South Korea, and called for joint action against U.S. forces, and this has been accompanied by similar statements on an increasing level since October of 1966.

As recently as April 24 of this year the first vice premier talked about the huge job of completing the revolution and uniting North and South Korea. He also said that war might break out at any moment in Korea, and he said that they were taking full measures to crush the U.S. imperialists and so forth.

INCREASE IN INFILTRATION FROM THE NORTH

From the time of Kim Il Sung's October 1966 speech there has been an increasing—a sharp increase in incidents by the North Koreans along the DMZ and in South Korea through infiltration. The number of such incidents grew from 50 in 1966 to 566 in 1967, an

increase of over tenfold on this. This year there have been 99 incidents in the same period, including a grenade explosion yesterday in Seoul in which seven people were wounded. There has been shootings, kidnappings, armed raids, sabotage, and of course the raid on the Blue House which—and the attempt to assassinate General Park, and one survivor out of that raid said that they have been training infiltrators in North Korea for the past two years and that there were some 2,400 presently being trained at some sites that he named.

There have been U.S. troops involved in some of these incidents along the DMZ, and I think the picture of the *Pueblo* and the seizure of the *Pueblo* has to be fitted into this general intensifying of their views.

Now, I do not know what all the reasons for this intensification are. There are a number that you can speculate on The can be trying to destroy the confidence of the South Korean Government, which has increased very greatly in the past couple of years. They have been trying very hard to drive a wedge between the South Koreans and us and have the South Koreans lose confidence in what the U.S. would do. They have played on the Vietnam theme on this and said the United States really is not going to be a reliable ally in the future.

THE ECONOMY OF SOUTH KOREA

There has been a good deal of interest in private investment in South Korea. It has had a tremendous economic boom there. This may be aimed at that and indeed some of these incidents have caused some problems with respect to private investments. They may be wanting to goad the South Koreans into taking countermeasures and making counterattacks, which the South Koreans are quite prepared to do, and this is one of the serious problems. It is not unlike Israeli responses to Arab terrorist attacks. This is a tremendous blow to the South Koreans when particularly a thing like the Blue House occurs. They are understandably vexed and annoyed. They want to take retaliatory action, and, as Ambassador Brown can tell you, they are very tough hombres. They do not like this.

They have been trying to press us into forms of automatic retaliation against the North Koreans with respect to these incidents and get assurance of our support that they go ahead on such retaliation. So that is the background on this.

Now, they are in good shape as far as the strength of their forces is concerned in South Korea. They are quite in good shape. The only place they have a major deficit vis-a-vis the North Koreans really is in air power. With respect to their armed forces on the ground, our estimate would be they are really in quite good shape.

I also want to say that in terms of public support of President Park and public support against these incidents there is no revolution going on in South Korea. In fact the infiltrators, when they are sent down, are quite quickly turned in. The South Korean populace is loyal to the present administration.

VANCE MISSION TO SOUTH KOREA

It is again against that background that Mr. Vance made his mission there. The major purpose was to really try to hold the South Koreans down on this, to calm them down on this. This really was the same thing that occurred with respect to the Presidents' meeting in Hawaii, to try to avoid too precipitate and too strong action on their part and our involvement in it. There were in neither of those situations, Mr. Chairman, any new commitments with respect to defense or with respect to our support for this—it was quite—to retaliatory action. It was quite the opposite objective which was to try to cool them off on this.

So it is against that background, which is one of concern and because of what the North Koreans are doing and because of what the South Korean reaction to this, that one has to look at the *Pueblo* incident.

PRIVATE DISCUSSIONS ON THE "PUEBLO"

With respect to the *Pueblo*, we have engaged in private discussions, American-North Korean discussions, without the presence of others, at 15 meetings over a period of time. These meetings have been fairly short in duration. They have not been accompanied with a great deal of diatribe. I suppose that part, at least initially, we took as encouragement.

On the other hand, they have gotten really virtually nowhere. The North Koreans have insisted in all of these meetings that the United States—they have said, "In the first place, you won't get the *Pueblo* back. As far as the crew is concerned, you have to apologize first publicly for their espionage and also for their intrusion on this illegal and unlawful mission that they were on and to which the various crew members, including the captain, have confessed, and that is a necessary precondition to any return of the crew."

They have not even gone so far as to say, "If you do this, you will get the crew back." They have said, "You do that, and that is an essential precondition to getting back the crew. You won't get back the vessel in any event."

We now await the 16th meeting. It has been waiting I guess ten days now, is it not, or more? It is their turn to call a meeting, and things are pretty-well stalled out although they have not broken off.

Now, we have offered to them if they will return the members of the crew—we would sign a note which would—a release of the crew to us—which would take note of the evidence the North Koreans had provided, which is all these confessions, pages of the log, and so forth, which you are familiar with, and that we would express regret for any violation of the orders which may have resulted in the ship's approaching closer than 12 nautical miles to North Korea.

A THIRD-PARTY INVESTIGATION

We have also offered, in the course of those discussions, any third party investigation into the situation. We have offered our own investigation and said we would make public the results. We have said, "You can have any neutral look at the situation to deter-

mine what happened, what the facts of it are, and if it shows that we went—that the ship's skipper violated his orders in any way, we would express regret for that."

We feel that is as far as the United States should go. We do not intend to apologize for what we do not believe we have done, to admit the fact as to which we have no evidence, and which we would regard as unproven.

They have denounced this offer, and when we said to them, "Well, all right, why don't you make a concrete offer on this which will result in a return of the crew," they have not made any offer of that kind other than as I have already stated.

I should say in this connection, and I—we have not, as you know, publicly stated what has gone on in these meetings or that we have made this kind of an offer or that we have made a third party offer because as long as the meetings are going on and if there is any possibility at all of success, we have not wanted to prejudice what we agreed would be secret meetings by divulging what in fact has gone on.

THE FALSENESS OF EVIDENCE

I would also say, and this I would regard as particularly sensitive, Mr. Chairman, something we have not yet said, and that is the fact that we could establish now the falseness of the evidence that they have produced beyond a shadow of a doubt. We have not—we have been willing to take to date a public beating on this because we have felt that to reveal why we know this evidence is not correct would greatly prejudice the possibilities of survival of the crew and their return, because it has seemed to us that in part, while the crew has been making these confessions and the skipper has, they have always been doing things that established to our satisfaction that they did not do what it is they are confessing doing, and so we have been holding that very closely, within the administration, even though, as I say, we have taken a public beating from all of the admissions and confessions that have been made, which on their face seem to establish something which they do not in fact establish.

So I would ask—and I know you all will—hold that very closely because it could seriously jeopardize the crew. It may be that we will make this information public. For example, if they were to put the crew on trial for espionage and so forth, it might be that that, would be an appropriate time to indicate the phoniness of the evidence, and perhaps there would be other ways in which it could be used. I will not go into the details of that——

Senator DODD. Mr. Chairman, do you not think this testimony should be off the record.

The CHAIRMAN. This is an executive hearing. He has not said what it was, in any case, so I do not know that it means anything.

Senator DODD. Well, you know better than I.

LOG ENTRIES

Secretary KATZENBACH. The evidence itself comes from our examination of comparing the statements which have been made and comparing the so-called track of the vessel which they gave to area log entry and just on its face you can disprove this evidence. I will

give you a couple of examples. You can go through it, and we have done so in great detail and have it ready to present at any time it should be.

For example, one of the log entries shows the vessel 32 miles inland, and not even this vessel could sail 32 miles on dry land.

Another time, one of the log entries, it shows the vessel to have proceeded at a speed of 2,500 miles per hour, which is somewhat in excess of the speed of the *Pueblo*, and there are several other pieces of evidence of this kind.

THE ALLEGED CONFESSION

Senator AIKEN. How many members of the crew have signed an alleged confession?

Secretary KATZENBACH. All of them.

Senator AIKEN. All of them?

Secretary KATZENBACH. Yes.

Senator AIKEN. Was a concerted effort made from outside, any third country, to get them to do that?

Secretary KATZENBACH. To get them to sign it?

Senator AIKEN. To get all 82 to write.

Secretary KATZENBACH. Well, I think the North Koreans have done that themselves. There have been, to the best of our knowledge, no efforts elsewhere. We have kept the Russians informed of this—in fact, informed of the substance of the meetings. What they have done or not done, of course, we do not know. We would suppose it was in their interest not to have the ship seized on the high seas, a ship of this kind, since they use the same kind of ship, but the North Koreans are pretty tough people and whether they will take, even if the Soviet Union had strongly urged them to do thing, I am not a bit confident that the North Koreans would take their advice anyway.

Senator AIKEN. Has the U.N. been concerned in any way?

Secretary KATZENBACH. Yes, sir—well, the members of the United Nations Supervisory Commission have been, and they have been unable to do anything. We have used that channel. We have used other diplomatic channels and effort to see what diplomatic pressure might be put on.

Unfortunately, virtually there are no action in the way of economic sanctions effectively against North Korea, and, for reasons that I have already given, any sort of military sanctions raise quite serious and quite grave problems. That is the net of it.

EVIDENCE OF INTRUSIONS IS FALSE

We do not—as the Secretary, Secretary Rusk and Secretary McNamara stated sometime ago—we do not know the whereabouts of the vessel throughout its voyage. We do know that evidence of the intrusions that they have given is false.

The CHAIRMAN. Yes, but you know the negative side is false. You are not positive what the real log really does show because you do not have a copy of that.

Secretary KATZENBACH. No, sir, that is correct, but I assume if the real log showed an intrusion, they would not have had to fabricate six of them.

The CHAIRMAN. I would have guessed so myself, but I do not understand it.

COMPARISON OF NORTH AND SOUTH KOREA

Just for a little background material, has North Korea got more people than South Korea? Is it a larger country?

Secretary KATZENBACH. It is a slightly smaller population.

The CHAIRMAN. What is the population?

Mr. BROWN. It is about one-third the size in population.

The CHAIRMAN. One-third. What is the size of North Korea and South Korea in population?

Mr. BROWN. Approximately 12 million in North Korea and almost 30 million in South Korea.

The CHAIRMAN. I did not know it was that much, 12 million in North Korea and 30 million in South Korea.

Mr. BROWN. About that.

The CHAIRMAN. Does North Korea have a larger army or a smaller one than South Korea?

Mr. BROWN. They have a slightly—they have about 350,000 men under arms in the army.

The CHAIRMAN. In North Korea?

Mr. BROWN. In North Korea, as compared to about 500—a little over 500,000 in South Korea. They have an air force in the neighborhood of approximately the same size, but the North Korean air force is far more modern.

The CHAIRMAN. Does North Korea have any Chinese forces in North Korea?

Mr. BROWN. We do not think so, Senator.

WHY IS IT SUCH A DIRE DANGER?

The CHAIRMAN. What puzzles me is why is it that North Korea, being one-third the size and a smaller army, is such a threat to South Korea. We have—how many American troops do we have in South Korea?

Secretary KATZENBACH. 50,000.

The CHAIRMAN. What is the explanation of a country three times as large and with enormous foreign aid—why is it in such dire danger from North Korea which is one-third the size of it?

Secretary KATZENBACH. Mr. Chairman, nothing that I said indicated that it was in dire danger from North Korea. I do not feel they feel they were in dire danger. I was saying in a sense quite the opposite, that as North Koreans made a great many incidents in this regard and did things which very much distressed President Park, the desire on the part of South Koreans is to strike back at North Korea.

Now, that raises problems for us. It will raise problems for the Soviet Union and China as well, because they have a mutual defense agreement with North Korea, as we do with South Korea. The only element in which South Korea, in our judgment, is less strong than North Korea is the one that Ambassador Brown just mentioned. They have a good deal more modern air force and so one of the reasons for the military assistance program we have, the principal item, over half of the $100 million was to go into F–4s to try to modernize the South Korean air force, and if there is to

be any kind of disengagement over any long period in this, then it is going—we are going to have to modernize that to a point where it discourages——

The CHAIRMAN. The $100 million is additional to what we already have committed. What are you going to pay them?

Secretary KATZENBACH. It is about twice, is it not?

The CHAIRMAN. It would be $260 million in fiscal '68.

Mr. BROWN. Yes, sir.

The CHAIRMAN. What are you going to give them in '69?

Secretary KATZENBACH. I would think it would run to very nearly the same figure. I do not remember what the figure is.

Mr. BROWN. It would not be the extra $100 million now.

THE ORIGINAL COMMITMENT

The CHAIRMAN. Mr. Brown, did you write what is generally referred to as the Brown letter, which contained the original commitment or that we would pay so much and do so many things for Korea if they would send troops?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Sir?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Could you make available a copy of that to the committee?

Secretary KATZENBACH. We would have to look over the——

The CHAIRMAN. You wrote it. I thought you would be familiar with it. You know what is in it, do you not?

Mr. BROWN. Broadly speaking, sir. I wrote it a long time ago. What it set forth are certain general things that we were prepared to do to help them modernize their air forces.

The CHAIRMAN. General things. No commitment to pay them any specific amounts of money.

Mr. BROWN. No, sir, no amounts of money were mentioned in the letter. It was in terms of types of equipment.

The CHAIRMAN. I think the committee is entitled to know about such agreements or commitments, if you like. We requested this, and we have never been able to get it.

Mr. BROWN. Sir, I have been away from Korean affairs for quite some time. I would have to look it up.

A DEPARTMENTAL MATTER

The CHAIRMAN. As the author of this interesting document, could you make it available to the committee?

Secretary KATZENBACH. No, sir, Ambassador Brown cannot make it available without the Department's concurrence.

The CHAIRMAN. Why not? Why does the Department not——

Secretary KATZENBACH. It is a departmental matter.

The CHAIRMAN. I asked him.

It is perfectly proper for you to respond. Why do you not, Mr. Ambassador, make it available? What is your reason—what good reason is there not to make it available to this committee, commitments of this character? I mean, I do not quite see the justification. It seems to me we ought to know what you are paying for these soldiers and what—you ask us to appropriate the money, to authorize the money. You come up and give us requests for hundreds of

millions of dollars and then you refuse to tell us what you are going to do with it.

Secretary KATZENBACH. Mr. Chairman, that is not Ambassador Brown's responsibility.

The CHAIRMAN. I am talking to you now. I am not addressing this to Mr. Brown. I have changed that. I only asked him since he is the author of this letter.

Secretary KATZENBACH. All right, sir.

Senator DODD. Could I ask, What is the Brown letter?

The CHAIRMAN. It is a letter that the ambassador wrote as a commitment to the Government of Korea that this government would do such and such, a great many different things.

Senator SPARKMAN. When?

Senator DODD. Is that while he was ambassador?

The CHAIRMAN. That is while he was ambassador. This was the time of the original agreement; it was our method of paying for the troops Korea gives. These mercenaries get a very handsome payment—that is, the Government does. I do not know that they do. They may not get any more than they normally do, but it runs into very substantial amounts, some $160 million, is it not?

Mr. BROWN. No, sir.

The CHAIRMAN. What?

Mr. BROWN. The $160 million is the regular military assistance program.

The CHAIRMAN. You see, this is in addition to that. You see, I do not know.

For the information of the Senator, I requested this letter we urged him to get it from the Department, the Department refuses.

SUMMARY OF THE LETTER

Senator PELL. Did we not get an abstract of it?

The CHAIRMAN. It was published in a Japanese—part of it—in a Japanese paper, was it not?

Mr. MARCY. That is right.

The CHAIRMAN. But they refused to give us the official letter, the State Department does.

Secretary KATZENBACH. I think we did provide a summary of it.

The CHAIRMAN. You did not provide the letter.

Secretary KATZENBACH. I think we provided a summary, and, Mr. Chairman——

The CHAIRMAN. Why should we not have the letter?

Secretary KATZENBACH. If you do not feel that is a fair summary, I would be happy to show you, the chairman, the letter, and if you can attest, if you feel it is not a fair summary of the letter, you can so state, and if it is, then it seems to me the necessary information has been given to the committee.

Senator SYMINGTON. Mr. Chairman, if you will yield, not because he is an old friend of mine, I have the greatest respect for him, but because he was the ambassador at that time, I do not think the decision of whether the ambassador does or does not——

The CHAIRMAN. We have settled that.

Senator SYMINGTON. I was out of the room.

Secretary KATZENBACH. I am the fellow on the griddle now, Mr. Chairman.

KOREAN LOBBYING IN THE UNITED STATES

The CHAIRMAN. Here this committee is asked and it will be asked as it has every year to authorize hundreds of millions of dollars of foreign military assistance, foreign economic assistance, and this is being spent in this connection with troops. I am not saying you should not do it. It may be a good investment. I do not accept, though, the idea that on the one hand we are asked to appropriate or authorize the money but then you are unwilling to give us the agreement by which you dispose of the money. I do not think this is the kind of executive privilege which should be kept from the committee, and one little example of what irritates me to no end is I have just been given today a supplemental statement of the expenditures of a public relations firm here in Washington paid for out of our money to brainwash the American people, $10,000 a month. The government of Korea has been paying a firm called the American International Business Research Corporation, 1001 Connecticut Avenue. I am sure it is out of our money.

Senator AIKEN. Who are they?

Senator SYMINGTON. Any members of the Congress on the board?

The CHAIRMAN. It is signed by George B. Bevel and Booth Mooney. Mr. Booth Mooney is, I understand, an author and has written some very popular books about very important figures in our government. But the fee paid by Ambassador Kim is $10,000 a month plus expenses for six months. He paid them $70,116.80. I think it is absolutely ridiculous.

This committee carried on a study of these public relations firms that preyed upon the American government for a long time, and we passed laws which, if they were abided by and they were publicized properly, might discourage them.

I know in this case that on several occasions he failed to abide by the requirements and gave excuses that he forgot to do it or did not do it but would do it in the future.

This is another example of the way the money is spent that we appropriate.

Senator SYMINGTON. What were the dates on it?

MONEY IS FUNGIBLE

Secretary KATZENBACH. It is really not fair, Mr. Chairman, to say we appropriated money for the payment of that.

The CHAIRMAN. Is it not?

Secretary KATZENBACH. No, sir, it really is not a fair statement to make.

The CHAIRMAN. You are really very technical about it.

Secretary KATZENBACH. Mr. Chairman, I am willing to bet any amount of money that you cannot trace one American dollar of aid into that payment.

The CHAIRMAN. Oh, yes, you are a very good lawyer, Mr. Katzenbach. For God's sake, money is fungible, of course. We give them $260 million and then you say there is no money comes here. Of course you do not follow the exact dollar anywhere. You give them $260 million, they have got plenty of money to pay a public relations firm.

Secretary KATZENBACH. Mr. Chairman, that is not even correct to say we give them $260 million.

The CHAIRMAN. He just testified, Mr. Brown.

Secretary KATZENBACH. No, sir, we said military equipment that has a value of $160 million this year. They have plenty of dollars.

The CHAIRMAN. Where do they get them?

Secretary KATZENBACH. From trade, which is going on very greatly.

The CHAIRMAN. From us mostly.

Secretary KATZENBACH. Yes, sir.

SOUTH KOREAN SALES IN SOUTH VIETNAM

The CHAIRMAN. How much do they sell us in South Vietnam?

Secretary KATZENBACH. In South Vietnam?

The CHAIRMAN. Well, for that purpose. It is several tens of millions of dollars.

Secretary KATZENBACH. About $9 million.

Senator DODD. You mean South Korea.

The CHAIRMAN. South Vietnam. They supply—we have had amendments on this subject—they give them special preferences on the sale of various subjects, do they not?

Secretary KATZENBACH. Mr. Chairman, I do not like foreign governments hiring public relations men, you know I do not. I have testified on that.

The CHAIRMAN. I know you did.

Secretary KATZENBACH. I do not like them doing it. We have tried to dissuade other governments from doing this. We have in fact tried to dissuade the Koreans from doing this.

But I do not think it is fair to say we are paying for it simply because we are providing military equipment.

PAYING THE SOLDIERS

Senator SYMINGTON. We are doing more than that. We are paying the soldiers—wait a minute now, Mr. Secretary—we are paying the soldiers. We are putting up a lot of money for South Koreans in South Korea and South Koreans in South Vietnam.

Secretary KATZENBACH. We provided—we do not pay the soldiers in point of fact, Senator Symington. They carry those costs themselves. We do provide equipment and ammunition and so forth.

The CHAIRMAN. Mr. Katzenbach, this is why I think we should have the Brown letter in detail. I thought the summary was—it indicated that we did make provision for supplementing their pay.

What about that, Mr. Brown, can you say we do nothing to pay their soldiers either retirement—did we agree to provide a communications system for their soldiers while they are in South Vietnam? Did we not make all kinds—a number of provisions of this kind?

Mr. BROWN. Yes, we agreed to provide them with communications and the basic agreement was that there would be no additional economic burden involved in sending their troops down there and no impairment of their security.

The CHAIRMAN. We would pay the total costs whatever it is.

Secretary KATZENBACH. They pay the base pay on their soldiers just as they would if they were in South Korea.

ECONOMIC AS WELL AS MILITARY AID

The CHAIRMAN. You say we give them nothing but military. We gave them $71 million of economic aid. We give them almost the same amount of P.L. 480 and then you say that we give them nothing but military equipment. It just is not so.

Senator SYMINGTON. That was my point.

The CHAIRMAN. You are quite right. It just is not so.

Here is the exact amount. In 1967, total economic, $185.3 million. Loans, $68 million. Grants, $116.9 million in 1967. Economic grant.

How do you figure that is nothing but military equipment? These are your own calculations here.

Setretary KATZENBACH. I believe, Mr. Chairman, that the record will show that my statement was in response to yours that you had just said we had given them $260 million. I said that was military equipment, not dollars. I believe that is what the record shows. That was my response to your statement.

The CHAIRMAN. Then in addition to that you mean they get economic aid and P.L. 480.

Secretary KATZENBACH. Yes.

The CHAIRMAN. Well, for goodness sakes.

Senator COOPER. What about supporting assistance?

The CHAIRMAN. I understated it. I apologize for understating to the members what they get.

Senator COOPER. How about supporting?

Senator DODD. I just asked Senator Mansfield what we mean by communications. What does that mean?

Secretary KATZENBACH. It is equipment for their troops in South Vietnam.

Senator DODD. Signal corps?

Secretary KATZENBACH. Signal corps equipment.

Senator AIKEN. Do we pay for the Little Angels coming over here? Do you think they do more good in South Korea than the public relations firm does?

The CHAIRMAN. Senator Cooper, in answer to your question, the grant military assistance program in 1967 was $149.7 million.

Senator COOPER. Is that what you term "supporting assistance"?

Mr. BROWN. No, sir. That is equipment.

Senator COOPER. What is equipment?

Secretary KATZENBACH. That is on the economic side.

Senator COOPER. That is actual money.

Secretary KATZENBACH. Commodity imports.

The CHAIRMAN. That is included in the economic assistance.

Secretary KATZENBACH. In the economic assistance figure.

The CHAIRMAN. The Food for Freedom is a different one, $67.2 million. The total economic and military under this in 1967 was $335 million.

PURCHASE MADE IN KOREA

Senator CASE. Mr. Chairman, I would like to ask a question about one thing. There is a provision apparently that we would buy in Korea only in competition with U.S. funds everything that we would need in Vietnam for aid programs. I wonder if we could have

an estimate of the amount of purchases made in Korea. I take it it would be in dollars, I assume.

Secretary KATZENBACH. Yes, sir. I do not have the figures but I would remind you at the same time we are putting in supporting assistance we are trying to protect their problem on this, and this is just away of protecting it. They have balance of payments problems as well as we.

Senator CASE. Not related to this program.

Secretary KATZENBACH. No, but when we make purchases in Korea it is making dollars available to them as it is when you provide supporting assistance on import programs. That is the same.

Senator DODD. Mr. Chairman, I have got to go, but I would like to make an observation for the record.

The CHAIRMAN. Yes.

Senator CASE. This is in a sense cutting down our ability of buying elsewhere.

Secretary KATZENBACH. Unless you can buy it here.

Senator CASE. I see, unless you can buy it here.

Secretary KATZENBACH. That is correct.

Senator CASE. It is presumably a concession and it would be put in an agreement.

Senator DODD. I would like to address myself just a minute to the *Pueblo* incident.

Secretary KATZENBACH. Yes, sir.

GETTING THE "PUEBLO" CREW HOME

Senator DODD. I speak for myself, of course, alone. It would not bother me—and I do not know why it should bother anybody—if they want us to apologize and we know all these things are not true—we will have ample opportunity to demonstrate their untruthfulness later—why do we stick to this? Why do we not get these fellows home?

Senator SYMINGTON. How?

Senator DODD. Well, I understood the Secretary to say that if we would agree to that, as they assert, and we can demonstrate the untruthfulness of it later, that our ship was inside their waters and should not have been there, say, If "All right, that is all we can demonstrate now." Let us get them out.

Secretary KATZENBACH. There are two difficulties with it, Senator, two difficulties, if you assume that the United States would be right in apologizing for something on evidence that we know to be false, which gives me some pause. But even if you jump over that and get 82 people back, you have the additional difficulty on this on one, they have never said they would give them back even if we did it.

Senator DODD. That is another point.

Secretary KATZENBACH. And the second point—and let me just offer the sort of thing that they could do. If you made your apology on this, they could then return 30 members of the crew, 40 members of the crew, and you are trapped in a situation where you cannot get quickly out the falseness of their information because they are still holding half of them.

The third point I would make on it is that would you upset the South Koreans just incredibly and raise the sort of difficulties I

was talking about earlier. They would—this is just the sort of thing that would really drive them off the reservation. They would see this as a great sign of weakness on the part of the U.S.

We have difficulties even talking to the North Koreans privately. This has caused a lot of problems.

RISKING A CONFLAGRATION

Senator DODD. Right. I just do not care. There are human lives involved and families and they are fellow citizens. I would go to any lengths.

Secretary KATZENBACH. Senator Dodd, the administration, believe me, President Johnson and all the rest of us, are terribly conscious of that, but to save 82 lives and risk 820 or 8,200 or something else in a conflagration would be something different.

Senator DODD. I do not take it that way. I think every life is important, and I wanted Senator Symington to know that.

PRESIDENT OF SOUTH KOREA

The CHAIRMAN. Senator Dodd, I wonder if you would let me read this in view of your exchange and ask Ambassador Brown to comment if he knows about it. This is an article special to the New York Times from Seoul, Korea, dated May 20, 1961. I will read or put it all in the record. I will read part of it. It is a rather interesting thing just brought to my attention.

Major General Chung Hi Pak, who was once under sentence of death as the ringleader of a Communist cell in the South Koreans constabulary, has been credited here with being the real power behind the military coup. . . .

As Koreans reconstruct the incident, General Chung was involved in the so-called Yosu Revolt in the southernmost corner of South Korea.

The rebellion was put down after considerable bloodshed.

General Chung, the accounts state, was then tried by a military court as the ringleader of a Communist cell in the South Korean Constabulary and was sentenced to death. . . .

According to authoritative sources, army officials decided to use the condemned officer to eliminate Communist elements from the South Korean Army.

General Chung complied. He is said to have supplied army intelligence with a list of names of persons involved in Communist activities.

A massive purge took place in the army and, by the time the North Korean Communists crossed the 38th Parallel, the South Koreans could fight back without what had amounted to a vulnerable element in their ranks. . . .

General Chung's death sentence was waived and he was given the right to return to uniform.

I just read part of it. It is too long to take your time, but it is a right interesting sidelight that the president of South Korea apparently, if this is correct, was a former Communist. Being a professional anti-Communist, I wondered what you thought about it.

Senator DODD. He is a soul mate.

Senator SYMINGTON. Mr. Chairman, if you will yield——

The CHAIRMAN. May I ask Mr. Brown, Is it an accurate statement, does he know anything about it?

Mr. BROWN. President Park had slight connections with Communists.

The CHAIRMAN. Was he convicted of being a Communist?

Mr. BROWN. I do not know whether he was convicted or not.

The CHAIRMAN. This says by a military court and sentenced to death.

Mr. BROWN. That was a—I know there was a strong suspicion, and I would have to check on the question whether it was actually.

Senator CASE. This is the same guy as the president of South Korea.

The CHAIRMAN. The president of South Korea. It is a very interesting story.

Mr. BROWN. He is just about the most vigorous anti-Communist you would meet.

LOSING OUR CLOUT

Senator SYMINGTON. Mr. Secretary, we have been talking about two things which I think are closely interrelated this afternoon. One is Warsaw and the other is the *Pueblo.* In 1948 I was in the Pentagon when we had the famous Berlin matter as a result of General Lucius Clay's telegram, and then for a year I had the dubious privilege of running the airlift which we did successfully for a year where Mr. Churchill said it proved conclusively we could stand on our heads indefinitely while the Russians sat in an armchair. He gave me the book in which he put it in a speech. This is why I am getting so cold about Vietnam.

After going through the Middle East last year, I became convinced that politically as well as militarily we were losing our clout or leverage, or whatever the word is, allover the world, and came back to Europe as a result of the degree of our commitment with so little evidence of success regardless of the reasons and so forth and so on, and I came back and reported to this committee and to Chairman Fulbright that you were going to see this thing blow any time, any place, anywhere.

I did not know that it was going to be Korea taking advantage of us, but I thought it would be in the Middle East where, incidentally, as you know, it could blow in three or four places any time now.

There was something that happened which took me back to the Berlin question. I stayed with General Clay in 1961. I also stayed with him in 1946, and we reviewed the building of those 15 years and spent a day with him looking at this wall which is still up there. Something happened the other day which goes right back, I think, to the *Pueblo*, to Warsaw, to the whole Vietnam picture, and that was the refusal of the East Germans to let the mayor of West Berlin use the Autobahn to go to Bonn. That was the type and character of pressures that we started to get many years ago, and then considerably later on, and if we do not settle this situation, not only is it busting up the opinion in this country, and costing a lot of money, and so forth, but also it is getting to be a situation around the world where we are going to have a lot more Puebloes, not a ship necessarily, but it is bound to happen.

Anybody who travels can smell it and see it, and I am absolutely sure in your own mind that your own ambassadors come back and report that to you.

I know some of your own people agree about it without any reservation in the State Department today.

VIETNAM IS HURTING US IN OTHER COUNTRIES

Now, how long can we last here? I came back in '65 and said we ought to get on with this thing or get out of it. They said, "What would you do?" I said get on with it, but we did not get on with it. We did not push it. O.K. That was wrong. It was immoral to bomb North Vietnam and all these things. All right.

I go out a year later, and they said, "I don't know." I go out last fall and I would like to get out of it because it is a bad mistake. People talk about staying the course. The fellow with real guts, in my book, is the fellow who comes to his board of directors and says, "We made a mistake. We never should have bought this subsidiary, and it is going to hurt the parent company, and we should get rid of it."

I should like to let you know, because we have had recent conversations, what is hurting us is Vietnam, I think it is hurting us politically, militarily, and economically all over the world, not only of people who might attack us because we do not like Communists. Some of us think it is a terrible thing to be a Communist, it automatically makes you a crook or an evil man. I was taught my religion by my mother, they are taught theirs by their mother, it is a detail, but it is also hurting us very, very badly with the countries that we hoped would stay our friends, and I would hope the degree of the way they are hurting us is fully appreciated, as I know it is in your department.

Thank you very much for letting me make a few observation respecting my feelings.

The CHAIRMAN. Senator Dodd wishes to make an observation.

Senator DODD. I just wished to observe that my position is I do not hate anybody because he is a Communist. I hate the evil of the thing itself.

Senator SYMINGTON. I am for motherhood, too, do not think I am not, and early spring.

Senator DODD. Well, you get sharp, and I try not to, and I think you do, too. But I only wanted to make clear for the record my own position. I do not hate anybody. I just think this is a terrible evil thing in the world, and that is about it. But it does not involve human beings.

Senator SYMINGTON. Capitalism is the purest system in the world.

Take it off the record. The next thing you know I will be investigated. [Laughter.]

NORTH KOREA'S MUTUAL SECURITY TREATIES

The CHAIRMAN. Senator Mansfield wants to say something.

Senator MANSFIELD. I do not want to ask any questions but just make two observations. One, I hope we will stop this quibbling and arrive at a mutually agreeable site if it is possible, but some site, because, as I see it, this first contact is the most important. If we do not achieve that, you achieve nothing, and if you can make the first contact anywhere, then I believe you can discuss this matter of a permanent site where the conference and negotiations and hopefully an honorable settlement can be achieved.

Secondly, on the matter of the *Pueblo,* is this not true? You mentioned the fact that the Soviet Union had a mutual security with North Korea. Does not Peking as well?

Secretary KATAZENBACH. Yes.

Senator MANSFIELD. And if any overt act is committed against North Korea automatically those mutual security treaties go into operation, and they come to the aid of North Korea, is that correct?

Secretary KATZENBACH. If North Korea is attacked, the treaties provide they will do so.

Senator MANSFIELD. That is right, and that is something I think we ought to keep in mind, and Tom has a point when he emphasizes, as he has, the idea of getting these men out, and you have a point in the arguments which you have raised against it.

I think we ought to keep these mutual security pacts in mind.

Senator DODD. That is why you are a great leader.

Secretary KATZENBACH. We want to get the men out of there, but not do it under circumstances which could further endanger others if that is the real dilemma of the situation.

The CHAIRMAN. Let me make one observation on Senator Mansfield. But would you not agree that getting a conversation, if we ever do get it, and get to conference, would do more indirectly toward lessening the tension of North Korea than anything else we could do?

Senator MANSFIELD. It would be helpful.

The CHAIRMAN. That is what I mean.

WHETHER THE "PUEBLO" WAS IN TERRITORIAL WATERS

Senator COOPER. On this point of the *Pueblo,* you said a while ago you have been able to establish the falsity of the North Korean log.

Secretary KATZENBACH. Yes, sir.

Senator COOPER. A number of questions were asked of Secretary Rusk on the *Pueblo* when he came down here. In that time have you been able to establish from the communications between the *Pueblo* and Washington whether or not we were in territorial waters or not? Do we have anything on that?

Secretary KATZENBACH. No, sir, I think the short summary of this is we do not know the location of the vessel, at every time. We do know the orders which the skipper had not to approach closer than 13 miles. We have no evidence whatsoever to indicate that he did, and, we have the evidence that is offered by the other side to indicate that he did, we know to be fabricated evidence. So I would think it was a reasonable inference that he did not.

Senator COOPER. Well, they might say anything. But my question is, we were asking, the state Department was asked, if we could get the record of communications. Is there any record of communication between the *Pueblo* and the State Department or the Defense Department of the course of the *Pueblo* during the course of its expedition?

Secretary KATZENBACH. At the time it was seized, there is quite a complete record of its giving its location and tracking other vessels and intercepts from the—of the North Korean communications —all of these showing the location to be where Arthur Goldberg said the location was.

They now say that was 7.6 miles, and it is in direct conflict with all of that evidence.

RADIO SILENCE MAINTAINED

Senator COOPER. But prior to the intercept, do you have any messages?

Senator MANSFIELD. No, that was brought out by McNamara that there was radio silence that was maintained for eight or nine to ten days previous to that.

Secretary KATZENBACH. Yes, sir.

Senator MANSFIELD. But as far as the *Pueblo* was caught, there is no question it was not in national waters, but previously they do not know.

Senator COOPER. I have one other question, if I may.

Secretary KATZENBACH. They list five other intrusions, you see, none of which could have occurred on the basis of the evidence that they provide us.

U.S. AIR STRENGTH IN KOREA

Senator COOPER. I have one other question: Ambassador Brown here gave statistics about the relative strength of the North Korean and South Korean forces, and he said that their air force was inferior to the North Korean air force. At the time of the attack on the *Pueblo,* the capture of the *Pueblo,* the evidence is there were four American planes in South Korea and none was able to go to the assistance of the *Pueblo.*

Are you able to tell us now what the strengths of the U.S. Air Force strength is in South Korea at this time?

Secretary KATZENBACH. Right now we have 150 U.S. aircraft in South Korea, and I must add, which are there, which will remain that for a while in this fairly tense situation. These are not 150 aircraft we would want to frankly have there for indefinitely and have them tied down in that locale. But even if we had had those 150 aircraft there, I think one of these vessels is extremely hard to give protection to.

Senator DODD. Why is that?

Secretary KATZENBACH. Why is that? Well, if you want to really give it adequate protection up in the area where it was taken, I think you would have to have a good part of a carrier fleet riding along with it. If you do not want to be provocative, that in itself is a fairly provocative act, and we would have a pretty good scrap over it, and we would get into all the problems we have gotten into before.

Now, these vessels have been performing this kind of a mission for many years, in many parts of the world, without an incident such as occurred here. In fact we have had U.S. vessels, not this particular vessel or one of its class, but other vessels, with at least comparable capabilities that have gone up that close before without any difficulties.

Now, it is terribly easy to be a Monday morning quarterback on that kind of a business, but as far as giving the protection, from what it seems on its face you ought to be able to do it—the military and the naval people I have talked to say this requires really to

give the protection a tremendous force, and one that you really cannot provide in each instance.

A LIST OF QUESTIONS

Senator MUNDT. Mr. Chairman——

Senator DODD. Could you yield for just one minute? I think I interrupted Senator Cooper, and I do not mean to.

Senator MUNDT. I think, John, as an aside to what the testimony shows, not that we had four American planes in North Korea, but we had four American planes manned by American pilots. We had plenty of American planes manned by the Koreans.

Senator COOPER. I understand that.

Senator MUNDT. Mr. Chairman, the reason I got the floor was we had a lot of questions here which I have been reading which are certainly interesting and informative if we can get the answers to them. We do not have time this afternoon to do that. I would suggest that the Secretary be given this list of question, it can be printed in the record, and reply in writing to them. Any questions which arise in our mind——

The CHAIRMAN. Yes, that would be a good idea there. We would give you a copy there of the specific questions about the *Pueblo* and related subjects.

Secretary KATZENBACH. I will answer all that I can.

Senator MUNDT. Some of them you may not be able to answer. Reply in writing.

Secretary KATZENBACH. As I said, some of the information that I gave today on this is quite sensitive information from the point of view of the lives of 82 members of the crew, and it is only that sort of consideration I had in mind.

The CHAIRMAN. We will give you a copy and you can take them with you.

Senator MUNDT. Answer those you can in the way you can but I think to complete the report you ought to answer the questions.

Secretary KATZENBACH. Sure.

The CHAIRMAN. And we will put a copy in the record.

[The material referred to follows:]

DEPARTMENT OF STATE
Washington, D.C. 20520

Pueblo

May 23, 1968

SECRET
UNCLASSIFIED Upon Removal
of Enclosure 1.

Dear Mr. Chairman:

I refer to a list of sixteen questions relating to the seizure of the USS PUEBLO, which were given to Under Secretary Katzenbach at the conclusion of the testimony before the Senate Foreign Relations Committee on May 1, 1968.

The Department of Defense is preparing the answers to most of these questions because of their predominantly military character. We will forward these answers as soon as we receive them from the Department of Defense

The answers to the remaining questions are enclosed.

Sincerely yours,

William B. Macomber, Jr.
Assistant Secretary for
Congressional Relations

Enclosures:

1. Answers to Questions 4, 14, 15 and 16.
2. Transcript of January 20 Meeting of the Korean Military Armistice Commission.

The Honorable
J. W. Fulbright, Chairman,
Committee on Foreign Relations,
United States Senate.

SECRET

*May 23, 1968*

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ASSISTANT SECRETARY FOR
CONGRESSIONAL RELATIONS.

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The Honorable J. W. Fulbright, Chairman,
*Committee on Foreign Relations, United States Senate.*

ANSWERS TO QUESTIONS 4, 14, 15 AND 16

*Question 4*

According to the records provided by the Department of State, approval of the *Pueblo* mission was given by a "designated representative of the Secretary of State." Who was that representative?

Moreover, the State Department has given the committee no answer to the question of whether the Secretary of State himself was aware of the timing of the mission. Did Secretary Rusk know of the timing of the *Pueblo* mission?

*Answer*

In my letter of March 25, 1968 to Senator Fulbright, I reviewed the procedures for approving intelligence gathering missions and indicated that in the case of the *Pueblo* mission those procedures were followed. In accordance with the principle of executive responsibility *the Secretary of State assumes responsibility for the actions of his duly designated representatives.* In accordance with the same principle, *it would not be appropriate* to reveal the identity of the individuals who actually approved the mission or the extent of the Secretary's personal knowledge of the *Pueblo* Mission.

*Question 14*

Would you provide the committee staff with access to all of the messages referenced in the basic sailing orders for the *Pueblo*? Would you provide the committee with the verbatim transcript of the January 20 meeting of the Korean Armistice Commission?

*Answer*

The Department of Defense is preparing a response to the first half of this question. The verbatim transcript of the January 20 meeting of the Korean Armistice Commission is attached hereto. In my letter of March 25, 1968 to Senator Fulbright, question 9, I dealt in some detail with many North Korean accusations, including those contained in this transcript.

*Question 15*

In light of the fact that the United States Government is apparently not certain where the *Pueblo* was during some 10 days before

its seizure, would it not be reasonable for the United States either to seek to send a mission to North Korea to talk to the men and examine the records, or to seek the good office of a neutral or neutrals to accomplish the same task?

*Answer*

North Korea has put out many letters and alleged confessions, all produced under conditions which in themselves are a form of duress, which state that the *Pueblo* intruded six times into the territorial waters of North Korea and that it was actually seized 7.6 miles from North Korean territory, the small island of Ung Do. As Ambassador Goldberg stated January 26, 1968 before the United Nations Security Council, we know, not only from *Pueblo* messages but also from the broadcasts of the North Korean patrol boats themselves, that the seizure occurred more than fifteen miles from the nearest land, the island of Ung Do. We also know that North Korea knows that this is true. Considering this known fact, and the circumstances under which the letters and alleged confessions were produced, North Korea has provided nothing which could be considered evidence that the *Pueblo* ever did intrude inside the claimed twelve mile territorial limit.

On the other hand, to establish the facts clearly and to determine whether, in fact, an intrusion did occur, we have considered both of the proposed courses of action.

We considered the idea of sending a mission to visit the men and examine the records but discarded it principally on the ground that the men, in Communist control and still subject to reprisal, would be still under duress and subject to pressure to provide only information acceptable to the North Koreans.

During the private meetings between the North Korean and United States Senior Members of the Military Armistice Commission, we have formally proposed that an international fact-finding body, perhaps appointed by the President of the International Court of Justice, conduct an impartial investigation. The North Korean Representative indignantly "sovereignty."

*Question 16*

If the United States should discover that the *Pueblo* had entered waters claimed by North Korea to be territorial waters would the United States apologize as the North Koreans have demanded?

*Answer*

We have informed the North Korean representative, that if an investigation should reveal that the *Pueblo*, in violation of its orders, entered waters closer than twelve nautical miles to North Korea, that fact will be made public and the United States Government will express its regrets.

*June 28, 1968*

DEAR MR. CHAIRMAN: I refer to a list of sixteen questions relating to the seizure of the USS *Pueblo*, which were given to Under Secretary Katzenbach at the conclusion of the testimony before the Senate Foreign Relations Committee on May 1, 1968.

My letter of May 23 included answers to some of the questions and indicated that the Department of Defense was responding to the remainder. The Department of Defense answers have now been received and are enclosed.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,
*Assistant Secretary for Congressional Relations.*

Enclosure:
Answers to Questions 1, 2, 3 and 5 through 14.

The Honorable J. W. Fulbright, Chairman,
*Committee on Foreign Relations, United States Senate.*

(1) QUESTION: "Was the USS *Pueblo* the first US intelligence ship of any kind to go into waters adjacent to North Korea in recent years?"

The USS *Banner*, on missions similar to the *Pueblo's,* on 14–16 March 1966 and 5–7 February 1967 conducted operations in the same areas as those in which the *Pueblo* was operating. In addition, the *Banner* transited the general area, although farther to seaward, on 12–16 May 1967 enroute to a different operating area.

(2) QUESTION: "According to the records provided by the Department of Defense, the *Pueblo* mission was first requested by the Commander-in-Chief of the Pacific Fleet on the 23rd of December 1967. May we have a copy of that request?"

A copy of the Commander-in-Chief, Pacific's 23 December 1967 request message is attached as TAB A.

(3) QUESTION: "Again according to the Department of Defense records, the *Pueblo* mission was placed on the monthly reconnaissance schedule for January 1968, and this schedule was submitted to Washington agencies having responsibility for such operations. May we have a copy of this reconnaissance schedule? Also a copy of the minutes of the meeting during which this schedule was approved and the list of the participants in that meeting."

The monthly reconnaissance schedule includes the missions for other intelligence collection platforms. Because of its sensitivity it is classified TOP SECRET and is not distributed to persons other than those having an approval, operational or planning responsibility in these reconnaissance activities.

The *Pueblo* mission in the schedule was approved without exception by those persons having approval responsibility of the schedule.

(5) QUESTION: [Deleted]

(6) QUESTION: "In answer to the committee's question of why it was necessary for the *Pueblo* to go so close—13 nautical miles—to the claimed territorial waters of North Korea, the Department of Defense answered that "to maintain 20 miles, 25 miles, or any larger stand-off distance would substantially degrade the effectiveness of their intelligence ship operations." [Deleted]

The ship was not so ordered. [Deleted]

(7) QUESTION: "During a 'Meet the Press' program on February 4, 1968, Secretary Rusk said of the *Pueblo*: 'This ship was peculiarly qualified to navigate with accuracy.' According to the Department of Defense records, however, the *Pueblo* was operating for

most of its mission under electronic silence—that is, it presumably was not permitted to use radar and other electronic equipment. Furthermore, weather in that area during a good part of the *Pueblo's* mission was overcast. If the ship was, therefore, unable to use electronic or celestial navigation aids, what was the 'peculiar' qualification that allowed the *Pueblo* to navigate with such accuracy?"

The *Pueblo* was well-equipped to navigate accurately. She carried *Loran* for passive electronic navigation, a fathometer for bottom contour navigation, a sextant for celestial navigation, and a pelorus for visual navigation. The *Loran* and fathometer could have been used continuously regardless of weather conditions and the sextant and pelorus could have been used part of the time.

(8) QUESTION: "According to the Department of Defense records the *Pueblo,* after its first challenge from a North Korean patrol craft at 12 noon Korean time, moved over a mile closer to Wonsan Harbor. Was the ship drifting, or did the captain simply continue with his mission?"

Until the *Pueblo*'s crew, its log, and other navigational documents have been returned to us, it will not be possible to know why the *Pueblo* moved a mile closer to the North Korean island of Ung-Do between 12 noon and 1328 Korean time on January 23, 1968. The ship may have been drifting or the captain may have been continuing with his mission.

In the message (OPREP–3) which reported the initial incident as of 231200 Korean time, the *Pueblo* stated her intentions to remain in the area if considered feasible, otherwise to withdraw draw slowly to the northeast. As of 1300 hours Korean time, the *Pueblo* reported she was surrounded by a subchaser and three torpedo boats. The *Pueblo* reported (engines) all ahead one-third, (with) right full rudder. The *Pueblo* was attempting to withdraw slowly from the encirclement.

(9) QUESTION: (a) "Why has the committee been denied this information [intercepted messages] when Secretary McNamara showed the committee similar North Vietnamese intercepted messages to prove that the *Maddox* and the *Turner Joy* were attacked?"

We feel that it would be harmful to our intelligence gathering activities to release or reduce the security classification of the balance of material intercepted from North Korean sources before, during, and after the seizure of the *Pueblo*. However, arrangements could be made for members of the Senate Foreign Relations Committee to read these intercepted messages in a secure area of the Joint Staff.

QUESTION: (b) "Would such intercepted North Korean messages show that the North Koreans were preparing to confront the *Pueblo*? If these messages do show the North Koreans were ready to go after the *Pueblo,* why didn't the *Pueblo* withdraw?"

North Korean messages intercepted prior to the confrontation of the *Pueblo* gave no indication of the North Koreans' intention to confront the *Pueblo*.

(10) QUESTION: "How can you account for the fact that it took almost an hour for the Pentagon to receive the *Pueblo's* message that a North Korean submarine chaser had encountered the ship

and demanded that the ship "heave to" or the North Koreans would open fire?"

The *Pueblo* reported the encounter with the North Korean subchaser took place at 1200 Korean time (0300Z). The date-time-group of the *Pueblo* message reporting the incident was 1252 Korean time (0352Z) (52 minutes later) and it was transmitted by the *Pueblo* and received in Kameseya, Japan at 1313 Korean time (0413Z) (21 minutes later). The message was relayed to COMNAVFORJAPAN who at the time considered the incident to be an instance of harassment and intimidation. Information on the above message was received by the NMCC via critic relay at 1346 Korean time (0446Z) 33 minutes after the *Pueblo's* actual message transmission time. Minor delays in relaying message tapes are normal. Flash messages average roughly one hour from date-time-group to time of receipt.

(11) QUESTION: "Why did the United States send a virtually unarmed but extremely valuable ship into hostile waters without even the remotest possibility that the ship could be rescued if it came under attack?"

All information regarding North Korean attitudes and past reactions were considered in planning the *Pueblo* mission. On those previous occasions when the North Koreans might have done so (see Question 1) they had not harassed any U.S. waterborne intelligence collectors. The *Pueblo* mission was to be conducted in international waters. The seizure in international waters of a nonbelligerent U.S. Naval ship is without precedent in this century. Accordingly, the risk to the *Pueblo* on this mission was estimated to be minimal.

(12) QUESTION: "Was there a contingency plan for the rescue of the *Pueblo* if the ship should come under attack?"

There are operational procedures to provide assistance to the *Pueblo* and ships on similar missions should they come under attack. However, because of the low risk assigned to this mission of the *Pueblo*, these procedures were not in effect and there was insufficient reaction time available, from the initial notification of the incident until the *Pueblo's* capture and escort into North Korean territorial waters, for the available forces to be alerted in time to react.

(13) QUESTION: "Did the Commander of the 5th Air Force in Japan know that the *Pueblo* was in the waters off North Korea?"

The Commander of the 5th Air Force was an addressee on the mission proposal (TAB A) and the approval messages (see TAB C).

(14) QUESTION: "Would you provide the committee staff with access to all of the messages referenced in the basic sailing orders for the *Pueblo*?"

The references cited in the Sailing Orders (TAB B) comprise over 900 pages of technical and highly sensitive military documents. This information is available for review at the Office of the Joint Chiefs of Staff, Pentagon, to persons cleared for access to TOP SECRET material on a "Special Handling" basis.

The CHAIRMAN. I want to put in the record, too, this fact sheet. Mr. Reporter, that gives the basic data on South Korea and North Korea.

*Unclassified*
*March 14, 1968*

KOREAN FACT SHEET

(1966 statistics, except where noted)

| | South Korea | North Korea |
|---|---|---|
| Area | 38,452 sq. mi. | 46,814 sq. mi. |
| Population | 29,000,000 | 12,500,000 |
| GNP | $3.8 billion | $2.6 billion |
| Per capita income | $131 | $210 |
| Percent of GNP | | |
| AID | United States<br>1953–1966<br>$5,988.7 million | Soviet Union<br>1953–1966<br>$700 million (approx.)<br>(rapid increase after 1964)<br>Communist China<br>1953–1966<br>$600 million (approx.)<br>(rapid increase after 1964) |
| Trade | | |
| Total | $966 million | $59 million (figures for trade |
| Exports | $250 million | $33 million with non-communist |
| Imports | $716 million | $26 million countries only)<br>n.f.a. for largest trading partners-Soviets and Chinese |
| Armed Forces, 1967 | 600,000 | 368,000 |
| Percent of Population | 2.1% | 2.9% |
| Military Expenditures, 1965 | $113 million | $175 million (est.) |
| Military Expenditures, 1967 | $183 million | $465.5 million (including increased military equipment from Soviet Union) |
| Percent of GNP, 1965 | 3.9% | 7% |
| Percent of GNP, 1967 | 4.8% | 18% |
| Percent of 1967 Budget | 23% | 30.1% |
| Forces in Vietnam, 1967 | 50,000 combat troops<br>12,000 non-combat personnel In South Vietnam | 50 or more pilots in North Vietnam |
| Forces in Korea | 50,000 U.S. | No combat troops; less than 100 Chinese technicians; n.f.a. on Soviet personnel |
| Armistice Incidents<br>1966–50<br>1967–600 | | |

VIOLATION OF SECRECY

The CHAIRMAN. Any other questions? Senator Pell?

Well, it is getting late. I think we will have to adjourn today. There area lot of question. I hate to even start in on them now.

One other thing occurred to me in regard to this site. I recall the meeting that was arranged—reputed at least to have been arranged by Ambassador Long when he worked it out with the Polish ICC representative to meet in Warsaw in 1966.

Secretary KATZENBACH. The meeting at that time was contemplated.

The CHAIRMAN. They agreed to have one or thought to have one.

Secretary KATZENBACH. A very, very secret one, and they were very insistent on secrecy at that point, and have some sort of preliminary meeting. I think the facts are somewhat different today, Mr. Chairman.

The CHAIRMAN. Well——

Secretary KATZENBACH. Secrecy, incidentally, which they then violated and the Poles then violated.

The CHAIRMAN. If there are no further questions, we will stand adjourned.

Thank you very much, Mr. Secretary, for your very interesting testimony.

Secretary KATZENBACH. Thank you, Mr. Chairman.

A FAIR SUMMARY OF THE LETTER

The CHAIRMAN. I did not understand what was the final word about the Brown letter. Are you going to give us a copy?

Secretary KATZENBACH. I say, Mr. Chairman, we have given you a summary of it. I think it contains all the relevant information. I would be perfectly happy to show you, Mr. Chairman, the letter. If you do not think it is a fair summary of the letter, then you say so.

The CHAIRMAN. I do not want it just for my benefit but for the committee.

Secretary KATZENBACH. If it is a fair summary of the letter with all relevant information, then the committee has got all the information it needs.

The CHAIRMAN. Well, I do not know how we judge that it is fair without seeing the letter.

Secretary KATZENBACH. I said, Mr. Chairman, I thought you could make that judgment.

The CHAIRMAN. I really do not understand why the letter is not legitimate information for the committee.

Secretary KATZENBACH. Well, Mr. Chairman——

The CHAIRMAN. This is the same problem we had with the Tonkin Gulf. It was three or four months before we finally got the relevant documents. I think it was a very significant hearing, and particularly in view of the large amount of money that we are asked to authorize to go into Korea. We have been doing it. We put over $5 million in South Korea.

Secretary KATZENBACH. Mr. Chairman, if you are satisfied that you have all the information that is necessary to your function from that summary of the letter, and you are completely satisfied that that is what you have, then I fail to see why you need the letter.

The CHAIRMAN. Well, put it another way. I fail to see why you do not want to give us the letter.

Secretary KATZENBACH. I think putting it my way, Mr. Chairman, that is my position. If you have all the information you need and you are satisfied you needed it, why you need more I do not understand.

Mr MARCY. How do we know?

Secretary KATZENBACH. I offered—I said how do you know. I said the Chairman could read the letter and be satisfied as to whether this was a fair summary and contained all the relevant material. I think you would take the Chairman's word for that, Mr. Marcy.

A RECORD FOR HISTORY

The CHAIRMAN. Mr. Secretary, I am just chairman, and I am only here temporarily. I think for the records of this committee that it is important to make these records. If we are ever to make any progress in the conduct of these affairs in the future, there ought to be a record of how they were managed and what was done under those circumstances. If we had ever had a Tonkin Gulf before we had this last one and something similar we might have had sense not to go along with you on the Tonkin Gulf, but we did not. We fell for it and we went along. It might have changed the course of history. I do not know.

Secretary KATZENBACH. Mr. Chairman, I would like for——

The CHAIRMAN. The same way here. I do not want it just for myself. It is not just for my benefit. I think it ought to be in the record of the committee, its executive record. We do not intend to make it public. It is true I think, is it not, that this letter was published in a Japanese paper? Is that not true, Mr. Ambassador?

Mr. BROWN. A version of it was.

The CHAIRMAN. Well, a version of it was. I do not know whether it is accurate or not, but it was published, but we cannot get it.

Secretary KATZENBACH. Mr. Chairman, I would like to think that the committee would be willing to take our assurance that this was a fair summary of everything in it, but I am sure that even if there was reluctance on that part, there would be reluctance on no member of the committee to take your assurance.

The CHAIRMAN. Maybe one of the reasons why we are reluctant is we did take your assurance, not speaking of you personally but of the Department, on Tonkin Gulf, but we do not think it was accurate.

Secretary KATZENBACH. In this instance, Mr. Chairman, we have given you a method where you can satisfy yourself beyond a shadow of a doubt.

The CHAIRMAN. As I have already said it is not just me. I am not doing it because I have any overweaning curiosity. I rather think I know about what is in it, but I think it ought to be in the record of the committee.

Secretary KATZENBACH. I am sure you do, Mr. Chairman, because we gave you a summary of it.

RELEVANT INFORMATION

The CHAIRMAN. I do not like to set the principle that this committee is entitled to only what you wish to give them. It seems to me that we have a function to play and are entitled to the document relevant to our business.

Secretary KATZENBACH. Yes, sir. I believe that I stated as a condition that I thought all the information that was relevant to your business was there, you could satisfy yourself as to that. If that is true, and if that holds up, then I do not understand what further information it is you feel that you have to have.

The CHAIRMAN. This, is quite relevant, for example, to this question of the aid we give to Korea. We are going to be asked for another $100 million, which will make $260 million, and it seems to me it is absolutely necessary for us to have all relevant documents that indicate what this money is being used for. The idea that the money they use to pay a public relations firm is not our money, I just do not go along with. I mean we are giving such an overwhelming part of their total income either directly in aid or through trade. I noticed on those figures I gave there that export trade of South Korea is vastly greater than North Korea, and I am quite sure much of that also is paid for by American dollars, either to this country or Vietnam or similar.

Secretary KATZENBACH. Mr. Chairman, that point reminds me of a little bit about the way my wife spends money, because if everything that they spend is part of our aid and I suppose the same logic would hold up for everything they spent was attributable to us, then——

The CHAIRMAN. It is not everything.

Secretary KATZENBACH. Well, why this, then, Mr. Chairman?

The CHAIRMAN. Why did they try to brainwash Americans to influence our view if it is not indirectly to make a very favorable climate for getting more aid? Why are they over here spending $10,000 a month to propagandize Americans?

Secretary KATZENBACH. Because they are very interested in foreign investments, that is one reason.

The CHAIRMAN. They are interested in continuing the aid and to get it, a climate in which they can continue to suck this country dry if they can.

Secretary KATZENBACH. No, sir, they are anxious to get perfectly productive private investment, and private trade is one of the main things.

PUBLIC RELATIONS FIRMS ARE NO GOOD

The CHAIRMAN. The shame of it is these public relations firms are no good, most of them. They are wholly ineffectual and it is just a waste of money, that is what irritates me most of all.

Secretary KATZENBACH. I can understand that, Mr. Chairman.

The CHAIRMAN. It just does not achieve the purpose, it is throwing the money away, and whatever they spend you say are their own funds and they make up and come and plead poverty. If they did not throw it away and so on, they could buy their own airplanes.

Secretary KATZENBACH. I do not think the figures would quite match, Mr. Chairman.

The CHAIRMAN. Well, they could buy one bomb.

I do not know whether we are going to get a foreign aid bill. Your Secretary of Defense so far has declined to come testify on foreign aid, on the military foreign aid.

Secretary KATZENBACH. He has been——

The CHAIRMAN. Busy talking to the Chamber of Commerce and publishers. He does not have time to come to this committee. He has made two big speeches in the last week, has he not?

Secretary KATZENBACH. Mr. Chairman, I have enough——

The CHAIRMAN. Problems of your own.

Secretary KATZENBACH [continuing]. problems of my own without—I am perfectly happy to defend Mr. Clifford, but he defends himself very well.

The CHAIRMAN. It is not Mr. Clifford, it is the administration we are talking about.

Well, thank you very much, Mr. Secretary.

Secretary KATZENBACH. Thank you, sir.

[Whereupon, at 5:55 p.m., the committee recessed, to reconvene subject to the call of the chair.]

# MINUTES

**TUESDAY, May 7, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 11:00 a.m., in room 4221, New Senate Office Building.

Present: Chairman Fulbright and Senators Gore, Aiken, Carlson and Williams.

The committee approved the following nominations: George W. Ball to be Ambassador to the U.N.; Frank E. McKinney, to be Ambassador to Spain; G. Mennen Williams, to be Ambassador to the Philippines; and the Routine Foreign Service List of March 12, 1968. The two conventions (Ex. C, 90/2 and Ex. O, 90/1) and the bill (S. 1578), the three items that testimony had been received earlier, were all ordered reported.

For a record of the proceedings, see the official transcript.

[The committee adjourned at 11: 10 a.m.]

# THE INTER-AMERICAN DEVELOPMENT BANK

**Wednesday, May 8, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:15 a.m., in room S–116, the Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Gore, Symington, Pell, Hickenlooper, and Aiken.

Also present: Mr. Marcy, Mr. Kuhl, and Mr. Henderson of the committee staff.

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The CHAIRMAN. The committee will come to order.

The Committee on Foreign Relations this morning is conducting a further hearing in executive session on H. R. 15364, a bill to increase the United States subscription to the capital stock of the Inter-American Development Bank. At the last committee session at which we discussed this pending legislation, on April 3rd, Senator Gore in particular raised some questions about the purposes to which the Inter-American Bank's lending programs were being devoted. He and other Committee members felt that we did not have sufficient information about the concrete procedures employed by the Bank in extending its loans.

Accordingly, the committee decided to ask the Alternate United States Executive Director at the Inter-American Bank, Mr. Reuben Sternfeld, to testify this morning about the character of the loan program and the means employed to audit and otherwise investigate the results of the program.

First, however, I should invite Senator Gore to make any preliminary comment he might wish to offer. Or, should he prefer it, we might ask him to proceed with any question he might have.

I will add my understanding is Mr. Sternfeld is accompanied by Mr. John R. Petty, Acting Assistant Secretary of the Treasury for International Affairs.

Senator SYMINGTON. I have to go to another hearing and I would like to leave my proxy with you.

The CHAIRMAN. We certainly appreciate your advice.

Do you wish to start or do you wish Mr. Sternfeld to make a statement?

Senator GORE. I wish nothing unusual.

The CHAIRMAN. I mean I thought maybe you had some——

Senator GORE. No, I want to know about the procedures, the policies on the loans. I just have some information that, I am not sure how reliable it is, there was no audit, there was no follow-through. That some of the loans were, maybe were, not following the procedure and the requirements as we had understood them, and I want to know about it before we passed on the bill.

The CHAIRMAN. Okay, Mr. Sternfeld do you wish to sort of give us a fill-in on those subjects?

**STATEMENT OF REUBEN STERNFELD, ALTERNATE UNITED STATES EXECUTIVE DIRECTOR OF THE INTER-AMERICAN BANK; ACCOMPANIED BY JOHN R. PETTY, ACTING ASSISTANT SECRETARY OF THE TREASURY FOR INTERNATIONAL AFFAIRS**

Mr. STERNFELD. Right.

Mr. Chairman, if I can just give you a short appraisal of the general operations of the Bank: As you know, the Bank has basically operated out of three windows. One the ordinary capital which is the hard loan window. The other is the Fund for Special Operations which is the loans are made on more concessional terms and cover economic and social projects; and third, was through the trust fund that the U.S. established back in 1961 of the social projects trust funds.

The third window no loans have been made for about two years. There are still some funds remaining in it, but it is practically committed and the kind of projects covered under the special projects are under the second window, the Fund for Special Operations.

Senator GORE. This was the so-called soft loan feature for which we provided new funds last year?

Mr. STERNFELD. That is correct, where we authorized $900 million, Congress authorized $900 million last year.

Senator GORE. Do I understand that the third phase has been closed out.

Mr. STERNFELD. It is still disbursing; funds are being disbursed, but there are no new commitments made for loans and there haven't been for about a year and a half.

Senator GORE. Is there any reason why that is not true? Could more commitments be made in that regard?

Mr. STERNFELD. There is remaining about $8 or $9 million in that fund as a result of the repayments which are reflowing back into that fund. There could be additional commitments made.

Senator GORE. But only to the extent as the revolving funds come in back.

Mr. STERNFELD. That is correct.

The CHAIRMAN. No new funds?

Mr. STERNFELD. No new funds are being provided.

Senator GORE. So essentially we are considering a bank which has a hard loan and a soft loan operation?

Mr. STERNFELD. That is correct, sir. Last year the Congress did authorize the U.S. contribution of $900 million through the soft window over a three year period. The legislation which we have before the committee deals with callable capital in the ordinary cap-

ital which would not—it is just a guarantee against the bonds which the bank would issue.

Senator GORE. Thank you, Mr. Chairman.

The CHAIRMAN. And calls for no outlay of funds?

Mr. STERNFELD. No appropriation.

The CHAIRMAN. It would be only, it is a contingency ability in case the things go very sour and they call on it to redeem bonds that have been sold, is that correct?

Mr. STERNFELD. That is correct.

The CHAIRMAN. Yes.

THE BANK'S FUNCTIONS

Mr. STERNFELD. The charter of the bank sets forth a series of the objectives and functions which the bank is scheduled to carry out, and that is set forth in the charter which I could read or I could submit to you but, in general, it is to promote the investments of public and private capital for development purposes, and to encourage investments in projects, enterprises and activities contributing to economic development and supplement private investments when private capital is not available on reasonable terms and conditions and to cooperate with the member countries to orient their development policies toward a better utilization of their resources, and also to provide technical assistance. These are the functions which are listed in the agreement which established the bank and the charter of the bank.

The process by which the bank undertakes a project or reviews a specific proposal which comes before it varies, of course, by country and varies by function. But in general there is, the bank attempts before the beginning of the year, and they operate on a calendar year basis, they have an office of a program adviser which is headed by a North American in the bank, who works with the other parts of the bank to try to see what kind of projects will be coming forward in the next two or three year period; to see the kind of, who the borrowers may be, what field should the bank be emphasizing. He then takes this program and discusses this with the World Bank, with AID and with the Inter-American Committee for the Alliance for Progress, CIAP is part of the OAS, and provides a one line type of proposal to the President of the Bank, which gives some indication as to the level and the amounts and the fields which will be, he proposes which the bank undertakes investments in the next three year period, but the immediate year is the most hard, the projections beyond the immediate year are more tentative.

The idea here is so that the President of the Bank can come to the board and say that he anticipates that in the year 1968, for example, he will have most of the resources go to agriculture or more will go to industry or to health, and to get some idea from the board as to whether the board is in agreement with the kind of priorities that the management is attempting to carry out.

He also does indicate to the board where these countries stand in this review process. This Intergovernmental Committee on the Alliance for Progress conducts an annual review of each of the member countries of the OAS as to what have they done in the way of carrying out the basic objectives of the charter of Punta del Este

and the agreements of the Presidents at Punta del Este, what have they done in tax reform, in agrarian reform, what have they done in their stabilization program and what are their needs, the projects and activities which are pending before the international agencies.

AN INDEPENDENT INSPECTIONS SYSTEM

Senator HICKENLOOPER. Do they rely solely on the declarations of the recipient countries or are they participating projects or do they have an independent inspection system that goes in and looks it over——

Mr. STERNFELD. Well, the CIAP——

Senator HICKENLOOPER.—to verify it?

Mr. STERNFELD. The CIAP has a staff of its own as part of the OAS, which provides staff work and documentation——

Senator GORE. What do you mean CIAP?

Mr. STERNFELD. I am sorry, that is the Intergovernmental Committee for the Alliance for Progress which is chaired by a Colombian, Corlos Santa Maria, there are seven members which the U.S. has one member and that is Ambassador Linowitz, Intergovernmental Committee for the Alliance for Progress, but it is CIAP.

The CHAIRMAN. It is the Spanish word for that.

Senator HICKENLOOPER. My Spanish is a little rusty this morning.

Mr. STERNFELD. That group in which the U.S. has been represented by Mr. Rostow and now it is Mr. Ambassador, Linowitz, meets about three or four months of the year to review each of these countries.

Now, they have their own staff to develop the studies as to what has happened in the country, but they heavily rely on the International Monetary Fund, the World Bank, and the AID, when they hold their review, they invite, the Inter-American Development Bank, they invite, to their review sessions the representatives of these agencies and also representatives of European countries who are interested in working on development effort in these areas. Israel, Japan have had representatives sit in on their meetings, and they, after—it is usually about a two or three day review, where the representative of the country comes before this group, it is normally the minister of finance or the director of their planning organizations——

Senator GORE. This group you are speaking of, that is the one you gave the initials to?

Mr. STERNFELD. That is right.

Senator GORE. We have one of the seven members.

Mr. STERNFELD. Yes, sir, the U.S. has one member on that group.

NO EXECUTIVE POWER

Senator GORE. What if he raises objections, what power—is he one of seven? Does the group have executive authority, do they have veto power? Does he have power?

Just what is his role?

Mr. STERNFELD. That group doesn't have any executive power. It has the power to review and appraise and issue a report as to what is its appraisal of the developments in that country.

Senator GORE. All right.

Now what is the effect of the appraisal?

Mr. STERNFELD. Well, the effect of the appraisal is two-fold: On the bilateral program, the chairman sponsored an amendment to the ForeignAid Act which said they had to take into account that appraisal before they could approve any bilateral development loan project.

Senator GORE. Before who approves?

Mr. STERNFELD. Before the AID approves.

The CHAIRMAN. That is for our own program?

Mr. STERNFELD. That is for the bilateral program.

Senator GORE. What I am trying to get at is after this review and this report, which, as I understand your statement now, does not operate either to approve or disapprove, it is a recommendation.

Mr. STERNFELD. Yes, sir, but if there is a negative recommendation included in there.

Senator GORE. That is what we are getting to.

Mr. STERNFELD. The U.S. representation in the Inter-American Development Bank would take it as, as it is taken in the bilateral program, as a recommendation to not proceed along a particular line.

U.S. HAS VETO POWER

Senator GORE. All right. Now we are at that point. What power does the U.S. representative have?

Mr. STERNFELD. The U.S. representative on the loans which are financed from the Fund for Special Operations has a veto power.

Senator GORE. I am not talking about that. That is the soft loan window.

Mr. STERNFELD. That is correct.

Senator GORE. He does have a veto. But I am talking about this program.

Mr. STERNFELD. On the ordinary capital, the loan operation, the U.S. would exercise its voting power which is 42 percent, and it is necessary to have a majority to approve a loan. If all the other countries wished to approve a loan and the U.S. would cast a negative vote it would be outvoted. This has not occurred.

BACKSTOPPING THE LOANS

Senator GORE. Now, in order that I may get something more of the picture, what other countries or all of the countries are called upon to backstop this loan program in the event loans will sour? In other words, in the event capital is necessary, is the United States alone obligated to provide it?

Mr. STERNFELD. No, sir.

Under the terms of the charter, all countries progressively and proportionately are called upon to make good if a loan goes sour.

Senator GORE. Is that formula of allocation fixed, is it spelled out?

Mr. STERNFELD. Yes, sir, it is in the agreement. It spelled out the methods of meeting liabilities of the Bank in case of defaults. It is in the Article 7 of the agreement.

The CHAIRMAN. That is the charter of the bank?

Mr. STERNFELD. That is correct.

Senator GORE. What percentage of the guarantee would flow to the United States?

Mr. STERNFELD. We have 42 percent.

Senator GORE. 42 percent. If there is a default the U.S. would provide 42 percent?

Mr. STERNFELD. But it could be ultimately liable for the hundred percent, too.

Senator GORE. How is that?

Mr. STERNFELD. Well if the others don't meet their commitments, and if the U.S. decided to meet the commitment—only up to the amount of our callable capital which at the present moment is $612 million, not beyond that.

Senator GORE. But all of our callable capital is eligible to guarantee the loans?

Mr. STERNFELD. That is correct.

The CHAIRMAN. Along with all the others, too. They could default, of course.

Mr. STERNFELD. They could default.

Mr. PETTY. The reason for this, Senator, is to permit the Inter-American Development Bank to put its name on public bond issues. Particularly since it is only a five or six year old bank or 8 year old bank now, to get a credit standing it would need in effect the support of the U.S. that many other Latin American countries that would also be severally liable proportionate to their capital contribution, wouldn't have the equivalent credit standing in the public markets.

FUNDS IN RESERVE

The CHAIRMAN. The first call though, Albert, would be the assets. I mean if a loan goes bad, whatever it was made for, if it was a plant there or a factory it would be the ultimate liability after every other thing is exhausted.

Mr. STERNFELD. Yes, sir, and it has a reserve it is building.

The CHAIRMAN. How much of a reserve does it have?

Mr. STERNFELD. It is $43 million.

Senator GORE. In order for it to be financially liable there must be some ultimate backstop and the United States is that ultimate—the callable capital of the U.S. is that ultimate backstop?

Mr. PETTY. In the last analysis.

Mr. STERNFELD. In the last analysis, everybody defaulted.

The CHAIRMAN. If everybody defaulted—

Mr. STERNFELD. Yes.

Senator GORE. Mr. Chairman, I don't have any objection to this, I don't think, but I want to understand it, and I don't have, so far as I know now, any objection to this because I think there must be financial viability if it is to operate.

The real question that I wish to raise and at which we seem now to have arrived, is the administration of the Bank.

THE CASE OF MEXICO

The CHAIRMAN. Before the Senator goes to that could I ask one on this last one? Take a case like Mexico. It has apparently a

sound thing. They would be liable to their amount, they would have to really have a real default, wouldn't they?

Mr. STERNFELD. And they wouldn't.

The CHAIRMAN. What is their percentage? Some of these countries that I think would be—would have to contribute, they couldn't just arbitrarily say "you pay yours," and not the others at all. Some of them are not so good, but some are. I would think that Mexico, for example, would be good.

Senator GORE. Mexico is the only one. In fact, her currency is a little sounder than the dollar.

The CHAIRMAN. I was going to say I think we do have a little bit of assistance. Venezuela ought not to have a default.

Senator AIKEN. Mr. Chairman, I would like to ask how much the borrowers are in arrears on payments to date?

The CHAIRMAN. Let him answer this, George, first. I just want it for the record. It shows——

Senator AIKEN. It takes so long I thought they answered.

Mr. STERNFELD. Mexico has subscribed prior to this increase $144 million out of a total of $2 billion.

The CHAIRMAN. That ought to be along with us some assurance.

Mr. STERNFELD. Mr. Aiken, as of this date, there are two loans in default, and two loans out of the ordinary capital. Those are the only two loans, two private enterprises, one in Argentina and one in Brazil. There are not other loans——

The CHAIRMAN. How much do they amount to?

Mr. STERNFELD. They amount to $10 million.

Senator AIKEN. Are their payments current?

Mr. STERNFELD. No. All other payments are current from all of the other resources.

LOANS IN ARREARS

Senator AIKEN. What percentage of the loans have appeared of exemption from payments, five years?

Mr. STERNFELD. There are some who have five-year grace periods, but there have been no dead rollovers, if that is what you mean. There has been no extension of payments.

Senator AIKEN. The first payments were made when '61?

Mr. STERNFELD. The first loan was made in '61.

Senator AIKEN. The first loan in '61, and are those the ones in arrears?

Mr. STERNFELD. These two loans made which are in arrears one was made in '62 and the other was made in '61.

Senator AIKEN. What were they for?

Mr. STERNFELD. One, was for a paper factory in Brazil, and the other was for a prefabricated housing operating in Argentina.

Senator AIKEN. What happened to the paper factory? I would think they would make a go of it.

Mr. STERNFELD. They should, and the bank is now foreclosing on it. Actually the investor put $16 million of his own funds in this. It hasn't been in operation now for over a year. There is every anticipation that some U.S. capital, together with some U.S. company together with a Brazilian company is prepared to take over and the bank should——

Senator AIKEN. What part of Brazil is that in?

Mr. STERNFELD. It is in the Mato Grosso.

Senator AIKEN. Out in there. A lot of things happen in there.

Mr. STERNFELD. The bank instituted foreclosure procedures in November '66 under a mortgage held by the bank. The total amount of the loan of that Brazilian loan was equivalent of $8.4 million. The Brazilian Court has in the first instance authorized a seizure of the mortgaged property by the bank's representative and on June 30, 1967 upheld the bank's right to foreclose on the property. The matter is presently on appeal, and the outcome, this is a statement that is included in the Price Waterhouse audited statement in the bank as to the status of these two bad loans.

Senator GORE. What were the loans for?

Mr. STERNFELD. One was for a prefabricated housing in Argentina, and the other was for this paper manufacturer in Brazil.

Senator AIKEN. Were they dependent on native wood for the paper?

Mr. STERNFELD. That was the basis. They were using the native wood there. The reason why—it was bad management basically is why the plant has failed.

RECOVERING THE LOSSES

Mr. PETTY. I might add the bank profited from this experience and subsequently in its lending has required the guarantee of the local government in addition to just the direct undertaking of the borrowing entity.

Senator GORE. As I understand, both business have failed.

Mr. STERNFELD. That is correct.

Senator GORE. When the loans are in default the loss is probably total?

Mr. STERNFELD. No, you can recover.

Senator GORE. What are you going to recover from a prefabricated house business that failed?

Mr. PETTY. It varies a great deal, Senator. In my banking experiences I was with a bank which charged off $132 million but in the succeeding years was able to recover about $116 million, charged it off by conservative bookkeeping practices but still pursue it, have the lawyers get what they can, got $85, 90 cents to the dollar.

Mr. STERNFELD. On this Brazilian loan, there is every indication, you have Georgia Pacific, Weyerhaeuser, major U.S. companies who are investing their own money to see if they want to go into it and there is every indication there is going to be an arrangement between the U.S. company and Brazilian company to take this over. The person losing this is the investor himself who put, as I say, $6 million of his own funds in this, into this company. And, of course, there is value in both of these operations in terms of the structures and the machinery. Even if you were to, you know, mortgage—auction it off you would get some return. But in the case of this Brazilian one there is every anticipation of the full return.

On the Argentina one, it is less likely, but even there there are indications that the Argentina government is prepared to make a commitment that it will take the total production out of the prefabricating housing plant for the next five years. It is expected that would be a sufficient incentive for someone to take over the project.

Senator GORE. So you think there is a reasonable chance of recovering a substantial amount of the loss.

Mr. STERNFELD. Yes, sir.

Senator GORE. Okay.

DISTRIBUTION OF LOANS

The CHAIRMAN. I notice in this table if this increase goes in Mexico would be liable for $222,300,000, 8.51 percent.

Mr. PETTY. That is correct. Venezuela $185 million and Argentina $345 million.

The CHAIRMAN. Argentina and Brazil could get their affairs in order they would come in for a very substantial amount, if and when they ever do get.

Mr. STERNFELD. Argentina had a currency reform in the last year and has been able to double its reserves.

The CHAIRMAN. Is it making progress?

Mr. STERNFELD. It is making a lot of progress, yes, sir.

The CHAIRMAN. That is good news. They are not buying Mirages from France.

Mr. STERNFELD. I am not aware of any, no, sir.

The CHAIRMAN. That is good.

SLOPPY ADMINISTRATION

Senator GORE. Mr. Chairman, as I said, I have no objection to the organization of the bank, the callability of the United States with respect to the hard loan operations. I did have objections to the soft loan operations but that is not before us today.

What I had, the information I had, which I wished the committee to look into before approving further callability was the administration of the bank, the follow-through, the auditing. It seemed to me at least from what I had read and heard about it that it was a loose, I don't want to use the word sloppy, but that is the word that comes to mind right now, administration, and it was that particular phase that I wished to go into.

Mr. STERNFELD. Mr. Chairman, I don't pretend to say that this bank would meet the highest in absolute standards we have here in the United States. It is a multilateral institution, it is a, primarily a, Latin American institution. My own view is it has made a lot of mistakes, it has recognized a good number of its mistakes. The number of mistakes that were made were frankly somewhat at the insistence of the United States because in the early days of the bank, in 1961, there was a strong desire to show the people in Latin America that things could be done, that housing projects and water projects for rural communities could go ahead, and this was a new institution. It opened up a whole new field in the area of international financial activities. It has financed more education and agriculture than any other organization, and this is very difficult things to do particularly when you don't have experience.

It has been a very important responsibility of the U.S. representatives in the bank to try to push wherever it noted things which were "sloppy" to try to strengthen the procedure, strengthen the hands of management, strengthen the whole system, and this is, in my judgment itself, a never-ending, process. I don't think one can say you are assured it is 100 percent as of any specific time.

HIRED A MANAGEMENT CONSULTING FIRM

About four or five years ago, and I have only been in my present job for the last 19 months, but I have known the bank since its beginning when I was in State and AID, about four or five years ago they hired a management consulting firm as their consultants, Booz, Allen and Hamilton which is a recognized U.S. firm, and they have relied very heavily on Booz, Allen and Hamilton to strengthen their organization, to strengthen their procedures, and to look at the loan administration side of it.

Again, I have no question that in the early days of the bank, the focus was on approving loans and getting loans out so that people could see that things, there was hope and some reason to expect some actual action.

But at least I can say for the last two years there is a righting in the balance, if you will, on the actual administration of the loans. We have, the Board has, had any number of meetings with the management of the bank to assure itself that all possible techniques are being employed. We has last July, we asked, the management to supply to the board a paper on the loan control techniques which are used so that the Board would be very current as to where the bank stood, and this is a paper which was provided to us of four pages. If the committee wishes I had some extra copies on this paper, on this report that was given to the Board. In summary, these are——

The CHAIRMAN. Who made this?

Mr. STERNFELD. This report was made to the Board of Executive Directors by the Executive Vice President of the Bank. He has the primary responsibility in the bank for loan administration. He is a North American. This is T. Graydon Upton, who was a former assistant secretary of the Treasury and the U.S. Executive Director in the World Bank. He has had banking experience, international banking experience, also from Philadelphia. He has the primary responsibility in the bank for the loan administration, and last July we asked for an up-to-date report as to what were the controls that existed in the bank prior to the making of the loans, after the loans had been approved, and in its implementation. This was——

Senator GORE. Implementation or administration?

Mr. STERNFELD. Administration.

REPRESENTING THE U.S. ON THE BOARD

Senator GORE. As I understand it, you are a full-time employee of the bank, is that correct?

Mr. STERNFELD. I represent the U.S. on the board of the bank.

Senator GORE. But you are there full time?

Mr. Sternfeld. I am there full time.

Senator GORE. You will be assistant to Mr. Edward Clark whenever he takes over?

Mr. STERNFELD. Yes, he took the oath last Tuesday and I am his alternate. If he is not there I act for him.

Senator GORE. Well, Mr. Chairman, I was not here when Ambassador Clark was confirmed. I surely would have been enthusiastically for him. I learned later that he is going to spend most of his time down at this Fair for the next year.

The CHAIRMAN. Supposedly until October, is that correct?

Mr. Sternfeld. The Fair only goes on until October.

Senator GORE. I would hope that he would get to this, the more important of his duties, as quickly as possible.

The CHAIRMAN. I don't know. I think Mr. Sternfeld is a very competent stand-in. He knows more about it I expect than anybody else.

Senator GORE. I understand that, but our ultimate representative is Mr. Clark.

The CHAIRMAN. That is correct, but I don't think the bank will suffer if he is giving it his attention.

He knows more about it than most people including Mr. Clark. I don't know that I feel too badly about that.

Mr. STERNFELD. Mr. Clark——

The CHAIRMAN. How long have you been involved in this operation?

Mr. STERNFELD. 19 months as the alternate U.S. representative, but I have known the bank since its beginning and know from the bilateral side for the last 10 years.

Senator GORE. Well, I raise no objection about him, but our U.S. Executive Director is Mr. Clark. And if he is going to be fairing for the next 6 months, well, I don't think that is the important part of his duties.

The CHAIRMAN. I am not justifying.

Senator GORE. The chairman of the committee can go to the Fair for the next six months and let me run the committee. [Laughter.]

The Chairman. I am not too enthusiastic about the HemisFair either. There was quite a little contention that developed over that. I was only commenting.

Senator GORE. All right. I will take it up with Ambassador Clark.

AUDITING PROCEDURES

The CHAIRMAN. How about the auditing procedures. Did you cover that?

Senator GORE. No.

The CHAIRMAN. What kind of auditing procedures does the Bank use?

Mr. STERNFELD. The bank has now three different kinds of auditing procedures. It has the Price Waterhouse which makes its audit of its financial statements, and Price Waterhouse spends about five months of the year in the bank reviewing financial statements, and that is included in the annual report that they put out every year, and that is a financial audit of the financial statements of the bank.

Internally management has an internal auditor. This is also headed by a North American who is the president of the American Institute of Certified Public Accountants Chapter here in Washington.

The CHAIRMAN. What is his name?

Mr. STERNFELD. William Willard who had been employed by Price Waterhouse for many, many years. Is in charge of the internal audit of the bank and he reports directly to the executive vice president and the president.

A THREE-MAN GROUP

Now, as a result of the legislation last year on the Inter-American development Bank, the bank has established a comprehensive and continuing audit of the operations of the bank by a three-man group, and this group will report directly to the board of directors and the board of governors. It will be separate from management.

Senator GORE. What do you mean by a three-man group now?

Mr. STERNFELD. This will be, I mean, it hasn't been established——

Senator GORE. Are these employees of the bank or is there an independent auditing firm?

Mr. STERNFELD. No, this will be a group paid by the bank, three members, one North American, and two Latin Americans, who will be paid by the bank, but they will not be responsible to the management of the bank. They will be responsible to the board of executive directors and the board of governors. This is a system which we negotiated over the last year with the other members of the bank. It is a multilateral arrangement.

These auditors, this group of three, will have a term of no more than three years. They are not supposed to come from the borrowers, they can't be employed by the bank, trying to preserve their independence.

A DIFFERENT TYPE OF AUDIT

Senator GORE. This doesn't seem to me to be a satisfactory audit, that bank employees audit the books of their employers.

Mr. PETTY. I wonder if we might make a distinction on this, Senator? The Price Waterhouse audit is a financial audit in the traditional sense to make sure all the money is accounted for and used as said. In addition this comprehensive end use audit takes the added step if you agreed to make a $10 million loan for a project in Argentina, and you make disbursals you say let's just see how the construction company is working, whether they are on schedule, whether the administration of the loan in the field from the time the board of directors approves it, how is that end use employed, and that is a different type of audit which is primarily one directed toward management and administration techniques as opposed to whether anybody has got their finger in the till.

The CHAIRMAN. Wasn't that done as a result of the recommendation of this committee that we have an end use audit in addition to the financial?

Mr. STERNFELD. That is correct.

The CHAIRMAN. In other words, they don't only audit the books of the bank, but go into the field and ask what has been done with the funds?

Mr. STERNFELD. Yes, sir.

Senator HICKENLOOPER. That is what I asked about a while ago.

Mr. STERNFELD. Yes, sir.

As a result of the provisions of the law that was enacted by Congress last year a report of the work of this group will be submitted to the National Advisory Council and then to the Congress.

SOURCE OF THE U.S. REPRESENTATIVE

Senator GORE. Now, first as to your responsibility, are you a full-time employee of the bank or of the U.S. government?

Mr. STERNFELD. I am not an employee of the bank. I am full-time in the bank representing the U.S. government.

Senator GORE. And you devote your full time to this activity?

Mr. STERNFELD. Full time to this activity.

Senator GORE. Now, in this audit committee of three, the United States is to supply one?

Mr. STERNFELD. Yes, sir, correct.

Senator GORE. Is that to be supplied by the United States government or from what source is this representative to come?

Mr. STERNFELD. Yes, sir.

The rules and regulations specifically provide that the individual to be supplied should not come from the U.S. government. What I have done, and we are in the process of doing this right now, I have written three letters, one to the American Bankers Association, setting forth what the requirements of this individual are, another letter to the American Institute of Certified Public Accountants, and another letter to another accounting organization asking them for their recommendations.

Senator GORE. Who is the other accounting organization?

Mr. STERNFELD. I am sorry, I just don't remember——

Senator GORE. A private firm?

Mr. STERNFELD. No, it is a national organization.

Mr. PETTY. Industry Association.

Mr. STERNFELD. Of auditors, as a matter of fact.

Senator GORE. I see.

Mr. STERNFELD. Asking them for nominations and sending them a copy of the system as was approved by the board two months ago.

THREE ALTERATIVES

Senator GORE. Well, would you have, would the United States have, sufficient leeway to supply not an individual but a firm that would operate as an individual?

Mr. STERNFELD. What the United States did in——

Senator GORE. I am talking about what you can do.

Mr. STERNFELD. Yes, sir.

Senator GORE. You could employ or could you employ an established auditing firm to represent the United States on this board of three?

Mr. STERNFELD. The reason why I wanted to say what we did do is we proposed to the board of executive directors three alternatives.

Senator GORE. I see.

Mr. STERNFELD. One alternative was that we would have a private individual selected from the private sector of each country that would be selecting the three members or hire a private firm to carry out this management audit, and the third alternative was that each country could utilize a private firm within its own country to supply its membership. I am sorry, the fourth was the system which was established here, which was each country had its

own leeway as to how it would nominate. The board would select the individual, the total board.

To maintain this multilateral character, in all honesty, Mr. Gore, this amendment to the Act last year caused quite an uproar among the Latin American members of the bank where they became very emotional because they thought this was a case in which the U.S. was unilaterally trying to insist upon something within the bank. There is not that feeling now. It is considered to be desirable, it is considered to be useful, and is an additional, control technique in the management of the bank.

But we had to negotiate this with the representatives of the other countries and what we came out with was this multilateral arrangement which the U.S., in the case of this U.S. member, for example, will propose three names to the board, and what I propose to recommend to Ambassador Clark is when we get these nominations from these organizations is to take them and propose these names to the board and the board will do the selection of the U.S. member, just as well as the board will select the Latin American members, too, and the U.S. will have a say as to who will be the other two members. So that it isn't solely a matter of Argentina or Mexico putting up a name which might be some undesirable person from that country who for political reasons they want to get out of the country and they want to put on this audit group.

There is a very sincere desire among the members of the board of directors to make this a professional, and an effective organization, and I have tested sufficiently to recognize, they wish to be independent of management, also. So I think there is a great deal of sincerity and fortunately, I think after a year, and we just had the meeting in the last, two weeks ago, in Bogota, the board of governors, no complaints, nothing was raised. In fact it was praised about going ahead along establishing this kind of an audit system.

Mr. PETTY. I think it is worth emphasizing, Senator, that the scope of the audit was established with the advice of the Comptroller General, the GAO, and the Treasury working with the GAO submitted its recommendations as the U.S. executive director recommendation as to how this should be done.

Mr. STERNFELD. The rules and regulations and the scope are practically verbatim of the recommendations that we worked out with the General Accounting Office. The Comptroller General and the General Accounting Office of the U.S. have been generally involved under the terms of the statute and, in general, because there are not many organizations in the United States who have had experience on carrying out this kind of a management audit other than the GAO.

Senator GORE. Well, your report on the attitude of the bank, the directors, toward this follow-through audit is encouraging. I am not quite clear as to who selects the membership of the three, you say the U.S. government is to recommend?

Mr. STERNFELD. Correct.

Senator GORE. If I understood you, the bank itself would decide whether that recommendation would be accepted.

Mr. STERNFELD. The U.S. government will recommend three citizens of the United States to fill the position of the U.S. member of this audit group.

Senator GORE. And three select one of the three?

Mr. STERNFELD. We will select one of the three, the U.S. together with the other members.

The CHAIRMAN. The board of directors——

Mr. STERNFELD. The board of directors.

The CHAIRMAN.—will select?

Mr. STERNFELD. They will do the selection. This will also be true of the selection of the two Latin members. They will also be selected by the board.

Senator GORE. I see no objection to that so long as the three the U.S. recommend are satisfactory to the U.S., either of the three.

Mr. STERNFELD. That is correct.

Senator GORE. In other words, somewhat like the Democratic Party having three candidates for the Presidential nomination, with the assumption that the Democratic Party would be satisfied which either. I won't ask you to go into that.

Mr. STERNFELD. No, sir. Thank you, sir. [Laughter.]

AN END-FIELD AUDIT

Senator GORE. Well, coming once again to the question of the manner of suggestions you will make, do I understand you are not now contemplating, that the U.S. is not now contemplating, suggesting an established auditing firm as U.S. representative on the auditing group?

Mr. STERNFELD. That is correct.

Senator GORE. You are not doing that?

Mr. STERNFELD. No.

Senator GORE. How come you didn't do this?

Mr. STERNFELD. Well, we feel that we have a U.S. auditing firm in Price Waterhouse to do this on the financial side.

Senator GORE. But this is not the purpose of—I am not suggesting that somebody has stolen any money.

Mr. STERNFELD. Yes, sir.

Senator GORE. What it seems to me under the Selden Amendment and under the suggestion of this committee, we were to have an administration audit and an end field audit on the operations of the bank.

Mr. STERNFELD. Correct.

Senator GORE. The follow-through on the commitments made on the action of the borrower in accordance with the terms of the Loan.

Mr. STERNFELD. Correct. Well——

Senator GORE. This is not necessarily a financial audit. This is an administration audit.

Mr. STERNFELD. The U.S. member of this group will have access to the Price Waterhouse group. The U.S. member will have access to the GAO and anybody else within the U.S. Government. We did not finally come down on the use of a firm because this is something we weren't able to negotiate out. What we were able to negotiate was that we would provide three names to the board. My view is that we have tried to find the national organizations in the United States to come up with the best possible. Perhaps they will be members of a firm. Perhaps they will be independent auditors who are employed on their own. But these are people who we be-

lieve, we, have gone to the best organizations, we are prepared to contact any private organizations that exist, that can suggest names. We have asked the GAO people to come up with a name.

Senator GORE. Is this just to be a board of review or is it to be an auditing group that itself will have the power to employ people and to make an actual field audit?

Mr. STERNFELD. The latter.

Senator GORE. The latter?

Mr. STERNFELD. The latter.

Senator GORE. That is an improvement, Mr. Chairman.

DESIGNATING A REPRESENTIVE

The CHAIRMAN. In that connection, it would seem to me if you hire a firm that firm what it does is always designate one man to be responsible for whatever the firm does in any case.

Mr. STERNFELD. Yes, sir.

The CHAIRMAN. What little experience I have had with auditing firms, the whole firm doesn't take it under its wing, they designate a man to do it for them and he represents each particular job, doesn't he?

Senator GORE. Well, what I was hoping to avoid was just a selection of somebody who is an unemployed nephew of a U.S. representative and that it would be simply another board of review that would not actually give us a field audit.

Mr. STERNFELD. Well, we had the same concern. In fact the other Latin American members had that concern more than we did because they know their countries well, and they would have some minister of finance who has somebody they want to put, give a job to, and that is why there is, from our point of view, we didn't even want to have anybody designated as coming from the U.S. government agency as such. We wanted somebody from the private side, who had some experience. It is going to be difficult to find the right person, because auditing firms generally know how to audit on the financial side, and it is really the General Accounting Office who knows how to do a management type of audit, and they tell me, this is relatively new to the accounting profession, to carry out that kind of a review.

EFFICIENCY EXPERTS

The CHAIRMAN. This is more in line with the activities of Booz, Allen and Hamilton.

Mr. STERNFELD. Yes, sir.

Mr. PETTY. That is correct.

The CHAIRMAN. Are they having a continuing responsibility or was this just a single consultation?

Mr. STERNFELD. No, this is a continuing responsibility. Right now they are reviewing the field office structure of the bank.

The CHAIRMAN. They are supposed to be what we used to call efficiency experts?

Mr. STERNFELD. That is right.

The CHAIRMAN. That is big corporations hire them to find out how to make their operations more efficient, is this correct?

Mr. STERNFELD. That is correct.

The CHAIRMAN. It seems to me the RFC used to employ them on some of their borrowers particularly a sick borrower to review their operations, I vaguely remember that name.

Mr. PETTY. Some of the banks do that right now. They have loan review sections which are people who report just directly to the board of directors of private banks that really look over the shoulder of the administration of the organization and the foreign branches and are concerned with the management and administration function and not about all the nickels and dimes that are in the till.

The CHAIRMAN. Yes.

COST OF THE AUDIT

Senator GORE. How much is this audit to cost?

Mr. STERNFELD. There is an estimate of around $200,000 a year.

Senator GORE. I am not sure this is much of an audit.

The CHAIRMAN. You don't have very many loans. There are only 155 loans which have been made since the start of the bank.

Mr. STERNFELD. In the ordinary capital.

The CHAIRMAN. Are these to supervise not only ordinary but of the other?

Mr. STERNFELD. Yes, sir, total.

Mr. PETTY. On loans that are made, disbursed and the project underway, the administration and type of audit and follow-through on that is a bit less than those that are from these developments projects in the process of disbursement.

Senator GORE. Mr. Chairman, coming back to the selection of a firm, I can see given a reputable establishment auditing firm as a U.S. representative on this group that the firm itself would suggest a certain one of its firms, but you have the responsibility of an established firm, and what I had hoped we could avoid is just the selection of some individual who becomes one more employee, who does not have the backing and the reputation and the reliability of an established auditing and accounting firm. I think we may have, I think you may have erred in not insisting upon this. This committee would feel much better, I believe, in having a report from a group on which the U.S. representative was an established and a reputable accounting firm rather than a group which, on which the U.S. representative was John Doe, one of its employees.

EXPRESSING A PREFERENCE

Mr. PETTY. I wonder, Senator, whether that really is a preference.

Senator GORE. I understand your statement.

Mr. PETTY. I wonder whether that is the preference to have it as an auditing firm rather than an individual who is experienced in the industry who knows and is recommended by a broad industry association that has the respect of his peers in that particular profession, who has had the follow-through administration responsibilities perhaps in organizations rather than an auditing firm which focuses primarily upon whether the accounting practices are normally in conformity with those usually involved. We want to go beyond that, Senator, and that is why we have P&W, Price Waterhouse, on that already, but we are talking about a special ex-

perience, some judgment that perhaps is more quickly identified with an individual who has had this experience and this industry endorsement than a particular firm that has a large name.

Senator GORE. Mr. Chairman, if there is but to be just another government employee I suggest the General Accounting Office supply the man. This would give the Congress some more reliability, frankly, I don't see any point in having just another employee. Why not have Ambassador Clark be the representative there if it is going to be just sort of a board of review, just another employee, one of three represented on this group. It might be much better to have the General Accounting Office supply it.

AN EMPLOYEE OF THE BOARD

The CHAIRMAN. Would he be a government employee or an employee of the board of directors of the bank?

Mr. STERNFELD. He will be an employee of the Board of Directors of the Bank and it is not contemplated that this would be a board of review. And he is an employee of both the board of executive directors and of the board of governors. He is not an employee of the bank or of any government.

Mr. PETTY. Not beholden to the management of the bank.

Mr. STERNFELD. It is intended that this group, and it has been spelled out quite in detail as to what they should do, and this is the scope of the audit, the purpose of the audit, the operation of the system. It is basically and primarily the actual words that were drafted by the General Accounting Office.

Now, the selection of the individual we have felt, we have gone to the highest professional organizations that exist in the United States for them to suggest, to recommend and propose the individuals to be employed in this position. It is not intended that they just sit here in Washington——

CONNECTION TO THE GAO

Senator GORE. Why didn't you ask the General Accounting Office to supply them?

Mr. STERNFELD. We have asked the General Accounting Office if they had any individuals who could meet the terms of this.

Mr. PETTY. I would add, sir, the legislation requires the Comptroller General review the results of this audit.

Senator GORE. Why couldn't the Comptroller General, since there is no audit of this bank, why could not the Comptroller General himself be the representative of the U.S. Government and let him designate such of his own employees as he wishes to designate and they could be on leave of absence and be an employee of the bank of governors during this time?

Mr. STERNFELD. Mr. Gore, we did not want to have any representatives of governments on this group.

We wished to get away from representing governments, either the U.S.—we have asked for a U.S. citizen who will be a continuing member of the group. We have tried to get the highest level of professional independent competence, because if we are going to get involved in having governmental representatives, we will lose the basic purpose of having this independent audit group and we will have people representing governmental positions.

U.S. GOVERNMENT IS WELL REPRESENTED

Senator GORE. The plan you have suggested doesn't have any independent audit at all. It is the bank, the board of directors, the Government auditing, itself, with its own employees.

Mr. STERNFELD. It is the board of directors auditing——

Senator GORE. I am interested in having representation of the United States government in this respect. It seems to me that the General Accounting Office might be the agency.

Mr. PETTY. I think the U.S. government is well represented, Senator. The report is submitted to the board of executive directors in which the U.S. has 42 percent of the vote, to the board of governors which the Secretary of the Treasury is responsible for. The report is made to the National Advisory Council and submitted to Congress and reviewed by the Comptroller General. I think this does, in fact, provide a close review, opportunities for Congress and for the administration to judge the efficiency with which the study is done, whether the scope should be broadened, and provides it the same time the appropriate degree of independence for the Inter-American Development Bank, providing the protection the taxpayers must have in the use of their funds.

The CHAIRMAN. If the Comptroller General recommended, or say this independent society of certified public accountants recommend a man from the Office of the Comptroller General, then he would have to resign from the Comptroller General's office and he could be appointed as the individual, but he would no longer be an employee of the Comptroller General?

Mr. PETTY. That is right.

Mr. STERNFELD. That is right.

THE RIGHT QUALITY MAN

The CHAIRMAN. There is nothing to prohibit taking a man out of there, but he must lose, giving up his——

Mr. PETTY. We are focusing primarily on the man with the right quality.

The CHAIRMAN. One trouble if you don't do that then the other countries are going to take a man out of their bureaucracy and be in there and be responsible to their government. You are trying to avoid that from their point of view as well as our own?

Mr. STERNFELD. That is correct.

Senator GORE. Maybe this will work out. Thus far, I don't see that it has any advantages over what we are doing now.

The CHAIRMAN. Assuming the men are good it will work. It all depends on the quality of the man, these three men.

Mr. PETTY. That is the secret.

Senator GORE. They are not going to get three different men without organizations to call upon with a budget of $200,000. They simply won't get that much of an audit. They will spend that much traveling around.

The CHAIRMAN. How much do you propose to pay them?

Mr. STERNFELD. $20,000 net of federal and state taxes, which is a pretty good salary.

The CHAIRMAN. Well, I think it all depends on the quality of the men they select. If they are good men they can do a job. If they are not they won't.

Senator GORE. That is nearly always the case.

The CHAIRMAN. That is about it.

CONGRESSIONAL RESPONSIBILITY

Senator GORE. But the question here is the responsibility of the U.S. Congress and the reliability which the U.S. Congress can place in it. We are just blindly placing faith——

The CHAIRMAN. If I understand it the work of these three men will be reviewed by the Comptroller General.

Mr. STERNFELD. Correct.

The CHAIRMAN. And if the Comptroller General thinks they are not doing a good job or a sloppy job, I suppose he can recommend their removal and substitute somebody else, can't you?

Mr. STERNFELD. We can.

Mr. PETTY. I might add the Treasury has a considerable interest, too, in the good operations of the bank.

Senator GORE. What access will the General Accounting Office have, what responsibility will it have in exercising if they do?

Mr. PETTY. Their role and responsibility will be one of review of the report submitted, the report to the Secretary of the Treasury and to Congress, as to whether what they received is adequate or inadequate, and the fact that we have had, developed a close cooperation with them over the last year and have developed the auditing techniques almost word for word upon their recommendations, and we will continue to rely upon their experience and judgment as to the implementation of the audit guidelines.

Senator GORE. But the General Accounting Office will have no responsibility itself.

Mr. PETTY. No, sir.

Senator GORE. They will only review what is submitted to it?

Mr. PETTY. That is correct, yes, sir, such as in the World Bank, for example.

Senator GORE. Mr. Chairman, I am not going to oppose the bill on this basis, but I want to make it clear that I am not satisfied with this auditing arrangement. It seems to me but another committee on top of a committee.

COMPARISON TO INSPECTOR GENERALS

The CHAIRMAN. Is this not somewhat similar to the function of Mr. Mansfield, as Inspector General of the AID program and he is responsible to the AID agency, but he has a degree of independence?

Mr. STERNFELD. Yes, sir, he reports directly to the Secretary of State.

The CHAIRMAN. Secretary of State and he——

Mr. STERNFELD. He and his group. The bank had a comptroller of operations here who recently died. Now, this was a group that was independent of the internal auditor and independent of PriceWaterhouse, but it was a group made up of bank employees reporting directly to the management, and the comptroller of operations was a banking employee.

This new system that we have here, separates him from employment in the operations of the bank, makes him directly responsible to the board of governors and the board of executive directors and makes clear that these individuals have a short term, and they will not be allowed to be employed by the bank after they finish their term here, to make it quite clear this is an independent group, and they should be subject to influence.

The CHAIRMAN. Independent of management?

Mr. STERNFELD. Of management.

The CHAIRMAN. It seems to me it is an improvement certainly over what the previous system was, and again no matter what the system unless you get good men it won't amount to anything. If they are good men it ought to work, it seems to me.

A BREAKDOWN OF THE SYSTEM

Senator GORE. That was just the point I was making in a different way, if you have our representative either to be the General Accounting Office of an established firm, then you have greater assurance that it is somebody upon whose judgment you can rely. If it is just another government employee about whom we have no particular knowledge then I think it is a long chance that it will be of any benefit.

The CHAIRMAN. If you are saying it is going to be a political appointee of no experience you are quite right.

If that is true it is a breakdown of the whole system.

Senator GORE. I don't wish to pursue it further. I expect to support the bill but I do wish to register my dissatisfaction with this arrangement.

The CHAIRMAN. Well, we might try it and if it doesn't work we will take another look at it. We will ask the General Accounting Office, of course, for their observations as to whether it works and they will be ready to do it. They do have a responsibility of seeing that it does work.

A MEXICAN LOAN

Senator GORE. I did wish to have a report on one other matter, not that it affects the legislation. But I had heard that there was some rhubarb with respect to a Mexican loan. Can you give me some information on that?

Mr. STERNFELD. I haven't heard of any on any specific Mexican loan, sir.

The CHAIRMAN. Is it in the book? Are the loans in the book?

Mr. STERNFELD. All the existing loans are in this annual report. This will show you all the loans that Mexico has, depending on the source of——

The CHAIRMAN. Which one was it, Albert, do you remember?

Senator GORE. Let me read you my memorandum here.

The bank has a very poor system, if any, for loan administration. Funds are disbursed but there is no follow-up. The question came to a head with respect to Mexican loans at the recent Colombia meeting. It would appear that funds are being used in ways not strictly in accordance with the terms of the loan, but bank personnel are not on top of the situation and really do not know. Some of these loans have already run for 6 to 8 years.

Mr. STERNFELD. There was no Mexican loan that came to a head at the Colombia meeting at any of the sessions that I attended.

Mr. PETTY. Nor at any of the sessions that I attended.

Mr. STERNFELD. I was there, we had two board of directors meetings, we had a number of working groups on resolutions and even a plenary session, so I am not aware of anything that came up at Colombia, and I don't know of any loans that have been outstanding 8 years because I think the first loan they made was in 1961 in Mexico.

Senator GORE. What has been the record with respect to Mexican loans.

The CHAIRMAN. Any of them in default?

Mr. STERNFELD. Not a single one.

The CHAIRMAN. Any of them delinquent?

Mr. STERNFELD. None are delinquent. They are all current in payment.

THE TERMS OF THE LOAN

Senator GORE. I don't think the question here is default. The question here is whether the terms of the loan are being adhered to and whether you know they are being adhered to.

Mr. STERNFELD. The board of directors gets a report every six months as to the status of each of the loans, and to my knowledge all of the terms of the Mexican's loans are being paid. I can check.

Mr. PETTY. The only instance I was aware of at the time I was in Bogota with Mr. Sternfeld pertaining to Mexico and the terms of loan was the policy consideration that was being discussed as the amount of FSO, fund for special operation, soft loan window, that should be used for the relatively more developed of the lesser developed countries. There was a general feeling, and Secretary Fowler made it in his statement and others, that a soft loan window, since Mexico is getting its feet pretty well from a developmental point of view the softer loan window should be toward the lesser developed LDC's. But I can recall no issue that came up on loan terms. This was discussed openly but beyond that I can't think of anything.

Senator GORE. I am not speaking of the terms of loans to be made, but whether or not in the administration of the program there is some follow-up, some assurance to the bank, some knowledge of the bank itself that the terms of the loan are being strictly adhered to.

Mr. STERNFELD. With respect to an individual Mexican transaction, this is new to me. I think there has been an awareness and I think the Selden Amendment we have referred to has certainly been beneficial in bringing into the minds of management the responsibility of the after-commitment follow-through of a loan and there is increasing attention given to this which we have been discussing earlier.

Senator GORE. Mr. Chairman, I am not well informed on this. I am not sure that the witnesses are, but I certainly wish to accord to them the fullest respect, but would ask that they give me a memorandum on it.

Mr. STERNFELD. All right, sir.

Is there any staff member of yours we might talk to to get more details of this to trace it down?

Senator GORE. That will be fine. Thank you, Mr. Chairman.

LOANS TO MEXICO

The CHAIRMAN. How many loans has Mexico had?

Mr. STERNFELD. Mexico has had a total of $292.9 million in loans of which, as of the end of 1967, of which $128 million came from the ordinary capital, $130 million from the Funds for Special Operations and $35 from the Social Progress Trust Fund. I would have to count the individual numbers to see how many loans there are.

The CHAIRMAN. About 25, wasn't it?

Mr. STERNFELD. Probably, that is correct.

Mr. PETTY. That sounds right, maybe less than that.

Mr. STERNFELD. 26, 27.

The CHAIRMAN. The policy you have been talking about has been too many out of the soft loan window for Mexico.

Mr. STERNFELD. That is right.

The CHAIRMAN. Well, it does look out of proportion because they are better off than other countries.

Mr. PETTY. It is the feeling of the management of the bank and the board of directors this is the case and Mexico have access but proportionately less than in other years.

Mr. STERNFELD. The board of governors at the Colombia meeting passed a resolution asking that greater preference be given to the less developed countries, smaller countries, on the use of the funds.

Senator GORE. Was this unanimous action?

Mr. STERNFELD. Yes, sir.

Senator GORE. And Mexico adhered to it?

Mr. STERNFELD. Mexico agreed to the resolution that greater preference be given to lesser developed countries.

Senator GORE. This may be what my memorandum referred to, but the differences were ultimately resolved.

Mr. STERNFELD. Yes, sir.

Senator GORE. Will you give me a memorandum?

Mr. STERNFELD. Yes, sir.

Senator GORE. That is all, Mr. Chairman.

The CHAIRMAN. Senator Pell?

Any questions?

If not, We will, I guess that concludes the hearing.

SIMILARITY TO THE INTERNATIONAL BANK

Thank you very much, gentlemen. I wish you well. It sounds as if you are making progress. I expected it to be a good many difficulties in the beginning. But I still think this is a better operation, that is its future is better than bilateral lending in this or any other area.

Mr. PETTY. Think this has a good record.

The CHAIRMAN. What?

Mr. PETTY. I think it has a good record.

Senator GORE. I would agree with that, but just go easy. These soft loans, keep them hard and I will support you.

The CHAIRMAN. When you consider we started from scratch and the people have no experience, the Latins in this kind of operation,

there is bound to be some faltering at the beginning, but as they developed, and procedures develop, I would look for them to get better.

The International Bank itself, of course, is very much interested in these operations, too, and I assume—I meant to ask you, are any of these loans guaranteed by the governments?

Mr. PETTY. They all are.

The CHAIRMAN. Are guaranteed by the government.

Mr. STERNFELD. All of the recent loans are either guaranteed by the government or a governmental institution within the government.

The CHAIRMAN. In that sense they are similar to the——

Mr. PETTY. One of the lessons——

The CHAIRMAN. Similar to the International Bank?

Mr. PETTY. One of the earlier cases of defaults in private loans in the 61–62 days of the bank was a change in management policy in this regard to get the guarantee of the host government.

The CHAIRMAN. It did not require guaranteeing them.

Mr. PETTY. Not initially, no, sir.

The CHAIRMAN. Now, they do?

Mr. PETTY. Now, they do.

Mr. STERNFELD. Or an established financial institution within the country, such as an established private bank to put a guarantee in a private loan.

The CHAIRMAN. Take those two that are in default, if they had been made subsequent to this change of policy there would be either the government or some private financial institution.

Mr. STERNFELD. Correct.

The CHAIRMAN. Which would also guarantee it.

Mr. STERNFELD. That is right.

We wouldn't be in the situation we are in now.

The CHAIRMAN. That is good.

NEVER HAD A DEFAULT

That is certainly progress. The International Bank, I think the main reason it has never had a default is because the governments have all guaranteed and the governments exert themselves to the fullest to see there is no default because they want to preserve their credit rating.

Mr. STERNFELD. That is right.

The CHAIRMAN. They haven't had a default. They will let every other creditor take it before they will default on that.

Well, thank you very much, gentlemen.

Mr. STERNFELD. Thank you.

Mr. PETTY. Thank you.

The CHAIRMAN. Well, do you wish to act?

Mr. GORE. I am ready to act. I move it be reported favorably.

The CHAIRMAN. It has been moved the bill be reported favorably. All in favor say "aye."

[Chorus of "ayes".]

The CHAIRMAN. Opposed, "no."

[No response.]

The CHAIRMAN. The "ayes" have it, and the motion is carried.

Anything else, Mr. Marcy?

Mr. MARCY. I would like to mention while Senator Gore is here, we have a meeting tomorrow morning, same time same place with Larry Woodworth on the tax treaty, the Philippine tax treaty, and the treaty with France on which we had a hearing at which you were not here. I knew of no problems. The problems which may arise will be again the Brazilian treaty because there have been a number of law firms who have been wanting to get action on the Brazilian treaty and if you will recall that is where we had the problem with Article 7 which has the provision for investment credit and they have proposed to a number of members of the committee a reservation which Arthur and I have looked over and do not think it really does the job the committee has in mind, but that issue may be raised.

The CHAIRMAN. What does the reservation do that they propose?

Mr. MARCY. The reservation which they propose is that the investment tax credit provision not go into effect until there have been an exchange of notes between the parties. Now, they say that this would not, of course, be an exchange of notes between the parties without the Department of State or the Treasury Department consulting with this committee before there was such an exchange of notes. But the language they provide, which they suggest, does not say that the committee must be consulted nor brought into it in any way, and as a matter of fact, I am not at all sure that the committee could constitutionally put that kind of reservation in.

The CHAIRMAN. I thought you developed an alternative that you thought was constitutional?

Mr. MARCY. We do have.

The CHAIRMAN. What is that, what does that do?

Mr. MARCY. An alternative would simply say that the provision shall not go into effect except in accordance with law.

Mr. KUHL. Or unless authorized by law.

Mr. MARCY. Unless authorized by law. In other words, that in effect says you can't do it unless Congress passes a properly adopted bill.

The CHAIRMAN. What is wrong with that?

Mr. MARCY. They will object to that because that really cuts the guts out of the whole thing, that is Senator Gore's point.

Senator GORE. What constitutional responsibility do these law firms have in the treaty-making power?

The CHAIRMAN. It is just advice they are giving.

Senator GORE. They are employed lobbyists.

The CHAIRMAN. That is correct. They said that. They are lawyers for firms which they think would benefit by the tax credit. Is that right?

Mr. MARCY. That is right.

Senator GORE. I have a peculiar situation tomorrow. I have a long-standing engagement to speak to the Memphis Junior Chamber of Commerce, an organization with which I had an engagement last year and broke it, and I shall hardly be in position to break it tomorrow morning. So I just request that this Brazilian treaty not be acted on tomorrow because I don't know this lobbying firm. I don't know why we should act on their problem.

The CHAIRMAN. Well, I have no disposition to—I have great reservations about that.

THE TREATY PROCESS

Senator PELL. I share with you very strongly, Senator, we know the Department is going ahead and making more of these agreements since we really expressed reservations and objected strenuously to investments tax credit and another point on the Brazilian treaty and that is the secrecy clause and I have reason to believe there are many Latin Americans who deposit money in the U.S. because their governments can change and it is a source of capital and it is not up to us to serve as the Big Brother for their governments, and this would cause a flight of capital from our country at the very time we are seeking to discourage that to European banks as well. So I have equally strong hesitation against it.

The CHAIRMAN. In any case I think the Senator from Tennessee has a point about using the treaty process to deal with this kind of a problem. If it is going to be done it seems to me much better to be done legislatively. I don't—so anyway we won't act on this Brazilian treaty tomorrow.

TAX EXEMPT BY TREATY

But coming back to this Philippines, there is another instance, I don't much like extending this tax exempt status by treaty to countries because I can foresee it will be done in future treaties. They tend to pick up, you know, a provision in this treaty and then comes along Thailand and, et cetera, and so on and, well, they want the same one, and I think these tax exempt organizations domestically become an absolute scandal and I think the Committee on Finance ought to institute thorough going study of the whole domestic operation of tax exempt operations. It has become a haven which result in all the rich people whenever they really have some money to create a tax exempt organization in order to preserve the capital intact and to control it, and so on, and only the poor people pay the taxes. I don't believe the Treasury has any idea how much they really are. He said they got $15,000. I got a letter after that from Wright Patman who said this is nonsense, it is at least $25,000, and he inclosed a clipping where somebody estimated a hundred thousand. I don't think the Treasury has any idea how much they are. When you read an obituary notice of somebody dying it is always accompanied by a foundation. If he has a million dollars he has a foundation.

Senator GORE. It is rapidly consuming the tax base of this country.

The CHAIRMAN. Sure it is.

Senator GORE. So by this process we will ultimately come to excise taxes and payroll taxes.

The CHAIRMAN. And, well, there was an article, I think it was in the last Progressive Magazine, where in the last 20 years there has been this so-called operation of the high income taxes which has operated to change in the highest the proportion of income to the top five percent, they still are getting 20 percent of it and the low 20 percent gets five percent. It has been that way ever since the war. There has been no change. Theoretically we used to say and

kid ourselves in believing with the operation overtime of the tax rates that there would tend to be a lessening of the gap between the very rich and the very poor. Instead of that it is not going that way at all. It was cited, you know, in the famous case of Mr. Getty and Mr. Hughes, the billionaires, who almost pay no taxes at all by various devices, and hiring good lawyers. So that the intermediate people and the poor people pay the full impact, all in the name of philanthropy.

Well, that is another question, but I don't like the idea of including in this treaty an extension of tax exemption. He says under existing law they cannot. All this does is make it easier. Well, I am not for making it easier. I am not very keen on the existing law.

Senator GORE. I am not either.

SUPPORT FOR ISRAEL

The CHAIRMAN. We virtually support the Government of Israel through this device by taking money that would normally be paid in taxes to the federal government by taking it out of that, giving an exemption, they give it to Israel, hundreds and hundreds of millions of dollars.

Mr. MARCY. That is probably our biggest device for foreign aid.

Senator GORE. Unfortunately I can't be here in the morning.

The CHAIRMAN. I raised that question the other day. I don't believe you were here about including this, it has never been included, I don't believe in another treaty and when it gets into a treaty then it becomes a precedent and it is copied and they always say "well, we did it before and why change it now?" I don't want to set the precedent.

OTHER TREATIES

Senator GORE. I don't want to ask the committee postpone anything other than the Brazilian treaty in which I have taken an active part, but since I can't be here tomorrow I would want to preserve the right to oppose these Philippines and French treaties.

The CHAIRMAN. The French doesn't have any. I don't know any reasons, this is not in the French treaty.

Mr. KUHL. Just the Philippines and Brazilian.

The CHAIRMAN. The French is, I think, a very routine.

Senator PELL. I don't think there is any objection to the French treaty.

The CHAIRMAN. As far as I know this is not in it or any of these other things. It is a routine, I think, codification of bringing up to date the treaty, I believe.

Senator GORE. I will request you register me in objection to the Philippines. It has tax exemption.

Mr. MARCY. I would suggest putting the whole thing off.

The CHAIRMAN. What I would like for you to do is for you to notify Surrey that Senator Gore and I and maybe others have reservations or we don't wish to set the precedent incorporating in this treaty this extension of tax exemption. I don't think I want to vote for the treaty. Otherwise, as far as I can remember I have no objection to it. It is just a precedent I don't want to set. I hope, if I am returned to the Congress next year, to raise this question in the Finance Committee about the domestic tax exemptions, I mean

tax exempt organizations. We have got some in my state and down there that are disguised as philanthropic charitable organizations which are purely propaganda organizations and they tend to use that device to escape contributions and to pursue their private purposes.

Senator GORE. Well, the foundations and trusts are multiplying like weeds.

The CHAIRMAN. It is a scandal, I think.

Mr. MARCY. I just wonder, Mr. Chairman, if it might not be a good idea just to cancel this meeting tomorrow. The only two items we had were the Philippines and the French tax treaties.

The CHAIRMAN. The French I have no objection to.

Mr. MARCY. I just wonder if it is really worthwhile to try to get the committee together to act on the French treaty.

The CHAIRMAN. I don't think it is. In the meantime I think you ought to tell Surrey we have serious objection, I am not going to vote with that in it.

Mr. MARCY. We will tell him that and try to set up another meeting and talk about this Brazilian thing.

Senator Sparkman has indicated an interest, I believe he said he was going to propose that reservation or a reservation.

The CHAIRMAN. Why don't you tell Surrey that the reservation that we are favorably considering is the one requiring an Act of Congress which really in effect nullifies it, if I understand it.

Mr. MARCY. I will tell him this and tell him this on the Philippines treaty and see if we can't do it next week or later.

We will cancel out tomorrow.

The CHAIRMAN. Anything else?

Mr. MARCY. No, sir.

[Whereupon, at 11:45 a.m., the hearing was adjourned, to reconvene, subject to the call of the chair.]

# MINUTES

**THURSDAY, May 9, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 2:05 p.m., in room S–116, the Capitol.

Present: Chairman Fulbright and Senators Clark, Hickenlooper, Aiken, Mundt and Cooper.

John S. Foster, Jr., Director of Defense Research and Engineering; accompanied by Colonel James M. Brower; Donald M. MacArthur; Rodney W. Nichols; and Morton H. Halperin; testified on Defense Department Research Activities in foreign policy matters.

For a record of the proceedings, see the official transcript and published hearings.

[The committee adjourned at 4:20 p.m.]

# SALE OF M–47 TANKS BY ITALY TO PAKISTAN
# ARMS SALES TO IRAN

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**Tuesday, May 14, 1968**

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U.S. SENATE,
SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS OF THE COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:30 p.m., room S–116, the Capitol, Senator Stuart Symington (chairman of the subcommittee) presiding.

Present: Senators Symington, Church, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Jones, and Mr. Bader of the committee staff.

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Senator SYMINGTON. The Subcommittee on Near Eastern South Asian Affairs will come to order.

It has been convened this afternoon for several reasons: One is the recent announcement by the Department of State that the United States will approve an arms arrangement permitting Italy to sell refurbished American M–47 tanks to Pakistan. The Subcommittee first learned of this impending arms transfer through the newspapers. Since that time, Mr. Henry Kuss, Deputy Assistant Secretary of Defense, has communicated with the chairman of the subcommittee on the subject of this sale.

At this point, I would place in the record a number of letters from the Department of Defense to the chairman of the subcommittee and from the chairman of the subcommittee to Mr. Kuss on the subject of the Italian arms transfer to Pakistan.

## U.S. ARMS SALE TO IRAN

Senator SYMINGTON. The second arms arrangement is an impending deal between the United States and Iran whereby the United States would furnish Iran several hundred million dollars worth of military equipment over the next few years. Unlike the Italian situation, the subcommittee first learned of the circumstances of this program from the Department of State.

Let me emphasize at the outset of this afternoon's hearing that the question of policy we plan to explore with Mr. Kuss is not whether the United States should or should not be selling military equipment in the international market. I want to emphasize that

as being pertinent so that there is no misunderstanding about that so far as the chairman is concerned, Mr. Kuss.

The subcommittee is interested instead in determining whether the terms of military sales under consideration by the administration are consistent with the best economic and political interest of the United States as well as the best interest of the purchasing country; and also whether the Congress is properly informed before such decisions are made.

A sale of military equipment is not a sale in the accepted sense of that word when a country purchasing military equipment receives such concessionary interest rates that the United States taxpayer is penalized and the Treasury receives little or nothing to justify sale in terms of balance of payments. Moreover, as the subcommittee knows, I introduced an amendment last year as to the Foreign Assistance Act which directed the President to take into account the percentage of the purchasing country's budget devoted to military purchases and the way the country is using its foreign resources in acquiring military equipment. This amendment authorizes the President to terminate U.S. assistance and sales to any purchasing country if the President finds that the purchasing country is diverting its limited resources to unnecessary military expenditures to a degree which materially interferes with economic development.

There is a second point which I believe is important here. During the hearings of this committee last year it was unfortunately made clear that the Congress was not properly informed and consulted before decisions to sell arms were made. I am glad to say that there has been an important effort on the part of the administration to reverse this trend. In my opinion, however, final approval of the sale of major U.S. items of military equipment should only come after the Congress and the public have been told why it is in our interest to make such a sale.

This afternoon the subcommittee has invited, Mr. Henry Kuss, the man responsible for the United States arms sales program under Mr. Paul Warnke, Assistant Secretary of Defense for International Security Affairs, to explain both the Italian sale to Pakistan and the U.S. sale to Iran. Mr. Kuss, as I understand it, is fully conversant with the facts and policy concerning these sales.

We welcome you back with us, Mr. Kuss, and, as I understand it, you have a prepared statement.

Mr. Kuss, sir; I do.

Senator SYMINGTON. Would you read it.

**STATEMENT OF HENRY J. KUSS, JR., DEPUTY ASSISTANT SECRETARY OF DEFENSE, ISA; ACCOMPANIED BY BENJAMIN FORMAN, ASISISTANT GENERAL COUNSEL FOR INTERNATIONAL AFFAIRS, OFFICE OF THE SECRETARY OF DEFENSE; PETER R. KNAUR, ASSISTANT FOR CONGRESSIONAL AND SPECIAL PROJECTS, OFFICE OF THE DIRECTOR OF MILITARY ASSISTANCE, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (ISA); AND WALTER B. LIGON, DIRECTOR, SOUTH ASIAN NEGOTIATIONS DIRECTORATE, OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (ISA) FOR INTERNATIONAL LOGISTICS NEGOTIATIONS**

Mr. KUSS. I would be glad to.

Mr. Chairman, I think I will have to expand in question and answer session to answer all of the points that you have raised, but I propose to go through my statement and be available for questions and answers.

It is a pleasure to have the opportunity to appear before you again. I understand the purpose of this meeting was to review the M–47 logistic support program that we have corresponded on extensively since last November and I would like to respond to further questions on the current status of the program.

As background I thought I would highlight some of the information which has been requested by your staff.

PURCHASE OF TANKS BY ITALY

You will recall an article in the Washington Post last October 26, 1967 which prompted other articles concerning the prospects of an M–47 tank program between the United States and Italy and its relationship to a net export gain of at least $100 million.

I noted at that time that the net export gain of $100 million was only indirectly related to the M–47 tank program. I noted that this was a part of the general arrangements between the Government of the United States and Italy whereby their purchases almost offset the cost of U.S. Forces stationed in Italy. Thus the M–47 program was a part of a number of projects which in the fall of last year our two governments were studying seriously, with the hope that they would be of mutual benefit to each other and with our specific hope that they would yield a net procurement from the U.S. of at least $100 million in the next year.

I am happy to inform you that while the M–47 program has not been resolved, many of the other programs that have been under discussion between the United States and Italian Governments have actually come to fruition. Within the last two weeks I was able to summarize in an official report that the Italian Government had moved ahead on projects such as the M–109 self-propelled howitzer, the standard missile system, follow on orders on the F–104's aircraft, M–113 Armored Personnel Carriers and M–60 tank cooperative production programs to reach a total of $110 million in orders since the first of January 1968.

SUPPORT SYSTEM FOR TANKS

A part of one of the projects which we agreed to study included the M–47 tank. I noted to your staff at the time that Italy owned

the largest inventory of M–47 tanks in the free world, and that within the next five-year period they would probably hold 40 percent of the total M–47 inventory. I also noted that Italy had been interested in creating an Italian capability for the support, modernization and overhaul of their tanks and that in order to make this program as economical as possible they had also desired to consider support of tanks for their countries as approved by the United States. At that time of my report, November 1967, I noted that we had agreed to only study the possibility of such a support system and that the Italian Government along with its industry was cooperating in conducting a study as to their capabilities to perform this type of support.

Finally, of most importance, I believe we have made your staff aware that the Italian government and industry have been fully informed that any such support program would be subject to a system of stringent third country export controls by the U.S. As of this date I can only report that the problems attendant with establishing a major supply system for not only Italy, but potentially other countries approved by the U.S. proved to be most difficult if not close to insurmountable. While innumerable problems exist of a technical nature I think I could summarize the two major areas of difficulty as that concerning——

First, the acquisition by Italy of sufficient surplus tanks to provide a source of spare parts for cannibalization and a potential for supply of modernized tanks to those countries approved by the U.S. Timing delays were numerous since the U.S. did not intend to invest its funds in such purposes and investment funds on the part of the Italian Government and industry were difficult to specify before the entire system had been solidified, and particularly since under our system of foreign policy controls approval of sale would only be given on a case-by-case basis where it met U.S. policy approval in the future. Finally these problems were surmounted and the Chief of Staff of the Italian Armed Forces presently retired, General Aloia, requested our permission for the Breda group to act for the Italian government in negotiating with the German Government for the sale of their surplus M–47 tanks.

THE BREDA GROUP

Senator SYMINGTON. What is the Breda group?

Mr. KUSS. Excuse me, sir?

Senator SYMINGTON. What is the Breda group?

Mr. KUSS. It is a government-owned company.

Senator SYMINGTON. It is a stock company, corporation?

Mr. KUSS. Yes, sir; government-owned.

Senator SYMINGTON. By whom, what government?

Mr. KUSS. Italian government.

Senator SYMINGTON. Do they own all the stock?

Mr. KUSS. I think the stock—no, sir; they own a majority holding.

Senator SYMINGTON. Who owns the rest of it?

Mr. KUSS. There are about 45—it is a holding company, there are about 45—different companies in the Breda group. Each company has a different percentage holding.

I could not give you the information now as to——

Senator SYMINGTON. Will you supply for the record all the information you can get hold of?

Mr. KUSS. Yes, sir.

Senator SYMINGTON. If we are sort of the daddy of this show, there would not be any objection to their giving this to you, should there?

Mr. KUSS. I think I have in my office an annual report of the Breda group which indicates that kind of information.

[The information referred to follows:]

PROFILE OF THE EFIM * GROUP (BREDA)

EFIM is a state-owned body operating under the supervision of the Italian Ministero delle Partecipazioni Statali (Ministry of State Participation). It was established in January 1962 for the purpose of coordinating and further developing a group of companies mostly operating in the mechanical engineering field and also to promote ventures in other manufacturing activities particularly in Southern Italy.

Under its Charter, EFIM is expected to operate on business lines and can form new companies, reorganize subsidiaries, hold shares, etc. To achieve these purposes EFIM was provided by means of a special law, with an endowment fund. In carrying out this program, EFIM has sponsored ventures in the traditional fields of the controlled firms as well as in many other branches of the manufacturing industry such as: glass, paper, rubber, foodstuffs, etc.

The policy followed for expansion in these very varied manufacturing branches has been to seek the cooperation of specialized companies and industrial groups, both domestic and foreign. These have contributed technically and financially, thereby ensuring a lasting interest in the undertakings.

EFIM has set up its organization taking the control of three holding companies which in turn control the various operating companies. Furthermore, EFIM has the direct control over certain operating companies.

The entire group is composed of fifty companies. The oldest holding company is Finanziaria Ernesto Breda, one of the largest and most reliable in the field of Italian mechanical engineering. EFIM has a majority holding in Finanziaria Ernesto Breda, through which it controls the operating companies, the major companies are as follows:

Breda Elettromeccanica S.p.A.
Viale Sarca, 336—Milano

Joint Stock Company
Stock Capital Lit. 2,000,000,000 Breda 95% of stock
Railway rolling stock, street-cars and trolley-busses, electrical machinery, general mechanical constructions, and gas turbines.

Breda Termomeccanica E Locomotive S.p.A. Viale Sarca, 336—Milano

Joint Stock Company
Stock Capital Lit. 2,000,000,000 Breda 95% of stock
Railway rolling stock, industrial thermal plants and associated equipment, oil industry equipment and units, plants for urban solid waste biological stabilization and conversion, sea water desalination plants and general mechanical constructions.

Breda Ferroviaria S.p.A.
Viale Sarca, 336—Milano

Joint Stock Company
Stock Capital Lit. 1,000,000,000 Breda 95% of stock
Railway rolling stock, street-cars and trolley-busses.

Breda Fucine S.p.A.
Viale Sarca, 336—Milano

Joint Stock Company
Stock Capital Lit. 1,500,000,000 Breda 100% of stock Industrial machinery, equipment for oil and natural gas extraction, distribution and refining.

Istituto Di Ricerche Breda S.p.A.
Viale Sarca, 336—Milano

Joint Stock Company

* EFIM—Ente Autonamo Di Gestione Per Le Partecipazioni Del Fondo Di Finanziamento Dell'Industria Meccanica

Stock Capital Lit. 250,000,000 Breda.4% of stock EFIM 99.6%
Scientific-technical, metallurgical and mechanical research for production and technological processes improvement, materials selection, construction safety—Metallurgy and ore processing—Materials corrosion and protection—Inspection and testing of raw materials, products and equipment Industrial application of radioisothopes—Research and study on water softening, desalination, conditioning and general treatment.
Fabrica Automobili Isotta Fraschini
E Motori Breda S.p.A.
Joint Stock Company
Stock Capital Lit. 1,800,000,000 Breda 70% of stock
Engines:
Diesel engines—Propulsion and transmission power units for railway traction—Generating sets—Marine sets—Motor pumps—Compressors—Welding units.
Agricultural machinery:
Motor hoes—Motor cultivators—Implements
Gears for vehicles
Breda Meccanica Bresciana S. p. A.
Via Lunga, 2—Brescia
Joint Stock Company
Stock Capital Lit. 1,000,000,000 Breda 95% of stock
Small arms for military use, shotguns and rifles, and engineering precision machining.
Cantiere Nava1e Breda S.p.A.
Via delle lndustrie, 18—Venezia/Marghera
Joint Stock Company
Stock Capital Lit. 701,500,000 Breda 51% of stock
Shipbuilding of any type—Ship repairs—General structural work and boiler components—Harbour cranes and unloaders Lifting equipment in general—Pressure equipment and apparatus for chemical and oil industries—General mechanical constructions.
Reggiane—Officine Meccaniche ltaliane—S.p.A.
Via Vasco Agosti, 27—Reggio Emilia
Joint Stock Company
Stock Capital Lit. 2,500,000,000 Breda 51% of stock
Railway rolling stock, industrial machinery and plants, gas turbines, structural steel-works and boiler components, Forged and pressed steel castings, Standard and spheroidal iron castings, and general mechanical constructions.
Ducati Meccanica S.p.A.
Via Antonio Cavalieri Dacati, 3—Bologna
Joint Stock Company
Stock Capital Lit. 750,000,000 Breda 51% of stock
Mopeds, Motor-cycles—Light weight three wheels carriers, scooters—Engines for agriculture and industrial applications Motor pumps.
Alce—Azionaria Laziale Costruzioni Elettro:meccaniche—S.p.A. Via Ardeatina km. 21, S. Palomba—Pomezia, Roma
Joint Stock Company
Stock Capital Lit. 1,500,000,000 Breda 24% of stock I.N.S.U.D. 50%
Transformers, asynchronous motors, synchronous machines—Direct current machines and traction motors—Complete equipment for electric locomotives, electric rail cars and diesel-electric locomotives—Urban and suburban traction equipment—Mechanical working.
Pignone Sud S.p.A.
Via Bruno Buozzi, 110—Bari
Joint Stock Company
Stock Capital Lit. 1,500,000,000 Breda 33.3% stock 50% E.N.I.
Control valves—Safety-relief valves—Pneumatic instrumentation for measurement and control—Electronic instrumentation for measurement and control—Electronic remote control equipment and automatic sequence equipment—Control boards and panels.
Cartiera Mediterranea S.p.A.
Corso Vittorio Emanuele II, 52—Bari
Joint Stock Company
Stock Capital Lit. 1,500,000,000 Breda 50% stock
Production of polythene treated, glazed and standard paper and cardboards.

Breda Precision S.p.A.
Via Ardeatina, kIn. 21—Roma
Joint Stock Company
Stock Capital Lit. 100,000,000 Breda 60% stock
Electric and electronic equipment for industrial and military uses—Digital electronic—servo-mechanisms and simulators—Ultrasonic surface and underwater equipment—Control and adjustment equipment for industrial installations.
Ferrosud S.p.A.
Matera
Joint Stock Company
Stock Capital Lit. 1,600,000,000 Breda 25% stock INSUD 50%
Railway rolling stock, street-cars and trolley-busses Structural steel work.
Ote—Organizzazione Tecnico-Edile—S.p.A.
Via Mazzarino, 6—Roma
Joint Stock Company
Stock Capital Lit. 200,000,000 Breda 70% stock
Designing and supervision of civil works both in the public and private sectors—City planning.
Energie Soc. a.r.l.
Via Nazionale, 172—Roma
Stock Capital Lit. 100,000,000 Breda 50% stock
Study, design and supervision of construction of industrial power systems.
B.M.K.F.—Societa Azionaria di Progettazioni Industriali Via Mazzarino, 6—Roma
Joint Stock Company
Stock Capital Lit. 100,000,000 Breda 50% stock
Study, design and supervision of construction of industrial installations, bridges, dams and large public works.
Frigodaunia S.p.A.
Foggia
Joint Stock Company
Stock Capital Lit. 300,000,000 Breda 27% stock
Production of frozen fruits and vegetables.

Source for the information in this insert is from an EFIM published brochure titled "Profile of the EFIM Group."

ITALIAN PREFERENCE FOR A CORPORATION

Senator SYMINGTON. Why would not the Italian armed forces be willing to develop this operation as a government instead of forming a corporation and distributing stock around to various other corporations?

Mr. KUSS. The Italian government did not want to put up the investment money itself and wanted to operate, have a group of companies in Italy actually do the work under their supervision.

Senator SYMINGTON. Well, they could still have had that done without taking the stock because if they took stock, and you pay a dividend then the Government itself receives money, does it not? I mean why wouldn't they just want to have a group of corporations set up a corporation and do the work under their direction instead of participating in the stock themselves?

Mr. KUSS. As a matter of fact, they appointed a large number of corporations to participate in this operation. The Breda group was assigned the job of taking care of this purchase of tanks. The Fiat Corporation, the Finmechanica, the Ota Melara group, Lancia group, all will be part of the total operation under the supervision of the Italian government if it comes to pass.

Senator SYMINGTON. They are all part of the Breda group?

Mr. KUSS. No, sir. They are all separate corporations, and selected by the Italian government to be the instrumentality for carrying out the total system.

Senator SYMINGTON. Of doing what?

Mr. KUSS. Supplying spare parts, overhauling tanks, modernizing tanks, purchasing inventories, normally those functions that go with running a supply system.

Senator SYMINGTON. Is the only weapon that they plan to work with an arm tanks?

Mr. KUSS. The M–47 tank is the only weapon being discussed.

Senator SYMINGTON. And it is the only one they plan to buy and/or sell?

Mr. KUSS. Yes, sir.

INTEREST IN AIRCRAFT

Senator SYMINGTON. They have no interest in airplanes or other weapons?

Mr. KUSS. Well, of course, a company like Fiat has a separate interest in aircraft, but it is not part of this operation.

Senator SYMINGTON. Do they build aircraft?

Mr. KUSS. Fiat?

Senator SYMINGTON. Yes.

Mr. KUSS. Yes, they do.

Senator SYMINGTON. What kinds?

Mr. KUSS. They build the G–91 aircraft which was designed for NATO, and won the NATO competition some years ago.

Senator SYMINGTON. What kind of airplane is that?

Mr. KUSS. It was a fighter aircraft, tactical fighter. They also build trainer aircraft.

Senator SYMINGTON. Do they still build them?

Mr. KUSS. Yes, sir; they still build trainer aircraft.

Senator SYMINGTON. Will you supply for the record the characteristics and specifications overall?

Mr. KUSS. Yes, sir.

Senator SYMINGTON. Altitude, speed, radius, and so forth, of the airplanes you say they are building in combat aircraft.

Mr. KUSS. Yes, sir.

Senator SYMINGTON. Thank you.

[The information referred to follows:]

TYPE AND CHARACTERISTICS OF AIRCRAFT BUILT BY FIAT

The Aviation Division of Fiat has or is currently producing the following types of military aircraft:

1. F–104G: produced under the auspices of the NATO sponsored F–104G co-production program. Fiat produced 229 F–104G aircraft. The F–104G is a single-seat multi-mission tactical fighter aircraft based on the U.S. Air Force Lockheed produced F–104C. Its performance characteristics are as follows:

Maximum level speed at 36,000 feet—Mach 2.2 = 1,450 mph.
Maximum cruising speed—Mach 0.95
Service ceiling—58,000 feet
Maximum take off weight—28,779 pounds
Maximum armament payload—4,800 pounds
Radium with maximum fuel—745 miles
Ferry range (w/o flight refueling)—2,180 miles

2. *F–l04S:* The F–104S, developed from the F–104G Starfighter with a total of 165 being built under license by Fiat for the Italian Air Force. It will be used primarily in the interceptor role. It will be powered by a General Electric J79 turbojet with redesigned afterburner giving 17,900 Lbs. thrust versus the 15,800 lbs. thrust in the F–l04G. Normal primary armament will consist of Raytheon Sparrow air-to-air missiles. Its performance characteristics will be approximately 5%–10% better than the F–104G.

3. *G91:* The Fiat G91 is a light ground attack and reconnaissance fighter designed in accordance with NATO operational requirements which were issued in the spring of 1954. There are approximately ten versions of the G91 including a 2-place trainer. Fiat has built approximately 300 G91's of all versions. In addition, the German aircraft industry manufactured 294 G91's under license for the German Air Force. The Fiat G91 is powered with a British Orpheus turbojet with 4,850 lbs. thrust. Performance characteristics are as follows:

Maximum level speed at 5,000 feet—650 mph
Cruising speed—403 mph
Service ceiling—40,000 feet
Maximum take off weight—12,125 pounds

Fiat is also developing an advanced G91 designated the G91Y. It will have two General Electric J85 turbojet engines with afterburner. Compared with the standard G91, the G91Y will have approximately 60% greater take off thrust at the cost of only a relatively small increase in power plant weight.

With the General Electric engines the take off distance and time-to-height of the G91Y will be reduced by 5% and the maximum speed increased by approximately 1%. Two versions of the G91Y are planned: a single seat photographic reconnaissance version and a 2-seat basic advanced operational trainer.

4. *G–222 Military Transport:* a research project contract awarded to Fiat by the Italian Air Force in 1963 covered early work on a STOL military transport with this designation. It will be a medium-range transport aircraft in its basic version powered by two turboprops and eight lift-jets. The G–222 transport aircraft will probably be built in about four configurations including a civilian conventional transport. The VSTOL configuration will employ two Rolls Royce Dart turboprop engines and eight Rolls Royce RB.162 lift-jet engines. Performance characteristics of the STOL version are as follows:

Maximum level speed at sea level—285 mph
Cruising speed at 15,000 feet—233 mph
Range with maximum fuel—2,300 miles
Payload—12,000 pounds
Passenger payload in military version—40 soldiers completely equipped

GERMAN INTEREST IN SELLING TANKS TO ITALY

Senator SYMINGTON. Proceed, please.

Mr. KUSS. This process involves numerous discussions and ultimately the inspection by Breda of some 700 or more M–47 tanks all over Germany in order that they might intelligently negotiate a market value of the tanks in their current condition.

Senator SYMINGTON. I do not want to interrupt you unnecessarily, but I do want the Senator from Idaho and myself to understand what this was all about.

Why would not the Germans work on these tanks themselves, were they too busy, too prosperous, or wouldn't it look as well to them and ourselves? What was the reason why the tanks and Germany went to Italy in the first place?

Mr. KUSS. I think the basic answer to that is that the Germans had no longer any interest in the M–47 program.

The Italians will be the largest holder of the M–47 tanks in the next few years.

Senator SYMINGTON. Is that because the tanks are obsolescent or obsolete or they did not want to be in that business?

Mr. KUSS. Because it was replaced by the Leopard tanks they are producing in Germany, and they were surplus to Germany.

Senator SYMINGTON. So that did they sell them to the Italians?

Mr. KUSS. They have not yet sold them to the Italians.

Senator SYMINGTON. Do they plan to sell them to the Italians?

Mr. KUSS. There are negotiations going on.

MARKET VALUE OF THE TANKS

Senator CHURCH. Mr. Chairman, may I ask at this point——

Senator SYMINGTON. Please do, Senator.

Senator CHURCH. Mr. Kuss, when you refer to market value, I presume this is one of the subjects under negotiations——

Mr. KUSS. Yes, sir.

Senator CHURCH [continuing]. How does that market value compare, do you know, with the U.S. disposal value of these tanks at surplus? Would you have any notion as to how the two figures might compare? I assume we have a value that we place upon the tank when we have it as surplus and dispose of it as surplus, as a surplus weapon.

Mr. KUSS. We had an investigation made by a technical officer in the U.S. Cinc Eur of tanks in another company, M–47 tanks in another country, and they placed a value of $10,000 as a market value on the tanks. Of course, there was no market operative at the time.

We have also been in discussion with the Germans as to their experience in getting offers on getting rid of their surplus of M–47 tanks.

If there is a buyer the price probably can run from $10 to $20 thousand in an as-is condition. If there are no buyers, and it is being sold merely as scrap or for cannibalization purposes, their experience was that it ran between $ to $8 thousand per tank.

Senator CHURCH. And this varies as to the condition of the tank, of course?

Mr. KUSS. Yes, sir.

Senator CHURCH. Are all of these tanks, the 700 that you referred to, personally owned by the German Government?

Mr. KUSS. They are presently owned by the German government.

Senator CHURCH. And we have no, the United States has no, ownership interest or other lien or claim upon them?

Mr. KUSS. We have no claim upon them in that sense. We have an arrangement with them that they may sell them to other NATO countries, but they may not sell them to non-NATO countries without our approval.

Senator CHURCH. Were these tanks or any part of them originally given to Germany under a grant program of the United States?

Mr. KUSS. Yes, sir; they were part of the Nash commitment originally, and the reversionary rights, if you call it that, were sold to the Germans in, I believe, 1962.

Senator CHURCH. I see. So that they are, the full property interest in the tanks is, now exclusively with the Germans.

Mr. KUSS. Yes, sir.

I would like to make it clear that they were not, the tanks as such were not, sold, but the entire Nash list commitment of $1 billion, the material in all stages of status was sold for a price, and if you applied that price to the value of the tanks that were in the Nash list commitment, that 7½ percent which we received would again fall in the $10 to $15 thousand area, so that is the general ball park, I believe.

EXCERPTS FROM THE 1967 HEARINGS

Senator SYMINGTON. May I just read this into the record, please, in partial answer to the Secretary, to the Senator from Idaho's question. This is from the hearings in 1967, the spring of 1967:

Mr. BADER. Mr. Hoopes, according to this agreement between the United States and the West German Government referring to the Nash list, the sale product through the West German Government was largely on scrap value of 7.5 percent of the estimated original acquisition costs. This means, in effect, the United States sold the rights to this for scrap.

Now, from what we have seen from various contacts this equipment has been resold perhaps twice, depending on what your definition of what Merex is.

Senator SYMINGTON. When you say 'this equipment,' please give a couple of illustrations of what we are talking about.

Mr. BADER. Yes, sir. Machineguns, rocket launchers.

Senator SYMINGTON. Sold for scrap value.

Mr. BADER. And those were resold at least twice. For example, the last time we were here we talked about a contract between the Levy Auto Parts Co. and the Iranian Government for the sale of 60 M–47 tanks fully tracked, A–1 condition. These tank prices per unit were $32,000.

Senator HICKENLOOPER. Who got the 7.5 percent?

Mr. BADER. In this case the Levy Co.

Senator SYMINGTON. What was the original cost of the tanks?

Mr. BADER. Perhaps you could provide that for the record. I assume $200,000.

Senator SYMINGTON. 7.5 percent would be around $15,000. So they would make 100 percent profit on that basis without even seeing the tanks in question?

Mr. BADER. The United States was clearly not the recipient of that amount since we sold our rights to at least some of this equipment for 7.5 percent or what it would cost or what the return would be were this equipment scrapped in West Germany.

Am I clear enough with this question?

Mr. HOOPES.

At that time Mr. Hoopes was what? He is now Under Secretary of the Air Force. What was he then?

Mr. KUSS. He was Deputy Assistant Secretary for International Security Affairs.

Senator SYMINGTON.

Mr. Hoopes. Yes, I believe so. That matter which was, I think, read into the record by the chairman at the last hearing refers to a Canadian company, does it not?

Mr. BADER. Yes. This is the Levy Auto Parts Co. of 1400 Western Road, Toronto, Canada.

Senator HICKENLOOPER. They were making it under license, weren't they?

Mr. BADER. The Levy Auto Parts, Senator?

Senator HICKENLOOPER. Or were they the brokers?

Mr. BADER. They were brokers in the case. There is no way of knowing where these tanks came from. My guess would be that they are tanks that are now in West Germany, and the Levy Auto Parts Co. is, acting as broker.

Senator HICKENLOOPER. We are a little bit deficient in our information-gathering agency if we do not know how much we got for them from the final purchaser.

Mr. BADER. Have you been able to discover any additional information about this contract as to where these tanks are and whether they are a part of a sales agreement between the Iranian Government and the Levy Auto Parts Co., Mr. Hoopes?

Mr. HOOPES. I have not, Mr. Counsel, but I will have it very shortly.

(The information was subsequently submitted for the record:)

I read it now as pertinent to what the Senator from Idaho asked:

The original cost to the U.S. of 600 M–47 tanks provided to the FRG was approximately $201,000 each, including spares, or about $121 million total. Since these tanks were provided as grant aid, there was no sales price to Germany. However, on the basis of the 7½% of cost formula which applied to the 1962 agreement for the sale of reversionary rights, the FRG investment in those tanks, at the time of the purchase of those rights, would be about $9 million.

For further information on the Levy Auto Parts contract, see the following question.

Then we went off the record. I do not think that is of pertinence.

TANKS FROM GERMANY TO ITALY

But, as I get it, these tanks were tanks which were in effect given to the Federal Republic of Germany, and when they became obsolete they decided to move them or negotiate them for removal to Italy, is that?

Mr. KUSS. To my knowledge, the transaction was never consummated.

Senator SYMINGTON. How did the Italians get the tanks?

Mr. KUSS. You were talking about Iran, I believe?

Senator SYMINGTON. Well, I am just talking about M–47 tanks that are owned by Germany.

Mr. KUSS. Yes, sir. Neither Italy nor Iran has gotten any tanks from Germany yet.

Senator SYMINGTON. How does it come about that you can tell us that 40 percent of the M–47 tank inventory in Europe is in Italy?

Mr. KUSS. I said that, in my opinion, first of all, Italy is the largest holder of M–47 tanks today.

Senator SYMINGTON. Yes.

Mr. KUSS. And that based on the disposals that will be——

Senator SYMINGTON. I want to correct myself, Mr. Kuss. You said in the next five-year period they will probably hold 40 percent of the total.

Mr. KUSS. Yes, sir.

Senator SYMINGTON. What percent have they got now, roughly?

Mr. KUSS. They have 2,011 tanks out of about 7,9l5, which——

Senator SYMINGTON. So they have got about 30 percent now?

Mr. KUSS. The largest number.

Senator SYMINGTON. Thirty percent. In five years they will have 40, but now they have 30, right?

Mr. KUSS. Yes, sir.

Senator SYMINGTON. Where did they get them from?

Mr. KUSS. They were almost all—these were all solely MAP grant tanks.

Senator SYMINGTON. And that means?

Mr. KUSS. They were granted by the United States.

Senator SYMINGTON. To Italy?

Mr. KUSS. To Italy.

Senator SYMINGTON. All right, sir. Will you proceed?

MOVE TO A GOVERNMENT-SUPERVISED OPERATION

Senator CHURCH. May I just ask one question, Mr. Chairman? The contract to which you referred between the German government and the Iranian government for 600 M–47 tanks was never consummated?

Mr. KUSS. Never consummated.

Senator CHURCH. I suppose these 600 tanks are now the subject of negotiation between Germany and Italy? We are talking about the same tanks?

Mr. KUSS. That is right, that is right. Precisely one of our objectives is to take this out of the realm of these surplus dealers and

try to put it into a government-supervised operation with controls by the United States.

Senator SYMINGTON. What government supervised?

Mr. KUSS. An Italian government supervised arrangement with agreement with us on complete controls over the third party transaction.

U.S. LEVERAGE WITH ITALY

Senator SYMINGTON. What is our leverage about that with the Italian government? Why do they feel any obligation to us about it?

Mr. KUSS. I would say it is, as you will see later, it is not that clear that there is a sense of obligation.

Senator SYMINGTON. But I am only asking you to explain what you just said, you see. If you say the reason you are doing this is because you believe it is for the good of the United States, provided what we can control it, and I ask you if we can control it and you say, "Well, no," you are not so sure we can, then you have got a problem right there so far as policy is concerned, right?

Mr. KUSS. I will answer that question very directly. Number one, the supply for M–47 spare parts is not good today to the world. The United States government is not stocking inventories on those parts, and is not supplying people on them and does not wish to invest in the inventory.

Number two, the only possible person who would have an interest is the person who is probably going to maintain the largest inventory for his own purposes over the next five years. That person is Italy.

Number three, if we could negotiate a program where Italy will assume that responsibility under quality standards of supply and, at the same time, agree to a case-by-case rigid controls of their countries, we think it is of mutual benefit. It is an increase in their possibilities, even——

QUID PRO QUO

Senator SYMINGTON. But all you are doing is saying why Italy would be interested in selling the tanks. Of course, it would be. What have you said that would lead me to believe we have any influence on the Italians? You say that they have got the most spare parts, okay, fine. That means they have got control of the situation.

Mr. KUSS. The quid pro quo is, if I may be clear again, one, that they want to establish an effective supply system for themselves.

Senator SYMINGTON. Right.

Mr. KUSS. They would like to have the possibility of making it as economical as possible by adding the other countries.

Senator SYMINGTON. Right.

Mr. KUSS. We are prepared to discuss this with them if we get the controls we want.

Senator SYMINGTON. Why wouldn't they, if they have the tanks and they own the tanks, why do they have to consult with us about it?

Mr KUSS. Because the tanks were all provided, number one, under grant aid, and they do not have the right to produce all the components for the tanks now.

Since 1964 they have been trying to obtain those rights from the United States, and they do not have further the rights to produce for supply to other countries.

PRODUCTION RIGHTS FOR SPARE PARTS

Senator SYMINGTON. You mean under the terms of the grant aid that the tanks do not belong to them if they do not wear out, but they do belong to them if they do wear out? I mean, they do not belong to them if they do wear out but they do belong to them if they do not wear out, is that it?

Mr. KUSS. They do not have any production rights for a supply of parts to those tanks under the terms of grant aid.

Senator SYMINGTON. It is hard to believe that, is it not? I am just thinking as a businessman.

Mr. KUSS. No, sir. We supplied equipment to many countries in the world, and they normally bought their parts or were supplied under grant aid their parts from the United States.

Senator SYMINGTON. Well, I do not want to labor it, because it is relatively unimportant, but I am trying to find out where this turns from some kind of a NATO defense into a business transaction, you see and, therefore, will you supply for the record the details——

Mr. KUSS. Certainly.

Senator SYMINGTON [continuing]. Of the grant-in-aid arrangements that we made when we gave these tanks to Italy that prevent them from obtaining spare parts if one of the tanks becomes inoperable.

Mr. KUSS. Yes, sir.

Senator SYMINGTON. Thank you.

[The information referred to follows:]

ITALIAN DIFFICULTY IN OBTAINING M–47 TANK SPARE PARTS

The problem stems from the fact the U.S. Army no longer uses or supports the M–47 Tank and the original manufacturers, Chrysler and American Locomotive, no longer support the system. Thus procurement lead time for spare parts is inordinately long, prices high because of smaller lot orders and in some cases vendors are no longer interested in production. In most cases, Italian Government or contract maintenance facilities are prohibited from fabricating the spare parts in Italy until a license has been granted to the Italian Government or to an Italian commercial firm from the U.S. parts manufacturer concerned.

THE NTH COUNTRY PROBLEM

Mr. KUSS. I understand that as of this date, May 14, there are discussions being held between the German and Italian representatives concerning the value of the tanks and conditions to be entered into the contract. I am not aware of all the German conditions but we have informed the Germans that sale, transfer or export of any M–47 tanks which they might make available to Italy under the U.S. Italian program will be subject to prior U.S. consent.

Senator SYMINGTON. I do not want to labor it, but I want to be sure I understand what leverage or clout, whatever the word is, do we have to make the Germans listen to that by our first saying we have to consent?

Mr. KUSS. Number one, the agreement that sold the reversionary rights to Germany gave them the right to transfer the tanks to any

NATO country, but specifically allowed for the third country, the Nth country problem, beyond NATO, and indicated that they would have to get our approval if they were going to be transferred to another NATO country for purposes of sales to others.

They are fully aware that these are being sold to Italy for that purpose. The Germans desire to get rid of their surplus, and so they have to come to us for our approval.

AGREEMENT WITH GERMANY

Senator SYMINGTON. Here is a statement in 1962 signed by our Ambassador Dowling to Germany. It says:

> Prior to any disposal by the Government of the Federal Republic of Germany of any major items of equipment affected by paragraph 1 of this note, notice of the proposed disposal will be furnished to the Government of the United States. Should the Government of the United States determine that it requires any such item for the defense of the Free World, upon request the Government of the Federal Republic of Germany will sell such items to the Government of the United States for seven and one-half percent of the estimated original acquisition cost of such item.

Is that correct, as you remember it?

Mr. KUSS. Yes, sir; that is another provision.

Senator SYMINGTON. Where is there anything in there that says they have to have our approval, that they must have our approval, to sell these tanks?

Mr. BADER. Is there another agreement, Mr. Kuss, besides this one? This is the Dowling one.

Mr. KUSS. There should be a reference, Ben, on the Nth country problem.

Mr. FORMAN. Yes. This is referred to in various supplemental agreements which were signed concurrently.

Senator SYMINGTON. Is it a legal obligation on the part of the Germans?

Mr FORMAN. Yes, sir.

Senator SYMINGTON. Where is that found?

Mr. FORMAN. These are in the supplementary papers.

Senator SYMINGTON. In the supplementary. What, roughly, does it say?

Mr. FORMAN. The basic 1962 supplementary agreements provide that if we do not exercise our option to purchase these listed major items from the Germans at 7½ percent, then they may dispose, of them to any NATO country, but may not dispose of them to a non-NATO country without our consent.

There is also provision——

Senator SYMINGTON. Wait a minute now, don't go too fast, because Italy is a NATO country.

Mr. FORMAN. Yes. But these particular tanks we are talking about here are not going to be sold to Italy for Italian use. They are being sold to Italy for reconditioning and resale to non-NATO country.

Senator SYMINGTON. I see.

SALE OF THE REVERSIONARY RIGHTS

Senator CHURCH. Just one other question. In the previous answers Mr. Kuss gave I understood Germany paid us 7½ percent for

our reversionary rights in that equipment, and then I understood you to say it the other way around.

Mr. FORMAN. No, both are correct.

Senator CHURCH. Both are correct?

Mr. FORMAN. We sold the reversionary rights to the Germans at 7½ percent which was, I recall, our estimate of what the items would be worth some years hence from 1962 when the Germans no longer required it, and we are capitalizing it down to the then present value.

Now, recognizing at the time the Germans would be going to dispose of it some years later, as they are today, we might have a requirement for them ourselves.

Senator CHURCH. I see.

Mr. FORMAN. And we got an agreement from the Germans in that event we could buy it back from the Germans for that same price.

Senator CHURCH. I see.

Mr. FORMAN. Despite any possible escalation of costs since then.

Senator CHURCH. That makes sense. Thank you, Mr. Chairman.

Senator SYMINGTON. Mr. Forman, all we want to do is to get this information. I know you can appreciate——

Mr. FORMAN. I will be glad to supply a supplementary statement.

Senator SYMINGTON. I do not know whether you come from Philadelphia or not, but it takes a good Philadelphia lawyer.

Mr. KUSS. Mr. Forman has several on his staff.

Shall I continue?

Senator SYMINGTON. Will you proceed, please.

CREATION OF A SUPPLY SYSTEM PROGRAM

Mr. KUSS. The second largest program was the creation of a supply system program which would be: sufficiently business like to meet the requirements of the Italian industry who will be responsible for production support; sufficiently efficient to meet the requirement of all of the Armed Forces holding M–47 tanks for whom the U.S. has approved support, in the face of small but often difficult surplus market competition; and adequately organized to meet the administrative regulations of the Italian Government.

A comprehensive proposal was prepared by Italian industry (about 4 inches thick) which has been under study by the Italian government for several months. It will be necessary that the Italian government prepare a joint government industry program and that this program meet the objectives of the U.S. government namely: (1) an adequate source of supply, (2) operating in a manner consistent with U.S. policy objectives.

In my meeting with the Secretary General of the Armed Forces of Italy two weeks ago I indicated that the U.S./Italian governments had been successful in many projects and if the obstacles appeared insurmountable we might both agree to quietly eliminate this project from our agreed list of study projects. He quickly indicated that they might not be insurmountable and would advise me in a period of approximately 10 days of his governments position on the subject. As of this date I have not received any message from him. I hope that I will be able to see him on Saturday of this

week to determine whether we will proceed ahead with the overall project as originally envisaged.

SUPPLIED TO NATO COUNTRIES

Senator SYMINGTON. What is that overall project?

Mr. KUSS. The overall project is one of the Italian government's assuming responsibility for supply and support of the M–47 tank.

Senator SYMINGTON. To where?

Mr. KUSS. Themselves and to countries approved by the United States.

Senator SYMINGTON. Like what, what countries did we approve?

Mr. KUSS. We have only approved NATO countries to date.

In addition, the state Department has given approval to the supply of 100 tanks to Pakistan.

NO U.S. INVESTMENT MONEY INVOLVED

Senator SYMINGTON. Now, when you say that these tanks are going to be fixed, is all the money involved in fixing them or Pakistan Italian money?

Mr. KUSS. If I understand your question, there is no U.S. investment money involved.

Senator SYMINGTON. In other words, we do not pay anything?

Mr. KUSS. Yes, sir.

Senator SYMINGTON. Let me see, we have got Italy here, M–47 tank modernization, this is for the year of military export, fiscal year 1962–1967, M–47 tank modernization, $19 million.

Mr. KUSS.Yes, sir.

Senator SYMINGTON. Is that for other tanks?

Mr. KUSS. That is for Italian Army tank, Italian-owned, their own Army tanks, in which we hope to provide Continental engines, transmission kits, Cadillac gauge fire control equipment for the modernization of their own tanks.

Senator SYMINGTON. We did put the money up for that.

Mr. KUSS. No, sir. This is a sale. We do not put any money up for that.

EXPORT-IMPORT BANK CREDIT

Senator SYMINGTON. It says Ex-Im credit. What does that mean?

Mr. KUSS. They may require Ex-Im Bank credit in order to carry out the transaction, but it is a sale or transaction, not an aid transaction.

Senator SYMINGTON. I understand.

Mr. BADER. None of this money would go into the modernization of the M–47 tanks for export?

Mr. KUSS. That is right.

Mr. BADER. Can that distinction be made very clear to the Italians or has it been?

Mr. KUSS. Very clear. It is, of course, my intention to keep you advised as soon as I know.

With respect to a single case which has been going on you might say on the periphery of this broader discussion of a tank program in Italy, the Pakistani government has approached both the Italian and Belgian governments concerning the possibility of supplying

100 excess tanks. As of this date the Pakistani government has not made any final arrangements in either Italy or Belgium but we understand that they are under discussion. The U.S. has indicated that in principle it would consider the requests of the Belgian or Italian representatives favorably. U.S. considerations will take into account the relative costs and effect on the Pakistan defense budget.

I would be pleased to answer any further questions within the limits of my responsibility.

Senator SYMINGTON. What were the 100 excess tanks that Italy and Belgium were considering, were they both, would they both be, M–47's?

Mr. KUSS. They are both M–47's.

Senator SYMINGTON. Off the record.

[Discussion off the record.]

Senator SYMINGTON. All right, sir, back on the record.

TANKS FOR PAKISTAN

In your letter of November 30 you stated that Italy currently has the largest inventory of M–47 tanks in the free world. You also said that within the next five year period Italy will probably have 40 percent of the total M–47 inventory. Moreover, in your November 30th letter explaining the pending sale to Pakistan there was no mention of Germany, so the subcommittee was left with the conclusion that the tanks for Pakistan would be Italian. Are the tanks for Pakistan now coming from West Germany?

Mr. KUSS. The tanks for Pakistan, if they are sold, will either come from Belgium, whom the Pakistanis have approached, or they will come from Italy, if Italy decides to establish itself as the major supplier and supporter of M–47 tanks.

The source of the tanks that Italy sells will probably be the surplus tanks obtained from Germany, but there will be no direct transaction between the German government and the Pakistan government.

Senator SYMINGTON. Are the M–47 tanks the Italians want to refurbish part of the original Nash List Agreement whereby the United States in 1962 sold large amounts of military equipment to the West German Government for $75 million which was the scrap value?

Mr. KUSS. Yes, sir; they are.

PROFITS FROM THE DEAL

Senator SYMINGTON. I would like to ask this question, Mr. Kuss. Is anybody going to make more money than the $75 million out of this deal? I will put it this way so that we know what we are talking about. On a pro rata basis will these tanks go for more money than the total number of tanks divided into $75 million originally?

Mr. KUSS. I doubt it.

Senator SYMINGTON. Thank you.

ITALIAN PAYMENTS

According to the information provided by the Department of Defense the original cost to the United States of the 600 M–47 tanks

provided to West Germany was approximately $201,000 each or about $121 million total. On the basis of the 7½ percent formula which applied to the 1962 Nash Agreement the United States received some $9 million for the revisionary rights to the 600 tanks. This would amount to approximately $15,000 each.

How much is Italy paying for these tanks from the West Germans? I think that you testified the deal is not concluded.

Mr. KUSS. I testified they are discussing the price today, and the $15,000 includes spare parts, so that again I say my guess is that it will be, the Germans themselves have told us that they cannot get rid of the things, the surplus. Most of them will go on the surplus scrap market for $4 to $5 thousand. Those that have been just overhauled might go as high as $15, $20 thousand.

ITALIAN SALES TO PAKISTAN

Senator SYMINGTON. How much is Italy getting from Pakistan?

Mr. KUSS. There is no agreement between Italy and Pakistan.

Senator SYMINGTON. Right.

Senator CHURCH. But certainly Italy anticipates that this will involve a profitable transaction, doesn't she?

Mr. KUSS. Italy's principal interest is two fold: One, in supplying spare parts——

Senator CHURCH. Yes.

Mr. KUSS.—later.

Two, they had hoped to be able to do the modernization on the tanks which also is prosperous to us in supplying the Continental engines. Fiat and Continental have an agreement to modernize the M–47 tank with a Continental engine.

Another company in Italy has an agreement with General Motors to modernize the tank with the General Motors engine.They have been testing these for about 6,500 kilometers so far. So their interest primarily is in the spare parts and in doing the overhaul job or doing the modernization job.

PROFIT ON MODERNIZATION

Senator CHURCH. Yes. But all I wanted to find out is that here, for instance, in the earlier contract, proposed contract, between Germany and Pakistan, the price was $32,000 a piece for the tanks, which is a little more than twice as much as we received when we relinquished our residual right at 7½ percent of the original cost.

I should think that if Italy does proceed to modernize these tanks and then makes the sale to Pakistan, that there will be some profit in it for Italy.

Mr. KUSS. Certainly profit on the modernization.

Senator CHURCH. Yes.

Mr. KUSS. Profit on the investment that they had in the tanks, yes.

Senator CHURCH. Yes. They anticipate they are going to turn a profit on this transaction.

Mr. KUSS. Certainly.

May I make a statement?

Senator CHURCH. But none of that, what I wanted to get clear is that we are not putting in any——

Mr. KUSS. We are not investing any money.

Senator CHURCH. Any further money, any seed money to stimulate this or to turn it over.

Mr. KUSS. No, sir.

Senator CHURCH. Make it work.

Mr. KUSS. No, sir. That is part of our problem in negotiating this arrangement.

HEAVY INVESTMENT IN VIETNAM

Senator SYMINGTON. You see one reason we are interested in this is the tremendous heavy investment each month, investment in Vietnam, with a relatively very little result coming out of it which is beginning to affect the feeling of obligation on the part of other countries toward us.

If you travel as much as I have, and you travel more, then you know it is true. They cannot understand why it is that the United States of America is putting in $2½ billion a month into Vietnam and does not seem to be getting very far.

The DMZ-Maginot-McNamara Line may be working great just south of the DMZ, but it is not working very good around Saigon, and this is beginning to affect the vibrations all over Europe and Southern Europe and the Middle East, based on the trips that have made.

So this is why we wanted to know, we want to know, more about just what is the obligation, you see, because it is getting clear.

Would the Department of Defense object to a requirement that any request from a second country for sale of our surplus grant material to a third country be made public prior to approval?

Mr. KUSS. I cannot speak for the Department of Defense. I think it could be well taken under consideration.

Senator SYMINGTON Would you supply the answer for the record?

Mr. KUSS. Yes, sir; I would.

Senator SYMINGTON. Thank you. This just to be sure.

[The information referred to follows:]

PUBLIC DISCLOSURE OF REQUESTS FOR U.S. APPROVAL OF SALES OF GRANT MATERIEL TO THIRD COUNTRIES

I can't speak for the entire Department of Defense, but I would certainly not object to public disclosure. However, recipient countries in this case, the third countries—usually classify detailed data on military equipment in order to protect their military capabilities. Acquisition of military equipment is also frequently a sensitive subject within foreign governments. These factors preclude routine unilateral U.S. public disclosure in all cases of U.S. approval of third country sales of grant materiel.

U.S. RECOMMENDED SALE TO ITALY

Senator SYMINGTON. Under the terms of the Nash Agreement, the West German government is required only to inform the United States what it plans to do with the military equipment. This is as we understand it. Did we suggest to the West Germans that they sell this equipment to Italy?

Mr. KUSS. Yes, we did.

Senator SYMINGTON. Why?

Mr. KUSS. Because of the arrangements the Italian government looked like it would be the most suitable and the most controllable

for us, and it was part of our total package transaction to try to win a $100 million gain.

Mr. KUSS. When you say we suggested it, who is "we"?

Mr. KUSS. Myself, with the approval of the Secretary of Defense.

Senator SYMINGTON. Who at that time was?

Mr. KUSS. Secretary McNamara.

Senator SYMINGTON. Was this a way to get the tanks—was this the way to move tanks into Pakistan?

Mr. KUSS. Actually the Pakistan arrangement did not come up until after this was already well under discussion with the Italians. The Italians have been pressing for this since 1964, and the first time Mr. McNamara approved establishing such a system was in 1964.

Senator SYMINGTON. What would be the danger that the Italians were fearing why they wanted to have the M–47 tanks? What would be the potential enemy?

Mr. KUSS. Excuse me, I did not understand your question.

Senator SYMINGTON. If the Italians did not want the tanks in order to move them to Pakistan or we did not have the Pakistan idea of getting tanks in our minds, why would the Italians want the tanks if they were obsolete in Germany? What would be the enemy that they were afraid of?

Mr. KUSS. First of all, they are not obsolete in Italy. They Italians will be maintaining several thousand of these in their active inventory over the next four or five years. So they had an interest in using these tanks if for nothing else cannibalization purposes, and then some of them for modernization purposes.

TRANSFER OF TANKS FROM ITALY TO PAKISTAN

Senator SYMINGTON. Mr Cummings testified, Mr. Bader asked a question:

> So the minimum will be five thousand?
> Mr. CUMMINGS. Available.
> Mr. BADER. For resale around the world?
> Mr. CUMMINGS. Right, and that ignores MAP material. In Belgium, there are tremendous quantities of tanks. The exact number is classified and not really known to me, but Italy, the way. Italy is the largest holder of M–47's. Mr. Kuss is presently discussing giving these German tanks to Italy. If that happens, I guarantee you Pakistan will meet their requirements.

Does that square entirely with your——

Mr. KUSS. I never knew that Mr. Cummings spoke for the United States Government.

Senator SYMINGTON. That was on April 13, 1967 that he gave us that testimony.

Mr. KUSS. It is very probable that the tanks may not come from Italy at all for Pakistan.

Senator SYMINGTON. I thought it was interesting. I guess he is one of these kinds of fellows you go to and you ask—they will tell you what the weather is going to be next week.

Mr. KUSS. May I go off the record a second, sir?

[Discussion off the record.]

Senator SYMINGTON. Back on the record.

EXPORT CONTROLS

Would you describe the so-called end-use agreement the Italians have made with us or is there any such agreement?

Mr. KUSS. There have been exchanged diplomatic notes between our State Department and the Foreign Ministry of Italy which would assure government-to-government agreement, that there would be export controls placed on all of the tanks in Italy and none would be exported to a third country without our approval.

In that agreement the State Department has agreed to include NATO countries with the exception of Greece and Turkey, as approved.

Senator. SYMINGTON. Who signed those for State?

Mr. KUSS. They have not been signed, sir. The whole program is still under study.

Senator SYMINGTON. Under study by whom?

Mr. KUSS. By the Department of State and the Department of Defense.

Senator SYMINGTON. Who in the Department of State?

Mr. KUSS. Mr. Farley in the Department of State.

Senator SYMINGTON. Who does he work for?

Mr. KUSS. He works for Mr. Bohlen.

Senator SYMINGTON. And who in the Department of Defense?

Mr. KUSS. Myself, and I work for Mr. Warnke.

Senator SYMINGTON. Right.

Have the Pakistanis received any tanks at all?

Mr. KUSS. No, sir.

RESTRICTIONS FROM THE PAKISTANI-INDIAN WAR

Senator SYMINGTON. At the time of the Pakistani-India War the United States cut off military aid to both sides. Five months later in February 1966 the United States partially lifted this ban by permitting both countries to purchase for cash or credit non-lethal spare parts. In April 1967 the United States withdrew its military advisory group from both countries, terminated all military assistance on a grant basis, and stated its willingness to consider on a case-by-case basis, the cash value of spare parts for previously supplied "lethal" equipment.

Given these restrictions what is the justification for permitting the sale of American tanks to Pakistan?

Mr. KUSS. I think I would have to refer that question to the Department of State because it is their decision to supply the tanks, and I am only implementing it. You will be speaking to Mr. Battle tomorrow.

Senator SYMINGTON. In other words, you do not know why it is that we changed our position with respect to what we would or would not sell to Pakistan in the way of tanks, correct?

Mr. KUSS. I would prefer that the explanation of the reason why the executive branch made that decision be given by the people in responsibility.

Senator SYMINGTON. I understand that, and I think it is a fair position on you part. But do you yourself know?

Mr. KUSS. Yes, I know.

Senator SYMINGTON. Thank you.

Do you feel personally that sending these American tanks to Pakistan is consistent with the 1967 ban or do you think it is just a change in our policy?

Mr. KUSS. These tanks are being sent by third countries. We said that we would not supply tanks to Pakistan, and up until this point we have not changed our policy.

Senator SYMINGTON. Has the United States got any money involved in this?

Mr. KUSS. No, sir. For Pakistan?

Senator SYMINGTON. Yes.

Mr. KUSS. No, sir.

WHAT THE U.S. GAINS BY TANK SALES

Senator SYMINGTON. According to the press statements about the Italian tank modernization program, Pentagon officials estimate that the United States will achieve a net export gain of $100 million a year if this arrangement goes through. What do you think we have to gain by this tank sale?

Mr. KUSS. I should like to explain again the fact that we agreed to study with the Italian government approximately ten projects ranging from the N–109 self-propelled howitzer where they were going to purchase the entire vehicle in the U.S. and then do some work in Italy, all the way to the M–47 tank, which would give some benefit to them and some to us, and the M–47 tank is merely one of those ten projects.

McNamara approved going ahead on a case-by-case basis on those ten projects, and so far we have accomplished the sale of $110 million to Italy of items that were listed in those projects, even though we have not accomplished the M–47 tank program.

Now, that is what I meant by the $100 million.

Senator SYMINGTON. Yes. But again just to be sure I understand, specifically what do we stand to gain by the tank sale?

Mr. KUSS. Financially you are speaking?

Senator SYMINGTON. Anyway.

Mr. KUSS. By the tank sale we stand to gain if the Italian government decides to go along with us an investment on their part on modernizing their M–47 tanks and retaining M–47 tanks in their inventory, the United States Continental or General Motors engine, transmission kits, the Cadillac gauge fire control equipment, and a lot of the spare parts actually will continue to come from the U.S. as exports.

If there is no continuing support system, if there is no modernized tank, it is my personal belief that those sales would not occur.

A POLITICAL AND MILITARY ASSET

Senator SYMINGTON. Then the gain, as you see it, for the United States is a financial gain?

Mr. KUSS. There is a financial gain, number one.

Number two, since we do not wish to invest any money in a tank that we have not used ourselves for ten years, and a tank that is 15 to 18 years old, about the most likely course of action we could calculate to get a system of support for those M–47's that do exist is to get the largest holder of M–47 tanks to invest the funds necessary to establish a system.

Senator SYMINGTON. What good does that do the United States?

Mr. KUSS. Having supplied the tanks as military assistance over the years, we have a desire to see to it that those countries to whom we supplied the tanks have a source of supply, a valid, adequate source of supply, for spare parts.

Senator SYMINGTON. What you are saying is, and I am only asking, I just want to know what your thoughts are about it, you are saying that you believe that giving those tanks or having those tanks remain in workable shape is a political and military asset to the United States.

Mr. KUSS. Yes, sir; I do.

Senator SYMINGTON. All right. So then it is political, military and financial gain, is that right?

Mr KUSS. Yes, sir.

SENIOR INTERDEPARTMENTAL GROUP

Senator SYMINGTON. Was this tank arrangement approved by the Senior Interdepartmental Group?

Mr. KUSS. No, sir; but it was approved by State and Defense.

Senator SYMINGTON. Does AID approve it?

Mr. KUSS. AID approves it where—AID is not involved in the Italian-U.S. arrangements. AID is involved where a third country such as Pakistan comes in.

Senator SYMINGTON. Now we understand that the Inter-departmental Group has decided to consider favorably Iran's request for some $600 million in military equipment spread over six years beginning in 1968, that would be right now. Do you know roughly why, what is the rationale behind this decision on the part of the United States?

Mr. KUSS. Yes, sir; I do.

Senator SYMINGTON. Would you give it to us in package form?

Mr. KUSS. I will be glad to give you a synopsis of the military aspects of it as we know them. Again I think Mr. Battle, meeting with you tomorrow, and written to you, has given you probably a much better description than I could ever give you.

Senator SYMINGTON. Have you seen his letter to me?

Mr. KUSS. Yes, sir; I have.

Senator SYMINGTON. Do you want to add anything to it?

Mr. KUSS. May I check a second?

Senator SYMINGTON. Sure.

IRAN'S NEED FOR MILITARY EQUIPMENT

Mr. KUSS. There is something I wanted to add to it. I do not believe, Mr. Battle mentioned that the Military Assistance Advisory Group had since the Shah requested this kind of a program last August worked for many months with the military in Iran to assure personnel availability, training facilities, and that the final program that came out was not solely the program originally requested by the Iranian Armed Forces, but that which was a result of very close review by our Military Assistance Advisory Group, and concurred in by their superiors, CINCEUR and the Joint Chiefs.

Senator SYMINGTON. The Joint Chiefs, do they agree that Iran needs this equipment to protect itself from radical Arab States?

Mr. KUSS. Yes, sir.

Senator SYMINGTON. Would you name those states.

Mr. KUSS. Let me state the Joint Chief's position.

Senator SYMINGTON. Or will you supply it for the record?

Mr. KUSS. Yes, sir; I will.

[The information referred to follows:]

JCS POSITION ON IRANIAN REQUIREMENTS

[Considerable discussion took place in the Interdepartmental Regional Group on the military factors involved in the Shah's request. It was agreed that it would not be meaningful to relate precisely any projected level of arms supply to any given threat or combination of threats. The JCS representative concluded, however, that Iran needs solid US support, in the form of modern arms and equipment and appropriate military training and advice, in order effectively to deter or defend against potential military action by radical Arab forces as well as to create confidence in Iran's ability to cope with any large-scale subversive activities.]

[The proposed program was developed in close consultation with the Chief of the U.S. Military Assistance Advisory Group and Iranian authorities. Iran's ability to absorb the equipment in question was implicit in the development of the program which is in consonance with force goals approved by the JCS.]

VERY SPECIAL RELATIONSHIPS

Senator SYMINGTON. Do you see anything incongruous in Iran wanting to protect itself against the radical Arab States or the Soviet Union by buying sophisticated military equipment from us when they are buying heavily military equipment from the Soviet Union?

Mr. KUSS. Not in the order of magnitude in which it is going on, sir. As you know, over and above the $110 million that we spoke of last year, the vehicle equipment they bought from the Soviet Union, the additional amount was $40 million, and in relation to the sizable equipment we have provided through grant aid, through sales, the sizable relationships that we have with them, and the very special relationships, understandings, we have with them concerning the tenure of the Soviet trainers, and considering the economic facts of the purchase, I do not see anything incongruous.

ROLE OF THE EXPORT-IMPORT BANK

Senator SYMINGTON. What role does the Export Import Bank have in this arrangement, if any?

Mr. KUSS. The Export-Import Bank will assist in the fiscal 1968 program by taking approximately, under the present arrangements still being worked out, approximately $63 million of the total program depending upon its final size.

After this year, the Ex-Im Bank will not participate in any arrangement that we carry out with Iran if the separate sales legislation bill is passed. There are a lot of if's.

Senator SYMINGTON. Sure. Those are all the questions. We have some questions we would like to submit to you for the record in a general way.

Mr. KUSS. Fine, sir.

Senator SYMINGTON. Those are all the questions I have for the record.

QUESTIONS FOR THE RECORD

Senator Cooper, do you have any questions?

Senator COOPER. I am sorry I was not able to get here to hear the testimony. I ran through it quickly, but it won't take the place of the actual questioning.

Did you discuss this question of the sale or proposed sale of tanks, M–47 tanks, from Italy to Pakistan?

Senator SYMINGTON. We discussed it for about an hour.

Okay. Have you got any questions you would like to ask, Mr. Bader?

Senator COOPER. May I ask just one?

Senator SYMINGTON. Yes, indeed. Excuse me.

Senator COOPER. You have discussed the arms to Iran, too, have you not?

Senator SYMINGTON. Yes.

John, I would like to ask Mr. Kuss questions off the record with you here after we finish with this hearing and without making a record, if that is all right with you, just with Mr. Bader and Mr. Kuss and you and me.

Senator COOPER. Yes.

Senator SYMINGTON. Have you questions for the record?

STATE DEPARTMENT'S VIEW OF TANK SALES TO PAKISTAN

Mr. BADER. For the record, Mr. Kuss, in your letter of March 22 you say that "We have indicated" and I quote here, "to the Government of Italy and the Government of Pakistan that we would approve the sale of 100 tanks now and 100 later if arrangements were worked out which would be satisfactory to us and consistent with our military supply policy."

Have we approved, the State Department approved, the sale of the 100 or 200 tanks to Pakistan? What is their understanding of this arrangement?

Mr. KUSS. What is the State Department's understanding?

Mr. BADER. No, the understanding of the Government of Pakistan. I say this because we were told by Secretary Battle last year that he considered 200 tanks excessive, to use his word, and——

Mr. KUSS. I think it would be fair to say that the Pakistanis are entirely clear that the first transaction, and all that we are willing to talk about at this time and approve for either government, is 100 tanks.

Mr. BADER. And we have never mentioned the additional 100?

Mr. KUSS. I think it would also be fair to say that we have some expectation of requesting an additional 100, but they do not have any clear approval of the extra 100.

Mr. Bader. And they have been given no promise or led to believe that they would get the 100?

Mr. KUSS. I would prefer that Mr. Battle answer that Mr. Battle answer that question because he has been dealing directly with it, and I do not know the answer to that question.

DEFENSE DEPARTMENT DID NOT KEEP COMMITTEE INFORMED

Senator SYMINGTON. Well, I will say this: I think you have been responsive today, but I am not at all sure but what the hearings that we had in the general activities in this field have not operated for the best interests of the country, and I think the reason for that is that the Defense Department policy-wise, speaking conserv-

atively, was not anxious to keep us informed, and as we tried to dig out the information we were not, I did not think, handled right. Time and again we would find things out in the press and, as a result, we had the hearings, and it is better to have it all opened up.

As to whether that has helped or hindered in certain quarters I am not so sure in my own mind, but I hope that especially now that to some extent your understanding new management, that you all will give us a little bit more cooperation because in the Department of Defense's activities with the Armed Services Committee they are about as anxious to have us know what is going on as in this particular field it appeared the Department of Defense was not anxious to have us know what was going on.

Now, Secretary Battle has been very anxious that we should know anything and everything about what he was doing in this field because he knows otherwise he can only breed additional troubles and disagreements between us to the point one legislative branch of the Government did not even want to hear the testimony this year, you see, and that is unfortunate because we are all operating with responsibilities and some authority under the Constitution.

So I would hope that as we develop these deals and these arrangements incident to what is going on in the world that there is a greater willingness, perhaps a little interest, in letting us know what the facts are.

Mr. KUSS. I can assure you that my administration of my responsibilities is with that policy. In fact, it was precisely for that reason that I entered into the proposed sales legislation requirements for forecasts of what we were doing, which was never, never discussed before, every six months.

Senator SYMINGTON. I do not think, to the best of my recollection, and you correct me, Mr. Bader, I do not think we have ever criticized Mr. Kuss' activities per se, have we?

Mr. BADER. No, sir.

Senator SYMINGTON. We thought you were operating under policy instructions. I would like to talk with you off the record for a minute.

INDIA'S AWARENESS OF TANK SALES TO PAKISTAN

Senator COOPER. May I ask this question strictly as part of the India-Pakistan war, which the Soviets and the U.S. arranged for bringing the two countries together at Tashkent, now have we started on another new course, the same old course, of arming the Pakistanis or the Indians, either one?

Senator SYMINGTON. Have you seen Mr. Bowles' letter to me? We went into that. Have you got a copy of it? It is on this subject, it bears on this subject. I wish you would look at it.

Senator COOPER. Has this been checked? Do you all consult with the State Department about this?

Mr. KUSS. Sir, we are carrying out State Department orders.

Senator COOPER. Does the Government of India know that Pakistan is trying to buy these tanks from the United States?

Mr. KUSS. They certainly do.

Senator SYMINGTON. The letter from Bowles is an effort to justify the heavy selling of arms by the Soviet Union to India, and if that goes on in any major—you might be interested in the letter.

Senator COOPER. I get quite a number from him.

Senator SYMINGTON. If that goes on I think you have got the problem of what our interests are.

John, is there anything further you would like to ask for the record?

Senator COOPER. No.

Senator SYMINGTON. Is that all right?

Mr. KUSS. I would like to add one thing on the record, if I may.

Senator SYMINGTON. Yes.

Mr. KUSS. Just for the record in comparing the prices that have been talked about here on the M–47 tank, it is the wildest sort of problem because you have to know what you are talking about, whether the transportation is included, whether it is just the as-is tank, the overhaul cost, the additional new engine, the additional transmission kit, the additional fire control.

Senator SYMINGTON. We understand that.

Mr. KUSS. You can range all the way. So the $32,000 price included other things than the tank itself.

Senator SYMINGTON. We will recess the hearing.

[Whereupon, at 3:45 p.m., the hearing was recessed, subject to the call of the chair.]

# BRIEFING ON IRAN, PAKISTAN AND GREECE

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**Wednesday, May 15, 1968**

U.S. SENATE,
SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS OF THE COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The subcommittee met pursuant to notice, at 2:30 p.m., in room S–116, the Capitol, Senator Stuart Symington (chairman of the subcommittee) presiding.

Present: Senators Symington, Gore, Pell, Mundt, and Cooper.

Also present: Mr. Marcy and Mr. Bader of the committee staff.

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Senator SYMINGTON. The hearing will come to order.

Mr. Secretary, we welcome you again to the committee, and we appreciate your letting us know what is going on in that part of the world for which you have responsibility.

Have you a prepared statement?

**STATEMENT OF HONORABLE LUCIUS D. BATTLE, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS; ACCOMPANIED BY THEODORE ELIOT, COUNTRY DIRECTOR, IRANIAN AFFAIRS.**

Mr. BATTLE. Mr. Chairman, I have no statement. I would like to talk informally to the committee, as has been my custom, in any way you care to have me do so.

Senator SYMINGTON. Very well. If you do not mind, we will have a record taken, and in that way we can say to those who did not come, as they do in the marriage ceremony, you did not speak so forever hold your peace, or something like that. [Laughter.]

What country would you like to start with on the record?

Mr. BATTLE. Mr. Chairman, I would like this afternoon, with your permission, sir, to talk a bit about Iran. I would also like to bring the subcommittee up to date on our current talks in respect to Greece, and I would imagine that you have some questions with respect to the tank deal with Pakistan.

There may be other areas with which you would wish me to deal, but particularly the three that I mentioned I thought would be interesting to the subcommittee, and I welcome the chance to talk with you about them.

Senator SYMINGTON. All right, sir. Will you proceed.

Mr. BATTLE. yes, sir.

MULTI-YEAR AGREEMENT WITH IRAN

Mr. Chairman, I particularly wanted to bring the attention of the subcommittee to the forthcoming discussions with the Iranians on a future military program.

As you are aware, sir, we have had an agreement arrived at in 1964, for a multi-year agreement of which $100 million remains of that agreement which was to be a credit extended to Iran for military credit.

We have been discussing with the Iranians for some months the possibility of a new multi-year arrangement of some kind, and I would like to give you a little background of what leads to that and what we have in mind.

The Shah of Iran is deeply concerned about his military security. He sees a number of problems before him that are of very great seriousness as far as he is concerned.

The withdrawal of the British from the area of the Persian Gulf has, I think, accentuated his concern; the movement of radical Arabism, particularly Gamal Abdel Nasser in Egypt has been a source of concern to him for some years, and the increase in Russian presence in the area have also been a source of very real concern.

He makes little distinction between radical Arabism and the Soviet. He consider that Nasser is a tool of the Soviet Union, and has continually pointed to this combination of these forces as a threat to him.

At the moment he considers that his military establishment needs updating. He wants to assure that he has a long-term arrangement with the United States, and he wishes to continue to rely on us as his prime supplier of military equipment.

IRANIAN TALKS WITH SOVIET UNION

He has, as you know, over the last year or two entered into arrangements with the Soviet Union, the details of which I will be happy to go into. These have not, I think, affected his basic orientation.

He has been very duly concerned about the Soviet inroads in his own country becoming too deep, particularly in view of his continued concern about their activities in the area.

Therefore, while he has entered into some arms arrangements with the Soviet Union, he has, I think, kept them under check and a reasonable limit on them, and has been particularly careful about an area that would disturb us greatly which is the presence of technicians in the country.

The negotiations with the Iranian authorities began about last September with an initial figure asked for by the Iranians of $800 million over a multi-year arrangement.

We have now scaled the plan, and it is only that to a figure of $600 million over six years beginning in fiscal 1968, and which would combine the two, the remaining $100 credit that we owe under the 1964 Agreement, would compress it into a one-year arrangement, the magnitude of which would range between $75 million and $100 million. The exact amount of that is yet to be negotiated but would be in that order of magnitude.

As it is obviously impossible for any administration to commit its successors, we have explained to the Iranians that it would be impossible to give any firm commitment beyond the period of office in which the present President is legally in office, that we would give a statement of commitment in in principle to review on an annual basis a program of the magnitude that we have talked about.

WHAT U.S. OWES IRAN

Senator SYMINGTON. Let me ask this question here: What do we owe them that we say we do, what do we still owe them?

Mr. BATTLE. We have $100 million remaining in credit under the 1964 arrangement.

Senator SYMINGTON. Agreement?

Mr. BATTLE. Yes, sir.

Senator SYMINGTON. What is the nature of that——

Mr. BATTLE. That agreement would have been $50 million a year was the arrangement under which this existed.

Senator SYMINGTON. What was the nature of that?

Mr. BATTLE. This would be compressed.

Senator SYMINGTON. Wait a minute, what is the $100 million we owe them, what do we owe them, what kind of a deal is it? Do we lend it to them, give it to them, soft loan, hard loan?

Mr. BATTLE. A credit. This would be——

Senator SYMINGTON. A credit in what way?

Mr. BATTLE. It would be a credit not to exceed—between five and six percent interest over seven years.

Senator SYMINGTON. Five to six percent interest they would pay us and it would be a credit over seven years?

Mr. BATTLE.. Yes, sir.

Senator SYMINGTON. That is that $100 million, right?

Mr. BATTLE. That is correct, sir.

Senator SYMINGTON. Therefore, what we are talking about is an additional $500 million.

Mr. BATTLE. We are talking about a program this year of between $75 and $100 million plus an understanding in principle with respect to the remaining $500 million, but that to be agreed upon each year.

Senator SYMINGTON. Wait a minute now. This $100 million, that we are talking about this year, this $75 to $100 million is not the $100 million we still owe them.

Mr. BATTLE. Yes, sir; it would be in lieu of that.

Senator SYMINGTON. It would be in lieu of that.

Mr. BATTLE. Yes, sir.

Senator SYMINGTON. I see.

So it would be $75 to $100 million plus $475 to $500 million——

Mr. BATTLE. Yes, sir.

Senator SYMINGTON [continuing]. That we would have sort of a what kind of agreement on?

Mr. BATTLE. Well. this, sir, we would simply give an agreement in principle to re-examine this each year with due regard for their economic situation, and with due regard for any other political factors and, particularly. with due regard for the Congress and the legislation that might pertain to it on an annual basis. It is no more than a statement——

Senator SYMINGTON. So far as this past $100 million is concerned you have no problem on that, do you?

Mr. BATTLE. No, sir. We have no problem about it as far as financing it; no, sir. This is somewhat accelerated depending upon the amount that we finally reach, sir.

PURCHASE OF AIRCRAFT

Senator SYMINGTON. That is what you were going to use to buy the additional squadrons of F–4 aircraft, the C–130, the Sheridan tanks, patrol aircraft, and so forth, or is that going into the full amount, I guess, is it not?

The reason I ask that is you, in a letter you wrote to me, you say:

The credit terms would be 5.5 per cent interest with repayment in seven years from date of disbursement. The equipment to be financed is planned to include F–5's, M–6's, Sheridan tanks, armored personnel carriers, self-propelled artillery, and surface-to-air missiles for Iran's destroyers.

Now, that is not the same type and character of equipment you were talking about on the first page of your letter of May 7, and I ask unanimous consent that we put that letter in the record, with your consent. It is classified.

Mr. BATTLE. Yes, sir; I would be very happy to have it included.

Senator SYMINGTON. So without objection We will do that.

Senator SYMINGTON. Now, you say you want money for F–4 aircraft and C–130 aircraft on page one, and over on page two I notice you say you want money for—you do not mention the C–130 and you talk about the F–5's, and the M–60, and then you add another tank on page four that you did not have on page three, the M–60 as well as the Sheridan tanks: do you see?

Mr. BATTLE. Yes, sir.

Senator SYMINGTON. So I was wondering if the $100 million applies to page one and the additional $500 million to page three? I am talking about the equipment that you have listed.

Mr. BATTLE. No, sir. It is not that precise, Mr. Chairman, I am afraid, because there are no F–4's in the current —this is a general category statement here. I have a table that would give you——

TWO ADDITIONAL SQUADRONS OF M–4 AIRCRAFT

Senator SYMINGTON. You say here, excuse me.

Among the major items he desired to purchase from us were two additional squadrons of M–4 aircraft

Mr. BATTLE. This is what he asked us for in his original negotiations.

Senator SYMINGTON. I see, so you are saying you won't give him F–4's but you will give him F–5's?

Mr. BATTLE. We will not give him F–4's this year, sir.

Senator SYMINGTON. But you will give him F–5's.

Mr. BATTLE. Yes, sir.

Senator SYMINGTON. Why was this decision made?

Mr. BATTLE. During the course of this very lengthy discussion they reviewed all of his requirements.

Senator SYMINGTON. Who did?

Mr. BATTLE. Our MAAG in Teheran, and with the Iranians scaled down, readjusted, reanalyzed, all of his requests, and this is the outgrowth of that particular conclusion reached by the MAAG and the military authorities of Iran.

Senator SYMINGTON. Does he know that?

Mr. BATTLE. He knows part of it, Mr. Chairman. I do not know that he knows—Mr. Eliot, can you help me on that one?

Mr. ELIOT. Well, Mr. Chairman, he does know it because he has submitted to us his list of requirements. Now, he does not know what we are going to approve or not going to approve because we have not told him yet.

VISIT OF SHAH TO THE U.S.

Senator SYMINGTON. Well, I do not want to get caught in a personally embarrassing situation because I happen to know he is coming out here to fly the F–4's in St. Louis. He is a pilot, you see, and I would not want him to waste his time. Maybe he had better go fly his F–5's in California on the 12th of June or whenever it is he is coming. Do you see my point?

Mr. ELIOT. Well, sir, under our existing agreement with him in 1964, as amended in 1965, we are supplying him with two squadrons of M–4's.

Senator SYMINGTON. Well, he knows that plane, he has got some now.

Mr. ELIOT. They have not yet been delivered. The deliveries do not start until the fall.

Senator SYMINGTON. Why do you want to give him F–5's instead of F–4's?

Mr. BATTLE. Sir, that is a military judgment.

Senator SYMINGTON. I am just interested because, you know, I would just like to know.

Mr. BATTLE. Well, this is a military judgment, sir. I do not know of any particular reason. We have a schedule of F–4's, I have a schedule of deliveries. They are to begin in September of 1968 and will be provided at the rate of four in September 1968, four in November 1968, and then on through most of 1969.

I suspect that his interest in flying these is in anticipation of having them.

Senator SYMINGTON. I see.

F–5'S WERE NOT SUFFICIENTLY EQUIPPED

Who should we ask in the Department of Defense, in your opinion, why he is being given F–5's if he wants F–4's, who would we ask about that?

Mr. BATTLE. That would be Mr. Warnke and Mr. Schwartz. Mr. Warnke is the Assistant Secretary for International Security Affairs, and his Deputy for the Near East is Harry Schwartz. However, this grows out essentially of a MAAG.

Can you throw any additional light on this, Mr. Eliot?

Mr. ELIOT. Yes, Mr. Chairman, a little, I think.

Back in 1962 in our first formal agreement with him on military assistance we included F–5's in the program because at that time he wanted a more advanced aircraft than the F–86's which he al-

ready had. We added over the years, both in the 1964 Agreement and in the amendment in 1966, additional F–5's.

However, he later found, and this was confirmed to him by our military authority, that the F–5 was not sufficiently equipped to deal with the MIG–21's in the hands of the Iraqis and the Egyptians and he then, therefore later in 1966 came to us with a request for F–4's to supplement his existing stock of F–86's and F–5's.

Senator SYMINGTON. Why in 1962 or 1963 or 1964 when we found that the F–4's are not available to compete with the MIG–21 and, incidentally the Soviets have better airplanes than the MIG–21, why would. we now give him F–5's because they would still be less able to complete with the newest Soviet weaponry?

Mr. BATTLE. I would imagine, Mr. Chairman—I cannot speak with authority on a military matter of this sort—I imagine this is a combination of several types of planes in an overall force, but you can get a better judgment on this than I can give you.

Senator SYMINGTON. Suppose we just shelve it then and see if we can get it out of the Defense Department.

Mr. BATTLE. All right, sir.

Senator SYMINGTON. Will you proceed.

FORMAL ACTION NOT REQUIRED

Could I ask this question, what could this committee, what would you have this committee, do to formalize or approve or whatever the proper word is, any new arrangement with Iran?

Mr. BATTLE. Mr. Chairman, I do not know that it is necessary for you to take any formal action.

Senator SYMINGTON. Good.

Mr. BATTLE. As you know, sir, I have made a very serious attempt to improve the relations between the Department of State, particularly my area with the Congress and I have tried on all matters of this sort to be sure that you are informed before anything happens.

Senator SYMINGTON. Well, I think you have been signally successful in doing that, I might add.

Mr. BATTLE. I have no specific requirement. I would want to know if there was serious objection or concern in this committee, and I would like to take that under consideration.

In any major decision of this sort, I have with my own interdepartmental regional group in submitting any recommendations upstairs, have specified that it is subject to prior consultation with the Congress and, particularly the two appropriate committees of the House and the Senate.

So this is part of that pattern that I tried to establish. It is not that I require any specific—I want you to know this before it exists, and I would like to know of any objection if you have it, and I would like to take back to the Executive branch of government any objections either you or any other members of this committee may have, sir.

A SUPPLIER OF EQUIPMENT

Senator SYMINGTON. Senator Cooper, have you any thoughts on this, sir?

Senator COOPER. I think I am sure you have covered this issue, but I would like to ask just a few questions.

Senator SYMINGTON. If you would, I would appreciate it.

Senator COOPER. As I understand it, has the United States actually agreed to sell this military equipment to Iran?

Mr. BATTLE. Not this particular equipment; no, sir. This is a new agreement. They have looked to us as a supplier of equipment under arrangements—there was an agreement, as you know, Senator Cooper. They were once the recipients of military assistance, a military assistance program and material over a long period of time. We are about to—they know of the nature of the program worked out between our MAAG and the Iranian authorities, and what in general, we have in mind but actually our negotiations are waiting until after I have had this conversation and here on the Hill and go back.

SCALING DOWN THE REQUEST

Senator COOPER. I note your letter says that the Shah approached us last fall to ask assistance in supplying credit for an $800 million military purchase program. Did I understand you to say $600 million over seven years?

Mr. BATTLE. Yes, sir. We scaled this down. The original request of $800 million was scaled down to $600 million over 6 years, and were not suggesting any firm commitment at this time except for the one fiscal year 1968.

We do, however, want, to keep this tied to the U.S. as a supplier of his military equipment, and it is in each succeeding year the question of his own economic ability to afford a program of that magnitude, plus the political situation in the area which would be factors that would have to be considered.

The assessment of everyone is that he has had a very successful economic growth within Iran, the Shah has. It is in the neighborhood of 9 percent. It has been sustained at that level. There is no concern whatever about the current level and his ability to afford it.

There is a desire on the part of all of us to be sure that the situation in the future permits him to do this without disruption of his economic development program, and is also a desire to reassess what happens in the area from a political point of view.

TERMINATED ECONOMIC AID

Senator COOPER. I note that the per capita income of Iran is only about $100 in some areas, in other areas $200. We are providing them, I think, over $300 million worth of economic aid, is that correct?

Mr. BATTLE. We have terminated, Senator Cooper, the economic assistance. They are not an aid recipient country.

Senator COOPER. There won't be any economic aid?

Mr. BATTLE. No, sir. That has ended, and it ended some months ago. We had a ceremony in the Department of State terminating the aid. Some things in the pipeline go back to prior years, undoubtedly.

Senator COOPER. Are the factors which led us to sell military equipment to Iran the same as you note in your letter?

Mr. BATTLE. Substantially, yes, sir, Senator Cooper.

SOVIET SHIPS IN PERSIAN GULF

The general concern over the area, the fact that the British withdrew from the Persian Gulf area, the increased presence of the Soviet in the area and, particularly, we have got for the first time, I think in history, two Soviet ships, three Soviet ships, in the Persian Gulf at the moment. There has been an increased activity there. This makes the Shah very nervous, and I think reasonably so.

Senator COOPER. Does he actually contemplate the Soviet Union might attack Iran?

Mr. BATTLE. He feels, I think——

Senator COOPER. No matter what supplies we furnish him, they could not defend themselves against the Soviet Union.

Mr. BATTLE. Perhaps not on a sustained and definite basis and, perhaps, not alone.

FEAR OF RADICAL ARABISM

I think he sees one of his greatest threats to be radical Arabism, and he also believes that on him rests the need for a stability in that area, particularly after British withdrawal, a concern that we, incidentally, share. He has seen Nasser for a long time as a particular degree of hatred as between the two of them, which goes back over some years, and a deep concern on the part of the Shah that Nasser's not only military potential but political penetration of the area has been increasing, and to his detriment.

He sees a situation in Aden, he sees the situation in the Yemen as pockets of instability brought on by the British withdrawal from the Persian Gulf.

Senator COOPER. Specifically what radical countries of Arab elements does he fear?

Mr. BATTLE. Well, he thinks, Senator Cooper——

Senator COOPER. And wishes military equipment for?

Mr. BATTLE. He would, I think, consider that the problem in Aden, it is now called the People's Republic of South Yemen, but we still refer to it loosely as Aden—I think he would see there both Russian and, perhaps, Chinese activity as—this has not yet become serious in the Aden area.

There is, however, great unrest. We had a report today of additional engagements 30 and 60 miles cut of Aden, just slightly to the north of there in Yemen itself. There is considerable Soviet activity and considerable Chinese activity, and he sees both of those as real threats to him.

While he has in the past been concerned about Nasser's presence in Yemen and was afraid Nasser would come around the Arabian Peninsular and cause difficulty to Kuwait and Saudia Arabia, Nasser is now removed from Yemen, but I do not think that anyone—that the Shah would consider that his removal from Yemen is a permanent withdrawal.

FIVE-YEAR REVIEW

Now, it is difficult. One of the reasons why I felt this five-year annual review was important is that I think the future in that area is very hard to predict, Senator Cooper.

Senator SYMINGTON. Excuse me, to be sure, you say five-year review. As I understand it, you are committing yourself for a year.

Mr. BATTLE. One year over a period of five years.

Senator SYMINGTON. Yes.

Mr. BATTLE. The provision for an annual review, I think, reflects the uncertainties of the future. I think it may be that the situation in the area will stabilize, and there will not be the threat to instability and danger in the area from the Soviet involvement and the ones I mentioned.

However, I think it is highly likely that the situation will get worse, Senator Cooper, rather than better, I must say this in all honesty, and I think that the Shah has a legitimate reason for concern.

He is one of the voices of stability in the area and, particularly, the Persian Gulf area that I think we have to look to as trying to keep our own interests there intact.

IRAN IS NOT A JEFFERSONIAN DEMOCRACY

Senator COOPER. What is his position with his own people? Isn't he under attack from them?

Mr. BATTLE. Sir, I think in the main, I would not wish to suggest that he is totally accepted by all elements of that society. There is, I think, in some quarters a dissatisfaction with him. I do think, however, that he has moved much more rapidly toward political and social reform in the country than anyone would have thought possible five or six years ago—women's rights, for example, land reform.

It is by no means a Jeffersonian democracy, and I do not think it is going to be, and I do not wish by any means to imply that is the case.

Senator COOPER. I do not look forward to it in any case. I used to have those ideas, but I do not any more.

Mr. BATTLE. He has made strides that are helpful, and I think the general trends—he has, I think, a very strong sense of history and a very strong desire to——

IRAN'S SEIZING OF AN OIL RIG

Senator COOPER. Not long ago I read some place that the Iranians seized an oil rig. Does Iran have any aggressive tendencies?

Mr. BATTLE. That particular incident, which was very unfortunate, grew out of a dispute between Saudi Arabia and Iran.

The history of this, Senator Cooper, if I may talk on it for a moment, I think it is of some interest to the committee, of a general as well as this specific incident, that once the British announced their intention to withdraw, and once the world knows a vacuum is going to exist, the political impact of that vacuum begins to be felt.

Immediately after the British decision and announcement, a decision I regretted very deeply and considered wrong from their point

of view, but that is beside the fact, there began to be evident the kinds of strains between several countries in the area that were inevitably the result of concern. These grew out of the long claim that the Iranians have had over Bahrein, the jealousy over—by the Saudis in any possibility that the Iranian claim was being discarded and ignored even though it had been dormant some time, and a visit was scheduled by the Shah of Iran to Saudi Arabia, and unfortunately the ruler of Bahrein and King Faisal of Saudi Arabia had a meeting, put out a press release following that meeting which the Shah felt challenged his long dormant but still, from his view, active claim to Bahrein.

As a result, he cancelled his visit. There were several little incidents, among them the seizing of this oil rig. It was, the incident was over in a matter of several hours, but for a little while it looked as though it was potentially serious.

The basic root of this problem on the oil rig stems from the fact that the line dividing the Persian Gulf and defining the oil rights has not been accepted by both sides. There is an agreement several years old which has not been ratified by the Iranian Parliament and is, therefore, not in full force and effect, and I think at the moment has very little validity.

There is, therefore, this argument which, to a large extent, concerns a couple of islands, small islands. It also concerns the oil rights in the Persian Gulf area.

There will, I fear, continue to be a flare-up of little incidents. I am very happy that at the moment the Saudis and the Iranians seem to be getting back into each other's good graces, and we have it pretty well confirmed, a pretty well confirmed report, in the last couple of days that the visit that was scheduled by the Shah will probably be put back on the calendar.

We think it is very important for Iran and Saudi Arabia and Kuwait to try to work together on these various problems. But there are going to be problems, and it reflects primarily the British decision, which creates the spectre of instability, and they begin to react to what they see coming.

IRANIAN ARRANGEMENTS WITH SOVIET UNION

Senator COOPER. I have an article here from the Christian Science Monitor of March 18 which says that Britain has sold Iran a destroyer and three frigates for its navy; that the Soviet Union has delivered a $110 million consignment of trucks, personnel carriers, conventional antiaircraft weapons, and Iran has had talks with Britain and France on the possibility of buying military equipment. Is that all correct?

Mr. BATTLE. It is substantially correct, sir.

I would like to say that that refers to the $110 million arrangement with the Soviet Union. It is actually larger than that. It amounts to—there was an initial agreement of $110 million, and there was a subsequent agreement for $40 million.

We do not have complete information on this, and whether the $40 million was an extension of the $110 million or a new agreement, we are not completely sure. I have considerable detail, however, on the content of that agreement.

It is essentially equipment of a non-sophisticated, in fact entirely of a non-sophisticated, type. A lot of vehicles, various things of that sort, and it was primarily, virtually entirely, a barter arrangement for the natural gas that was otherwise being lost.

I can give more detail on that if you want it.

NATIONS' DEMAND FOR MORE ARMS

Senator COOPER. This decision to sell this equipment to Iran, is this bottomed, in part, on the fact that we do not want Russia to sell them this equipment?

Mr. BATTLE. It is a combination of several things, Senator Cooper. I think it is——

Senator COOPER. Just what effect does this have?

Mr. BATTLE. I think the sad things about these arms races and this pops up throughout every country that I have have happened to have in my area of responsibility, we always have the concerns that a country reflects as to its own security, and in almost all instances they think they need more than we think that they do.

If we refuse to have anything to do with them they are going to be able to get it, and probably in larger quantities, than we are going to provide them. It is very difficult to have a completely satisfactory arrangement.

Secondly, we do think there is a legitimate need on the part of Iran for an upgraded military establishment, and we prefer to have them tied to the United States and to the West both politically and from a military equipment point of view, and we think some continuing arrangement some evidence of our desire to have a continuing arrangement with them, is justified at this time.

Senator COOPER. I would think on this last point there could be countries that this would be a very important factor. But I think if we apply that to every country around the world that asks us for arms we are going to give arms to everybody.

Mr. BATTLE. I agree with that completely. I think we have to look at each one, and we have to also look at what we have done in the past because of relations in a number of countries that go back to the fact that we provided arms to, and a basic arms structure to many countries, and to refuse to give them spares, and so on, in some instances would cost a good deal more money than if we go on providing a limit as to the amount.

ARMS SALES V. ECONOMIC PROGRESS

Senator COOPER. How can Pakistan make any real economic progress for its people when it is going to spend $800 million or $1 billion on arms in the next five years?

Mr. BATTLE. Senator Cooper——

Senator COOPER. Not Pakistan but Iran.

Mr. BATTLE. As you know, sir, we have introduced about a year ago a new policy with respect to arms sales to both India and Pakistan.

Senator COOPER. I meant Iran.

Mr. BATTLE. You meant Iran. I thought you wanted to get into Pakistan.

Senator COOPER. I am going to get into Pakistan.

Mr. BATTLE. As far as Iran is concerned, I think we have to satisfy ourselves in each of these years that we refer to that the amount of money going into the arms program is not excessive in light of their development program. We have scaled it down from the $800 million they started with to the $600 million we are now talking about.

I think we have to look at it for each year, but the projected growth rate of their oil industry would not suggest that this is going to be a serious problem for them. It undoubtedly competes with their economic development, there is no doubt about it.

U.S. INTELLIGENCE FACILITIES IN IRAN

Senator COOPER. Does the United States have any intelligence facilities in Iran?

Mr. BATTLE. Yes, sir.

Senator COOPER. This is a factor also?

Mr. BATTLE. That is a factor, although it is, at the moment there is, no problem on these intelligence facilities there. [Deleted]

Senator COOPER. All right, Mr. Chairman.

GRANT MILITARY ASSISTANCE

Senator SYMINGTON. You also were giving to Iran, were you not, $24.2 million. of military aid?

Mr. BATTLE. No, sir. We have no aid program. Maybe in the pipeline. Mr. Eliot, would you like to say something?

Mr. ELIOT. Mr. Chairman, I think you are referring to grant military assistance, the grant military assistance program.

Senator SYMINGTON. Yes.

Mr. ELIOT. Yes, sir, that is correct for the present fiscal year.

Senator SYMINGTON. Well, that is in addition to this other business?

Mr. ELIOT. Yes, sir.

Senator SYMINGTON. It is military grant, right?

I want to be sure I understand your answer to Senator Cooper. We have some pretty important stuff up around the Caspian Sea, have we not?

Mr. BATTLE. Yes, sir. He asked me whether this was a factor, Mr. Chairman, in this deal. It is a factor in our wanting to have a continued political presence there.

I told him that the possibility of difficulty with Peshawar, an installation in Pakistan, made the ones in Iran even more important to us, and in the event that something happened with Peshawar, the possibility of increasing the size of our activity in Iran was one possibility.

ROLE OF THE SOVIET UNION

Senator SYMINGTON. In your letter of May 7 you said that Iran must continue to orient a large portion of its military forces against the potential Soviet Union military threat.

How much military equipment has been purchased from the Soviet Union? You answered that now, as I understand it, about $150 million, is that correct?

Mr. BATTLE. Yes, sir.

Senator SYMINGTON. That is in addition to the $250 million that is being laid out to have the Soviets build a steel mill?

Mr. BATTLE. That is right, sir.

Senator SYMINGTON. Is that in addition to the $450 million or thereabouts that the Soviet Union is working with the British to build them a gas pipeline?

Mr. BATTLE. Yes, sir.

Senator SYMINGTON. Without being sarcastic about it, and I do not mean to be, is it not rather incongruous to have them buying so heavily from the Soviet Union and, at the same time, talking about the terrible threat of the Soviet Union as a reason to buy from us, too?

Mr. BATTLE. Mr. Chairman, I think the deal with the Soviet Union, from their point of view, was an economic benefit and made a good deal of sense.

I think the real test is whether they let it get out of hand and how far they go with it. They have made it very clear that the Shah has not permitted technicians to remain there. There were a few there, they have all, I think, gone, have they not, all of them?

He has told them with respect to training on this equipment that he would look to the United States.

The deal from their point of view made a good deal of sense. We suspect they pay a little too much for some of the items, but in terms of just pure economic terms, the natural gas that has gone to pay for that equipment was being fired or being lost, purely economic.

The question, I think, is whether he moves over in a political way, and I see no reason to be concerned about that at this time.

COMPARISON TO INDIA

Senator SYMINGTON. You know, I got a good lesson from the Indians. Nobody ever cheated us more than they did, because in the summer of 1961 we were being assured that all they wanted to do was to defend themselves against China and did not worry about Pakistan.

When the Chinese attacked, most of their army was up next to Pakistan.

Now, what worries me is, I see here that, and I am just being the devil's advocate, because we have to defend these things if we go along with them, the Soviets have 300 jet fighters and 28 divisions and 42 jet light bombers on the northern borders of Iran, according to the information we have.

So giving them this, in effect, is a spit in the ocean from the standpoint of the Iranians as against what the Soviets have. It puts us in a very embarrassing, situation if the Shah would utilize what we give him, like the Indians did against Pakistan after all that noise or the way they had done it, you see, and the Chinese, if they utilize this by attacking Bahrein, for example, with this equipment, you see, that is what worries me about it because there is no way, as Senator Cooper points out—their standard of living is very bad, they may be doing 9 percent—I do not know how much they will be doing it now that our economic aid stops, but the last time, I was in Teheran there were an awful lot of half completed buildings, and so forth.

So it just seems to me, one thing I do like about it are the terms. These are short lending terms. These are what you would call short-term loans based on a definition of seven years at 5 to 5½ percent. That is a good business deal.

HOW IRAN MIGHT USE THE EQUIPMENT

I am not one who wants to shove them into the Soviet military purchases. There is no plus in that for us. But I do think—are there any arrangements that we have made that they would not utilize this equipment against some place like the Island of Bahrein, for example?

Mr. BATTLE. Not specifically, Mr. Chairman.

I must say that in terms of—they have the military capacity at this time, I think—they would have no trouble with Bahrein or with the Saudia Arabians. I think the relative strengths of the two are such that this would not add any capability in this regard.

Senator SYMINGTON. Yes. But if Nasser had fought instead of talked, the Israeli situation might have worked out differently. If, for example, the Soviets loaded more of their equipment into Iraq in order to nullify an effort against Bahrein, you know, this is an escalation aspect there that could be involved, and I am just thinking about the State Department a little bit in this case, you see.

It would not look very good to make a deal with them and I then have them go on the aggressive, you might say, to take some oil that they think they are justified in grabbing because the British are moving out.

Mr. BATTLE. Mr. Chairman, I have tried always to avoid in any congressional committee giving you assurances that I do not think are really within my capability.

There are really many problems in that area the answers to which I do not know, and there are uncertainties in that area. I cannot deny that.

However, I think if any country in that area is tied strongly to us it is Iran. I think that we must accept their concern for their own security in a very complicated world structure, particularly in that area.

I think that if we fail to keep a reasonable level of arms, it is not going to stop them from putting their resources in the arms. It is going to move them into another area.

Senator SYMINGTON. I agree with that. I think we have been extraordinarily successful since World War II in getting just about every country in the world angry at us, and I think if we have any friends in that area, Iran is certainly our friend.

IRAN'S VIEW OF THE RADICAL ARAB STATES

Do the Joint Chiefs of Staff agree that Iran needs this equipment to protect itself from the radical Arab states?

Mr. BATTLE. We agree this is a reasonable request for the Iranian needs.

We have tried, and I think they also, not to say that it takes this much against this one. It is just too difficult. But they consider they are—they consider this a reasonable size for the army and military strength.

Senator SYMINGTON. Would you name what they consider to be the radical Arab states, what the Government means by this term?

Mr. BATTLE. I think the decision—you mean what the Iranians mean?

Senator SYMINGTON. Yes.

Mr. BATTLE. Well, the main concern, I think, it is a combination of the uncertainties in the Arab-Israeli context. The fact that the Soviet Union is putting more military equipment into Syria, Iraq, Algeria and the UAR, and Yemen, to a lesser extent, less of a problem, in terms of size of force.

But these, I think, are the potential areas that he sees as an uncertain danger, and he also, as I said, sees a problem of the Persian Gulf, the Soviet movements in that area, as closely related to it, and he is not sure what radical Arab efforts are going to be made there. He thinks some.

Senator SYMINGTON. You wrote of a meeting of the Inter-departmental Regional Group for the Near East and South Asia on the question of arms to Iran.

Did this group recommend the $600 million spread over this 6-year period you spoke of in your letter?

Mr. BATTLE. Yes, sir.

These, the recommendations, the details in this letter, are an outgrowth of that particular meeting.

Senator SYMINGTON. Does AID approve of this sale?

Mr. BATTLE. Yes, sir. That was a unanimous decision. Again we all wish to review it on an annual basis, and we all wish to review the economic and other factors on an annual basis.

MAKING IT CLEAR TO THE SHAH

Senator SYMINGTON. Mr. Secretary, you said in your letter that it is essential we give the Shah some form of multi-year understanding with regard to military sales.

Will it be made clear to the Shah that he cannot count on receiving over the next 5 years the military equipment outlined in this multi-year proposal?

Mr. BATTLE. We have not talked with the Shah yet, Mr. Chairman, pending this.

I have, however, in talks with the Ambassador here told him that this would be obviously impossible at this time. This is a year in which we have an election, and the uncertainties of the future, that it would be contingent on a reaffirmation, but I thought that some understanding in principle would likely be possible, and that I could not foresee any likely presidential candidate on either side who would wish to turn basically away from the relations we have had with Iran.

Senator SYMINGTON. Well, before we go to Pakistan, Senator Mundt, have you any questions?

Senator MUNDT. Just one or two.

IRAN'S EXCHANGES WITH ISRAEL

Are the Iranians more sympathetic with the Israelis than they are with the Arab States?

Mr. BATTLE. Senator Mundt, they are behind the scenes very much so. They do not have direct relations. There are regular ex-

changes, and they see and talk with each other in a variety of ways. This is an area of some delicacy for the Shah because he, after all, has a large Moslem population and he has to be a bit careful, but his sympathies are carefully that way.

Senator MUNDT. I am thinking about the unhappy event if hostilities broke out again between the Israelis and the Arab States, and the Israelis again manifest their military superiority, and maybe they decided to pick up all of Jordan or all of some other country, what would be their concern, what would be the concern then on the part of the Iranian government?

Mr. BATTLE. I think the attitude of the Shah in Iran would depend on exactly what happened, in part. They would be deeply worried about, for example—this is all, of course, speculation—if the radical Arabs, Iraq, Syria, for example, expanded their hold in the area or the UAR, that would be of very great concern to them.

The extent of their concern over Israeli actions, I think, would depend in part on how serious a public relations problem the Shah had internally within his country.

ARABS IN IRAN

I think his greatest concern is not with the Israelis. Obviously I cannot say any of this publicly. His concern is not with the Israelis but the radical Arabism, and he sees the force of the Soviet Union in combination.

Senator MUNDT. What is the consistency of the population in so far as Arabs are concerned?

Mr. ELIOT. It is very small, Senator Mundt. It is 5 percent, very small.

Senator SYMINGTON. They are Moslems mostly, are they not?

Mr. BATTLE. Yes.

HOLDING DOWN THE PURCHASE OF ARMS

Senator MUNDT. One more question. Maybe Senator Symington asked it. But accepting your hypothesis, and we accept the tanks and armaments which the Iranians want to their optimum amount of need, why is it that we induced them or permitted them to buy from the Soviets instead of making it attractive for our dealing so their armaments would be geared to our standards instead of the Soviets?

Mr. BATTLE. I think, sir, as almost in all these cases where we try to hold down the purchases of arms by a great many countries, and we do a great deal more of this, Senator Mundt, and I think increasingly so particularly because of the concerns of the Congress that we have been trying to do this. We have not been willing to give to the Shah anything he wished. He asked, as I said in this deal, he started with $800 million, and we are now talking in terms of $600 million.

Senator SYMINGTON. Mr. Secretary, I think these questions are awfully good questions.

Mr. BATTLE. I think they are awfully good, too.

Senator SYMINGTON. Because this is the first real ally we have had who has bought heavily from the Soviet Union, and no matter how expert the syllogistic development in the argument is the fact that first he buys or gets heavily from the Soviet Union, both heavy

military aid and heavy economic aid, and then, at the same time, comes to us and says he has got to buy heavily from us, because he is afraid of the Soviets. It is really pretty hard to swallow. It gets to be very complicated and, perhaps, the very lack of simplicity in it is why we are going to get ourselves into another one.

I just say that in passing because I am sympathetic with Iran, although I must say I think—I do not say they double-crossed us, but I do think—they ran out on us. You and I have discussed this before. They ran out on us when they suddenly came up with this heavy financial, economic and military commitment with the Soviet Union.

I think the Senator from South Dakota put his finger on it in the question that he asked. It is just hard for us to understand it. Maybe we are not well educated enough to get into this field.

Mr. BATTLE. Mr. Chairman, your questions are perfectly right and proper and exactly the same ones I have asked myself. I cannot give answers that totally satisfy you nor can I give answers that totally satisfy me. I can only tell you this deal occurred before I was here. Ted Eliot knows more about it than I do. But I think it is a combination of the fact they felt it was economically attractive because they were wasting this natural gas that was being fired and they were not getting any benefit out of it.

Senator SYMINGTON. Karl, would you yield to me just once more?

OIL DEAL WITH USSR

Here is an item dated February 2, 1968:

Oil deal with USSR?

Reports from Teheran indicate that agreements may soon be concluded between the National Iranian Oil Company and the USSR ad other East European countries for oil exploration and exploitation in Southern Iran. It is suggested that East European and Soviet Oil concerns will operate in areas relinquished by the consortium in March 1967.

This, however, is not surprising in the light of the Irano-Soviet protocol signed in April last year 'oil deal as climax to Soviet visit' which laid down in principle agreement on Soviet cooperation in the oil industry.

What a sucker we are going to be if, inasmuch as a totalitarian state, the value of the currency is by order of the dictator, you might say, and they do not care particularly what they sell oil for, if they use it as a political weapon, they can sell it below cost and write it off.

What a ridiculous position we are put in if a lot of Iranian oil goes into the country that we are supporting heavily with sophisticated weaponry and comes back, to compete with our staggering oil companies in the Middle East. It is a rather tricky situation.

Mr. BATTLE. It is very tricky indeed, Mr. Chairman. But I do not believe that our abdicating in this situation, leaving it to the Soviet, is going to improve our situation at all.

SHAH LIKES TO SHOW HIS INDEPENDENCE

Now, I think we might—another point I wanted to make is that the Shah has, I think, felt that, as he has increased in economic and political importance in the world, he likes to show a certain independence from us, and he has an internal leftist movement within his own country that finds arrangements with the Soviets

rather attractive from a political point of view. It removes an area of criticism from him.

Now, I think the real test of this, Senator Mundt, the concern is a very proper one, a perfectly valid one, and I am not going to sit here and tell you there is nothing to worry about, because there is.

But I think the point that we must look at is whether it is increasing, the Soviet presence and the Soviet arrangements are increasing, in a way that we think is dangerous from the standpoint of the situation internally in Iran and from the standpoint of our own interests.

I do believe that up until now the Shah of Iran has been very alert to the dangers, has been very careful.

He, as I said before you came in, sir, he has rejected the presence of Soviet technicians under the arms deal. He has shown a good deal of care, and I do not think there is any reason to believe he is going to let Communists within the country become a major threat to him.

SOPHISTICATED EQUIPMENT

Senator MUNDT. Could you give us any estimate of the percentage of his so-called sophisticated armament? I use the term loosely. But that I mean anything, I suppose, except rifles and small arms? He now has a dependency on ammunition and spare parts of Russia as compared with his dependency on us.

Mr. BATTLE. I was looking for that table listing the specific Soviet equipment. I wanted to read the character of the things under the deal, because what the Soviets have put in there, Senator Mundt, have been essentially—the purchase of Soviet arms in January, 1967, consisted of 100 track armored personnel carriers; 200 wheel armored personnel carriers; six 23 millimeter antiaircraft guns; 80 57-millimeter twin antiaircraft guns; 600 Jeep type vehicles; 1,700 one and a half ton trucks; 1,700 two and a half ton trucks, and 5 shop vans.

As I say, it was largely a barter, mostly natural gas, and attractive from an economic point of view.

There is an additional $40 million subsequent deal of more or less the same character.

The point I am making, sir, is this is, for the most part, not very sophisticated equipment, except for the antiaircraft guns. The bulk of it is in vehicles of one kind or another. So from the standpoint of importance it is relatively unimportant in relationship to what we have put in there over the years, and certainly in terms of amount.

Senator SYMINGTON. Of course; you understand I do not agree to that because I do not think that the question of the sophistication of the weaponry is the guts of the problem.

I think the guts of the problem is inasmuch as they are so overwhelmingly much stronger than the Iranians, if they really wanted to move, which they might well do because of this mess we are in in Vietnam, and is getting the people in there, that is the thing that worries me. This gives them a chance to get their agents in, and they can say they have all gone out.

Well, you get me into a place, and if I am active I will leave a few calling cards around among people who would like to look at

a little money if they are getting $100 a year in income, and so you have a chance to do a tremendous lot of proselytizing from an espionage standpoint. So the idea they do not really give anything to me is just the reverse because the chances are that a good aviation engineer has much less chance of being a good agent than a good truck driver, from the standpoint because you can learn how to drive a truck in a couple of weeks, I guess, if you work at it, and I think it takes a little longer to be a good aviation engineer.

So I do not see that argument about the fact they only buy the unsophisticated stuff from them especially as we do not sell them our more sophisticated black boxes.

Mr. BATTLE. Sir, I think Senator Mundt was asking the relative dependence of spare parts in terms of local structure.

Senator SYMINGTON. I understand.

Mr. BATTLE. I do not think my argument is totally persuasive with your point, but I think it is responsive to Senator Mundt's.

Senator SYMINGTON. We are just after facts.

SOVIET TECHNICIANS IN IRAN

Senator COOPER. Do you know whether or not there are Soviet technicians in Iran, military technicians and, if so, how many?

Mr. BATTLE. Senator Cooper, there are undoubtedly Soviet agents in Iran. There were——

Senator COOPER. I am not talking about agents.

Mr. BATTLE. After the period of the first purchase.

Senator COOPER. But in connection with the sale of this military equipment.

Mr. BATTLE. After this purchase there were a few technicians that went in, but I have forgotten the maximum number reached.

Mr. ELIOT. There were about 30.

Mr. BATTLE. About 30. Those were all removed by order of the Shah, and he told them on the last round he did not want any people assisting in training.

Senator COOPER. What is the size of our MAAG group?

Mr. ELIOT. About 450, Senator.

Senator COOPER. Have we made any commitment under CENTO to Iran other than just the language of the treaty itself?

Mr. BATTLE. No, sir; I do not think so, Senator Cooper. I would like to recheck that. I am 90 percent sure I am right, but there have been quite a few years here, but I am aware of nothing. Are you?

Mr. ELIOT. Nothing.

Mr. BATTLE. Just the treaty itself.

WHAT THE SHAH TELLS RUSSIA

Senator COOPER. I have just one more question. The Shah, of course, has told the United States, as you say, that he is fearful of the radical Arab States. I suppose he gives the impression of a fear of Russia. What do you think he tells Russia about us in order to—do you think he tells Russia the same kind of stuff about the United States, he is fearful of our control?

Mr. BATTLE. Well, of course, I cannot tell you with any certainty on that one, Senator Cooper.

I do believe the Shah, while I do not wish in any way to downgrade the arms deals that you referred to earlier, I do think that the Shah, almost any ruler in that part of the world, is well aware of the potential danger the Soviet Union represents to him. He has been through it in years past, and I think he wishes to maintain a Western or everything he has done has indicated that he wishes to maintain a Western oriented country, and he is attempting to do so.

Senator COOPER. This may be too idealistic an idea, but suppose we did not give him any military equipment. Would he have any argument then with the Russians or would the Russians feel then there is no reason for them to get mad?

Mr. BATTLE. Senator Cooper, I would imagine that the Russian pattern of trying to become as deeply involved as possible in the military structure, it is true almost throughout the area, I do not see any reason to believe it would not occur in Iran.

Senator COOPER. That is all.

Senator MUNDT. John, I can tell you something that a Russian told me. He said, "We Bolsheviks always sit down in all the empty chairs." I am inclined to think they would go in.

TESTIMONY OF THE SECRETARY OF DEFENSE

Senator SYMINGTON. Senator Gore, We have been running over the Iranian situation. Have you any thoughts about this, questions you would like to ask now? Otherwise we would go to Pakistan or we would retrace our steps.

Senator GORE. I will go with you to Pakistan. I will get Carl to fill me in.

Senator SYMINGTON. Carl, would you note right now any question that Senator Gore would like to ask on this Iranian situation.

Before I forget it, Mr. Secretary, the Secretary of Defense is going to make his maiden appearance before the Foreign Relations Committee in the Caucus Room on Friday, and it would be my respectful suggestion that he be briefed as to what he can or cannot discuss in this field because it would appear that the State Department and the Defense Department, I know much of it due to you, are no longer two armed camps with respect to what should or should not be done with respect to this field, and I think it would be worthwhile if he found out the questions that have bothered us, Senator Cooper and Senator Mundt and, perhaps, myself, a bit about the nature of this deal, and so that he knew a little about it when he came up.

Mr. BATTLE. Mr. Chairman, I will see that this is done. I have already had some talks with him, but I will review the nature of the questioning today and be sure he is prepared for it.

Senator SYMINGTON. Thank you.

EXCESSIVE NUMBER OF TANKS

I will now go to Pakistan, if I may.

The staff has drawn up some questions here.

We had yesterday Mr. Kuss before us, representing the Defense Department, incident to Iran and Pakistan.

Mr. BATTLE. Yes, sir.

Senator SYMINGTON. In his letter, Mr. Kuss' letter, of January 30, 1968, he said of Pakistan's desire to obtain 200 tanks:

> The Department has made it clear to the Government of Pakistan that it is prepared at this time to consider a request for no more than 100 of your M–47 tanks.

On March 22 however, he wrote that we "indicated to the Government of Iran and the Government of Pakistan that we would approve the sale of 100 tanks now and 100 tanks later if arrangements were worked out which would be satisfactory to us and consistent with our military supply policy.

Could I ask what changed the United States Government's view of how many tanks Pakistan could have? You yourself told the committee that 200 tanks would be, and I quote "excessive".

Do you still hold this view?

Mr. BATTLE. Mr. Chairman, I think we should start with the 100 and see what sort of deal is worked out, and not reject the idea of a second 100 later, but not in the original deal.

JUSTIFYING SALE OF TANKS TO PAKISTAN

Senator SYMINGTON. At the time of the Pakistan-India War the United States cut off military aid to both sides. Five months later in February 1966 the United States partially lifted this ban by permitting both countries to purchase for cash or credit non-lethal spare parts. In April 1967 the United States withdrew its military advisory group from both countries, terminated all military assistance on a grant basis, and stated its willingness to consider on a case-by-case basis the cash value of spare parts for previously supplied "lethal" equipment.

Given these restrictions, how can you justify permitting the sale of these American tanks to Pakistan? No matter how this sale may be described it is still American tanks going to Pakistan. Isn't this arrangement inconsistent with the 1967 ban?

Mr. BATTLE. Mr. Chairman, I do not think it is, sir. I think it is the very essence of that ban. It was talked about at that time as the one thing we would consider with certain limitations on it.

We have made a very real effort with both India and Pakistan to get them to scale down the level of their defense expenditures.

We have, while we recognize that over the years, particularly with Pakistan, we had put in a very great deal of equipment, for us to refuse to provide any spare parts or any replacements would have, could well have, resulted in either their purchasing these things in the open market or black market around the world or turning to other suppliers at much greater cost than could be provided for if they stuck to their present channels.

A ONE-FOR-ONE REPLACEMENT

Now, with respect to the policy of April we stated we would provide spares, we would not provide directly any end items that we would consider providing permitting end items from third countries to be sold to them, provided that it was on a one-for-one replacement, and that the cost factor was not excessive and would not so influence the economic level of the country so as to be a serious problem.

In the case of the tanks to Pakistan, I looked back in my diary today and I informed the committee in a record book of my appointments, I informed this committee last December that there was a

possible deal of this sort, that we had been approached on the tanks, that we did not believe, we would not give carte blanche to any such arrangement, it would only be on a one-for-one replacement and only if reasonable cost arrangements could be worked out.

This, sir, was contemplated in the development of the policy of April 1967.

I do not know whether there will be a deal made or not. This has been dragging on now for many months. What we have simply said is that we would agree in principle to entertain any third country offering, provided the price was not excessive, and provided it was a one-for-one replacement.

I would like to say, Mr. Chairman, that the Pakistanis have, and I think we have, had at least something to do with it, made some small decreases in their defense budget for the current year, and they affirmed, they reaffirmed to me yesterday, their desire to keep the level of their defense budget down, and they were working towards that end. I was told by the Ambassador that President Ayub had so stated.

Senator MUNDT. I think that is true. But I have had a representative of the Pakistani Government say that while they have done that they feel that India is not doing that, and therefore, they think they may have to change their ideas.

Senator SYMINGTON. Karl, will you bear with me on that? I will come to it.

ALLOWING THIRD COUNTRIES TO SUPPLY ARMS

The next question is when did the United States publicly enunciate a policy of allowing third countries to supply major pieces of military equipment to Pakistan? Reference to such sales was deleted by the Defense Department from Townsend Hoopes' testimony before this subcommittee on April 20, 1967. To my knowledge, the public has never been told of this policy and continues to believe we have an arms embargo.

Mr. BATTLE. Mr. Chairman, I will have to check back on this. But I was under the impression that in April of 1967 this had been made public knowledge. I know that I have discussed it with this committee on a couple of occasions. While there had been no deals, this is the first one that we said we would not make direct sales, but we did not rule out, as my recollection——

Senator SYMINGTON. I am not criticizing you in any way, just whether it is classified or not classified.

Mr. BATTLE. My recollection, sir, is this is public knowledge. I know it has been written about.

Senator SYMINGTON. All right.

APPROVAL OF THE TANK ARRANGEMENT

Was this tank arrangement approved by the Senior Interdepartmental Group?

Mr. BATTLE. Yes, sir; the whole arrangement has been, sir, and I want to point out again it is not yet a tank arrangement. It has been dragging on for many months, and there may not yet be one. But at the moment it looks a little more like it than it did a few weeks ago.

PAKISTAN'S USE OF ECONOMIC AID FOR MILITARY PURPOSES

Senator SYMINGTON. The administration is proposing to give Pakistan $343.8 million in economic assistance in fiscal year 1969. Pakistan now intends to buy tanks in large quantity from Italy. Don't we have a situation here whereby Pakistan's payment to Italy will be made possible by our economic aid?

Mr. BATTLE. Mr. Chairman, undoubtedly our economic aid would be a factor in this, I have no doubt about that, and I want to say once and for all this is the kind of problem that I absolutely are appalled by it.

However, for us to say that we are not going to provide any military equipment in these situations remove such leverage and such influence as we have in it.

We have, I think, had some effect on it. Whether they make it or whether they provide it or not is not going to be a total deterrent to the Pakistanis' desire to acquire more tanks or other equipment, for that matter. But I think we do keep some leverage in the situation.

We have made a very honest effort to keep them from adding and, I think, we have had some success.

INDIAN WEAPONS PURCHASES FROM MOSCOW

Senator SYMINGTON. Well now, let us switch to the problem that was developed, was being developed, by the Senator from South Dakota. How many SU–7's is India buying from Moscow?

Mr BATTLE. Mr. Chairman, I do not know whether I have those specific numbers with me or not.

Senator SYMINGTON. Well, in the morning paper the Pakistanis say they told Kosygin in Rawalpindi that the Russians are selling 150 SU–7's. That is a better fighter than any fighter the Russians have put in North Vietnam today.

Mr. BATTLE. You said to India, Mr. Chairman, or did you say Pakistan?

Senator SYMINGTON. No, to India. The Pakistanis say the Russians are selling New Delhi about 150 SU–7 fighter bombers, an advanced model far better than anything Pakistan can buy from its principal arms supplier, China; several air-to-air and ground-to-air missiles, five freighters, destroyer escorts, and 6 submarines.

"Responsible officials here"—this is this morning's paper from a Pakistan article by Bernard Nossiter—"Responsible officials here little expect that the Soviet Union will curb its arms sales to New Delhi, so they hope Kosygin will sell to them, too."

I want to go on record as saying if this is true, and if I get another—I get a letter from Ambassador Bowles, he writes it as personal, but this is an executive hearing, defending purchase of Soviet equipment by India on the ground that India needs the equipment to defend itself against China, that is the same old line that we heard before when it did not work out that way at all, and I was just wondering what position do we take.

Do we want—if we accept the fact that India is being supplied military equipment by the Soviet Union, would not that have some effect on our being willing to supply military equipment to Paki-

stan or do we want Pakistan to either give up or buy somewhere else?

Mr. BATTLE. Well, Mr. Chairman, let me make several comments on it.

First, while I do not have the specific numbers here that the Indians have purchased from the USSR, they are not far different from what you read. I think those are a little exaggerated, but not much, and I can supply for the record the best knowledge that we have. The types that you mentioned are accurate.

Senator SYMINGTON. Do you have any figure in your mind?

Mr. BATTLE. We have, my recollection is it is, something like 100 of the SU–7's. That said 150. I am sorry I do not have that number with me, but I can get it for you.

Senator SYMINGTON. Well, 100 would be many times more than any planes we were supplying to anybody.

Mr. BATTLE. I have the total value of the contracts but, not the number but types of things. Purchases from the Soviet Union have included medium tanks, artillery, surface-to-air missiles, SU–7 fighter bombers, MIG interceptors, submarines and other naval craft, helicopters, transport planes.

Senator SYMINGTON. That is what India is buying?

Mr. BATTLE. Yes, sir.

The USSR has also assisted India in establishing a MIG manufacturing complex. The total value of these contracts has been estimated at about three-quarters of a billion dollars, with actual deliveries estimated at more than half a billion.

RUSSIANS FURNISHED EQUIPMENT AS CREDIT

Most of the equipment provided by the Soviets was included in agreements entered into between September, 1964, and mid-1966. It was furnished as credits under very generous terms, 2 to 3 percent interest, 10 year repayment. Repayment is rupees which the USSR then uses to buy such Indian goods as are possible, including leather things.

The only new agreement that the——

Senator COOPER. Including what?

Mr. BATTLE. Leather products.

The only new agreement that the Indians and the Soviets appear to have entered into within, the last year and a half is one for MIG–21 interceptor planes.

The government of India has told us that this acquisition comes under the terms of this earlier contract which called for the import of MIG's from the Soviet Union should the Indian MIG manufacturing project fall behind schedule, which we believe that it has.

We have no evidence yet that any of the planes have actually, of that group of planes, have actually, arrived in India.

Now, sir, as far as the, I am aware of the, statements that Mr. Bowles has made about the difficulties the Indians have had in finding a suitable defense program for themselves, a policy as well as a supplier of arms, and I share you concern about any exaggerated costly defense structure, and we have, as I told you a moment ago, Mr. Chairman, tried throughout the last year that I have been in office to try to get both India and Pakistan to reduce the level of their defense expenditures.

Pakistan made——

INDIA IS SPENDING MORE AND GETTING LESS

Senator MUNDT. At that point, it brings me back to my question. The Pakistanis claim they have reduced their military weaponry in favor of economic development to a far greater degree than have the Indians.

I got a letter from Chet that you, Mr. Chairman, got, probably the same letter. But then he also brought in that it is true, India is spending more, but they have got a big inflation spiral, spending more money and getting less material.

Mr. BATTLE. Senator Mundt, as far as the Pakistanis are concerned, they have had a small decrease. I am not satisfied with anyone of them. The Indians tell us that their net outlay, which is roughly what it has been, I think it is actually up a little bit, but it reflects an increase in salaries paid to the military staff, additional housing, general inflation, as you point out, sir.

I believe that both sides we should continue to encourage in every way we can, encourage them to reduce their defense budgets. I think both sides should do that.

But what we wish and our assessments are not always what we are able to get them to follow. That is a cold hard fact.

LEVERAGE ON INDIA AND PAKISTAN

Senator MUNDT. Do we have any leverage on them? Do we have it by the aid that we give them?

Mr. BATTLE. We have, sir, and we have been very—I have had several discussions here, so has Ambassador Bowles, on the effects of the several amendments that were in the legislation this time, the country loan, and the Symington amendment, and I would also like to point out, based on the facts I have just given to you, the contract with the Soviet Union does not appear to be contrary. It antedates the legislation by quite a lot, and we have provided in any aid grants that in the event new information comes to our attention that challenges this that we will reflect it in the aid level.

Senator SYMINGTON. If you will just forgive me, following Senator Mundt's thought, in 1961 I went to India, the great peace-loving country that will never take any military aid from us. So what do we do? We have given them over six and a half billion dollars in economic aid, and I find in New Delhi, to my great surprise, they have got by far the largest air force in the Middle East, nothing close, most of which they purchased from the British.

Now the British do not make anything any more that they would want in the way of airplanes, so, at the same time, there is a feeling around that we ought to help feed the hungry babies in India, they are going to buy heavily the military equipment they once got from the British, they are now going to buy from the Soviets.

So at least the Pakistani situation would seem a little more realistic from the standpoint of arithmetic. They are frank in what their problem is, and I think these other people have not give us the facts in this case.

They had over 1,000 airplanes in their inventory in New Delhi in 1961, and it just was a shocker to me based on the kind of chatter I had been hearing around the Senate.

Now it looks as if the British have gone out of modern military equipment, that they are going to turn to the Soviets and get the very best airplane that the Soviets produce today. It is better than anything, in my opinion, that is produced in this country today. So it gets to be very complicated as far as to where we put our money.

Senator COOPER. Will you yield for a moment?

Senator SYMINGTON. Sure.

U.S. FURNISHED MODERN EQUIPMENT

Senator COOPER. I would like to make a comment on this from my own short experience in India and, I may say there while I have spoken on this subject a few times, I think when I was there, my position was exactly the same on the policy toward India and Pakistan. I did not bow to India in policy. I expressed the policy of the United States.

But this was the situation then, and I will go over it briefly. India had a military equipment which the British left there, it was old equipment. At that time it would be antiquated equipment.

The U.S. began in 1953 or 1954 to furnish equipment to Pakistan which would be considered modern equipment at that time, much more modern than the Indian equipment.

The United States offered to provide military assistance and equipment to India, too, if India would align itself with the United States.

India decided it did not want to align itself with the U.S. or it said any other country, and it did purchase its equipment from Great Britain, and Great Britain began to supply them with modern equipment.

THE WAR WITH CHINA

Now, when the war with China started, France—I am not certain about France—but Britain and Russia brought equipment in there, and this is probably the modern equipment; the U.S. furnished some equipment, small arms, that type of equipment, not any sophisticated equipment.

Then what happened there was whatever incident caused it, the Pakistani tanks did attack and that started the war, and we know the result of that. Russia got the great good out of it by settling it.

I must admit I do not know why India wants to buy all this equipment from Russia. I know one reason why it would not buy it from Russia, although the question of foreign exchange, their foreign exchange, has gone so low that they cannot buy much equipment in any other place.

As I understand Bowles' letter there, and I read it through carefully, he writes me often too, and he said that India tried to buy equipment from the United States; is that correct?

Mr. BATTLE. Yes, sir; that is correct.

Senator COOPER. And the U.S. would never furnish it any equipment, that is after the China-Indian War——

Mr. BATTLE. Yes, sir.

Senator COOPER [continuing]. The U.S. would not furnish any equipment, so they went to Russia.

Senator SYMINGTON. They were not furnishing anything to Pakistan either.

Mr. BATTLE. Sir?

Senator SYMINGTON. Did they take Pakistan to give it to and not India?

Mr. BATTLE. We had been giving equipment to Pakistan.

NEHRU WOULD NOT ACCEPT U.S. MILITARY AID

Senator SYMINGTON. Let us get it clear, but Nehru would not accept any military aid from this country. In 1956 or 1957, Carlos Romulo told me at a dinner that was given for Averill Harriman by Senator Lehman that Nehru got up and said, "If necessary India will remain the last great unarmed country in the world. We don't want any arms race."

Romulo said, "I could not resist asking him why have you got so many soldiers in uniform on the border of Pakistan."

So somewhere there is something in this that has never been quite clear which, to the best of my knowledge, that they were buying military equipment at the same time they refused to accept it from us even if it was a grant.

Senator COOPER. Well, it was a grant.

My thought at the time was they began to buy modern equipment, and if you call it sophisticated, I do not suppose it is very sophisticated, because we put these arms in Pakistan. I believe that is correct.

Then the war came on, the Chinese War. Then they did get additional equipment from Great Britain. I do not know whether they did from France or not, and we provided some minor equipment, small arms, and so forth.

At that point, I must say I thought our policy started with the provision of these arms to Pakistan.

Since that point, I must confess I do not know why they want to buy all the equipment from the Soviet Union, and that——

Senator SYMINGTON. He says so in the letter, John, he has to defend himself against China.

Senator COOPER. That is probably the reason Pakistan is asking for these tanks. But I tell you in my view all their equipment, whether the Soviet Union furnishes it or whether we furnish it to Pakistan, it is just between Pakistan and India. It has not got any other purpose. Maybe India says they want to protect themselves against China, but the Soviet Union is committed to help India. If there was really—I would not say they are committed to intervene or anything like that, but they would be on their side. This thing we are doing though is something which just keeps the race going.

GETTING AROUND THE SYMINGTON AMENDMENT

May I ask one more thing? Is this arrangement to sell these tanks to Iran or Pakistan? I mean is that just a method of getting around the Symington amendment?

Mr. BATTLE. Mr. Chairman, I would like to make a number of comments on both what you said and what Senator Cooper said.

First, the history of arms to India and to Pakistan is a tangled one. I think as far as the history of our willingness to provide arms to India, you are both right. At various times we have not been

willing to, at other times we have been eager to. I will submit another little history for the record giving the dates on it.

Now, speaking generally about the problem, I do not in any way wish to condone excessive defense expenditures on the part of either India or Pakistan.

If you look back over the last ten or fifteen years we have provided arms against an enemy we saw when a recipient country was arming itself against an enemy they saw. That is absolutely a fact, and we all know that.

All I can say is beginning from where I start, the most useful effect that I think my bureau can have on this is to try to dampen it on both sides.

It is no good to say we are going to stop entirely having any arms arrangements with Pakistan or we result in having exactly the effect we do not want.

The question is whether we can use such leverage as we have to control it and delimit it. That is what the Congress wishes and that is what we wish.

It is not an easy arrangement. We have not had total success. We have had some. We have—I think both the Indians and the Pakistanis are very, very conscious of budget levels with us, and we are talking with them, and this is constant, and this is in itself good.

Now, Senator Cooper, you suggested that it was a means of getting, the third country sale was a means of getting, around the Senator Symington amendment. The policy decision on that began before the Senator Symington amendment was passed.

Senator SYMINGTON. But, excuse me, there is no possible way you have to do anything to get around my amendment because it is entirely in the hands of the President.

Mr. BATTLE. I understand.

Senator SYMINGTON. You may be talking about the Long-Conte amendment, but you are not talking about my amendment.

NOT AN ACCELERATION BY NUMBER

Mr. BATTLE. Now specifically on these tanks applying to them the criterion you just raised about Conte-Long and your own, and the arms race between India and Pakistan, first, as I said, this is not an introduction of a new and more sophisticated level than they got in the M–47 tanks, a very old, very out of date, and we do not have any for sale, as I understand it, from the military establishment. That is the first point.

The second point is this is not an acceleration by number. It is a replacement, and on a one-for-one basis. They have got to, anyone tank they buy from Italy they have got to show us that they have destroyed one tank, so it is not an acceleration in amount.

It is an effort to keep a reasonable and restrained hand on arms purchases that are going to be made regardless of what we want.

I dislike the whole arrangement on the struggle with respect to arms between these two countries. The only thing I can see for us to do is to try to control it, to limit it, to keep every pressure we can, and we are not going to totally succeed in having what we want happen no matter what we do, but we can do a better job than we have done, and that is what we have tried to do.

Senator SYMINGTON. Albert, Senator Gore, you have been very quiet. Do you have any questions?

BARGAINING FOR BASES IN PAKISTAN

Senator GORE. To what extent is there bargaining with Pakistan on the bases we have there?

Mr. BATTLE. Senator Gore, this is not yet something which has really started. Let me tell you specifically what has happened. This was written up in the press today, more or less accurately. They have told us that——

Senator GORE. Is it as accurate as Chalmers Roberts' piece was this morning about Vietnam policy?

Mr. BATTLE. Sir, I do not have anything to do with Vietnam policy.

With respect to the Peshawar base, the agreement, and it is a public document, expires a year from July.

Under the arrangements for that base, they must give us notice not later than July of a desire to have it terminated or renegotiated. They have given us that notice in April. I think that article says in writing. I do not think it is in writing, if I remember correctly, but nevertheless notice is given.

However, negotiations—we said, "We would assume you would wish to discuss this?" They said, "We will wish to discuss it." We told them we are prepared to discuss it at any point.

Exactly what is going to happen here I do not consider this over yet, and I think there will have to be discussions on it, and I think it grows out of several, their concern probably grows out of a couple of concerns. [Deleted]

Now, what is going to happen in terms of the arrangements remains to be seen. I hope that we can negotiate a reasonable arrangement.

REVIEW THE IMPORTANCE OF THE BASES

For the information of the committee, but strictly within this room, I hope, I have asked the experts in this matter to review the importance of this installation and to project that into the future so that we, from a technical point of view, will know what importance it has to us.

Senator GORE. You won't conclude the arms agreement until you know about that?

Mr. BATTLE. Well, the arms agreement, sir, with Pakistan is a relatively limited thing, and there are some bigger things that they, I am sure, are going to want.

I think undoubtedly there is a relationship between the two. The replacement tank thing we have told them in principle that we would entertain, we would look, depending on where they got them, their replacement one-for-one—it is not an increase in the level—on the terms on which they bought them, and they had to show us that it did not have an undue effect on the economics, and these would be relatively cheap tanks. The exact price depends on the deal we worked out.

I think we have got to be guided by Ambassador Oehlert in Pakistan in his handling of the negotiations on this, and the tactful way of handling it may be rather tricky.

I would be rather glad to report to the committee if you would desire to be informed on this. I expect it is going to be dragged out for quite a little while.

Senator GORE. Thank you very much.

Senator SYMINGTON. Senator Mundt.

Senator MUNDT. I think I have no further questions on that, Mr. Chairman.

Senator SYMINGTON. Senator Cooper.

Senator COOPER. No, I do not think I have any.

FRENCH MISSILE SALES

Senator SYMINGTON. Would you tell us, in passing, before you get to Greece what you know about the sudden and rather surprising disclosure that whereas de Gaulle had made a big thing about not selling his Mirage airplanes to Israel, and there was a lot of talk about he was going to ship those very planes for which they had paid a large down payment, to Iraq, [deleted]

Mr. BATTLE. Sir, the total story on this one is not available to us, in all honesty.

With respect to the planes, the two plane deals, I would like to mention they have a contract for 50 planes, as you said, the Israelis have recently made the last payment on it.

If I had to guess right now what was going to happen I suspect they will not get a clearance, but it would be a long time before they got those planes.

The missile matter we have been aware of this. We have known of it for some time that this was under discussion. Exactly where it is I do not know, and the Israelis have not told us. [Deleted]

I suspect, and this is my own guess and it is not backed up necessarily, that they are using that delivery date, they are still playing in the hope of getting an oil concession.

RATHER HAVE MISSLES THAN PLANES

Senator SYMINGTON. I understood that part, but I was just wondering, I did not know anything about the missile deal that still was being carried out.

It is sort of like you say, you are not going to lend any more money to a customer, and then you slip a fellow around and say, "We will give you more money than you want." Certainly I would rather have these missiles than I would the airplanes, if they are good.

Mr. BATTLE. Well, Mr. Chairman, we do not have full information on this missile deal. We do believe there is still discussion going on. It has appeared in the French press as well. It has had very little attention.

What effect that publicity has had on it we do not yet know.

Senator SYMINGTON. [Deleted]

Mr. BATTLE. I will.

DEVELOPMENT OF A SMALL FIGHTER PLANE

Senator SYMINGTON. Pretty soon the problem is going to clear up because the effort to shove the TFX down the throats of the Navy and Air Force, we have not built anywhere near what we should

in the way of planes, and now the Navy has grounded the Navy's planes, and the Air Force has grounded the Air Force TFX, and in the meantime the Soviets have developed, we know, 13 new fighters since the last fighter we developed, a small airplane of this character in size, so pretty soon we are going to be academic because we are not going to have anything that they really want, and they always want the latest, if they can get it.

Senator MUNDT. We will buying from the Soviets. [Laughter.]

Senator SYMINGTON. Either from the Soviets or the French, and I understand the Swedes are in there now with a pretty good plane. Those are the three countries that have got them.

A lot of these countries that are against war are not against selling equipment.

The Soviets are going to have us behind and over a barrel because they are going to put this equipment all over the world, and we are going to do the fighting and they are going to do the supplying at a profit of the equipment we are going to fight against.

U.S. RELATIONS WITH GREECE

Let me ask you now about Greece.

Mr. BATTLE. Mr. Chairman, I have very little to say about Greece. I have little that I have not already said to you, but I would like to bring you up to date on it and what is going on in our own deliberations in this matter.

As you know, after the Greek coup occurred, we suspended all major equipment going in, planes, tanks, that sort of thing. We have tried to follow a middle course of not letting our total relationships with Greece go sour, and for a number of reasons.

He have a number of important installations there, they area member of NATO, we have had the Cyprus problem that we have had to deal with them on, and we have so far, I think, had some success in that particular and very difficult problem.

We tried also to use the suspension of military assistance, major military assistance, to give us as much leverage as possible to get the Government to return to constitutional government, free elections, parliamentary processes and normal political life. We have——

Senator MUNDT. Are they on schedule in this election?

Mr. BATTLE. Sir, they are roughly on schedule, but they are not doing very well. It would be quite misleading if I implied to you that I was happy with this. I am not.

They have a constitution, a draft of a constitution, and there is supposedly a constitutional debate going on within Greece itself. They are supposed to have a plebiscite on that constitution the first of September.

They are—it depends on which schedule you referred to. There have been several schedules they have given us. They are more or less on the last one. They are not yet behind on it but I do not wish to imply they are necessarily going to stay on it.

But I think we are a long way from seeing the kind of political life in Greece we would want to see.

THE KING REMAINS IN EXILE

Senator MUNDT. What has happened to the King, is he still in Italy?

Mr. BATTLE. The King is still in Italy. I do not think at the moment that the possibility of the King's return is a very active one. There have been several references by him and by people in Athens to the fact that there will not be a return before the plebiscite on the constitution that I referred to. Whether there will be one then remains to be seen.

My colleague Stewart Rockwell, who just returned two days ago from Greece, reports to me that he went out under the so-called Balpa Exercise, the balance of payments, to reduce the staff there, and he said he was struck by the fact that all the numerous contacts he had with Greek officials, there was almost no reference to the King made by anybody.

He said he had seen a fairly wide segment of people there, that there was very little talk of the King.

From our point of view this is a very delicate, and I want to tell the committee, as is frequently the case, I cannot guarantee you what is going to happen. We do not know all the answers. I would only want to share my dilemma with you, and it is a real dilemma.

U.S. INVESTMENT IN GREEK MILITARY STRUCTURE

We have put in over the years a vast amount of money to build up a military structure there. We do not want to see it destroyed. We have very real—I could review the specific base interests that we have there, installation interests, at the same time that the Soviet Union has the largest fleet active it has had in the Mediterranean in the past and, at the same time, our own ports available to us are decreasing, and it is impossible for me in all honesty and protection of our interests to let our relations with Greece go completely sour.

We want to keep some measure of leverage, some measure of activity in there, and try to bring this, return this, group back to normal political life.

Senator MUNDT. Is Malta in your area of jurisdiction?

Mr. BATTLE. No, sir.

OPERATIONS IN MALTA

Senator MUNDT. Some seadog told me the other night at dinner that we are missing a bet not to establish some kind of operation in Malta whereby we fuel our ships or repaint them or fix them up because it has happened that the Mediterranean, the Soviets occupy the east end, and we occupy the west end, and we have the wrong end.

Senator SYMINGTON. Yes. But if de Gaulle gives Mers-El-Kabir back to the Algerians, and the Soviets get the right from the Algerians to use it, then the west end would be a good idea.

A COMPLETE FREEZE WAS DANGEROUS

Mr. BATTLE. I would like to comment there have been a great many press stories of concern, that at no time since we suspended the military equipment have we considered the full restoration of

the military equipment. We have talked about a partial lifting of the suspended equipment for a variety of reasons. It is a delicate part of the problem. It is a delicate one of how best to influence the Government, but we have felt that we needed some movement in this situation, that a complete freeze was dangerous, that while we are being cool with them, and I have had I cannot tell you how many conversations with the ambassador here on the subject of U.S. relations with Greece, and the fact that the warmth of our relation depends on their steps toward a return to normal political life, we have not had the kind of success that I would have liked to have seen.

Nevertheless, the Government is in power, there is no visible evidence of any challenge to it. It is there. The question is how do we deal with it and how do we deal with it most effectively?

ASSESSMENT OF GREEK MILITARY

Senator PELL. As you know, we have been in frequent communication.

Mr. BATTLE. I hope be continue to be Senator Pell.

Senator PELL. I want to take up one question here, and that is the real military value of the Greek defense establishment.

My understanding is in a crisis the Air Force would be negligible, our Air Force would have to do whatever job had to be done. The Army has most of its more competent officers of the grade of field grade or better in retirement, and the Navy has dubious loyalties to the Junta. Is that a correct or an incorrect statement?

Mr. BATTLE. Senator Pell, I do not think anyone can say with absolute precision what effect this has had. I have asked on numerous occasions, and I asked Mr. Rockwell on his return, I had given him this specific question to get the assessment of our people out there, the assessment of the military authority, both here and in Athens, the American military authority.

So that while the discharge of officers and various steps certainly have had a bad effect, that it had not had a major one or very serious one.

It is the view of the military that the suspension of equipment has had a more serious effect than the actions taken internally. I think this is one that can be debated for a very long time. I think the longer this goes on the effect of the suspension does have a greater effect.

A QUESTION OF MORALE

Senator PELL. [Deleted] I would think any question of military significance of ability or capacity could be answered with precision. Why is that not the case?

Mr. BATTLE. Well, sir, I think it is a question of what effect the removal of the officers had, which is a question of morale, and these things are hard to measure precisely, is really what I was trying to suggest. That obviously there had been a lot of changes in officers and a lot of senior officers have been fired.

There have been some who told me that a lot of those who were fired deserved to be fired, they were incompetent, and they were better off with the young men.

I think undoubtedly the loss of some of these has had a bad effect on morale, but that is the kind of thing that is hard to measure with precision. I think you could measure the availability of equipment, of ammunition, that sort of thing, with complete precision.

U.S. OR NATO TO ASSESS GREEK SITUATION

Senator PELL. I wonder if it might not be of interest to you and to our administration to get sort of a third party assessment of the real military capacity that Greece has.

I would imagine that the NATO Planning Staff Section or whatever it is called would be able to do that, and I wonder if you could ask for it, and I imagine it would be of interest to Senator Symington and his subcommittee.

Mr. BATTLE. Senator Pell, that is an excellent idea, and I will do it. I have had some general talks but never have asked for a specific assessment.

Senator PELL. I think if you get it from NATO it would be, perhaps, a little more unbiased than if we did it with our own chief of station there or of some sort.

Mr. BATTLE. Let me see through what channel, through NATO I will undertake this, and will give you and the Chairman a report on it.

Senator PELL. My own personal preference would be to have a NATO assessment of it and get their opinion.

DEPLOYMENT OF TROOPS

Another question here in connection with the military situation: Are the troops presently deployed, and they are mostly in Thrace, are they pointed more toward Turkey or more toward Bulgaria?

Mr. BATTLE. Well, one of the developments over the past—they are pointed more, I think, toward the eastern bloc, Russia and Bulgaria. One of the things that has happened, and one of the few things that I can say I really applaud the Junta for is it has made a real effort to improve relations with Turkey, and the aftermath of the Cyprus crisis last November has seen some real efforts.

This stems, I think, not from the leadership of the Junta but from the presence of the Foreign Minister who is an oldtimer, and while a member of the Junta, in a sense is not closely identified with them. He has told us serveral times his prime goal was to improve relations with Turkey and to solve the Cyprus problem.

The Greeks have been very helpful on the Cyprus problem. They pulled out all the troops that were illegally there, and there has been some movement there. So from that standpoint there is an improvement.

Senator PELL. My understanding is the same, they were able to take action in connection with Cyprus that actually a democratically-elected government could not have taken and survived.

Mr. BATTLE. I agree with you completely.

LEVEL OF MILITARY ASSISTANCE

Senator PELL. In connection with the future military assistance, to put it down very roughly, we are presently giving at a level of

$20 million a year, and the former level was about $60 million, $65 million, was it not?

Mr. BATTLE. Yes, sir. I think it was less than that program for this year, Senator. I think we suspended about $21 or $22 million, and we provided about $20.

Senator PELL. I read a press account in the last few days to the effect that it was not planned to go into heavy assistance until at least November of this year. Would that be a correct statement?

Mr. BATTLE. Senator, we have not made any decision on this, and I would like to tell you what, prior to the recent arrest of the two former Prime Ministers that had been under house arrest for some weeks, we were talking about a partial release at that stage. I think I told you that.

Senator PELL. What do you mean a partial release?

Mr. BATTLE. That partial release specifically would have include a minesweeper that has been held up for some time, which has been a problem for a lot of reasons; some training airplanes, including a lot of Pipers, Piper Cubs. There were two or three transport aircraft which we were debating and arguing about.

The total value of what we had in mind was $5 million, including the minesweeper, and that was the most that we have ever considered doing, and at no time, as I said earlier, have we considered a full resumption.

We were talking at that stage about the need to keep a certain movement and respond to what appeared to be a few movements in the right direction. They have over the past couple of days been taking one or two steps, again not what I would like to see. They have freed all magazines from censorship, and they have put in a new kind of censorship on the press, saying that they leave it to the individual paper to decide its own censorship.

Now that, you know, it is not step at all by any normal measure, but there is a certain awareness of a need to do something to get into reasonable relations with us, but it is not moving very fast, and I am not sure that the military assistance is adequate leverage, and I do not know what is.

They are in power, they are paying more attention to their domestic problems than they are to the attitudes of others outside. This is about the sum of it.

A SYMBOL OF AMERICAN APPROBATION

Senator PELL. Agreeing with you that the Pipers and the little minesweeper—I think it is a wooden minesweeper actually, if my recollection is correct——

Mr. BATTLE. It is an old one.

Senator PELL [continuing]. Do not make much military difference, but they make a tremendous difference as a symbol of American approbation, and my own hope, as one man in the Senate, would be that you withhold, you hold off, this as much as is possible.

Mr. BATTLE. We have held on, Senator. We have made no decision to do this.

I only wanted to say you referred to the newspaper story. I do not wish to tell you when we will or when we won't. All I can tell you is——

Senator PELL. We will know about it.

Mr. BATTLE. You will know about it, I promise you that. I told the chairman I will not let anything happen on Greece before coming to this committee. I have had one or two experiences with this, and I have no intention of letting it go through without any review with you.

MILITARY ASSISTANCE FIGURES

Senator SYMINGTON. Mr. Secretary, Just to be sure we are all talking the same language, our military assistance program for fiscal 1967 was $67,560,000; for fiscal 1968, it is $41.6 million; proposed for fiscal 1969 is $39.9 million. So it is just about the same.

Mr. BATTLE. Yes, sir.

He said, Mr. Chairman, that it had been about $60 million. I said not for this year, it was about half and half.

Senator SYMINGTON. I understand.

Senator PELL. I thought it was more. We are down to $20 million now.

Mr. BATTLE. That is correct. But he had programmed $41 million for this year, I guess before the junta, that was projected for $41 million. I was correcting it. We have not cut it quite as much as you thought, Senator Pell.

GREECE MAY MOVE IN THE DIRECTION OF FRANCE

Senator SYMINGTON. Let me ask this question, if I may. If we do not sell them where will they get them, will they get them somewhere else?

Mr. BATTLE. Mr. Chairman, I think there are a couple of elements here that ought to be before the committee. I think it is more than, as Senator Pell says, a question of military equipment, it is more than just the equipment itself, it is a psychological, political thing.

We have, I have, been concerned not that there be an immediate Communist takeover of Greece. I think in a civil war situation you might find, you obviously would find, the Communists trying to take advantage of it.

What troubles me is not that as much as the future holds immediately, what it holds immediately, but rather that the danger is if our own relations go completely bad we will find junta moving in the direction of France, in a political sense and maybe in a closer sense.

[Deleted]. We have nothing to back that up over recent days. It is still a suspicion that I hold, and I think this is one we have to watch.

I think the possibility of their ultimately turning to France or other Western countries first, and if that does not work out, I think—I simply do not want to predict too far in the future. I see no reason to believe they are going to turn to the Russians, not at this time.

U.S. TIED DOWN IN VIETNAM

Senator SYMINGTON. You see, we are getting ourselves into a rather interesting spot, as you analyze this.

Mr. BATTLE. We are, sir.

Senator SYMINGTON. I just want to bring this up for your consideration.

Everybody knows it if they just put the pieces together. Here we are tied down to the tune of $2½ billion a month in Vietnam, getting absolutely nowhere.

I do not know how McNamara's Maginot Line is working south of the DMZ, but I am pretty sure it is not working too well in Saigon, and we have got this tremendous investment there.

The Russians are probably, at an absolute maximum, of $1 billion a year, making us spend $30 billion a year in our activities against the Vietcong and the North Vietnamese.

In the meantime, they take the *Pueblo*, and the Russians have got their equipment there which, without doubt they got paid for, much of it, into North Korea.

They have also got their equipment in North Vietnam. They have got it in Syria, they have got in the UAR, they have got it in Iraq, they are quietly putting it all around the world.

Everywhere they get—India now, big sales to India, and they are not going to do any fighting, we are going to do the fighting against their equipment apparently all around the world, and it is what we are doing, that is what we did do in Korea, and it is what we are doing in Vietnam, and on this basis they have no financial problem like we do because of the nature of their government, their political organization.

So it seems to me that—fortunately, one part of it which may or may not be advantageous, as I mentioned is pretty soon we are not going to have the equipment that these people will want. The French will have it and the Soviets will have it and possibly from what I understand, the Swedes are moving into it.

PEACE-LOVING NATIONS ENTERING THE MILITARY BUSINESS

I notice the peace-loving nations are the ones so anxious to get into the business, you might say, the military business.

So I just wonder where we are going to be if we stop selling arms or if we are not capable of selling arms that are modern enough to satisfy the customers, and we continue fighting to preserve democracy in various parts of the world, halfway around the world and all, what is going to be our position pretty soon as against the Soviet position, who are really moving ahead very rapidly in sophisticated weaponry on the sea at least as much as elsewhere.

I think the sea story could be worse than the air story, and I do not quite know what our overall policy is going to be.

This is slightly off the subject, but in another way it is not, it is right on the subject.

It is for that reason I asked you the question as to where the Greeks might go.

In George Ball's book, if you carry the implications of his chapter as to the basic designs of de Gaulle, it would be clear that he would like very much to sell whatever he can sell, perhaps on very liberal terms, to the Greeks and other countries, and you just wonder, as he attempts to create a third power or a third something or other, you just wonder where we are headed the way we are handling it.

THE GREEK PROBLEM

Mr. BATTLE. Well, Mr. Chairman, the Greek problem is a very great dilemma. I think we simply—I have tried to keep us on a middle course of not letting our relations go completely sour there, but neither to condone the acts of the junta, and to try, to the extent that we had leverage in the situation to redirect them. But I do not believe, sir, that the American interests are served to totally sever our leverage in there.

I think this is a delicate matter, and I know Senator Pell is concerned about this. We have talked many times on it.

When and how we handle it, I think we want to keep a little movement in the situation. I do not approve the resumption of full military assistance since the Junta, and I never have, contrary to press reports.

I do think that we ought to play a kind of a carrot-stick to the extent we have, but I want to make it very clear I do not believe it has any great leverage in the situation. This is going to be difficult to bring this group in the direction we want them to go. It is going to take time. There is no evidence of any likely change or any real alternative for us that I can see, Mr. Chairman.

Senator SYMINGTON. Have you any further questions?

Senator PELL. Yes, I do. Thank you.

HOW IS THE EQUIPMENT BEING USED?

In connection with military assistance, the present amount is about $20 million a year, as I understand it?

Mr. BATTLE. Yes, sir.

Senator PELL. All replacements?

Mr. BATTLE. It is replacements, spares, ammunition, routine materiel.

Senator PELL. Right.

One thing I cannot get through my head is how is this equipment being used, what is it replacing? Nobody is firing off millions of dollars worth of ammunition at this time.

Mr. BATTLE. It is undoubtedly training ammunition, practice ammunition, something like that.

Senator PELL. It is an awful lot of ammunition.

Mr. BATTLE. But the bulk of it is in spare parts to keep the structure going. It is within the NATO Force goals, the Force programming that was done under the NATO Plan.

Senator PELL. Some of it is old ammunition, old things. Are they slipping them into the hands of the populace? What is happening?

Mr. BATTLE. I do not think so. We have no evidence of this. It is all going to the military structure itself, and it is part of the routine resupply that goes on with any country under the NATO Forces.

Senator PELL. I would like to direct a question, ask this question, of my colleague, Senator Symington, who knows a lot more about the military things than I do.

Mr. BATTLE. He knows a lot more than I do.

SPARE PARTS

Senator PELL. How do you really use up $20 million of spare parts a year in a small country like Greece?

Senator SYMINGTON. Well, I would put it to you this way. It would depend on what you had. $20 million would not handle our spare parts problems for a week in Vietnam.

Senator PELL. Right. But for the size of their establishment, is it not a generous amount?

Senator SYMINGTON. I would say it would be generous, but I do not know just what they have got. If they have been getting equipment from us over a long period of years based on NATO, the Truman Doctrine envisioned Greece and Turkey, they must have a lot of equipment that is wearing out.

As you know, from an automobile, when you have driven a car 50,000 miles you are going to have more maintenance than if you have driven it 10, so I cannot answer the question.

Senator PELL. There is no rule of thumb like five percent or three percent?

Senator SYMINGTON. None that I know of. In machinery it is 16 percent a year, in buildings it is three percent, but I do not know what it would be. I think it would depend a great deal on how much you work it.

For example, we found out, somewhat to our amazement, that in ships, certain types of ships, without going into too much detail, the Soviets do not have nearly as many practice cruises as we do. Therefore their maintenance would be much less than ours.

Senator PELL. I see.

Thank you.

THE USE OF TORTURE IN GREECE

Going back to Greece, as you know, we have had several conversations and letters back and forth on this question of the use of the torture as a method. Are there any further developments in that? I think it is a very healthy thing that you expressed the concern that you have, and the embassy has, and I would hope pressure would continue. Has there been any more?

Mr. BATTLE. No, Senator Pell, not since my last letter to you, but I will continue to write you as I get any information on this.

Senator SYMINGTON. Mr. Secretary, I understand you have a 4:30 date with the British.

Mr. BATTLE. I do not want to leave this. I have the Minister of Great Britain.

Senator SYMINGTON. Would you do this, come down either to see Senator Pell or have him submit questions for the record? Is that all right with you?

Senator PELL. Yes. That is all I have.

Senator SYMINGTON. I am sorry I did not know about it.

Mr. BATTLE. I did not want to leave, sir.

Senator SYMINGTON. You are too polite.

Mr. BATTLE. I changed it from 2:30 to 4:30, and it is the only day I can see him.

Senator SYMINGTON. Let me thank you so much for being so understanding and so constructive and giving us all of this detailed information. It will be of great help to us.

Mr. Marcy, will you summarize this for the chairman when he gets back as to what you think are the pertinent points about it, and we will adjourn subject to the call of the chair.

Mr. BATTLE. Thank you, Mr. Chairman.

[Whereupon, at 4:30 p.m., the subcommittee adjourned, subject to the call of the chair.]

# TAX CONVENTIONS

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**Friday, May 24, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice at 10:10 a.m., in room S–116, the Capitol, Senator J. William Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Sparkman, Gore, Symington, Dodd, Hickenlooper, Aiken, Williams, and Case.

Also present: Mr. Marcy, Mr. Kuhl and Mr. Henderson of the committee staff.

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The CHAIRMAN. I think we ought to come to order.

I think we ought to start with these conventions, particularly the one with Brazil is the one which I think Mr. Woodworth is here to enlighten us about. The French convention doesn't have it in it, does it? What we are particularly interested in is that 7 percent, the two things, the 7 percent on the one hand and the other is that provision making it easier to give tax exempt grants to these foreign countries.

Mr. MARCY. Let me interrupt for a minute, Senator. On France, if you wanted to dispose of that one quickly, here is one reservation that we suggest, you might want to tryout.

The CHAIRMAN. What I was trying to do is take up what Mr. Woodworth is here for first.

## STATEMENT OF L. N. WOODWORTH, CHIEF OF STAFF, JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

Mr. WOODWORTH. Apparently I am here on all three.

The CHAIRMAN. All right, we will start with the French. Go ahead.

Mr. WOODWORTH. I also have a memorandum of explanation that I would like to file for the record on France and also on the Philippines, if I may.

The CHAIRMAN. All right.

Senator GORE. I would like to see copies of them.

Mr. WOODWORTH. Yes, they are available right here. They are simply an explanation of all of the provisions all the way through, although I thought I could just orally summarize, if you would like, as I see it, the important features of it.

The CHAIRMAN. Sure.

Mr. WOODWORTH. Of course, looking at the French one first, if that is agreeable.

The CHAIRMAN. All right, okay.

Mr. WOODWORTH. All right, this, of course, is required and has been set up because both France and the United States had drastically changed their tax systems since we first entered into the treaty which is presently in effect, that was clear back in 1939.

France changed their tax system so that it corresponds roughly to the British system, wherein the individual receives a credit for much of the corporate income tax, and that changed the application insofar as foreigners, including Americans, were concerned, who had interests in corporations under French law.

ADJUST THE TREATY BY A CHANGE OF NOTES

I think that the one really unique feature in the French treaty is the provision which enables the two countries to adjust the treaty by an exchange of notes where there has been a change in the law, the tax laws of either country or where in addition to that you have entered into agreements with other countries providing provisions which are substantially different from those in the particular treaty that you have in mind.

Now, the effect of that, in some ways this is very good from the standpoint of the tax laws, at least as I see it, because as Senator Gore and you, Senator Fulbright, both know, in the Finance Committee frequently when we come to change the tax laws domestically you find you are limited by the fact that you have entered into a treaty with some countries, and that if you want to change it domestically it has application abroad and that often makes it difficult to change a provision even though you may have primarily domestic application in mind. That is true, for example, on occasion when you have changed the foreign tax credit.

Now, this provision permits by an exchange of notes, and I will get to what I think is the crucial question in just a moment, but this treaty permits by an exchange of notes modifications in the treaty with France to take into account subsequent changes which we may make or France may make in its tax laws.

It seems to me that from the standpoint of the Congress that will facilitate keeping the treaties in line with the tax laws.

Now, the question——

CHANGES MUST COME THROUGH THE SENATE

Senator SPARKMAN. Is that applicable to any change, not just a specific matter?

Mr. WOODWORTH. It is applicable to any change in our tax laws or any change in France's tax laws and also any change in the sense that if we put different provisions in subsequent treaties it could also apply. Those are the areas where it does apply.

Senator GORE. In subsequent treaties with other countries?

Mr. WOODWORTH. Yes.

Senator GORE. In other words, if we approve, if we ratify, the French treaty now, and next month we ratified the Brazilian treaty, then by an exchange of notes investment credit could be extended to United States' corporations investing in France?

Mr. WOODWORTH. It could if it weren't for the fact that it would have to be approved by this committee. In other words, the additional, and I wanted to get to that, the conditions under which this exchange of notes could occur, I think, are an important factor, but technically, I think you are correct, Senator Gore, that it could be that. I don't think it would because they have, the Treasury has, indicated no interest in extending the investment credit to developed countries, but in addition to that the Treasury, in its testimony before this committee, approved the idea of saying that before there was an exchange of notes it would come before this committee, and reach an agreement with this committee before any modification was made. So I think that that does leave the control of it in Congressional hands.

I should make this point, I think Treasury in its testimony erred. I have discussed this with Mr. Surrey since that time and I think they just got mixed up. They said that this would follow the same procedure as in the case of a territorial extension. At the present time you can extend the treaty to territories overseas by an exchange of notes, and they were thinking that they could do that with just either an informal understanding with this committee or even without that at all. But as a matter of fact when they checked it up again they found, as we did, that it has to be ratified by the Senate, territorial extension.

Senator SPARKMAN. That is just what I was going to ask you if you meant this committee or the Senate. It is my understanding it has to go to the Senate through this committee, of course.

AN UNDERSTANDING WITH THE COMMITTEE

Mr. WOODWORTH. The Brazilian one and the French one are different in this sense, what the Treasury would like, now this committee can do it either way it wants to, you could require ratification by the Senate. Treasury has indicated to me what they would prefer is an understanding with this committee that there would not be an exchange of notes on this point except with the approval of this committee, they would prefer an informal understanding with this committee, because they think that the other is almost the equivalent of a new protocol.

Senator SPARKMAN. Mr. Woodworth, I have discussed the matter with Mr. Surrey no later than this morning with reference to the Brazilian treaty.

Mr. WOODWORTH. Yes, now that one is a little different.

Senator SPARKMAN. And he was in accord with the idea that it would require Senate action.

Mr. WOODWORTH. Yes, I understand that, too.

Senator SPARKMAN. And not committee action.

Mr. Woodworth. I understand that in the case of the Brazilian treaty.

Senator SPARKMAN. Yes.

Mr. WOODWORTH. Right.

Senator GORE. Senator Sparkman, because the Senate cannot delegate its ratification functions.

Senator SPARKMAN. Constitutionally.

Senator GORE. I was wondering if that wouldn't apply to any substantive change in a treaty between us and France?

Senator SPARKMAN. I think it would apply to any treaty if it was a substantive change.

Senator GORE. I think so.

Senator SPARKMAN. That is something that the committee can handle. Even if it was referred to the committee the committee could still report it to the Senate.

Mr. WOODWORTH. As I understand it the committee could do this either way it saw fit to do it.

Senator SPARKMAN. Yes.

BUSINESS DESIRE TO ESTABLISH THIS PRINCIPLE

Senator GORE. Mr. Chairman, the reason I raise this question, this administration may not have in mind extending the investment credit to Western Europe, but every business corporation in America has been hotfooting it on the Hill to get this principle established in the Brazilian treaty and there is one already pending in Asia with Thailand, another one in the Middle East with Israel, so once we open this door by subsidizing by giving credit for investment credit in the U.S. you can be sure they are going to hotfoot for it everywhere.

Senator SPARKMAN. We can protect it.

Senator GORE. Start right now.

Senator SPARKMAN. Requiring it to be ratified by the Senate.

The CHAIRMAN. Which in effect is a new protocol.

Senator GORE. Yes, so long as it is required to be ratified by the Senate.

The CHAIRMAN. I think that is right. I wouldn't want to support it otherwise.

Supposing we do put the reservation in, you think that would cure it, the one that——

Mr. WOODWORTH. You are referring to the French or the Brazilian now?

The CHAIRMAN. Yes.

Mr. WOODWORTH. The Brazilian.

The CHAIRMAN. How about the same in the French?

Mr. WOODWORTH. All right.

The CHAIRMAN. What do you think about it?

Mr. WOODWORTH. I think so.

Senator GORE. I didn't understand that, Mr. Chairman.

The CHAIRMAN. And the French, too. Any substantive change as he mentioned might be done presently under the French that it also require approval by the Senate.

WRITE RESERVATION INTO THE TREATY

Senator SPARKMAN. What is Article II, Section 2 of the Constitution with reference to this, what does it say?

The CHAIRMAN. I agree with Senator Gore, we ought to be very careful about allowing a change.

Senator GORE. This reservation must be written into the treaty too. We just can't have it viva voce or some committee report. It has got to be written into the treaty.

The CHAIRMAN. Where is that reservation, Carl?

Mr. MARCY. The one that you have before you on the French, we drafted it only to apply to extending the treaty to new territories.

The CHAIRMAN. I know. But you had one there that we were talking about the Brazilian, why wouldn't it cover the French?

Mr. WOODWORTH. I have a copy here of the Brazilian one. I don't see any draft on the French which would cover this particular point.

Senator GORE. You could broaden this to cover any change.

Mr. MARCY. You could make it a reservation instead of an understanding and you could broaden it to apply not only to territories, which is all this does, but to territories or other changes.

Mr. WOODWORTH. Yes, that is correct.

Mr. MARCY. It would be just a matter of inserting a couple of words.

Senator GORE. Put it in the treaty.

Senator SPARKMAN. You can't put it in the treaty.

Senator GORE. Put a reservation on the treaty.

The CHAIRMAN. Have you got a copy of that, Mr. Marcy? I don't have it here. I only have this.

TREATY PERMITS MODIFICATIONS

Mr. MARCY. Senator, we do not have language for the French treaty except on that territorial point, but I think you have to approach the Brazilian question differently because there you do have a specific 7½ percent credit provisions in the treaty which you do not have here in the French treaty nor do you have it in the Philippine treaty.

Mr. WOODWORTH. But in the French treaty you do have this provision which does permit modification in the treaty by an exchange of notes whenever the tax laws of either country are changed or whenever there are subsequent treaties and, as I understand it, as Carl is saying, I think if you took this proposed reservation in the case of the French treaty, which as written would apply only to territory extensions, if you were to expand that to include this other provision in the French treaty, I think it would accomplish what you are indicating you would like.

Senator GORE. Mr. Chairman, why don't you delegate to Mr. Woodworth and Mr. Marcy to prepare a reservation for the French treaty employing the territorial, embodying the territorial, and further changes?

The CHAIRMAN. Yes.

Could you all do that as soon as we get through, and then we will go on to some other things and have it ready before you are through?

A LETTER FROM THE TREASURY

Senator SPARKMAN. While we are talking about that, as I understand, from talking to Mr. Surrey, they are perfectly in accord with such a reservation. I just discussed the Brazilian treaty with him, which relates to the tax; I mean the investment credit, but if you intend to cover investment credit, I think the thing would be applicable to all three, so I would like to bring up this point.

Mr. SURREY.—They don't want it written in the reservation but they will give us a letter, as they have done in previous tax treaties which we have accepted, and in the letter they say there will be no exchange of notes until the Senate has approved of it.

Senator GORE. Mr. Chairman, I am not satisfied with that. I don't think we can go along with the Brazilian treaty——

Senator SPARKMAN. We did it with the Netherlands.

Senator GORE. If you will put the reservation in the same way we have agreed with the French treaty, I will go along with it. But there is too much at stake. There are 40 different treaties under consideration waiting on the Brazilian as a bellwether and an outright subsidy for foreign investment. With our balance of payments what it is I don't know how on earth we can justify it. The Brazilian tax approximates the United States tax, that is the purpose of it. So there is no tax to the United States, payment to the United States, on the profits they earned in Brazil, so the tax credit would come out of the United States Treasury. We might as well appropriate, pass an appropriation bill giving 7½ million dollars to the Ford Motor Company.

Senator SPARKMAN. No.

Senator HICKENLOOPER. Isn't that the case in other countries, they are sensitive to the American tax system and they fix their taxes approximately the same and so they will get just as much out of our corporations and we will forgive it.

Senator GORE. That is true, Bourke, but what I am saying is if we give them a tax credit against taxes owed on profits earned in the U.S. we may as well pass an appropriation bill.

Senator SPARKMAN. I am in agreement with you on the French. It is the procedure that I think that they are entitled to have, and that is instead of writing it into the reservation the Secretary of State will write a letter to the chairman of the Foreign Relations Committee saying there would be no exchange of notes until approval by the Senate. Now, that has been done in the case of the United Kingdom, the Netherlands and Belgium. We did it there, and it seems to me it is good enough practice to follow.

Senator GORE. Let's just do it for France too and Israel, let's abandon the treaty-making process and have——

Senator SPARKMAN. It doesn't abandon it. It might be abandoning it if we just let notice to this committee stand but when we require it to be approved by the Senate you certainly are not abandoning the treaty process.

CREATE A PROBLEM WITH THE BRAZILIAN SENATE

Senator HICKENLOOPER. The point of that, Mr. Chairman, is if they mean that then there is no reason why it shouldn't be written into the treaty as a reservation, because the mere statement that "we will write you a letter," sometimes is not a compulsion.

Senator SPARKMAN. No, the letter will be written now.

Senator HICKENLOOPER. It will be written when——

Mr. WOODWORTH. It is my understanding that the reason—well there are two points I would like to make: I understand there is no objection to this understanding being spelled out in the committee report in addition to the exchange of letters so it would be a matter of record.

Number two, I am told that the only reason that they prefer not to have it in the treaty as such is due to the fact that they think it will create problems with the Brazilian Senate in that regard,

and that those are the reasons, at least that is what I have been told.

Senator SPARKMAN. I believe that is right.

The CHAIRMAN. Well now, is this language that the staff has prepared here which says "not withstanding provisions of paragraph (3)(B)(b) of Article 30 of the Convention, Article 7 of the Convention, which relates to investment credit, shall become effective for the United States only off an exchange of notes between the contracting states establishing the effective date of such article has been approved by the Senate in accordance with the procedure set forth in Article II, Section 2, of the Constitution of the United States." Is that objectionable? I thought that was, that would be, would cover it. It is in their——

Mr. WOODWORTH. I think that this is more in the way of a formal reservation.

The CHAIRMAN. Yes.

Mr. WOODWORTH. And that they would prefer that it be in the form, the wording could be almost——

Senator HICKENLOOPER. It has to be remitted if it is a reservation; doesn't it?

Mr. WOODWORTH. Not if it is a reservation.

The CHAIRMAN. You don't have to renegotiate the treaty if we put in a reservation.

Senator HICKENLOOPER. But they don't necessarily agree to it.

Mr. WOODWORTH. They have to check it back with the country and see if the country agrees with the reservation.

Senator HICKENLOOPER. That is what I meant.

The CHAIRMAN. That would satisfy you, Senator Gore?

Senator GORE. Yes as a reservation. May I ask why this understanding in these letters?

The CHAIRMAN. I know why.

DOING VIOLENCE TO TREATY-MAKING

Senator GORE. On the one hand it does violence to the treaty making process and the responsibilities of the Senate. Number two, the present Secretary couldn't bind the succeeding Secretary. Five years from now none of us might be here, and all they have got to do is exchange notes. This would be a sloppy performance. I will go along with it as a reservation of the treaty.

The CHAIRMAN. It seems to me it is the best way, Mr. Woodworth, don't you think it is? It avoids any misunderstanding in the future.

Senator AIKEN. Unless our own Constitution is amended to reorganize our legislative processes in accordance with the State Department's desires. It will take a constitutional amendment to do this.

I think what is proposed here would require an amendment to our Constitution.

Senator SPARKMAN. You mean unless it is written in there it had to be approved by the Senate?

Senator AIKEN. If our Constitution is properly amended to permit us to bypass the Ways and Means Committee, the Finance Committee, other Committees of the Congress, and it is approved by three-fourths of the States then I will go along with it.

Senator SPARKMAN. Mr. Chairman, I would like to suggest since this is something that pertains to all three treaties, that we might call Mr. Surrey in and get his thinking on it.

Mr. WOODWORTH. This particular statement I think applies just to the French and Brazil, not to the Philippines.

Senator SPARKMAN. Not the Philippines?

CHARITABLE TAX EXEMPTIONS

The CHAIRMAN. On the Philippines I raise this question of tax exemption. Before he comes in do you see any reason to do that?

Mr. WOODWORTH. Let me say first it is not very important.

Mr. MARCY. Is this the charitable?

Mr. WOODWORTH. Yes.

It is not very important one way or the other because individuals at the present time in the United States can make charitable contributions to U.S. corporations which, in turn, can use them overseas, and do, as I am sure you are aware. Corporations can't give them to foundations for use overseas, but they can give them to other charitable corporations as distinct from foundations for use overseas. As a matter of fact, as a result of this, there is very little that this does that they can't do, there is practically nothing that this does that they can't indirectly do, under present law.

The CHAIRMAN. From what he told me, I raised it with him, he said it only makes it easier, they can do it but it makes it easier.

Mr. WOODWORTH. I think that is correct.

The CHAIRMAN. I don't want to make it easier. In fact I think it is abused to beat the dickens now particularly in the case of Israel, and the amounts are very large. Every time I ask them they have no idea how much, and I know it is very large, but I think your domestic charitable organizations have become a scandal. I have been reading these hearings and reports and having an exchange of letters with Congressman Patman, and I really think it is terrible. We asked them the other day and the Treasury has no idea how many tax exempt foundations are in this country, one said 15,000, Mr. Patman says 25,000 and someone else suggested maybe 100,000. I don't think the Treasury knows. Do you?

Mr. WOODWORTH. At one time they used to try to guess it by measuring the depth of the file drawers holding the exemption certificates.

The CHAIRMAN. They really don't know, do they?

Mr. WOODWORTH. No, they don't.

The CHAIRMAN. And it has gotten where everybody who gets a little money he creates a charitable foundation before he dies. Practically if you have got over a few thousand dollars.

Mr. WOODWORTH. As you know there is a report pending which has been submitted by the Treasury Department, as a matter of fact, for consideration before the Ways and Means and Finance. It has been here for about two years now, as a matter of fact, on some very substantial revisions of the tax treatment of foundations.

A STUDY IS NEEDED

The CHAIRMAN. Why don't we do anything about it?

Mr. WOODWORTH. Well, so far the Ways and Means Committee hasn't gotten to it.

The CHAIRMAN. Well, on a matter of that kind can't the Finance Committee do it? It isn't initiating——

Mr. WOODWORTH. You can amend the bill to put it on.

The CHAIRMAN. What I thought we ought to do is have a study of it. I don't think we know anything about it and neither does the Treasury as to what they are doing, how many they are, how much it costs the Treasury or anything of this kind. Every time I have inquired about it I get the vaguest kinds of answers.

Mr. WOODWORTH. One of the problems you get is that there——

The CHAIRMAN. They think $16 billion is involved, 25,000 of these things. I brought this up because of one, I thought was the obvious abuse was the Billy James Hargis in Oklahoma, it wasn't any more of an educational foundation than anything. It was a racket he had going and he gets a great deal of money, and they did act, I think, on that one, but as an individual case. But my impression is we don't know enough.

What I thought there ought to be a really thorough study of this business and get some real sound figures about it and then try to work out something to do. Do you think there is anything wrong with that?

Mr. WOODWORTH. I think it is a very good idea. I think that the whole subject matter could probably well be handled in hearings before the tax committees.

TAX HAVENS

The CHAIRMAN. They are using the very commendable idea of charity and so on now to become a tax haven. Any time you pick up the paper and anyone of any prominence dies always his fortune is left to a tax exempt charitable foundation, usually self-perpetuating boards, usually made up of members of the family or close friends. I mean on the Ford Foundation how do you become a member of the Ford Foundation trustees? You have to be approved by Henry Ford, first of all, don't you, that is the biggest.

Mr. WOODWORTH. It may well be.

Senator SPARKMAN. You say you thought of a way——

Mr. WOODWORTH. It is my understanding that it depends, the existing board members select new members.

The CHAIRMAN. It is a self-perpetuating board.

Mr. WOODWORTH. Yes, I believe it is a self-perpetuating board.

The CHAIRMAN. That is right.

Mr. WOODWORTH. And, therefore, it depends upon who are, the existing members of the board are, as to who is added. It is a fairly common technique.

The CHAIRMAN. It is the usual way. They retain control of it. They pay salaries as they like. Ford just built a building, a $20 million building, most luxurious building, salaries, they pay just about anything they want to keep it up. Isn't that correct?

Mr. WOODWORTH. That is correct.

The CHAIRMAN. There is no real supervision or limitation, there is no limit on what they can pay.

Mr. WOODWORTH. There are some limitations in the code, but they are not very severe.

The CHAIRMAN. I only speak of Ford as the biggest. It probably does as good a job of using its money effectively. There are a lot

of them I think have very marginal, if any, charitable implications. Of course, they prosecuted a few, that is they refused, they lifted the exemption on a few. There was some very prominent man who was supporting his yachts and his place in Florida and all this out of his foundation. They even brought in the governor of my state, that is Wright Patman did. He has a little foundation called Rocwin, a charitable foundation, and he buys a great collection of antique automobiles and puts it up at the house and then invites anybody to come see it as a part of his political operations. He brought 50,000 copies of a book about his mother to give away to people out of his charitable foundation. This is all Patman's hearing, it wasn't mine.

Senator SPARKMAN. Have you kept up with the Patman investigation?

Mr. WOODWORTH. Yes, I have tried to do that.

The CHAIRMAN. I didn't initiate it. It came as a surprise to me, but Patman did.

Senator HICKENLOOPER. It is by far the biggest racket in this country.

The CHAIRMAN. Coming back to this. This is no place to go to it. Other than that I see no reason to make it easier. As a matter of fact, if I knew enough about it I would rather restrict what they can now do. I think it is a shame that these people are free to give away money tax exempt because every time they give it to any of these foreign countries it is a deduction from our own income, isn't it?

Mr. WOODWORTH. Yes.

The CHAIRMAN. They take a deduction against the income.

Mr. WOODWORTH. Well, at the present time generally they can't give to a foreign charity and get a deduction.

The CHAIRMAN. Directly. But indirectly.

Mr. WOODWORTH. That is correct, you can do it indirectly.

The CHAIRMAN. You give it to the UJA and the UJA gives it to the Government of Israel.

Mr. WOODWORTH. I am sure that is correct.

The CHAIRMAN. Yes, I am sure it is. Hundreds of millions of dollars.

Senator HICKENLOOPER. Isn't that the way they are supporting these marchers and things of that kind in many cases, people make—they can't make a direct donation to these people and have it tax deductible but they can make a donation to churches and the churches then channel it to these people.

The CHAIRMAN. I don't want to take up our time on that. I just wanted to ask about it. I don't think we ought to make it any easier, this is the way to make it harder, but if and when there is an opportunity in the Finance Committee I would like to make it harder, both foreign and the domestic. So I would like a reservation on that. You see no objection to it?

Mr. WOODWORTH. No.

The CHAIRMAN. Granted it is not very effective, but each time you make it a little easier they will put it in other treaties as they come along because you set the precedent.

Senator SYMINGTON. Mr. Chairman, may I say something?

The CHAIRMAN. Yes.

THE PHILIPPINES SITUATION

Senator SYMINGTON. I am sorry I am late. We had the Secretary of Defense for the first time up before the Appropriations subcommittee yesterday and we had all those votes and my mail is pretty far behind.

I just want to say this about the Philippines, that a man who worked very close to Mr. Dulles and high in the State Department and whom I respect a great deal, who is quite bitter about the support we are getting from other countries in Vietnam operations, told me in his opinion the Filipinos were giving us worse hooking of all.

The CHAIRMAN. The worse what?

Senator SYMINGTON. The worse gypping of all from the standpoint of what they were getting out of this war, from the standpoint of what they were putting in it. It was another word, but it is a little early.

But anyway, he was just bitter about it. You know they are getting very rich, he said, off the war. They have refused to send in any combat soldiers on any basis.

The CHAIRMAN. I understand that.

Senator SYMINGTON. Mr. Clifford and General Taylor wanted to talk things over and the President didn't even want to talk to them. I don't know how it affects them, but I am one of these old fashioned people who thinks that you ought to be a little kinder to your friends than to your enemies. I know it is silly today.

The CHAIRMAN. This isn't very important. I was just asking.

COMPROMISE OR COMITY

But coming back to the Brazilian which is very important as a precedent, why don't we have Mr. Surrey in and ask him—if I understand you you don't want this reservation.

Senator GORE. I don't like in the first instance to do by treaty what the Congress has declined to do by legislation. If we undertake to write a tax law by treaty, then we take it away from the House of Representatives, we take it away from the Senate Finance Committee. We do by treaty what we should be doing by legislation.

But I said as a matter of, I don't know whether compromise or comity because the treaty has been negotiated, I would agree to support the treaty if this is made a reservation, but I certainly will not go along with any exchange of letters.

The CHAIRMAN. Let's bring him in. We will have a confrontation between Mr. Woodworth and Mr. Surrey [Laughter.]

The CHAIRMAN. Mr. Surrey, we are very glad to have you.

We have been wrestling with this reservation in the Brazilian treaty, and several members have already expressed their views about it. We thought we would ask you to comment upon the proposal—will you give him a copy, Mr. Marcy, of the one, the proposed reservation, on the Brazilian treaty and see if we can get some kind of an understanding.

## STATEMENT OF STANLEY S. SURREY, ASSISTANT SECRETARY OF THE TREASURY

Mr. SURREY. I would say this, Mr. Chairman: This Brazilian treaty is a good and useful treaty for the United States. I think it is a good and useful treaty the way it was negotiated, and it was a good and useful treaty the way it was negotiated and if it went into effect the way it was negotiated it would be extremely useful to the United States in all respects, and it would be a helpful forerunner of provisions with a great many other Latin American countries, and the cost to the United States is negligible in terms of revenue considerations.

So just seeing quite frankly and in the interest of the United States in Latin America, the treaty is a very fine treaty just the way it stands.

Now, I just can't emphasize that more strongly——

Senator SYMINGTON. Could you detail that a little bit? You just asserted it in general.

Mr. SURREY. Yes, I will.

It is difficult to negotiate treaties with Latin American countries. Their tax systems are in many respects rudimentary, they have very incomplete provisions, there are gaps in their tax laws. It is very hard for an American businessman, teacher, exporter, to know where he stands in that country. They have some very peculiar provisions. They will offer time change them as they come more and more into the international community. But it is difficult to get them to do that. They are not familiar in many cases with international transactions, their technicians are not, and they move very cautiously, and we talked with them, this is against a background of having discussed treaty matters with a number of Latin American countries.

The treaties help them to move to fill in the gaps in their tax laws and to smooth out the rough edges and to eliminate a number of provisions in their tax laws which they dislike but they find difficulty changing internally in domestic legislation, they can move a little more in the treaty area.

### EXAMPLES OF CHILE AND BRAZIL

Senator SYMINGTON. That helps them. How does it help us?

Mr. SURREY. Let me give you an example of Chile. They have a provision in their law if an American is down there and living in their country, he is taxed in full as any Chilean on his worldwide income. If he has a business there and comes back to the United States to reside, in other words, if you operated a business there and you came back and you are now a resident of the united States again but you are leaving a business behind you to be managed by someone, they still regard you as a resident of Chile and tax you on your worldwide income which has no relationship to Chile.

Senator SYMINGTON. How about Brazil?

Mr. SURREY. Brazil, take Brazil: Brazil will tax an American who, an American firm who, exports to Brazil even though that firm has no employees down there, no business presence down there, they will just tax a certain amount of those exports to Brazil.

Senator SYMINGTON. How do they tax him?

Mr. SURREY. They tax him on presumed profit and then they just apply their tax on that presumed profit.

Senator SYMINGTON. Import levy.

Mr. SURREY. No, it is an income tax.

Senator SYMINGTON. How can they do that if he has nothing in Brazil and just exports?

Mr. SURREY. They say "you are selling to Brazilian customers," and Brazil can control its own internal law. In other words, there is no constitutional question here.

ENFORCEMENT

Senator HICKENLOOPER. I think what Senator Symington is getting to how do they enforce it.

Mr. SURREY. How do they enforce it?

Senator HICKENLOOPER. What do they get a hold of to enforce it?

Mr. SURREY. The company has funds there in the sense that customers in Brazil are paying to American business, and they can enforce it out of those funds.

Senator SYMINGTON. Would they say to an importer "you pay $4 for these instead of $3.50 because we want that 50 cents?"

Mr. SURREY. They may ask him to withhold and collect that way.

Senator SYMINGTON. That is what I mean. It is a curb on the import payments.

Mr. SURREY. Let me give you another illustration.

Supposing you are running a business down in Brazil and you do have an office there and you do have an establishment and the American parent, the American firm, gives, provides services to the Brazilian firm. They may do a lot of accounting work for them. They may have other overhead services, they would charge them for that. Under Brazilian law the Brazilian branch in computing its Brazilian tax cannot deduct the cost of those services as a cost of doing business because the money is going to a company outside of Brazil. That gives them a much higher taxable income in Brazil because one of the costs of doing business in Brazil is simply disregarded.

A BRAZILIAN INCOME TAX CHARGE

In this treaty Brazil gives up these provisions. Now they have another provision in Brazil. Supposing you are an American professional person, you are an architect, and you are hired to do some work for a Brazilian company, you never go down to Brazil, you can perform it entirely in the United States. Brazil levies an income tax on that contract. Most countries of the world do not. We do not.

Senator SYMINGTON. How do they collect it?

Mr. SURREY. They can collect it because the payer is a Brazilian, and they can collect it out of that.

Senator SYMINGTON. If the fellow who does the architectural work in this country and the guy who he is doing it for knows it is in the Brazil law they can set the price aside and it automatically takes care of the tax.

Mr. SURREY. It may help the American, but it is not helping the Brazilian who is having to pay for it.

Senator SYMINGTON. That is his problem.

Mr. SURREY. That is his problem but it may affect the number of contracts he is going to give to Americans.

Senator SYMINGTON. Do they have that in all other countries?

Mr. SURREY. They have it but they are changing it by treaty.

Senator SPARKMAN. Is it changed in this treaty, the proposed treaty?

Mr. SURREY. It has changed in this treaty.

Senator SYMINGTON. They are changing it in treaties with other countries.

Mr. SURREY. Other countries. Other countries are negotiating in Latin America and the rules are beginning to loosen up but by treaty. I could go through other instances.

ROYALTIES AND INTERESTS

Take, well, royalties are a matter, royalties and interest are other matters. Countries generally withhold taxes on royalty payments on a gross basis. In other words, they just look at the gross amount of the royalty and Brazil withholds 25 percent. An American company can have a lot of expenses attributable to earning that royalty. There may have been a tremendous amount of research in the United States before the convention was obtained, the license obtained. So that consequently a tax on the gross royalty can be a high rate of tax because the net income to the United States licensor after his expenses will be far less than the gross income.

A number of countries, therefore, around the world have reduced their withholding rates on royalties. Brazil brings its rate down in this treaty somewhat to make it closer to a rate that the United States licensor could absorb through his foreign tax credit. It brings it down to a rate that approximates our 48 percent rate on the net income of royalties. Their present rate of 25 percent of the gross royalty and, therefore, it is a higher tax. These are things that can be accomplished under the treaties. Talking to Argentina, Chile and Peru, the Brazilian treaty has in it provisions that will be favorable, if followed by the rest of the Latin American countries, to our business community, our teachers and the like. So it is a good treaty from that standpoint.

DIFFICULTY CHANGING LAWS

Senator SYMINGTON. You feel almost unilaterally this treaty is beneficial to the United States as against Brazil.

Mr. SURREY. When I say as against Brazil, let me qualify that, because then you might ask me why Brazil signed that treaty.

I think in many respects these countries do like to change their tax laws. Now, they have difficulty changing laws because there is a nationalistic idea in many cases that you should do nothing for a foreigner. They can say in the treaty it may encourage commercial and other relationships, business relationships, with the United States which will be helpful to our country and, frankly, that is the reason why Brazil in this treaty asked for extension of the investment credit. It is something they can point to to say that it balances the treaty for them and, therefore, they are willing to make concession after concession to us.

Senator SYMINGTON. Tax concessions?

Mr. SURREY. Tax concessions under their law because then they can say in their Congress, in their legislature "well, the Americans will treat investment in our country the same way they treat investment in the United States," so then they say they have got an arrangement that is satisfactory to them.

ACHIEVING A QUID PRO QUO

It is difficult to get treaties in Latin America without some quid pro quo. We end up when we negotiate without a quid prop quo not getting the range of really genuine concessions that should be made by a foreign country. We don't in these cases, we just don't end up with as good a treaty. There is just no question about it.

Now, that is our problem in negotiating in Latin America. You don't have that same problem when you negotiate a treaty with France or the United Kingdom or Germany. We obviously don't extend the investment credit to them. There are other mutual concessions that are made. When they reduce their rate of tax on dividends, as in the French treaty, we can reduce our rate of tax because the French do have some investment in the United States.

The Brazilians, they don't have any investments in the U.S., they don't care about that. They don't want any investments in the U.S. But from the standpoint of getting a favorable treaty for the U.S., the Brazilian treaty is a good one and needs the investment credit.

One should not overlook the fact that Japan, Sweden, Germany, France are negotiating in Latin America. Brazil signed a treaty with Japan in which Japan gets a series of concessions, income tax concessions, from Brazil, and Sweden signed a treaty with Brazil also.

Senator SYMINGTON. The same kind of concession?

JAPANESE CONCESSIONS

Mr. SURREY. The Japanese made more concessions than the U.S. did, I think.

The CHAIRMAN. Do they have investment credit?

Mr. SURREY. They have more than that. They have the so-called tax-bearing credit in the Japanese treaty and which this committee has been dead set against and which the treaty has not favored, because their tax-bearing credit in the Japanese treaty means a Japanese investor who invests in Brazil gets a better deal than if he invested in Japan.

We don't negotiate that way. We say if our Americans invest in Brazil they should not be treated better than if they invested in the U.S. When we extend our investment credit we don't give them a preference to invest in Brazil as compared to investment here. We say "you are on the same basis"——

Senator SYMINGTON. What are our exports to Brazil as against our imports?

Mr. SURREY. We have a favorable balance on exports to Brazil.

Senator SYMINGTON. Have you got the figures?

Mr. SURREY. Yes, I have the figures here for——

Senator WILLIAMS. Is that a cash balance or the value of what we give to them as against what we buy?

Senator SYMINGTON. I am just talking private sector, too.

Mr. SURREY. Yes.

A FAVORABLE BALANCE AND A DEFICIT

Senator WILLIAMS. What I don't understand is how we have a favorable balance and end up with a deficit.

Senator SYMINGTON. We exported in '66 close to $30 billion to Brazil—no, $30 million.

Senator SYMINGTON. If it is billions I will go out——

Mr. SURREY. And our imports are $25 million. Of course, they are different commodities.

Senator SYMINGTON. That includes all that coffee, doesn't it?

Mr. SURREY. Yes.

But the basic import is coffee and ores and sugar. The total manufacturing is 3—I correct myself, Senator, the reason I got confused I had a total figure, it is $565 million exports to Brazil, and our imports are $603 million. I was wrong on that. Most of the imports are in raw materials, coffee, and our exports are electrical machinery, chemicals, transportation equipment and the like.

Senator SYMINGTON. How much of the exports were foreign aid?

Mr. SURREY. I don't have that here. I can get them.

Senator CASE. You mean this figure of $603 includes foreign aid?

Mr. SURREY. $565. If there is any tied aid it might——

Senator CASE. I thought $603 was our exports.

Mr. SURREY. $603 for the imports.

The CHAIRMAN. You have a deficit.

Senator CASE. We have a deficit, not a surplus.

Mr. SURREY. I am sorry.

Senator SYMINGTON. That includes a lot of coffee.

Mr. SURREY. $372 million.

Senator SYMINGTON. $372 million.

Senator SPARKMAN. $372.

Senator HICKENLOOPER. Do you have anything for '67? That '66.

Mr. SURREY. No, I don't have it.

Senator SYMINGTON. It was the ore.

Mr. SURREY. $53.

Senator SYMINGTON. What was it?

Mr. SURREY. Brazil, metalliferous ores.

The CHAIRMAN. Very good grade. We own it, Hanna owns it.

THE STABILITY OF THE DOLLAR

Senator SYMINGTON. Mr. Chairman, the only thing I would like to say is some of the industry in my state are very keen for this treaty because they think it will help us to do business down there, and if Mr. Surrey feels, as he says flat out, it is very much in the interests of the United States and to our trade and industry, that would affect some of my people and that is why I asked about it.

The CHAIRMAN. The reason I was apprehensive about it is I think this treaty was started, and Mr. Surrey when he began to negotiate it, on the idea it was good for us to invest in these countries, and in the long-term I think it may be, and I expect it was under the attitude that existed under the dollar gap and so on, but what bothers me is the present situation of this country is so critical, the financing of the war has been so lacking in any seriousness and judgment, the whole overall financial situation, the threat of the stability of the dollar and everything else, I think it is unwise to

do anything that encourages further investment abroad. If they can do it without any special encouragement it is all right with me, but I don't see why we are justified in giving any special incentive for us under the terrible conditions that we now face in our balance of payments. For the first time I think in many years we have an overall deficit in our trade balance. Isn't that right?

Senator SYMINGTON. In the private sector.

TRADE DEFICIT

The CHAIRMAN. Overall deficit in our trade balance which is the first time that has developed.

Mr. SURREY. I don't think an overall deficit is projected for the year.

Senator SYMINGTON. In the last quarter.

Mr. SURREY. I am not sure we had one.

Mr. WOODWORTH. I know we had it in March.

The CHAIRMAN. It is the first time we have had it for a long time. In other words, we seem to be living in a dream world. Everything is collapsing about our ears, the Europeans, the price of gold has been going up, it is $42½, I think, the other day which means the dollar is shakier every day, and the tax bill is delayed, nobody knows whether we are going to get a tax bill You don't know, do you? You just hope.

Mr. SURREY. Yes, I am optimistic in my hope.

The CHAIRMAN. And Mr. Martin's attitude, it was said that speech was intended to tell the truth to Congress and the country, to scare them into action. Instead of that it scared the hell out of the Europeans and they are extremely nervous about the stability of the dollar, and if they ever get too far they are going to start unloading a lot more than they have.

ENDORSING THE CONFERENCE REPORT

Senator SPARKMAN. Mr. Chairman, may I ask an irrelevant question, whether it is in line, Mr. Surrey, you said you hoped we had a tax bill. I know nothing about it except as I read it in the press. Why doesn't the administration go on and endorse this conference report?

Senator WILLIAMS. That is the question I was going to ask him, do you endorse the conference report?

Senator SPARKMAN. That is the question I was going to ask him. Secretary Fowler did the other day before our committee. Senator Williams, you were there, you put the question to him.

Senator WILLIAMS. Yes.

Senator SPARKMAN. And he did endorse it. Why doesn't the administration move on it and let us get this thing behind us?

Mr. SURREY. If you have Secretary Fowler's endorsement you don't need mine in addition to that.

Senator SPARKMAN. He did before this committee.

Mr. SURREY. You don't need mine in addition.

Senator SPARKMAN. I know, but it says the administration, and I understand the chairman, Chairman Mills has, called on the President to endorse not just the tax bill but the package.

The CHAIRMAN. I think it is a little unfair to press Mr. Surrey.

Senator SPARKMAN. I am not, I am just posing it. I do it in order to show my concern which I believe is shared by many members of Congress.

The CHAIRMAN. I share your concern.

Senator SYMINGTON. I will tell you how much it is shared by me. Yesterday we got a $79 billion with a $43.9 billion supplemental to be added, 83 billion bucks right there.

The CHAIRMAN. That is right.

TIMES HAVE CHANGED

And the rumor is the military has already recommended to the Budget, it hasn't been approved, $107 billion for the coming year. That, of course, will be pared down.

Senator SYMINGTON. I am surprised that you don't say $170.

The CHAIRMAN. It is $107.

Mr. SURREY. Can I make an observation on the point you were raising because I think it is an important point and I think we ought to explain what may appear to you to be an inconsistency in our conduct, and I would like to clarify that.

The CHAIRMAN. I didn't mean it as an inconsistency, times have changed since you originally started to negotiate this treaty. I didn't mean to be critical of you.

Mr. SURREY. We obviously are concerned with balance of payments in the Treasury, investments balances and the like. The policy with respect to investment abroad does change from time to time. We have, of course, strongly favored, as a country, I think, a policy both from the Congress and the executive branch of favoring private investment in less developed countries.

The CHAIRMAN. That is correct.

The committee did until recently.

Mr. SURREY. That is correct, this committee did. But I don't quite see the need for an overall concern now in this sense. There is a limit under the Commerce regulations as to the amount that companies can invest all over the world. In other words, take, for example, a country that would like to invest, let's say, in the United Kingdom today, under the Commerce regulations they have to keep their investments within 65 percent of a certain base period.

The CHAIRMAN. That is just recent.

Senator SYMINGTON. 65 percent of a certain base period.

Mr. SURREY. That is right, the average is 65–66.

Senator SYMINGTON. 65 percent of what?

Mr. SURREY. 65 percent of the investments of that company anywhere, it goes by areas, the United Kingdom happens to be in a schedule B area. The average 65–66.

Senator SYMINGTON. Average of what?

Mr. SURREY. Their investments abroad.

Senator GORE. Which was the highest period.

Mr. SURREY. In other words, if they invested an average of a million dollars in the U.K. in '65–66 and that was the only investment they had anywhere in the world they can only invest of $650,000.

Senator SYMINGTON. Next year.

Mr. SURREY. This year, today.

Senator SYMINGTON. This year. Their total investments.

Mr. SURREY. Total outflow.

THE AVERAGE OF INVESTMENTS

Senator SYMINGTON. I just want to be sure because we have to understand these things if we are going to be of any help to you. Suppose in 10 years they have invested a million dollars between '57 and '67, can they still invest $650,000 in '68?

Mr. SURREY. No, sir.

Senator SYMINGTON. Then you are talking about the previous years' investment or of a particular year and if so what year?

Mr. SURREY. The average of the investments in the years '65—made in the years '65 and '66.

Senator SYMINGTON. I see.

Average of those two years?

Mr. SURREY. Average of those two years.

Senator SYMINGTON. And in '68 it can only be 65 percent of it?

Mr. SURREY. That is right.

Senator SYMINGTON. Could there be another 65 in '69?

Mr. SURREY. Under the present regulations unless changed.

Senator CASE. This applies to new money, American investments, not retained earnings?

Mr. SURREY. Yes, and retained earnings are thrown in, Senator.

Senator CASE. Earnings of foreign——

Mr. SURREY. Yes, reinvested earnings count as an investment.

TAX BENEFITS FOR AMERICANS

Senator SYMINGTON. What worries me about it, and I am just trying to be a devil's advocate, if you get a low rate like you do in Japan where it is 28 cents in Japan and the last I heard it as against $1.80 on shoes, then if you are allowed to invest 65 percent per year of what you invested in '65-66 you can build up a hell of a big business and, at the same time, you are exporting American jobs, are you not, if you are going to continue—the leading woman's manufacturer in my state is importing, over 40 percent of all the shoes he sells in this country he imports, in this year alone is 68 percent over last year, and when you have got these galloping situations like that, just one more and then I won't take so much time, I would like to do this: You say that this tax helps the United States, and you went on——

Mr. SURREY. The treaty.

Senator SYMINGTON. Then you illustrated that by something in Chile, then I asked you to localize it for Brazil. Could you do this for the committee, could you give the various tax benefits that would accrue to an American citizen who was doing business outside of this tax credit aspect and then balance that as against the tax credit aspect to show the type and character of justification that you believe you could make to prove your points, could you do that?

Mr. SURREY. Certainly.

I just want to finish my point with the chairman.

INVESTMENT IN LESS DEVELOPED COUNTRIES

There is a similar control with respect to less developed countries. American concerns cannot invest more in less developed countries. The figure we are currently using happens to be 110 per-

cent of 1965–1966. But what I want to indicate, Senator, is that these overall limitations have been set in the light of our balance of payments position so that a company could not just in this year overall, companies overall, cannot make investments abroad to the extend deemed inconsistent with our balance of payments position; and I did want to indicate that therefore there is that limit that does control now so that all companies are working under an overall restriction and it varies by different countries of the world. We happen to be more favorable to investment in less developed countries and they have a higher percentage.

But there is that limitation now which should, I think, arrest your concern in that to the extent that investments abroad is deemed to be inconsistent or at variance with our balance of payments posture, it is now under regulations and a limit has been put on it.

Mr. WOODWORTH. It is 110 percent, however, in the case of less developed countries.

The CHAIRMAN. More than it was.

Senator GORE. Mr. Chairman,——

Mr. SURREY. 110 percent was largely set, I might say, 110 percent of the '65–66 average is believed to leave the figure at about where it was in 1967, but they didn't happen to have the full 1967 figures.

AMERICAN-CANADIAN AUTOMOBILE AGREEMENT

Senator GORE. Mr. Chairman, I would like to give an example of how things work out. You will recall the American-Canadian automobile agreement. I tried my best to dissuade the Congress from approving it. And in two years time it has resulted in an 800 percent increase in Canadian exports into the United States, a loss of more than $1 billion in balance of payments, an estimated transfer of 20,000 jobs from the United States to Canada.

This is working out consistently, and now Henry Ford, who has been a consistent visitor to the White House and a member of the President's Club, who worked out the Canadian automobile agreement, he is a lobbyist or hotfooting it all over Capitol Hill to get the Brazilian tax treaty approved. What would this means?

It would mean——

Senator DODD. Who?

The CHAIRMAN. Ford.

Senator GORE. Ford Motor Company, duPont, all the big industries, Tom, are interested in this. Why? Because it sets a precedent. It gives them credit, investments credit, of 7 percent for what they invest abroad against the taxes they owe on the profits they earn in the United States.

U.S. GETS NO TAX RETURN

Now, Mr. Surrey has just explained to us that this treaty brings about a modification of taxes in Brazil. True, to the approximation of what taxes the American companies operating there would owe the United States government. So the United States gets no tax return, substantial tax return, on the profits earned in Brazil. So this 7 percent tax credit that they want is a subsidy out of the U.S. Treasury for investment in Brazil. It would operate the same way

as if we passed an appropriation bill giving to Ford, duPont, Olin Mathieson, a whole list of large United States corporations, just appropriate the money, pay them 7 percent of whatever they want to invest in Brazil.

The important thing is this is a bellwether. We already have such a treaty pending with Thailand, such a treaty pending with Israel, and if one is ever approved, then there will be 40, and it operates as a subsidy for U.S. investment, and they decide what they invest and where.

I can understand why the companies want it, I can understand why Brazil, Israel and Thailand want it. But for the life of me I can't understand why the U.S. government wants it.

BENEFITS TO U.S. BUSINESS

Mr. SURREY. Can I answer Senator Symington's question? You asked me for the benefits that went to the American business in Brazil.

Well now, there are certain benefits in this treaty that have nothing to do with investment credit one way or the other. One benefit is that if you are an exporter or engaged in selling to Brazil, you will not be subject to Brazilian tax on your sales to Brazil unless you have an office in Brazil, a place of business or some activity which is under treaty called by the words "permanent establishment." That means, therefore, that if you desire to operate in Brazil through an independent agent in Brazil, you just want somebody to handle your imports in Brazil, you do not have to concern yourself with Brazilian taxes. Today you do have to concern yourself with Brazilian taxes, and that American exporter has to pay the Brazilian tax. It has nothing to do with the investments credit.

A number of concerns that have no interest in investing in Brazil, but are simply exporters, want the treaty for that reason. They also want the treaty for that reason because it would be a precedent with respect to the rest of the Latin American countries. If an important country like Brazil is willing to moderate its tax jurisdiction and adopt the same rule that industrialized countries adopt with each other it will have a significant influence on the rest of Latin America and they will stop taxing our exporters who do not have places of business in Latin America. Brazil will be the bellwether in this regard for the rest of them. It has nothing to do with the investment credit, and our American concerns that export to Brazil are interested in the treaty for that reason.

If you are a construction company and you go down——

LOSS OF AMERICAN JOBS

Senator SYMINGTON. Mr. Surrey, could you just bring this point up? When you say that that is a very general statement. For example, and not to be silly, this might lose us 50,000 jobs in America——

Mr. SURREY. Not the exports.

Senator SYMINGTON. Because—just a minute—because you give this tax credit and they want to go down there, the big companies, and I am just being facetious a bit to make my point, because you give them this tax credit and they go down there and they build

big plants and ship the stuff back here and against that there are two importers who benefit, three or four, is there any way you balance the money? We are running out of money and because primarily, as the chairman pointed out, if there were, is there any way you can give us a balance sheet of what we would gain from the standpoint of improving the fiscal and monetary position of the U.S. as against what we would lose? Do you see my point?

Mr. SURREY. Yes.

The amount of the investment credit here is so small that our calculations show that the investment credit would have to be paid out and if we base it on the year 1965 for Brazil——

Mr. WOODWORTH. Mr. Surrey, may I interrupt just a second to say and point out to Senator Symington, that if this reservation that you have been talking about were made with respect to the investment credit, the advantage that he is referring to with respect to our exporters would still continue.

Mr. SURREY. That is right.

A FINANCIAL MATTER

Senator SYMINGTON. I understand it. I would like to see the balance sheet. He admits we are giving something but he admits we are getting something. All right. Suppose you run a store and you say I want to give something and I want to get something and the clerk says what. You have a right to ask that. That is all I am doing. I would like to see the money, I would like to see the balance sheet, instead of the generalities, and I am sympathetic perhaps with the proposed treaty, but I would like to know what it is, how much could we lose as against how much could we gain? It is a normal request in a business transaction, that is what he is asking for. This is a treaty that involves money. As Senator Gore points out this is a financial matter.

Mr. SURREY. Looking at first the revenue impact and then on the job impact, based upon what we know about investment in 1965 in Brazil, the investment credit would cost us $2 million. Based upon what we know of investments in Brazil in 1966 one investment credit would have cost us $4 to $5 million.

Based upon what we know of investments in all the less developed world in 1965, if we had a treaty with every country in the world, less developed country, investment credit extension would cost us $25 million. Investments credit in the United States is $2½ billion.

Senator SYMINGTON. Yes, but you see, wait a minute now, you are talking now what would have happened based on what happened.

Mr. SURREY. That is right.

Senator SYMINGTON. I think you should extrapolate that to the point where you should say if we give this investment tax credit five years from now what it will cost us will be so much because you are doing it in order to get a position down there for American business, it means it will cost you a lot more than it does today without the tax credit.

Mr. SURREY. Let me indicate how much investment you have to have. This is an investment of about $525 million in the less developed world today, and only would cost us $25 million. Now you

need a tremendous increase in investment for this figure to be significant and I remind you.

RETURN ON INVESTMENTS

Senator SYMINGTON. Look, I don't want to—I want to go down to the cases of it. You can't go down and build a cold roll sheet metal mill today unless you have a quarter of a million dollars. You are getting your iron ore shipped out of of Brazil, there is an amount of steel being imported into this country today, and suppose because of investment tax credit some American company decided to build a cold roll sheet mill, then you are going to pump it up $300 million, and instead of $7 million it could be $21 million.

Mr. SURREY. Right.

Compared as I say to 2½ to 3 billion in the United States.

Let's see what happens if that is, that mill down there is, built. Our investments, our exports through our subsidiaries, run about five times our investments in our subsidiaries. In other words, most of this machinery that you are talking about is in the first place going to come from the United States. Secondly, you find just as a statistical matter that American exports from parents to subsidiaries are about five times the investments, so if you do in the less developed world get an increase in exports where you have investments that goes to your job situation. You ask a company "why are you investing in Brazil, why do you put up a plant in Brazil," they will tell you, "Sure we would like to serve that market from the U.S. if we could. If we are not careful we are going to lose it to the other fellow. If we don't have a plant there there will be a Japanese plant there and we will lose that market."

Now, what happens? We put our plant there, we have a market. That market for what we are producing generally produces a market around your goods that are a little more specialized than our plant down there can produce, they tend to order that from the U.S. They tend to order through our plant from the U.S., so the American people will tell you that they only invest down there, one, what they feel they have to to hold their market and, two, when it tends to expand their market after investment. That goes to the job situation. So that from the standpoint of jobs in less developed countries, I think one would not have that worry.

I am saying the same thing for industrialized countries necessarily, it may differ with Japan. But we don't write investment credit for developed countries.

What we are getting in this treaty, as Mr. Woodworth points out, there are a number of provisions that have nothing to do with investments credit. Export is one.

Take a construction job. Supposing you go down to Chile and you are in the construction business, you go down, you construct something and you finish it up two or three months and get paid for it. You are subject to tax in Brazil. Under this treaty you would not be subject to tax unless you stayed at least six months on a construction job, an assembly job in Brazil, an installation job in Brazil.

Supposing you go down just to install some machinery, that is all you are doing, you are taxed today; you are not taxed under the treaty unless you stay on that job for six months. That means a

certain group of Americans don't have to worry about Brazilian income tax because Brazil waives under this treaty. It is a benefit they give us.

Other industrialized countries treat each other that way. Brazil is willing to make that concession.

DURATION OF THE TREATY

Senator SYMINGTON. How long is the treaty, what is the duration?

Mr. SURREY. The duration of the treaty is three years, subject, it can be terminated by either country at the end of three years.

Senator SYMINGTON. Thank you, Mr. Chairman.

Senator SPARKMAN. May I ask a question, Mr. Chairman, pertaining to the reservation?

Mr. SURREY. I will come back to that.

ADDING A RESERVATION

Senator SPARKMAN. Mr. Surrey, I have discussed with you this proposed reservation and you have expressed your preference for the treaty as it is.

Mr. SURREY. That is right.

Senator SPARKMAN. But your readiness, if the committee decides on it, to accept the reservation——

Mr. SURREY. That is right.

Senator SPARKMAN. But you wanted the Senate action to be taken upon it, without being written into the reservation, but upon an exchange of notes.

Let me say we have discussed that rather at length before you came in here——

Senator HICKENLOOPER. No, the letter of intention.

Senator SPARKMAN. Letter of intention. What did I say, exchange of notes?

Senator HICKENLOOPER. Yes.

Senator SPARKMAN. Instead of notice.

I must say I am not at all optimistic as to what this committee will do with that, and I just want to ask how difficult would it make it for you if we did include in the reservation a requirement that the Senate act on that? I have told the committee as best I could what you told me.

Mr. SURREY. Let me indicate my problem. As I say, it is a good treaty with the investment credit. If the committee desires not to approve the investment credit but would approve the treaty, but in effect reserve on the investment credit it is still a good treaty. Some of the concessions by Brazil will be dropped because they have linked certain concessions to the extension of the investment credit and automatically if we reserve on the investment credit then I am sure Brazil will research on its concessions on dividends, royalties and interest.

Senator SPARKMAN. We don't vote against the investment credit. We just reserve it to make any change, as I understand it, coordinate with—a change in this country to coordinate with the same change in the Brazilian.

Mr. SURREY. That is right, Brazil will make that change.

Now, the question is will Brazil accept the rest of the treaty if we reserve on the investment credit? I can't answer that. Brazil may not. The question, therefore, is what is the least difficult way to present this reservation to the Brazilians and, at the same time, accomplish what objectives the committee may have in the United States. It would be easier for us to handle the reservation in Brazil if the reservation referred only to the exchange of notes on its face. That would be easier for us to handle down in Brazil. We have to go down to Brazil and convince them these other concessions you made to exporters and so on you should still endorse. You are putting a pretty difficult task on it.

Senator SPARKMAN. I told the committee about that, but I must say I don't feel I made much of an impression on them.

Mr. SURREY. I am sorry about that.

MAY TRIGGER BRAZILIAN RESENTMENT

Senator SPARKMAN. So I am asking you can you live with the other, with it as it is proposed? I think you have got a copy there.

Mr. SURREY. Yes.

Senator SPARKMAN. Which calls for Senate approval in the reservation itself. Would you want the treaty recommended here for confirmation with that in it?

Mr. SURREY. I would—yes. In other words, if this is what the committee will do and wants it this way, I would make it—try to get Brazil to agree to it. All I am informing the committee is that they are just making life harder for their negotiators in Brazil, and I think, if I may say so, needlessly harder, because the committee will have the assurance that it can only be handled in this way. This may just trigger off some resentment in Brazil.

Senator SPARKMAN. Yes.

Mr. SURREY. And you know how people's feelings go. It just is a somewhat higher hurdle for us to overcome.

Senator SPARKMAN. I want to say I am in agreement with you, and I will propose when we get to voting that we leave that out, but from the discussions which have taken place around this table this morning I don't see much hope for succeeding and what I wanted to know was would it be worthwhile still to approve the treaty with this language in there, if that is the best we can get?

Mr. SURREY. Yes, it would—let me say several things though. It puzzles me a bit because the committee has approved other treaties.

Senator SPARKMAN. Yes, I called their attention to that.

Mr. SURREY. Involving an exchange of notes where this language does not appear.

Senator SPARKMAN. Yes, I called their attention to it.

Mr. SURREY. That puzzles me, and if there is any feeling that the Treasury will not understand an exchange of notes under this would have to be handled in the way you have handled it in extensions to the territories, I just don't see why there should be any misunderstanding.

MAKING COMMITMENTS WITHOUT REFERENCE TO THE SENATE

The CHAIRMAN. I want to make it clear. That comes up, it isn't so much a feeling about the Treasury, this is influenced by the

overall situation and particularly the war, and our political obligations in which there is a disposition on the part of the administration to make commitments and so on without reference to this committee or of the Senate. We read nearly every day about some agreement that has been made.

I had a very interesting letter that was sent to the Senator from Missouri about an understanding which was never referred to this committee and then we are told we are bound by it, and this happens all the time, this question of commitments by the administration generally.

You are only a part of the administration. They override you whenever they want to on the matter of making commitments and agreements, and this is a feeling, I think, that accounts for what Senator Sparkman has stated, it certainly does influence me, and the Senator from Tennessee expressed that view and that is why we want a reservation.

It isn't just any reflection on you. I hope you don't take it that way.

This is with regard to the administration generally and we know that you are subject to orders of this administration. You are not a free agent when it comes to extending this or to making your exchange of notes. You don't control that. The President eventually controls it, whoever he may be, does he not. That is what I tried to make clear several times, I am not criticizing you. I think you do it in good faith, but I think the administration has not acknowledged the seriousness of our situation and doesn't today with regard to the war and the disarray in which we find ourselves, and this is reflected back on the attitude of this treaty.

It cannot be considered in a vacuum by itself. It has to be considered in view of the overall disarray of our finances, of our budget, both foreign and domestic. That is what influenced us. It isn't a reflection on you, and because we did it before under entirely different circumstances is not particularly relevant to this. It is just as you have properly said this committee has urged private investment abroad under entirely different circumstances only a few years ago, when we had a favorable balance of trade, a favorable balance of payments, when we were giving away aid.

CONCERNS ABOUT THE AMERICAN ECONOMY

The same thing influences our attitude on aid, as you have seen in this committee, not because we are not interested in foreign countries but because we think our own country is going to pot financially.

Mr. SURREY. I am sorry to hear that lies behind it.

The CHAIRMAN. Well, it does lie. I told you this before. That it wasn't any reflection on what you had done. It is a reflection, at least as far as I am concerned, on the overall mismanagement of the war financially as well as politically, and the results that have grown from that in the international field, and the NATO thing.

I mean this committee has tried to help, we thought, the Government, in bringing home troops. The Senator from Missouri had a lot to do with it. They absolutely rejected it. And, well, you know what the result is, we just are bogging down deeper and deeper.

Now, you can't get a tax bill. I just think we are a lot more worried about the overall than you are, because you are concentrating on your responsibility and you would like a treaty and I don't blame you for it at all.

Mr. SURREY. It wasn't the overall thing. It was just the feeling that is so foreign to my mind if the Treasury Department, the Secretary of the Treasury, the Secretary of State, commit themselves in writing to this committee for an exchange of notes under the Brazilian treaty, has to be referred to the Senate it is just so inconiceivable to my mind that is not a commitment. That is the part I don't understand.

The CHAIRMAN. You are looking at it from the other side of the fence, so to speak.

Mr. SURREY. I am looking at it from the way I conduct business with the Congress.

The CHAIRMAN. Well, we are looking at it from the way the administration has conducted business with the Congress and this committee.

LOSING CONFIDENCE IN ADMINISTRATION OFFICIALS

Senator WILLIAMS. May I say as the business manager of the administration, I would take your word. A few days ago I decided to support this treaty without reservation, but I had an experience yesterday in which—a few days ago with a member of the President's cabinet who talked with Senator Baker and myself and told us certain information in confidence.

The CHAIRMAN. We heard about it yesterday.

Senator WILLIAMS. It was a straight fact, we discussed it on the floor of the Senate, and the Secretary went to the Majority Leader and I don't question for one moment the Majority Leader's position, and issued an emphatic denial that he ever made any such report.

And we called the same people down over in the Majority Leader's office, five members of the Senate present, and much to my surprise they again emphatically denied it and after examining the notes of the meeting, 30 minutes later he said, "I don't remember it," and turned right around and made himself a complete liar right there, and from that time on I said we write into law anything that deals with this administration so long as they keep those fellows on the payroll.

This is no reflection on Mr. Surrey, but I have just completely lost confidence entirely with certain officials in this executive branch.

And that is no reflection, Mr. Surrey, on your position.

Until that is resolved, I am going to put it in the law whatever goes from here on.

Mr. SURREY. I am sorry about that, Senator Williams, because I thought with respect to the Treasury it is unnecessary, and it will, if you have any regard for the treaty and without desire for investment credit, make it more difficult and impossible.

Senator WILLIAMS. But if we knew you or others wouldn't be here and for all I know that same individual would be sitting where you are now, I wouldn't trust them unless it is in the law written and they have been told that in plain language, too; so you don't have to carry the message; they know it.

The CHAIRMAN. Well, our time is going on. We have got several other things.

POTENTIAL OF A CEASE FIRE IN VIETNAM

The importance of this, of course, as already has been brought out, it will be a precedent, and it seems to me that pending the correction of a number of these things we have already referred to, the tax bill, and all sorts of things, getting our finances in order, I would recommend one or two other things. Either approve it with this reservation or defer it and see if you do make any progress in the next two or three months to where it has turned around.

Speaking for myself if they should get the tax bill, if they should make progress in stabilizing the dollar and in all the problems, I won't enumerate them all, certainly plus a cease fire, this would create in my mind quite a different atmosphere as to how far we can go and continue to encourage foreign investments. It would make a difference certainly.

It is this overall deterioration of our situation. The things that the Senator from Missouri talked about on the new budget, I mean the requests and all of this, looks very serious to me.

I talked to Secretary Fowler about financing the war. It really isn't your fault or his fault, the Treasury. This was a political situation above your responsibility. I don't blame you for it at all, but I think we ought to take this into consideration as to the way, the direction in which we are going.

If something isn't done in the very near future, I think we are going to be faced with all kinds of controls on our domestic economy, price controls and every kind of controls to go into a full war economy. And we have no business, it seems to me, encouraging foreign investments under such conditions.

If it can be turned around, I would look at it entirely differently just as we used to when we thought we were in good condition, say in '55, '56, '57, '58, when we had this movement. I supported all the aid bills, I supported private investments and all that, but we, I think, have gotten into one terrible condition, and I know this is shared by the business community.

I told you yesterday at great length, we have Mr. Black, and we have got on our agenda later on the Asian Bank, he is willing to make great concessions, that he knows he can't get that now, he is willing to take much less or practically nothing, he would like to preserve the principle of the negotiations, which he spent a year or more on, too, but it is all affected by exactly the same conditions.

DEFER ACTION UNTIL PROGRESS IS MADE ON THE WAR

I just want to make it clear that I don't blame you for this at all. I think it is growing out of a deterioration in our international and domestic fiscal condition, that it is far greater than anything any of us anticipated.

So I would say, what would you think about maybe deferring action to see if any progress is made, or would you rather we voted it out with the reservation now and let you see what you can do with it?

If you fail, you might come back and present it here and maybe by that time something will have changed to give us a little more

feeling of progress toward solving some of these problems, and we have an entirely different attitude. I would have, I think, a different attitude if we got a cease fire, a tax bill, and if we got control of the budget, if they had these decreases that the House is insisting on. In other words, if it looked like we are regaining control of our economy, I would have a different attitude.

Senator SYMINGTON. Mr. Chairman——

BALANCE SHEET EXTRAPOLATION

The CHAIRMAN. I wonder if he would comment on that.

Would you have any choices?

Mr. SURREY. I just want to check a minute on one other technical aspect.

Senator SYMINGTON. While he checks, it is a three-year treaty subject to change in three years. And I would be inclined thinking favorably but before doing so I would like to see some figures. If we are going to buy a car, it ultimately comes to that point. Or if we are going to sell something, it ultimately comes to the point, what is the transaction, if he can get up a balance sheet of figures.

The CHAIRMAN. Are you talking about approving without reservation? If we have reservations, it is a different thing.

Senator SYMINGTON. I am talking about approving it with reservations, but I would like to see the figures. I would like to see that balance sheet extrapolated.

The CHAIRMAN. That is going to be a rather difficult job. I thought everyone would agree, including the Senator from Tennessee, with the reservation, but without it we can't do it. But without it—what is your reaction?

HARD CHOICES

Mr. SURREY. This committee certainly puts one to hard choices, I must say.

The CHAIRMAN. We have got hard choices.

Mr. SURREY. I would say I would go ahead with the treaty and with the reservation, and with the reservation you do this. There is a technical exchange that has to be added so that Brazil can understand that this reservation would let them suspend their concessions in turn, otherwise it is unfair to Brazil and they would never agree to it.

But I would hope, Mr. Chairman, that you would give us an opportunity later on in this session to discuss with you whether the exchange of notes would be feasible if you think conditions have changed, because you will, with this reservation make it difficult for the U.S. to maintain its commercial position in Latin America.

The CHAIRMAN. You get a reaction maybe if we do this and certainly you are welcome to come and discuss it at any time.

Mr. SURREY. Because I do——

The CHAIRMAN. If conditions change, you certainly will bring it up again.

TECHNICAL CHANGE

Senator SPARKMAN. What is the technical change?

Mr. SURREY. The technical change would be to say that "Until such effective date," that is the date on which the investment credit becomes effective, "a suspension of the investment credit shall be deemed to be in effect within the meaning of paragraph 4 of Article 7 and paragraph 6(b) of Article 30."

That permits Brazil to, if it wants to, ratify the treaty, to ratify it and not have to give concessions to us that are linked with non-application of the investment credit.

The CHAIRMAN. That is only fair.

Mr. SURREY. It is fair and that will be the only way if ever they will agree to it.

CONSULTATION WITH THE COMMITTEE

The CHAIRMAN. We have so many other things that I think we can excuse Mr. Surrey now.

Is there anything else you want?

Then I believe the sense of the committee will be to do that and then see what happens and what their reaction is, and you can report back or if we do make progress in controlling our economy, of course, you can come back.

Senator GORE. Mr. Chairman, there is one other thing, Mr. Surrey was advised by this committee against negotiating such a treaty, and I would like to have some understanding we are not going to have 40 here and asked to attach the same reservation.

The CHAIRMAN. I don't think he is going to attach any more under present circumstances.

Mr. SURREY. Let me say, Mr. Chairman, for the record, I did not enter into this treaty without consultation with the chairman of this committee, and I want that to be clear. I did not without the express——

Senator GORE. I did not say consultation. You were advised by letter.

THAILAND TREATY

Mr. SURREY. No, sir, advised by letter by the chairman of this committee to see if I could work out a treaty with the kind of investment credit clause we had suggested as a reservation to the Thailand Treaty. That was the express instructions to me, Senator, "Go ahead and work that out in a treaty," and I can read the letter, if you care.

Senator GORE. I will take your description of it.

Mr. SURREY. It was under that instruction that we did exactly what the committee asked us to do. We worked out a reservation in accordance with the investment credit.

The CHAIRMAN. When was that done?

Mr. SURREY. That letter was sent July 1966 when you said that you did not want us to treat with the Thailand Treaty with a reservation, but you should go out and negotiate—August 9, 1966, where you said, "The proper procedure would be withdraw the Thai convention, renegotiate the investment credit convention and resubmit the treaty to the Senate."

I later talked with you and you said it was wrong to negotiate with Thailand. We should negotiate in a part of the world away

from the Far East where our direct interests were much greater, and a suggestion was made to get that kind of a clause with Brazil.

We got exactly the clause, the investment credit clause, that this committee asked us to do in the treaty.

The CHAIRMAN. The conditions are very different and the conditions are exactly the same as.

Senator GORE. Do we have a copy of the letter?

Mr. SURREY. Yes.

THE PHILIPPINE TREATY

Mr. SURREY. I hope you would approve the Philippine Treaty that is before you. That treaty does not have an investment credit with us.

The CHAIRMAN. With the reservation, "The Government of the United States of America does not accept Article 18 of the Convention relating to deductions for charitable contributions."

We have talked this over before. I understand it only makes it easier, but so far as I am concerned I don't want to make it easier. This whole matter, as I have talked to you about on other occasions about domestic charitable institutions has become a scandal, and we ought to do something about it. I think the Treasury ought to study it in much more detail as well as the Congress, and help the Congress, and I just don't think we ought to encourage the proliferation of these activities, either domestic or foreign, for that matter.

Mr. Patman, I thought, has brought forth some very interesting studies in this direction.

Mr. SURREY. I can understand it, Senator, but if I might just say, I really don't think that—

The CHAIRMAN. It is important.

Mr. SURREY. No, that that is involved. That is what I was trying to say.

I agree with you on the importance of foundations, and you know that, and I have always done that and tried to do something.

I don't think that is the issue here. I think the issue is more——

Senator SYMINGTON. Let me just say, Mr. Surrey, if you really think this treaty will help the United States, and you also really think it will help Brazil——

The CHAIRMAN. We are talking about the Philippines.

Senator SYMINGTON. If I can just get back to that, if that is true, I am thinking about this. Unless they want to gyp us, there shouldn't be any reason why—they are an undeveloped country, they want to see investments in their country. Why wouldn't they want that?

The CHAIRMAN. We have agreed on that, Senator. We have got to take action here.

Senator SPARKMAN. Mr. Chairman, the Senate is going in session in 12 minutes.

The CHAIRMAN. Let's excuse Mr. Surrey, and vote on this.

Senator HICKENLOOPER. We haven't got a quorum on it.

Senator GORE. Mr. Chairman, before we take any action, I suggest the committee go in executive session.

Mr. SURREY. If you will excuse me, I will be glad—I do want to say one word on the Philippine Treaty, Senator. And, again, these

treaties are hard to negotiate, and they are ticklish and there are face-saving problems involved in these reservations.

THE CHARITY CLAUSE

The point that you are concerned about is not concerned in that charity clause. That charity clause goes to another point, and it doesn't involve——

The CHAIRMAN. You told me and so did Mr. Woodworth they can do it now, but they can do it indirectly, this makes it easier. You told me that, the giving away of money for charitable purposes in the Philippines by American citizens, and they are tax deductible.

Mr. SURREY. If you are the kind of fellow who has an interest in the Philippine school or church and you can have that feeling, you are not a foundation type and you would just like to give a hundred dollars to them for something, this enables you to just write directly to that Philippine outfit.

Senator SYMINGTON. I feel a lot differently than I do about Brazil.

Senator SPARKMAN. Mr. Chairman, there are 11 minutes before the Senate goes into session, and if there is going to be any voting we had better get started.

IN THE BEST INTERESTS OF THE U.S.

Senator HICKENLOOPER. Mr. Chairman, the way I feel about this, we have had a good discussion of this treaty here with the few members who are here this morning, but I think it is too bad that the committee members are not here so they can hear it.

Personally, I am for this treaty. I think it is in the best interests of the United States and Brazil, and the international economy of this country. But I think there have been a lot, at least to me, there have been a lot of objections that have been dispelled this morning and explained, and so on, but we are dealing with some pretty important things here.

The CHAIRMAN. They are very important.

Senator HICKENLOOPER. Of course we have that trouble all the time, where five or six people pass officially on some of these.

The CHAIRMAN. Well, we had eight or nine here.

Senator HICKENLOOPER. I haven't yet wanted to raise the question of a quorum technically on the record.

The CHAIRMAN. If the Senator doesn't want us to vote I certainly can't force it.

Senator HICKENLOOPER. I am ready to vote, but I don't want to get couped.

The CHAIRMAN. We are not going to get many here. We can get them down.

Senator HICKENLOOPER. I don't know how a lot of people want to vote on this. I generally carry Frank Carlson's proxy, I carried it this morning. I don't know how he would vote as a result of this discussion. It is very difficult.

I have John Williams proxy over here, and I don't know how Cliff Case wants to vote.

Mr. MARCY. Case can come back.

Senator HICKENLOOPER. I have other things to do.

Senator SPARKMAN. I have to go to the floor.

The CHAIRMAN. Before you go, if you are not ready to vote——

Senator SPARKMAN. I am ready to vote. But I don't want us to stay after 12 o'clock.

Senator HICKENLOOPER. I am ready to vote subject to reconsideration by more members. I don't know how to frame it. I would like to get some finality to this and I don't want to delay it.

THE FRENCH TREATY

The CHAIRMAN. What about the French Treaty, there is apparently no objection.

Senator HICKENLOOPER. If that does the French any good, I am against it. [Laughter.]

THE BRAZILIAN TREATY

Senator SYMINGTON. Why don't we vote on the Brazilian situation.

The CHAIRMAN. Well, the Senator doesn't want it.

Senator HICKENLOOPER. I will vote on the Brazilian situation. It isn't not wanting to vote, but inadequacy of representation.

Senator SPARKMAN. Mr. Chairman, I move that we approve the Brazilian tax treaty with the reservation that is before us, striking out all after the word "Article" in the third to the last line, three lines from the bottom.

Senator AIKEN. Striking that out of what—the treaty or the reservation?

Senator SPARKMAN. Of the reservation. That is the thing we have been talking about and I just ask for a vote on it.

The CHAIRMAN. Do you want a roll call?

Senator WILLIAMS. John, could we have a vote first on the reservation out?

The CHAIRMAN. He wants first a vote.

Senator SPARKMAN. It seems to me we ought to take it this way first.

Senator WILLIAMS. Then we will be able to offer the rest of the language.

Senator SPARKMAN. And then offer the whole thing.

Senator WILLIAMS. The only difference is if that fails I would vote for your motion. I would rather vote for the other one. I want to have a crack at the other first.

Senator SPARKMAN. I don't care how it goes.

Senator GORE. Let's have a voice vote.

The CHAIRMAN. All in favor of the Senator from Alabama's motion say "aye."

Senator SPARKMAN. Aye.

Senator HICKENLOOPER. What are we voting on?

Senator SPARKMAN. You are against it.

Senator SYMINGTON. Why don't we have a record vote on this one here like it is.

The CHAIRMAN. We will have a record vote as soon as we have disposed of it.

All in favor of the Senator from Alabama's motion, say "aye."

Opposed, "no."

[Chorus of "no."]

The CHAIRMAN. The motion failed.

APPROVING THE TREATY WITH A RESERVATION

Now, the motion is to report it with the reservation as agreed.

Senator SPARKMAN. With the language proposed.

Senator HICKENLOOPER. No, I thought—you said I was against it. I was for the original motion.

Senator SPARKMAN. You were against mine.

Senator HICKENLOOPER. No, put the period after the word "Article."

The CHAIRMAN. I don't think you have the votes.

Senator WILLIAMS. I think if we have this other one first——

The CHAIRMAN. Let's have a roll call vote on the motion.

Senator GORE. If you are voting on John's motion, you are voting for a reservation that does not require ratification by the Senate.

Senator SPARKMAN. That is it is not written into the reservation but we will have those letters.

The CHAIRMAN. Exchange of notes.

Senator SPARKMAN. With a promise from the——

Senator HICKENLOOPER. In other words, with this reservation on it with a period before the word "Article" and the rest of it eliminated.

Senator SPARKMAN. Yes.

Senator HICKENLOOPER. That is what I understand.

Senator WILLIAMS. That is what we voted on.

The CHAIRMAN. We voted on it.

Senator HICKENLOOPER. I voted no because I thought it was the other way.

Senator AIKEN. Mr. Chairman, may I ask; is there a deadline on the approval of this treaty? Does it have to be done now? Could we get the advice of the next President without doing irreparable damage?

Senator WILLIAMS. Which one?

Senator AIKEN. Any of them, all of them.

The CHAIRMAN. Did you wish another one on the Senator from Alabama's motion?

Senator HICKENLOOPER. I am ready to vote. I voted incorrectly the last time because I didn't know what we were voting.

REQUIRES A TWO-THIRDS VOTE OF THE SENATE

The CHAIRMAN. Well, I wonder if we could vote on the reservation as Mr. Surrey outlined it, which is this plus that technical reservation. This, I think, would be better to have a roll call.

Senator AIKEN. This doesn't require any approval of the exchange of notes by the Congress.

Senator SPARKMAN. By the Senate.

The CHAIRMAN. The reservation discussed at length is the one prepared by the committee plus a technical addition that gives the Brazilians a similar right.

Senator AIKEN. This is practically approval of the treaty, isn't it?

Mr. MARCY. No, sir, Senator. The last phrase here, the reference to the Constitution of the United States, that is a reference to that provision in the Constitution which says treaties can come into effect only if approved by two-thirds of the Senate present and voting, so it makes it absolutely clear that there can be no change in

this investment tax credit without its being submitted back to the Senate and acted upon by the Senate in accordance with its treaty process.

Senator WILLIAMS. And the reservation he had would keep that provision, but extend similar provisions to Brazil. What reservation did Mr. Surrey mention?

Mr. MARCY. That is right; yes, sir.

Senator SPARKMAN. Before the change is made they have to have an exchange of notes with Brazil which the Senate must approve.

Senator AIKEN. But otherwise they get the 7½ percent and they have seven other treaties waiting.

The CHAIRMAN. They do not get it. This is a reservation that nobody gets it unless it is approved.

Senator SPARKMAN. It does not become effective until after such exchange of notes.

The CHAIRMAN. And approval of the Senate.

Senator AIKEN. Exchange notes and we wouldn't know about it.

Senator SPARKMAN. This has to be approved by the Senate.

Senator AIKEN. I thought you said you were striking out.

Senator SPARKMAN. We already voted that down. Now we are trying to take this as is.

TREATY REPORTED WITH A RESERVATION

Senator HICKENLOOPER. All right, let's vote.

The CHAIRMAN. Clerk, call the roll.

Mr. KUHL. Mr. Sparkman?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Mansfield?

The CHAIRMAN. Aye.

Mr. KUHL. Mr. Morse?

You have his proxy there, Mr. Chairman.

The CHAIRMAN. Aye.

Mr. KUHL. Mr. Gore?

Senator GORE. Aye.

Mr. KUHL. Mr. Lausche?

Mr. Church?

You have his proxy there, Mr. Chairman.

The CHAIRMAN. Aye.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Senator DODD. Aye.

Mr. KUHL. Mr. Clark?

The CHAIRMAN. Aye.

Mr. KUHL. Mr. Pell?

The CHAIRMAN. Aye.

Mr. KUHL. His letter on this, Mr. Chairman, says, "You have my proxy on all the items except the Brazilian Convention on which my vote will be cast in the negative."

The CHAIRMAN. No.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. I vote aye on the reservation.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. I will vote aye for Carlson.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. Aye.
Mr. KUHL. Mr. Mundt?
Mr. Case?
Mr. Cooper?
I think you have his proxy there, too, Mr. Chairman.
The CHAIRMAN. Nobody put his name on the list they gave me.
Mr. KUHL. Mr. Chairman?
The CHAIRMAN. Aye.
Mr. KUHL. On this vote, Mr. Chairman, we have 13 yeas and one nay.
The CHAIRMAN. May we have the right to poll the other members before we report it?
Without objection, then, with the reservation the treaty is reported favorably.

POSTPONING THE PHILIPPINE TREATY

Senator SPARKMAN. Mr. Chairman, I move we report the Philippine Treaty with the reservation.
The CHAIRMAN. You have heard the motion.
Mr. MARCY. Mr. Chairman, there is a charitable contribution there.
Senator SPARKMAN. I said with the reservation.
Senator SYMINGTON. Mr. Chairman, I would rather hear further discussion on the Philippine Treaty.
The CHAIRMAN. All right, we will defer it.
Senator SYMINGTON. I am very skeptical about the Philippine Treaty. They refused to let General Max Taylor's plane land and refused to contribute any combat troops to Vietnam.
Senator SPARKMAN. Mr. Chairman, I have to go, and I hope you gentlemen will let the Chairman exercise my proxy. I will leave it with you.
The CHAIRMAN. This has been a very frustrating morning.
Senator SPARKMAN. I would say very fruitful.
Senator SYMINGTON. I don't think so.
The CHAIRMAN. I wanted to ask you before you leave, we will have to postpone the Philippines.

THE ASIAN BANK

The CHAIRMAN. Mr. Black came down at great length, he is very disturbed and he has given me a letter here that he would like to urge us to approve the authorization for that Asian Bank but with a reservation, I guess you would call it, a qualification, provision, cutting down the amounts, in other words, to $25 million for any one year, and he even went so far verbally, if we wouldn't do that if we authorized the appropriation, if we didn't have any money, but his point is, in the letter is here, I won't ask you to act on it but I wanted to ask your reaction whether or not to pursue it, the point is he has these agreements from the others if some of them would put up some money he would like to match it, not the whole amount but he thinks if we do nothing on it all these others who

have agreed to contribute substantial amounts, as much as we have, they would just phase out, and——

Senator SYMINGTON. Is this soft loan?

The CHAIRMAN. Yes, for the Asian Bank, but his point is he can get along, he can keep the others in line without any money, or he would like a token amount for next year, because there is still lots of planning to be done.

He thinks it very important to be in shape to be taken up and get their contributions, especially if the war should be closed.

I think it is worthy of consideration. I just mention it now, don't ask you to act, but I will ask you to act next week, Monday or Tuesday. I think he makes a pretty good case. What he is really trying to do is keep them in agreement.

Senator SYMINGTON. When you say "them" who are you talking about? All these countries we are defending in Vietnam at $2½ billion a month?

The CHAIRMAN. No, the Japanese and these others who have agreed for this program for the development and so on. This is really looking toward the time after the war is over.

Senator SYMINGTON. I think you are talking a very effective argument you made as against the financial situation of the United States.

The CHAIRMAN. That is why we cut down, we refused to go forward with his proposal. What he is in effect doing is to try to preserve the idea and the agreements without giving them any money.

Senator SYMINGTON. You see, we put up a billion in 1965 and of that they have put out in loans $5 million was the last I heard.

The CHAIRMAN. This is all in the future. He isn't asking us, but the point of his whole letter is pending the improvement of our situation, he doesn't want any money, he wants the authorization so that he has something to talk to the Japanese about so they won't all back out, too.

Senator SYMINGTON. Can we get a memorandum from Marcy on it?

The CHAIRMAN. I have a letter from him and a letter from Black.

CORRECT DEFICIENCIES IN THE BILL

Senator GORE. Mr. Chairman, Secretary Barr, if I recall correctly, when he was last before the committee, agreed to send a rewrite of the bill to correct the deficiencies of the bill. I would want to see those before we authorize anything. Mr. Black is not an official of the U.S. government or of the Bank, and——

The CHAIRMAN. What he is proposing is a drastic revision of what they proposed before, with the idea of getting an authorization with no appropriation until such time as we are in condition.

Senator GORE. An authorization obligates you to appropriate. That is the trouble.

The CHAIRMAN. No, it is putting in a provision in it, you see, providing, for example, this is a suggested provision that you add at the end, provided, however, that no more than $25 million shall be appropriated in any one year until such time as the President declares a settlement of the war in Vietnam, assuring a progress of and rapid withdrawal of U.S. military land forces in the territories of Southeast Asia.

JAPANESE SUPPORT FOR THE BANK

Senator SYMINGTON. How much have the Japanese put in?

The CHAIRMAN. I can't remember.

Mr. HENDERSON. Originally?

The CHAIRMAN. In this special fund.

Mr. HENDERSON. Well, they haven't put it up yet. They are talking now about it.

Senator SYMINGTON. How much?

Mr. HENDERSON. But they are talking in terms of a hundred million was the last I heard as against our two hundred million.

Senator GORE. I want to rewrite that bill before I authorize anything.

The CHAIRMAN. Okay.

Senator SYMINGTON. You see my feeling, don't leave, just let me present this to you. We went out on this deal, and I told him at that time, "You will never get a soft loan window through the Senate on this bank." We have enough of it on IDA and another thing down the road and they didn't have any soft window. It was discussed and not put in. We put up a billion bucks. As of the first of January they hadn't lent one cent of that billion dollars. Now I understand they have lent five million.

Senator GORE. One loan.

Senator SYMINGTON. The Japs—five million of a billion. Then the Japs have no military establishment. It is in their constitution, they are trying to evade it. At the same time, they are beating hell out of our sailors where we have a nuclear submarine. We are defending them, if there is any right for us to be in Vietnam, we are defending the Filipinos and the Japanese much more than ourselves. Now, they come in—and haven't lent anything, now they come in—and say, "We just want to put our little tiny foot in the tent."

Senator GORE. In the soft loan tent.

Senator SYMINGTON. In the soft loan tent, and I am just bitterly opposed to it in principle. I just can't see it. I am willing to sit down with Gene and there is nobody in the world I admire more or have respect for, but I don't think this is right. We have got to look out or we are going busted and we have gotten in this habit.

AN INDICTMENT OF FOREIGN AID

I think the most serious indictment of foreign aid I have ever read in my life are the pages around 220-something to 235, in George Ball's new book, "The Discipline of Power." [1]

Have you got a copy of that book?

The CHAIRMAN. Yes.

Senator SYMINGTON. If you read there about how we are supporting those cows in India and how we have got a total false concept of what it needs to develop a country and how, and he uses the word eternally maybe, I mean it is a devastating attack, the most I ever read on foreign aid from a liberal and a fellow who is very sympathetic with the world, and I just can't see it and I don't see any difference in foreign aid and a soft loan, I have just ever

[1] George W. Ball, *The Discipline of Power: Essentials of a Modern World Power* (Boston: Little, Brown, 1968).

seen it. And here we are spending this kind of money, breaking the American taxpayer, breaking the country in this silly stupid war and at the same time, these people aren't putting up anything.

The CHAIRMAN. Of course what the Senator says about the war and the bilateral foreign aid, I agree with. There is a genuine effort on the part of Black and others to shift this into the area where we can get substantial amounts from these other countries, you say we put up a billion, even in the original.

Senator SYMINGTON. A billion was put up, we put up $200 million, Japan put up $200 million, Asia put up $300 million, and Europe put up $300 million, that is where it came from. At the same time, they say, "Stick around, boys, we will get our soft loan window."

The CHAIRMAN. I think unless we take a position after the war we are not going to do anything at all. I think the best thing we can do, if we do anything, and I think we can do something, is in the line of this kind of multilateral organization that we set up in the Asian International Bank, the same as IDA.

We won't do anything more today.

[Whereupon, at 12:10 p.m., the committee recessed, subject to call of the chair.]

# TAX CONVENTIONS

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**Monday, May 27, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice at 10:20 a.m., in room S–116, the Capitol, Senator J. William Fulbright, (chairman) presiding.

Present: Chairman Fulbright and Senators Sparkman, Gore, Symington, Pell, Hickenlooper, Aiken, Williams, Mundt, and Case.

Also present: Mr. Marcy, Mr. Kuhl, and Mr. Henderson of the committee staff.

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The CHAIRMAN. The committee will come to order.

We have got a French Treaty and a convention with the Philippines. We discussed it at some length before.

On the convention with France, I don't recall that there was any particular point, other than the extension of the Convention to overseas territory, wasn't that the only point raised? Do you have any comment on that, Mr. Woodworth?

## STATEMENT OF L. N. WOODWORTH, CHIEF OF STAFF, JOINT COMMITTEE ON UNILATERAL REVENUE TAXATION

Mr. WOODWORTH. Well, the reservation, as I understand it would go beyond the overseas territories, and would include this provision which you have in that treaty which permits subsequent changes in the treaties by notes as changes are made in the tax laws.

I think your reservation, as modified, is drawn so that it would include going back to the Senate whenever you have those modifications as well as the territorial adjustment.

The CHAIRMAN. Extension?

Mr. WOODWORTH. Yes.

The CHAIRMAN. The language "and the adjustment in the provisions of this convention referred to in Article 30(3) shall become effective for the United States only in accordance with the procedures set forth in Article II, Section 2."

Mr. WOODWORTH. Yes.

The CHAIRMAN. That would mean any substantive change in the provisions in addition to extension would come back for approval of the Senate, is that correct?

Mr. WOODWORTH. That is correct.

I had just one other point on the French treaty that I thought you might want to make a comment on in the committee report itself.

The French treaty goes further than any other treaty on the question of collection of taxes, that is of aiding, each country aiding, the other in the collection of taxes.

Now, this is not new because France, the old French treaty included that, but we pave never included one that went that far in any other treaty. It occurred to me that you might want to put just a comment in the committee report to the effect that this was included since the old treaty had a provision of this type, but that it should not be considered a precedent for other treaties.

EXPATRIATE AMERICANS IN FRANCE

The CHAIRMAN. May I ask you if you lived up, if both sides lived up, to this we would probably benefit more than they because there are more expatriate rich Americans in France than there are here, vice versa, aren't there?

Mr. WOODWORTH. I think that is true.

The CHAIRMAN. But this collection procedure is limited, is it not, to the collection just of reduced rate tax, isn't that correct?

Mr. WOODWORTH. That is the pattern. But this treaty would—the United States would aid France in collecting any French tax, income tax, and vice versa, but I think you are correct, that there are more——

The CHAIRMAN. I mean by a Frenchman living here or by investments.

Mr. WOODWORTH. Yes.

The CHAIRMAN. I would guess there are far more Frenchmen having investments here than the other way around.

Mr. WOODWORTH. Yes, sir.

I am not raising objection against the revision but I am suggesting that you might want to put something in the report that that should not necessarily be viewed as a precedent for providing a similar provision in other treaties.

The CHAIRMAN. You see no objection to it?

Mr. WOODWORTH. No.

The CHAIRMAN. To this provision about aiding one another in the collection of taxes?

Senator SPARKMAN. Oh, yes.

The CHAIRMAN. And you see no objection to this reservation?

Mr. WOODWORTH. No.

Senator SPARKMAN. Mr. Chairman, hadn't we virtually agreed to this the other day?

The CHAIRMAN. Yes, but we sort of got lost.

Senator SPARKMAN. If it is in order I move we approve it.

The CHAIRMAN. Is there any discussion? Bourke, Larry says this covers both the extension to the territories and any change, substantive change, has to be approved by the Senate. He thinks that covers it.

Well, without objection, the motion to incorporate the reservation is approved.

APPROVE THE FRENCH TREATY

Senator SPARKMAN. I move that we approve it——

The CHAIRMAN. I thought you had another one.

Senator SPARKMAN. No, it is in that.

Senator HICKENLOOPER. How about the Brazil one? What did we do with that?

The CHAIRMAN. We voted it the last time with the reservation.

Senator SPARKMAN. I move we approve the French treaty with the reservation.

The CHAIRMAN. As I understood it it was kind of an updating on the number of protocols.

Mr. WOODWORTH. Yes.

The CHAIRMAN. The Senator from Alabama has made a motion to approve the French treaty with this, which Mr. Woodworth says he approves of and everybody approves, and it incorporates, I think, everything we were discussing the other day.

Senator GORE. I second it.

The CHAIRMAN. All in favor of the motion say, "aye."

[Chorus of "ayes."]

The CHAIRMAN.Opposed, "no."

The "ayes" have it.

RESERVATIONS TO THE PHILLIPINE TREATY

The CHAIRMAN. Now, on the Philippines, we discussed this at considerable length. The proposed reservation is not very significant, it is primarily intended simply to give a warning that the expansion of these charitable contributions abroad, we look with a dim view on them. The testimony has made it fairly clear that they can do this without the provisions in the treaty. It is already in the law, that is they can make these contributions, but it is a little more difficult and a little unhandy. This way it makes it easier.

Senator SYMINGTON. Who can make it?

The CHAIRMAN. American citizens.

Mr. WOODWORTH. Can make a contribution to the Philippines and not pay a tax on it.

The CHAIRMAN. It is a tax deductible—it is already that way.

Senator HICKENLOOPER. It is the same thing with Israel, we do it with Israel.

The CHAIRMAN. They do it. But this provision in this treaty, the testimony I think of Mr. Woodworth and Mr. Surrey is we can do it, Americans can, but all this does is make it easier, isn't that correct?

Mr. WOODWORTH. That is correct.

You can do it indirectly.

Senator SYMINGTON. Why should we do it?

A TAX EVADING SCHEME

The CHAIRMAN. This is already in the law. This is a matter for the Finance Committee actually not for us. But the question is are we going in a treaty to make it easier for the, and I said in a treaty no, and we propose this amendment.

Senator HICKENLOOPER. I thought you said this makes it easier.

The CHAIRMAN. This makes it easier. The convention makes it easier. I think these things domestically have become a scandal. They have become a tax evading scheme.

Senator HICKENLOOPER. I agree with that. I think we ought to go further.

The CHAIRMAN. But that is the Finance Committee. I don't think we ought to lend our good graces to expansion of making this easier abroad.

Senator SYMINGTON. What does Article 18 say?

The CHAIRMAN. What does it say, Mr. Woodworth?

Mr. Woodworth. It says you can have a charitable contribution for a deduction to a Philippine charitable organization, if that organization meets the requirements of our Internal Revenue code for tax exemption.

The CHAIRMAN. Which are nil almost. They are very vague.

Senator SPARKMAN. Mr. Chairman, I move that we adopt the reservation, and then approve the Philippine treaty.

The CHAIRMAN. You have heard the motion. Is there any discussion. All in favor of the motion say "aye."

[Chorus of "ayes."]

The CHAIRMAN. Opposed, "no."

[No response.]

The CHAIRMAN. The "ayes" have it.

A SIMPLE RESERVATION

Senator GORE. Mr. Chairman, I wondered the other day if we made a mistake in the way we handled the reservation on the investment credit in the treaty with Brazil. Why didn't we make a simple reservation like this to that treaty instead of this? Larry, what was this technical language that the Secretary suggested?

Mr. WOODWORTH. Well, the way you have done it on the investment credit is you have in effect deferred that to future consideration of this committee, that is the way I understand it.

The CHAIRMAN. And the Senate.

Mr. WOODWORTH. And you can either at some future date, you can decide to allow an investment credit or not allow one.

Now, the way you have done this in effect is you have given in effect your final answer and said there won't be charitable contribution discussions of this type period.

Now, you could have done it either way.

TECHNICAL LANGUAGE

Senator GORE. What was this technical language that the Secretary suggested?

Mr. WOODWORTH. Oh, that, that language went to this point. Brazil had indicated that if we were to suspend the investment credit that some of the concessions that they made in rates they were unwilling to make. If we had just reserved on the investment credit it wouldn't have been clear that those concessions which they agreed to only in view of getting the investment credit would have been operative, and that language, that technical language, which you agreed to simply said that the investment credit was to be suspended until such time as this committee saw fit to make it otherwise with respect to the Brazilian treaty.

Senator SPARKMAN. Not this committee.

The CHAIRMAN. The Senate.

Mr. WOODWORTH. This committee and the Senate, yes.

Senator GORE. I am afraid I was slow that day, in fact I know I was.

The CHAIRMAN. You weren't at all slow.

Senator GORE. I mean to reject it. This technical language I didn't know we were suspending anything, we simply weren't approving it.

Mr. WOODWORTH. That is correct.

By treating it as if it were suspended and requiring them to come back to this committee and to the Senate in order to remove the suspension as far as the practical effect is concerned it is exactly the same as if you didn't approve it in the first place.

Senator GORE. Well, the practical effect is, the only difference is, that we sort of invite them to come back. But I approve it.

The CHAIRMAN. I don't think you invite them. It is very clear that you are rejecting it. It is already in the treaty, and what we are saying is it is not effective. It never goes into effect. You don't really suspend it because it never goes into effect.

Mr. WOODWORTH. Right.

It never goes into effect until such time as this committee and the Senate decide to the contrary.

The CHAIRMAN. It is the equivalent of a new protocol in which we extend it, that is the effect of it.

Mr. WOODWORTH. But doing it this way you do enable Brazil to put into effect—well, to remove the concessions that it was willing to make only——

The CHAIRMAN. Which were tied to this.

Mr. WOODWORTH. Which were tied to this.

HURTING BRAZIL

Senator AIKEN. Mr. Chairman, do I understand from that that Brazil is threatening to finance their own operations if we don't give this credit to our own investors?

The CHAIRMAN. They just do not get it.

Senator AIKEN. It seems to me if they do that in effect they would be hurting Brazil a lot more than they would be hurting us.

Mr. WOODWORTH. They simply are not going to give the reduced rates, withholding rates, on American investments down there until such time as this goes into effect, if it every does.

Senator AIKEN. Maybe they know where to get the money, but I don't know where we are going to get it.

The CHAIRMAN. Gentlemen, I wonder if we can pass on to S. 3432, a bill to provide for U.S. participation in the International Monetary Fund facility based on special drawing rates?

PHILIPPINE TREATY WOULD NOT SET PRECEDENTS

Mr. WOODWORTH. Could I make one comment before you leave the Philippines treaty?

The CHAIRMAN. Yes.

Mr. WOODWORTH. In the Philippine Treaty under the permanent establishment rule they carry that further than they do in any other treaty, and the Treasury has said that they would not con-

sider this as a precedent in other treaties, and I thought that some indication of the fact that should be indicated in the committee report.

Senator AIKEN. You mean that is in regard to the Brazilian?

Mr. WOODWORTH. No, just the Philippines.

The CHAIRMAN. Philippines.

Senator AIKEN. Philippines.

The CHAIRMAN. Just what is a permanent establishment?

Mr. WOOODWORTH. Yes, that is correct. It is a broader definition under the Philippine Treaty than it is under any other treaty, and they have indicated that they will not use this as a precedent in other treaties, and I thought that—I know industry is concerned about that. They don't object to it in the Philippine treaty if it isn't used as a precedent elsewhere.

The CHAIRMAN. You want us to be sure to emphasize that in the report?

Mr. WOODWORTH. That is right.

RELATION TO VIETNAM WAR

Senator SYMINGTON. I want to make a comment on that treaty too, as long as we are on the subject and I am glad to make it part of the record.

People I trust, with great experience, who don't happen to be members of my party, but whom I respect completely say of all the countries that are giving us the back of their hands in this Vietnamese situation the Filippinos are number one, and they are getting rich as Croesus as a result of the war. We are losing a half a thousand American boys a week. This entire operation is right next to their doorstep. They would be gobbled up in no time if it wasn't for our protection and, at the same time, they stipulate that not a single combat soldier should go to Vietnam from the Philippines, and the President of the Philippines even refused to see the emissaries of the President of the United States. I think, I would like to go on record that this situation if it doesn't change it is going to be very difficult for me to do anything as far as my representation of the people of Missouri are concerned that will enhance the well being of the Philippines.

Of all the countries that have really laid down on us, if it is proper for us to be in the Far East, that is another story by itself, but I put the Philippine Islands as number one.

Thank you, Mr. Chairman, for letting me state my position on the record.

INTERNATIONAL MONETARY FUND

The CHAIRMAN. On this International Monetary Fund facility, Mr. Woodworth, aren't you an expert on SDR's?

Mr. WOODWORTH. No, I am afraid I am not.

The CHAIRMAN. Well, thank you very much for your help. I thought maybe you were going to ease us through all of these.

Thank you very much.

Senator AIKEN. Mr. Chairman, is the purpose of this to enable us to take back the money we have put into these various banks?

The CHAIRMAN. No, the purpose is to try to get around, stop the drain of our gold and to use something besides gold in international payments. Who wants to explain it again? We had it once.

Don, are you the expert on this?

Mr. HENDERSON. Don, I can say a few words on it. We have an expert outside on the Treasury who can answer any questions on it. The simple explanation I believe if there is such a thing is that it does create an alternative reserve, form of reserves, alternatives to gold or to dollars or pounds, or whatever other currency might be used.

The staff memorandum indicates, well, it has on the second page down below, Schweitzer, the managing director of the IMF's concrete explanation of how this would work. This has been used again and again. But it is so complicated that they prefer to trust the managing director to explain the concretes of this.

As far as the creation is concerned, this has to be, has to go really through three stages: One, the Board of Governors have to vote, as a matter of fact, by the end of this month, to accept this. Then we have already voted in favor of this. This doesn't bind the countries, but it is a preliminary. And then there has to be an acceptance by 60 percent of the countries having 80 percent of the quotas, and there also has to be a vote by 75 percent of the weighted votes which would establish an arrangement for participation, which means that countries would have to make known their commitments and obligations.

Now, this whole process at a minimum is going to take to at least the end of .this year, probably into 1968. Even then when it is all set up, it is going to take the termination of a long process begun by the managing director of the IMF, which will—he will start determination of whether such special drawing rights should, in fact, be created and allocated.

This acceptance of the recommendation of the IMF director has to be, will have to be, made by 85 percent of the votes of the participating countries.

So this is the beginning of what is considered a rather long trail.

A LIQUIDITY MEASURE

I should stress, I think, here, this is not another balance of payments measure per se. It is not designed to help the balance of payments of any one country including the United States. It will have some effect this way, it is believed. But really it is a liquidity measure as distinct from a balance of payments recommendation measure.

I think beyond saying those few words, I think the illustrations starting on page, at the bottom of page 2 of the staff memo, if they were read, I think that is about as simplistic an explanation, I am afraid, as I can achieve.

The CHAIRMAN. Any questions about it?

Mr. WOODWORTH. I would say, Senator——

APPLIED AGAINST THE PRICE OF VIETNAM

Senator SYMINGTON. Mr. Chairman, I would like to make one suggestion, if I may and that is first that we approve it, but that we also in the report point out that this is not a cure-all, it is just

a palliative, and that, at least one short paragraph that, this is not going to solve the problem, it is just going to be a palliative and we have to get our financial house in order or we are going to wreck the integrity of our currency. I would hope something Mr. Henderson draws up along those lines and meets with your approval and that of the committee is inserted.

The CHAIRMAN. I would be very much in favor of such statement.

Senator SYMINGTON. If you wanted to specifically apply it against the price of the Vietnamese War, for example, that would be entirely satisfactory to me, and I think it might be constructive.

The CHAIRMAN. I do, too.

Senator AIKEN. Will this enable us to borrow back some of our earlier contributions?

Mr. HENDERSON. Senator, in the IMP we have already an existing quota of over $5 billion which we have drawn down. We do draw down on various occasions. I think we have drawings outstanding of $1.8 billion.

Senator AIKEN. How do we repay it?

Mr. HENDERSON. We reconstitute them when we put back in our dollars. What we try to do is keep the quota as even-balance.

Senator AIKEN. I see. The way France and England have repaid us?

Mr. HENDERSON. No, sir, they try to reconstitute their own quotas, too.

The CHAIRMAN. Any further questions?

PRICE IN GOLD

Senator HICKENLOOPER. I would like to ask about the paragraph at the bottom of page 1 of this fact sheet here. It says: "The nature of SDR's. SDR's will be deposit entries on the books of IMF for use in transactions among governments and central banks. They will be denominated in units of count equivalent to gold value of the dollar."

Will a deposit entry unit, will that be on the basis of $35 for one fine ounce of gold?

Mr. HENDERSON. Yes, sir, it would be, it would be the standard price.

Senator HICKENLOOPER. It will not be the open market price?

Mr. HENDERSON. No, sir.

It would be the official price maintained in the IMF.

Senator HICKENLOOPER. I see. Thank you.

The CHAIRMAN. Any other questions?

The Senator from Missouri moves it be approved.

Senator SPARKMAN. I second the motion.

The CHAIRMAN. All in favor of the motion say "aye."

[Chorus of "ayes."]

The CHAIRMAN. Opposed, "no."

[No response.]

The CHAIRMAN. The ayes have it, and the motion is carried.

Now, the next——

THE WORLD GOLD SITUATION

Senator SPARKMAN. Mr. Chairman, before we move away from this subject, just a point of interest of either in yesterday's Wash-

ington Post or in the Christian Science Monitor of Saturday, I don't know which, there was a very interesting article on the world gold situation, and there is one startling statistic in it to me, and that is that commercial uses now use all of the, practically all of the, I wish I had the figures before me, I believe it is, all of the supply of Western gold, the supply of Western gold, except, I think, it was 200 tons a year, and I think the time is coming, I don't know how far off——

Senator HICKENLOOPER. You mean in the arts, jewelry and thinks like that?

Senator SPARKMAN. Yes.

When the commercial supply is going to use up the gold in this country and we ought not to have any illusory thoughts regarding that. It may be over a good many years.

Senator SYMINGTON. There is only one thing about that, but I am not sure. I think I saw that article. I think it includes the private hoarders.

Senator SPARKMAN. I don't believe it did. I believe it treated them separately. I will be back and read it. I just happened to think of it. But it dealt with the private hoarders.

Senator SYMINGTON. For many years there has been no additional gold, this I find out in Laos. The two countries that trade commercially in gold as part of their income, one is Laos and one is the little Portuguese——

The CHAIRMAN. Macao.

Senator SYMINGTON. Macao. And gold was selling in Laos a year ago last January at $54 an ounce as against a $35 an ounce, and I was told in India it is over $80 a ton. It is run by the Chinese in Laos. For many years, according to our people, there have been no additions to government stocks of gold primarily because of the hoarders and it was rather interesting to me when I asked which country was the greatest hoarder, they said they weren't sure whether it was Switzerland or India, and our ambassador to Laos told me that he had visited in India and a very rich Indian, where we put over $6 billion in foreign aid, said "I want to show you my wine cellar" when he went down in the wine cellar instead of having bottles in these little places he had little bars of gold which he pointed to with great pride so I think that also is something, because as you know gold hit $42.80 last week.

THE JEWELRY CAPITAL OF AFRICA

Senator PELL. I would like to speak to that point too, because my capital city is the jewelry capital of America, and half the jewelry in the United States is manufactured in Rhode Island and we are running out of it up there, the price is going up and we are having a terrible time in order to meet forward orders.

Senator SYMINGTON. There is no reason why you should run out of it because you under the two price system could pay whatever is necessary.

Senator PELL. But it is a hazard.

Senator SYMINGTON. But people in France, India, and Switzerland are willing to pay $42.80 and I presume your people will be too, if they want to stay in the business of jewelry.

Senator PELL. That is right, except they don't want to sell it.

Senator SPARKMAN. This article did treat of hoarders and speculators and had this interesting comment.

Senator SYMINGTON. A hoarder is automatically a speculator.

Senator SPARKMAN. As the price of gold goes up there will be a tendency of people to take a short-term profit and to put it back into circulation.

Senator HICKENLOOPER. What about South Africa, South Africa is holding up its gold. It is not bleeding it into——

Senator SPARKMAN. The central governments are not buying.

Senator SYMINGTON. South Africa is not selling.

Senator HICKENLOOPER. I don't blame them a bit, the way they are being treated by the rest of the world.

ASIAN DEVELOPMENT BANK

The CHAIRMAN. Gentlemen, let's get on to the next item, we will never solve that problem. I wonder if we couldn't—Mr. Black was in—item 5, 2479, a bill to authorize $200,000,000 for U.S. contribution to Asian Development Bank.

The CHAIRMAN. Now, Mr. Black has been down and he comes about once a week and he wrote me a letter which, have you got copies of it?

Mr. MARCY. No, sir.

The CHAIRMAN. You ought to have copies.

Senator SPARKMAN. You tell us.

The CHAIRMAN. If the basis for this special provision—you have, look at your staff memo on it, and he has come forward with a proposal, I told him I didn't think we could get the original proposal through the committee, I told him that the last time he was down here, but he is so keen about getting for the future, retaining the agreement of the other countries, especially Japan and a number of others, but Japan is a big one, tied into this for the future after the war is over, and the provision that is significant is right at the bottom of page 2, which reads: "Provided, however, that no more than $25 million shall be appropriated in any one year until such time as the President declares a settlement of war in Vietnam assuring a progressive and rapid withdrawal of U.S. military land forces from the territory of Southeast Asia." In other words, what he is in effect doing is trimming down the request for an appropriation in the coming year which would have been $50 million, to $25, and his objective is to keep in being the agreement which he negotiated with these other participants in the Asian Bank for this fund.

REBUILDING THE MEKONG VALLEY

He thinks it is very important to keep Japan and the others in a position having agreed to participate in the redevelopment of Southeast Asia and I would assume this would involve considerable reconstruction if and when the war is over in that whole Mekong Valley, and other places, but if you will recall his testimony, he emphasized the regional developments of agriculture and educational communications, they were the three major categories which this fund is supposed to deal with. Normal times, I don't believe there would be any objection to this whole program, the whole thing is, I told him, I said as long as the war is going on I don't think you

can do anything in this. But when the war is over there will be great pressure and I think justifiably for us to participate in the rebuilding of this area.

It think it is a reasonable proposal to keep this authorization in being so that the whole thing doesn't collapse. He believes if we don't do anything, pass no authorization that the whole agreement would collapse and they would be all for naught and nobody would be obligated to do anything.

Senator AIKEN. Mr. Chairman, why don't we change that $25 million to $10 million because we haven't got $25 million, we haven't got $10 million either, but people still think we have.

The CHAIRMAN. Well, the $25 wouldn't run the war over five minutes.

Senator GORE. Mr. Chairman, I want to have a thing to say about this.

Senator AIKEN. It could run it about 8 hours.

Senator WILLIAMS. The question that puzzles me is this would be dependent upon the settlements of Vietnam. It doesn't recognize there isn't a war and how are you going to determine that which doesn't exist?

The CHAIRMAN. Whether he recognizes or not it does exist.

Senator WILLIAMS. Seriously at just what point does this war which doesn't exist stop?

Senator SYMINGTON. It is going to stop like it did in Europe while you still have got a million people.

A REASONABLE MODIFICATION

The CHAIRMAN. Anyway, I think we ought to have a vote on it. I promised him I would bring it up. He wants to get rid of his obligation, you know. He has a very legitimate reason in asking us to make some decision. Whatever the committee wishes to do, it is entirely up to the committee. I think it is a reasonable modification of his original proposal.

Senator GORE. I don't think it is reasonable at all.

Senator SYMINGTON. Neither do I.

The CHAIRMAN. All right.

What do you think?

Senator GORE. I don't think it is reasonable at all. The whole request is entirely unreasonable. It is entirely premature. There is no agreement. If you want to go into it, I am prepared to go into it, but to begin with, there is no agreement between the United States Government and the Bank. This is a proposal that comes from a man who is not even an official of the U.S. Government, who has no authority to make an agreement and it proposes to turn over to a group of Asian politicians a vast amount of money and the United States has a very minority vote on the board.

The last time they were here, Secretary Barr agreed to submit certain, I am trying to find it here, as I recall it, he agreed to submit some perfecting amendments to the bill that they had sent up and we haven't got that yet.

Carl, where is that particular statement on the part of——

The CHAIRMAN. I think, Albert, you overstate the case. Mr. Black is not an interloper here. He was requested to do this, to create the Bank by the President. He is a special representative of the Presi-

dent, and I think Senator Symington went out with Mr. Black, didn't you, Stuart?

Senator SYMINGTON. That is right, Mr. Chairman.

But let me support——

The CHAIRMAN. Do you call him not, having no authority, whatever in this field?

A SUBTERFUGE OF SOFT MONEY

Senator SYMINGTON. No, I would say of all the bankers in the world Gene Black has probably the highest standing. I watched him in conjunction with another member of this committee, who was not on it then, but is on it now, Senator Cooper, do a masterful job in setting this Bank up. Perhaps the most masterful job that he did was in preventing the other members of the Bank from throwing out the British, because they wanted to come in with $10 million, I think it was, whereas we were coming in with $200 million and the Japanese with $200 million.

They said "let's get him out entirely." But they worked that out, and the British increased their commitment.

At that time, however, in support of the Senator from Tennessee's position, I pointed out to him the gigantic amount of money that was being siphoned out of the American economy for foreign countries through this new subterfuge, to me subterfuge, of soft loans, and said to him at that time "If you put in a soft loan I will not support this Bank. If you don't put in a soft loan window I will support anything that you think is right because of your knowledge and experience in this field." A soft loan window was discussed in Bangkok before we went to Manila where the Bank was consummated and also in Manila, and it was rejected at that time, it was not put in. Since that time although we put up and agreed to put up in December 1965 a billion dollars, up until the first of this year not one penny of that money had been loaned, even though there must have been a great deal of administrative expense incident to making it possible for it to be loaned.

I understand that now a loan of $5 million of that billion has been made. It is my considered opinion that these countries have now gotten themselves into a position where they simply wait when any hard loan talk comes up until the old United States softens up to give them a soft loan.

OUR OWN PROBLEMS OF POVERTY

In conclusion, let me recommend to those of you who have not done so to read the new book of George Ball who had a catbird seat as Under Secretary of State.[1] He was longer in our history in that office than anybody except Sumner Welles, and if I have ever read a more completely damning criticism in our foreign aid program in these recent years, not in the Marshall Plan or the Truman Doctrine days, but in, say, the last decade, in the last, well, in the years that he was involved, it is right there in that book, and all this is additional foreign aid.

[1] George W. Ball, *The Discipline of Power: Essentials of a Modern World Structure* (Boston: Little, Brown, (1968).

I say with great respect, Mr. Chairman, nobody has more respect for Gene Black or more affection than I have, but I don't think this underlying clause means anything net. If they want to put some money up why don't we put some boards for some kind of a boardwalk, at least, even if it isn't a floor, to Resurrection City a few minutes from the Capitol where we have our own problems of poverty.

I don't just think that the American people are going to want to continue to put this type and character of aid out to these foreign countries, and this book of George Ball's is absolutely devastating in this regard as to what we have done, for example, in India as against what we plan to do. So I completely support the position of the Senator from Tennessee.

The CHAIRMAN. That book, if I may say, discusses the bilateral foreign aid program, not the Asian Bank or even the International Bank. It is not related to those.

Senator SYMINGTON. I know, there has been a twist in the situation. You milk the cow on one side so long that there just wasn't any milk left so now they are going to milk it on the other side which is to let the foreign people have more of a say in the contributions as against our State Department. Without coming to the defense of our State Department, I think it is a lot better State Department than some of the others I have seen in these foreign countries. I think this is just another tap on the American taxpayers.

Senator GORE. Of course it is, and in a most unjustifiable manner.

BLANK STATEMENTS

Mr. Chairman, let me go a minute further about Mr. Black. I share with all of you your high regard of him. He is retired. He is only a dollar a year adviser. He is neither an official of the Bank nor of the United States Government. He has great prestige and that is why they use him for this purpose, and they bring us a bill to which I call your attention. The first two pages of it are just a stump speech. It is the sense of the Congress that the President should do so and so. It doesn't say he must do so, he shall do so and so. Let me read it to you:

> Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that it is the sense of the Congress that (a) the United States national interests would be served by an expanded cooperation in a multilateral effort for the acceleration of economic and social progress of the developing nations of Asia and that this is important achievement of peace and stability in that region.

What does that mean? Nothing.

> (b) such progress can best be advanced by the continued cooperation of regional other interested countries;" So what?
>
> (c) the Asian Development Bank, established as a result of Asian initiative, is well designed to formulate and execute cooperative programs will promote regional development.

What does that mean? Just a blank statement.

Senator SYMINGTON. If the Senator would yield there are other programs on which we are on a straight bilateral or unilateral basis like this Mekong River Development.

Senator GORE. Yes.

(d) the United States should participate with other interested contributing countries in financing through special funds of the Asian Development Bank regional programs in areas such as agriculture, transportation, et cetera—should.

(e) in participating in such activities of the Bank, the President should insure that the contribution of the United States represents a minority of the total contributions ofall contributing countries.

It doesn't say that the other countries shall contribute as much or more than we do. It just says the President should insure that—should. "That it is used in a manner designed to safeguard the balance of payments of the United States." Should do that. What meaning does that have in law? Absolutely nothing. This is window dressing, a stump speech, to lead us on to giving to this Bank on which we have a minority vote, $200 million for soft loans some place in Asia for purposes we don't even know about.

A LEAP IN THE DARK

The CHAIRMAN. He described the purposes in considerable detail in his statement.

Senator GORE. Oh, no, he did not. I beg your pardon, Mr. Chairman. He didn't know what it was going to be used for. The Bank hasn't determined it and he doesn't have authority to determine it. A majority vote of the Bank board does that on which we have, I believe it is 17½ percent influence. He couldn't assure us, he couldn't tell us. He doesn't know. It hasn't been determined and he is not even a member of the Board, not even an official of the Bank. If I ever saw a leap in the dark with the people's money this is it, and if you want to take this to the floor I will tell you right now I am ready on this one. I never saw such a profligate, improvident use of the taxpayers' money as this which is proposed.

Senator HICKENLOOPER. Well, I could point out a few instances other than this which are pretty profligate.

Senator GORE. Well, there are some others. I know of none so bad as this, so indefinite, so premature, so uncertain. They promised to bring us here, I just read it, they promised to bring us here amendments tightening up this law, but they are not here. All they come for is a reduction in the money, but they still have got their nose under the tent.

A VEHICLE FOR PARTICIPATION

The CHAIRMAN. I think the main question is: Is this country going to participate, when the war is over, in the rebuilding and development of this area? If you are not, of course it ought to be voted down. If you are, I think this is the best vehicle you are going to find. If you don't want to do it, all right.

Senator GORE. Mr. Chairman, we already have this vehicle. They have, how much money do they have, isn't it a billion dollars?

Senator SYMINGTON. A billion bucks.

Mr. HENDERSON. That is the total subscription.

Senator GORE. They have 200 employees and they have made one loan.

The CHAIRMAN. They haven't got the money in hand and the whole thing I would say it is not going to be very effective until the war is over, but it is the plan, they spent a great deal of money

already and it wasn't all our money. I think the Japanese have contributed more than we have in the planning and one or two projects already developed over there. I can't remember the name, Nam Ngum Dam and so on, it is a question if we are going to participate or not, and I can't think of a better vehicle to do it than this. I think it is much more sensible than having the Army go in and do it or anybody else.

If, on the other hand, you don't want to do anything why that is one decision. If you are going to do it seems to me this is the best vehicle we can have.

Senator SYMINGTON. I would just like to add one more thing off the record.

[Discussion off the record.]

BUYING AMERICAN GOODS

Senator GORE. Mr. Chairman, I have found a statement here of Mr. Black in testifying on page 79. Among other things he says, he refers to a condition that this money will be used solely for buying American goods and will not be used to meet the balance of payments deficits. Now, this is the understanding of everybody that has worked on this thing in the Government, not just me but everybody else in the Government who has been working on this has, and when, as and if the bill is passed this is the agreement that will be worked out with the Asian Bank and no other.

Senator Gore, you know, Mr. Black, this committee has had some sad experiences with so-called understandings on which we asked no evidence. It may very well be that this is your understanding. But no such provisions are in the bill which the committee is asked to consider.

Mr. BLACK. Well, I think it should be put in the bill, if it will make you feel safer about it.

Well it sure would. Put it in the bill.

Continuing to read from him:

I am not misleading you about anything. These are the facts of what you are trying to do.

Senator GORE. These are understandings. You say these are your ideas of the facts, but again I repeat I hope you did not interpret it as any discourtesy to you, that you are the Honorable Eugene Black; private citizen testifying to us as to your understanding of how the Bank is to operate and how these funds are to be disposed of. Yet upon that unofficial, lack of responsibility basis we are asked to make available $200 million of American money. That is not your money, Mr. Black, neither yours nor mine, I would say.

Mr. BLACK. It is somebody's money.

Senator GORE. More yours than mine, but it really belongs to all the people.

Mr. BLACK. I was asked to testify by the Government, and the Treasury is here and here is the report of the National Advisory Council. It spells out these things that I am talking about. Here it is right here.

Senator GORE. I have read it.

Mr. BLACK. Here it is right here.

Senator GORE. You might as well read the report of the Tonkin Bay as to its effect on this $200 million. It has no legal effect, and so forth.

Then, later on, Mr. Barr says that he will submit, I am not sure, I can't find it, anyway that—I can't find it, I am not sure that he said he would or that the Treasury would be willing to supply amendments. I find here:

It is true that the United States has 17½ percent of the voting power of the board. So if the majority of the board wish to say that a donor country could also be a recipient country that would be it.

A PREMATURE MOVE

I should have had my notes fixed more definitely on this, but this is the most premature thing that I have ever heard of, indefinite, uncertain. We don't know what the money is going to be spent for.

The CHAIRMAN. He testified at great length of what they intend to use them for.

Senator GORE. He doesn't know what they intend to use it for. He is not even an official of it. He doesn't know. The Board itself determines that and even if he were an official of the Bank he would have a 17½ percent vote on the board. We just turn this over to a bunch of Asian politicians.

Senator SPARKMAN. Mr. Chairman?

The CHAIRMAN. Senator Sparkman.

A MEETING AT THE WHITE HOUSE

Senator SPARKMAN. I would like to say just this: Before the President ever submitted this to the Congress he had a meeting down at the White House. I don't remember just who all were present, but the table was filled, and I don't recall—Gene Black was there and he explained this situation to us——

Senator SYMINGTON. Who did?

Senator SPARKMAN. Gene Black. And I don't recall any opposition expressed. In fact I believe that everybody there expressed approval of it.

Senator GORE. He wasn't talking about these soft loans, John. He was talking about what we have already done.

The CHAIRMAN. He was talking about this proposal program before us today the additional program for the Asian Bank. So I am a little surprised at the objection that has been raised since that time.

However, I do recall that Joe Barr, I think, when he testified before us here, did promise that he would make, he would send up some recommendations.

Senator GORE. Amendments.

Senator SPARKMAN. I would suggest, therefore, that we defer action on the bill until either Senator Gore or the staff of this committee can get in touch with Mr. Barr and see what amendments he would have to present.

WHEN THE WAR IS OVER

Senator SYMINGTON. Mr. Chairman, may I ask a simple questions, why in as much as in Manila we agreed 10 percent of this could be used for soft loans, why none was used?

The CHAIRMAN. I would say the whole operation is looking toward, primarily toward, the time when the war is over and they can really try to go to work there. There are some things proceeding now on the river on which a good deal of money has already been spent, particularly on the Mekong up in the neighborhood of Laos and the upper waters of the Mekong Valley.

I don't think much is going to be spent, I don't think much is going to be done until the war is over, but what they are looking for, you can't create these organizations overnight, and they would

like to have it in being and with the agreement, it is very complicated. I think there are 20 countries.

Senator SYMINGTON. Does any member of this staff know what percent of the 10 percent of the soft loans. It is the taxpayers money. It ought to be public knowledge.

The CHAIRMAN. It is available. Even that subscription to the $200 million to the original Bank is, has not been made available. I mean it hasn't been set aside. It is a drawing right.

Mr. Black left this, if anybody is interested in it, on the progress that has been made on this river, a great deal has been done in the planning, I think they spent a lot of money on planning.

Senator SYMINGTON. Could they do that under the 10 percent?

The CHAIRMAN. This was done under a different thing.

Mr. MARCY. A lot of this is bilateral planning.

The CHAIRMAN. This was done before the Bank was ever done, the planning. Here is a description of some of the projects if anybody wants to see it. Show it down there.

AN ASIAN POVERTY PROGRAM

Senator SYMINGTON. In as much as they have only loaned $5 million out of the billion that were authorized in December 1965, I think it might be interesting, because obviously there is going to be a floor fight on this and I have to be frank, I would support Senator Gore's position as I know the facts today, I wonder if we could find out that the administrative costs of the Bank are. This sounds to me like an Asian poverty program.

The CHAIRMAN. No, it is very much like the Inter-Anerican Bank and the International Development Bank. It is modeled after that. That is one of the reasons they had Mr. Black in it because it is modeled after the multilateral organization.

Let me ask the Senator from Missouri if we put in an amendment which I am perfectly willing to, it is a perfectly good amendment which Senator Gore referred to, about the impact upon our balance of payments and so on, we have this same provision in other organizations, with the understanding that the money will not be used for anything but the purchase of equipment in this country, that is a major need. What they really need, of course, is heavy equipment. They pay the local costs out of their own, with their own, currencies of the Asian countries. What they want from us are these big earth movers and things like that. That is what it is for, that are necessary in these big operations of a dam. That dam that is described there is a big dam. It is bigger than Grand Coulee. That is in the future. This is not an immediate project.

If you really interested in this amendment we will ask the staff to prepare it and in consultation with the Treasury, and you can vote on it later.

AMENDMENTS FROM THE TREASURY DEPARTMENT

Senator GORE. Mr. Chairman, why don't we wait until the U.S. Treasury submits the amendments they promised us?

Senator CASE. What are they, Mr. Chairman?

The CHAIRMAN. That is particularly the one he is referring to that this money will not be used except for the purchase of equip-

ment in this country, in other words so that it will not disturb our balance of payments.

Senator GORE. That is not the only amendment I had in mind.

The CHAIRMAN. I was going to say——

Senator CASE. We discussed this at least at the White House informally and I remember one of the things I was concerned about was the Congress turning this money right over without any restrictions to be handed out by someone else.

The CHAIRMAN. Let me make my position clear. I don't wish to urge the committee, as I said before you came in, if you are going to do anything significant in this area when the war is over I think this is the best vehicle you can use because it brings in all these other countries. It is not bilateral.

Senator CASE. I am not against it.

The CHAIRMAN. If you don't want to do it and defer it, it is okay. I did promise Mr. Black I would bring it up last Friday and again today to get some vote of the committee one way or the other because he wants to be taken off the hot seat. As Albert properly said he was brought into this by the President, he negotiated it, I forget, it is the end of June—if we don't do anything at all, he thinks it will lapse now. Of course, we are privileged not to do anything and to reject it. If we are going to do it I think it ought to be, something ought to be, done now. If the amendments that Senator Gore is talking about would satisfy him, my goodness, I am more than willing to work those ought. He himself says it is perfectly all right with him to put in the amendment in the law with regard to this balance of payments.

GET THE WAR OVER

Senator WILLIAMS. This is to take place after the war is over. Why not get the war over and then decide how many friends we have left in that area? We don't know the circumstances under which we can help those countries.

The CHAIRMAN. All I can say these always take a long time to negotiate these agreements involving a great many countries. You can't do it overnight. If you wait until the war is over then it will be three or four more years before you get it into operation. They want it, as he says here, they would like the authorizations with reduced amounts of money. Personally rather then do nothing I would be willing to go along with Senator Aiken's proposal. What I am trying to determine is the committee's attitude toward it. If you don't want anything there is no use quibbling about $25 million. But if you do want something and we have an authorization then I think we ought to talk about it. If you don't want anything at all then it settles the other question.

GRANT MONEY

Senator GORE. Mr. Chairman, with all due respect to you, and you know I have a full measure of it, we are talking about an abstraction here. You are speaking as if we didn't have an Asian Development Bank. We have one. It was established in 1965. It has 200 employees. It has a billion dollars, it has made one loan, and now what is the purpose of this, to come back and get $200 million of soft money from the U.S.?

Senator CASE. Or grant money.

Senator GORE. It means the same thing, or grant money. I just voted in the Senate to cut $6 billion out of schools and highways and hospitals and welfare in the U.S. and then ask me to vote for $200 million to a group of Asian politicians for a board to administer on which we will have a 17½ percent control, I am not going to make any further speeches about it, but I will speak until the sun goes down if this goes to the floor.

The CHAIRMAN. I am not arguing with the Senator. He has a perfect right to do that and I don't question it. All I am saying is the committee ought to take action. I would gather from the Senator from Tennessee's views it wouldn't make any difference what the amendments are he is against it.

Senator GORE. Excuse me just a minute.

The CHAIRMAN. If that is so——

Senator GORE. But this idea you keep putting forward if we want to have an Asian Bank, we have got one and 10 percent of the money was to be used for soft loans and now they haven't used any of it, they want to come back and get money, grant money, from the United States that will all be soft.

The CHAIRMAN. No, not all. This is the additional fund.

Senator CASE. It wouldn't all be soft, but it would just go away.

Senator PELL. Excuse me, is this grant money or loan?

Senator CASE. This is special funds. It says so.

The CHAIRMAN. It is the same kind of loan as the IDA. I mean they are long-term, low interest rates and if the area develops it may be repaid. If not it won't. It is one of those——

REPAYMENT OF THE PRINCIPAL

Senator PELL. I thought the record of repayment was pretty good in IDA.

Senator GORE. Not on soft loans.

Claiborne, this money is never expected to come back.

The CHAIRMAN. That isn't quite so.

Senator SYMINGTON. When you make a statement like that, IDA is not 10 years old and there is no repayment of principal for 10 years.

The CHAIRMAN. It is not due.

Senator PELL. There is interest.

Senator SYMINGTON. There isn't any interest. It is not interest, they admit a carrying charge ¾'s of 1 percent to handle costs to the Bank.

The CHAIRMAN. That is correct.

Senator SYMINGTON. If we want to give the dollar away give it away and then run for office and say "Sure, I gave the dollar away."

Senator CASE. Then I think we should give it away and not anyone else.

Senator AIKEN. Mr. Chairman, when they say the money will all come back to the U.S., does it mean the money, the costs of these dams and so forth are largely labor and material, that all comes back to the United States or comes back to the United States contractors who hire the lowest scale labor to do the work?

The CHAIRMAN. The money comes back to the Bank, it doesn't come back to us except on liquidation. It is the same way with the International Bank. They have a $1.2 billion in reserves which are profits in the Bank. If they liquidated the Bank it would come back to us in our proportionate share.

Senator AIKEN. Ordinarily I think this would be a much better investment than we have made in Asia so far.

The CHAIRMAN. I think so, too.

Senator AIKEN. But I do think making these appropriations with Dr. Abernathy[2] sleeping in the cold and mud on the flats down there we probably would get some criticism from everybody.

The CHAIRMAN. I think you would, too.

Senator AIKEN. But ordinarily if the war was over and you get him up on a good warm bed somewhere——

Senator HICKENLOOPER. I thought he was sleeping at a motel?

The CHAIRMAN. What kind of a decision do we want to make?

A SOFT LOAN WINDOW

Senator SYMINGTON. Before anybody decides on this if they feel this Bank is desirable, this soft loan window to this Bank, I would respectfully urge that they read in the chapter in Secretary Ball's book, who incidentally is our new Ambassador to the U.N. The book is called "The Discipline of Power," and I would respectfully recommend that they read in the chapter entitled "The Shape of North-South Relationships" and South includes Southeast Asia, pages 223 to 238 inclusive, and if they do that, it is pretty conclusive, at least to me, and I would hope you would read those 13 pages and if you do that I don't see how you could possibly be for this soft loan window, if you think this fellow has any sense and I don't agree with everything he says and does, but I do think he is a pretty able fellow.

Senator SPARKMAN. Mr. Chairman, I think after all of this discussion, we ought to take some action on this, either for or against or to defer. I suggested awhile ago that we defer it to see if we could get something that would be curative, but if you don't think that would cure it, if we are dead set against it, then probably we just ought to vote it up or down.

Senator CASE. Mr. Chairman, may I just say a word?

The CHAIRMAN. The Senator from New Jersey.

REESTABLISH CONGRESSIONAL CONTROL

Senator CASE. I don't know whether it was a year ago or nearly that we were talking about this thing and a number of us raised questions and one that was raised by more than one person, and I was one of those, was this was a matter of appropriating, just shoveling out money to be used outside of our control entirely, and on projects we had no control over and no choice in the selection of, and on terms on which we had nothing to say, and I said I was through with this. Would they not come up with some suggestion which might reestablish the control of Congress over expenditures of this nature? I have seen no change whatever in this proposal

[2] Rev. Ralph David Abernathy, then leading a Poor People's March on Washington.

from that time, it is the same thing as it was and I am not going to vote for it—I am going to vote against it on that ground.

Senator SPARKMAN. Would you be willing to defer action until we can find out whether we can get these amendatory provisions from the Treasury Department?

Senator CASE. Mr. Chairman, of course not, whatever you say.

KEEPING THE BANK IN LIMBO

Senator SPARKMAN. Mr. Chairman, I move we defer action until either Senator Gore or the staff or the two working together can contact the Treasury Department to see if we can get those amendments that he referred to in his testimony before the committee.

The CHAIRMAN. I would like to only say this with regard to that, and if that is the will of the committee, I don't wish to quarrel with the committee. I just want something to report. If it is the sense of the committee, and I am not too sure what it is, that they are against this, it is not very helpful to just sort of keep them in limbo. I wonder if the committee can show their interest in this in what they feel about it for the information, if nothing else, of Mr. Black and the others with regard to what is going to happen.

I think it is unfair to just keep it in limbo and not know what you are going to do with it. I am perfectly willing to vote on this motion. The only point is Senator Case has indicated he is against this no matter what.

Senator CASE. No, it isn't fair and it isn't a fair representation of my position.

The CHAIRMAN. I am trying to find out what it is.

Senator CASE. I would like to retain in the Senate and in the Congress some control over the particular great items that this money is going to be spent for.

The CHAIRMAN. The reason why I said that is this: This is exactly the same kind of thing as the International Bank, the Inter-American Bank, we use multilateral organizations. I would interpret what you said, and maybe I am wrong, is that you are against this sort of thing. You are for only, if we are going to do anything it must be under the direct control of our own government. If that is true you are against this program.

Senator CASE. If it could be stated in that fashion, sure, that is right.

The CHAIRMAN. It is one or the other. Either it is a bilateral program such as our AID program or it is a multilateral one. This is a multilateral one like the Inter-American Bank or the International Bank.

Senator CASE. This sort of thing came up whenever the President wanted a billion to go down in South America and we wouldn't give it to him.

Senator GORE. Once again you have made a general statement.

THE SENTIMENT OF THE COMMITTEE

The CHAIRMAN. I am trying to elicit what is the sentiment of the committee. If it is against them they ought to know. There is no use having them running around bothering anybody only to do it over again.

Senator GORE. Mr. Chairman, I want to be heard.

The CHAIRMAN. Yes.

Senator GORE. I don't think this committee has got to act because Mr. Black is, like a worm in hot ashes and bothering on it. He got a handsome retirement and let him go about his rest.

Now, you just made another statement that I am sorry to say does not comport with the facts. You say this is like the Inter-American Bank. In the Inter-American Bank the United States Government has a veto, but here we have a 17½ percent vote. It is supposed to depend upon an agreement between the United States Government and the Bank, and no such agreement has been reached. This is premature.

Senator SPARKMAN. May I ask you a question, do you believe, you asked Joe Barr to submit certain amendments, do you believe that it can be amended in such a way that you would support it or do you still think you would be against it?

Senator GORE. I would be against $200 million of soft loans administered by an Asian Bank under any terms.

Senator SPARKMAN. Then, Mr. Chairman——

The CHAIRMAN. This is what I am trying to find out.

APPROVE AS AMENDED

Senator SPARKMAN. Then I withdraw my motion, Mr. Chairman, and make another motion in order to dispose of it. I move we approve it as amended by the staff suggestion which we have seen.

Senator WILLIAMS. Let's vote it and if it is defeated, it is done.

The CHAIRMAN. Are you willing to vote on that?

Senator SYMINGTON. Yes, I am willing to vote no on it.

Senator WILLIAMS. I will vote no.

The CHAIRMAN. Do you want to make the motion?

Senator WILLIAMS. He has made the motion.

Senator AIKEN. I shall vote no as a matter of timing.

Senator WILLIAMS. Let's just vote on it.

The CHAIRMAN. I think it is all right. Will you call the roll? Is there any other discussion? Call the roll.

Mr. KUHL. Mr. Sparkman?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Mansfield?

The CHAIRMAN. Aye.

Mr. KUHL. Mr. Morse?

Mr. Gore?

Senator GORE. No.

Mr. KUHL. Mr. Lausche?

Mr. Church?

Mr. Symington?

Senator SYMINGTON. No.

Mr. KUHL. Mr. Dodd?

Mr. Clark?

The CHAIRMAN. Aye, I think, is that right?

Mr. MARCY. Yes, sir.

The CHAIRMAN. Aye.

Mr. KUHL. Mr. Pell.

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy?

Senator SYMINGTON. Busy. [Laughter.]

Mr. KUHL. Mr. Hickenlooper?
The CHAIRMAN. Where did Bourke go?
Senator MUNDT. He has got my proxy, he had better vote it.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. No.
Senator HICKENLOOPER. What are you voting on?
The CHAIRMAN. Sparkman's motion.
Mr. KUHL. Mr. Hickenlooper?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Aiken.
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. I don't know how Carlson will vote on this. I have his proxy but I don't know how he would vote.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. No.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. No.
Mr. KUHL. Mr. Case?
Senator CASE. No.
Mr. KUHL. Mr. Cooper?
Senator AIKEN. I have a general proxy, but I don't know how he would vote.
Mr. KUHL. Mr. Chairman?
The CHAIRMAN. Aye.
Mr. KUHL. On this vote, Mr. Chairman, are 6 ayes and 6 nays.
The CHAIRMAN. The motion fails.

DEFER PENDING HELP FROM THE TREASURY

Senator SPARKMAN. Now, I will go back to my original motion and move that we defer it and ask for this help from the Treasury Department.
Senator WILLIAMS. Why defer it. We just defeated it.
Senator SPARKMAN. Well that motion failed, to report.
Senator MUNDT. This has the effect of deferring it. They will be up here with another idea.
Senator CASE. I think it would be well for them to take the initiative.
Senator SPARKMAN. It is deferred.
Senator AIKEN. I said it was a matter of timing, my vote, and if that doesn't defer it I want to know what the next President wants.
The CHAIRMAN. In view of the fact there are only 12 out of 19 here I wonder, and for the moment at least it has failed, why wouldn't it be proper to postpone it, I mean any further, not regard it as having been finally disposed of but subject to reconsideration at a future time, but it has been voted down.
Senator MUNDT. Anybody can bring it up again

CRITICAL FINANCIAL CONDITION

Senator SYMINGTON. I would just like to make one more observation. We have passed the special drawing rights, which we know is a palliative and not a cure to our unbalanced serious and becoming critical financial condition. At the same time immediately after

passing that and despite the fact that the war is costing us $2½ billion a month, that the French franc is dropping around to a point where it will even further affect the dollar, that the British pound has already been devalued, and that there is just about as much economic unrest in the world today because of what we are going to do with our money in the way of continuing this largesse program beyond what we should have; in my opinion, as there is military unrest, nevertheless, hardly do we pass the SDR when we immediately are faced with passing something that has to do with a soft loan window in the Asian Bank, a window that we warned we would never approve when the Bank was created and, therefore, a compromise was made that 10 percent of the money could be made in soft loans, and we face this situation today before the Foreign Relations Committee without knowing whether all that 10 percent or $1 of it has ever even been used.

So I would hope that we would get a lot more information before we do the same thing to the Asian Bank that now we have done to the World Bank and to this South American set-up, where we have also slipped in a soft window.

INTERNATIONAL DEVELOPMENT ASSOCIATION

The CHAIRMAN. Now, we have another bill which I think we ought to vote on one way or the other because they are in the same situation as S. 3378, a bill to authorize the United States to contribute $480 million to the International Development Association.

The CHAIRMAN. This has been explained at length. If again you are going to do anything, maybe we shouldn't now or maybe we should in this area, because they have negotiated and took a good deal of negotiating to get the other countries who participated in this to contribute 60 percent. This part would represent 40 percent, and this is IDA. We had a hearing on it. They explained in detail what they went through and so on. This is the International Development Association, IDA. There are 98 members of the IBRD, 107 members, are participating in IDA. We had a list of all the people who participated.

Here again I think the broad question is if you are going to do this kind of economic assistance, going to make it available, this is the best bargain, you have got one of the best because instead of putting it all out under aid we put up 40 percent and the other countries contribute 60, and it is the best bargain, provided you are going to do anything at all. If we don't want to do anything that is our privilege. I agree with the sentiments about the mismanagement of the war and our finances, it is terrible. It is a question really weighing whether or not we ought to stop this altogether. But I would much rather do this than having the aid myself. I would rather stop our regular aid bill altogether and put it in here if we are going to do anything at all because it is a much better deal for us.

Senator SYMINGTON. I would like to put the money in, but I don't know where we are going to get the money.

The CHAIRMAN. Of course, this goes over a number of years, it wouldn't be this year. How much would it be this year?

Mr. HENDERSON. $160 million a year—three years.

Senator SYMINGTON. Not much.

The CHAIRMAN. Not much compared to what we are doing in other ways.

Senator SYMINGTON. I am going to express my opinion when the military budget hits the floor.

CONTRIBUTING BANK RESERVES

Senator CASE. Wasn't there a suggestion that the Bank or fund use its earnings for this purpose?

The CHAIRMAN. We did. We Went, over it in detail. They gave the explanation, they do use it. They use it for their interim financing, pending the sale of bonds and so on. It was a long hearing. We raised the question why didn't they contribute more. They have contributed some of their reserves, profits into this fund, but they believe that they can't contribute more and besides they want, particularly want, these other countries who are willing and say they are willing and have agreed to put in the 60 percent, divided among a great many countries, and ours is 40 percent. I think the decision, there is nothing new about this program. It has been going since 1960, I think. They have loaned up all of their money, they are out of money. They quit lending if they don't put it in.

Senator GORE. Are these soft loans, Mr. Chairman?

The CHAIRMAN. These are, these are IDA. They are long term. They are repayable in hard currency but over a 30 or 50 year program.

Senator GORE. Repayable to whom?

The CHAIRMAN. To the Bank.

Senator GORE. Not to the U.S. Government?

The CHAIRMAN. Well, only in case of liquidation. It is like any other organization, if we liquidate it we have a claim on our proportionate share not only of what we put in but of the reserve. The profits are about $1,200,000,000 that the Bank has made. If we liquidated it we would be entitled to our share.

Senator SYMINGTON. Why don't they use that $1,200,000,000?

The CHAIRMAN. IDA only started lending money. They have a grace period of 10 years in which they pay ¾'s of 1 percent and no capital. At the end of 10 years they are supposed to begin paying interest and amortize the capital in hard currencies. The softness isn't in the money repaid but it is in the long terms and low interest rate.

Senator MUNDT. How much interest do they pay?

Senator WILLIAMS. ¾'s of 1 percent.

The CHAIRMAN. It isn't called interest. For the first 10 years they pay what is called a carrying charge of ¾'s of 1 percent. After 10 years the interest is what?

Mr. HENDERSON. No interest. That is the carrying charge.

The CHAIRMAN. No repayment of interest. It is the principal.

Senator MUNDT. I thought we got away from this business of——

NO BAD LOANS

Senator SYMINGTON. One of the finest things this committee has done, and it has done a lot of fine things, has been to bring up to the World Bank which has been run by a lot of conservative bankers until recently has been to bring up to the World Bank, "Why do you, a non-profit organization, need to make such a point of

maintaining your profits in the Bank, namely $1,200,000,000." Up until last year of that $1,200,000,000 which they need just as much as they need a hole in the head they have put in soft loans $10 million. As a result of the increasing criticism originally developed in this field by the chairman of the committee in this part of the world, Senator Morse, they have now put, as I understand it, some $200 million of their hard loan profits into the soft loans.

My position, and this is very simple, any banker, and I have been on a great many bank boards as anybody in business was over the years, you automatically take a certain percentage of your loans and write them off. I think it averages, as I remember, between 3 and 3 percent for bad loans. This is the only bank I have ever heard of in the history of the world where they have never had a bad loan. You have got a man in there now who is the new manager of the World Bank who testified last January before the Armed Services Committee that in his opinion this was classified, we could have another war like the war going on in Vietnam, and we could also have a third war in this hemisphere, and we could handle all of that. In addition, in open testimony, which is now part of the public record, the new head of the World Bank said we could carry the Vietnam War forever as far as cost was concerned, that at the same time we could handle all the problems of the great society in this country and at the same time we could handle the problems of poverty of every country in the world. That is on the record.

SECRETARY MCNAMARA'S POSITION

Senator MUNDT. Who said that?

The CHAIRMAN. McNamara.

Senator SYMINGTON. Secretary McNamara. It is in the printed record, and I put it in the record of this committee.

The CHAIRMAN. He has had this idea for a long time we could do everything.

Senator SYMINGTON. He said one more point about this, we are rapidly going into inflation, but we are doing differently, but we are doing it different, than other countries have done it. They just got the printing presses and printed paper. We are not printing paper currency as they did, we are printing government bonds, and that is even worse, because the paper that they printed in the other countries, to handle inflation didn't draw any interest, and the bonds that we print draw interest, so they are an additional burden on the taxpayer that is the way we have been financing all these questionable projects, according to George Ball's book, all over the world in recent years.

The CHAIRMAN. Why didn't you reject McNamara's nomination?

Senator SYMINGTON. I don't think we had——

Senator WILLIAMS. We didn't get the chance to vote on it.

Senator SYMINGTON. We didn't get the chance. He was put in by people——

Senator WILLIAMS. I am wondering if we shouldn't postpone this until Mr. McNamara comes down himself and tells us about it. That would be interesting.

Senator GORE. Mr. Chairman, I would like to make two points. I was not here at the time of the hearing and I am prepared on this.

The CHAIRMAN. We had a long hearing.

Senator GORE. It is not printed yet.

Senator WILLIAMS. Has Mr. McNamara testified on this?

The CHAIRMAN. No.

Senator HICKENLOOPER. He wouldn't.

Senator SYMINGTON. Mr. Merchant and Mr. Fowler.

The CHAIRMAN. None of his predecessors ever testified.

Senator WILLIAMS. He is doing things that none of his predecessors did.

The CHAIRMAN. Yes, he did.

Senator WILLIAMS. He is establishing precedents and I think he can talk to members of this committee.

The CHAIRMAN. He will talk I imagine like Mr. Black did informally, not at committee meetings, but downtown.

Senator CASE. We can have a lunch or dinner for him.

DEFERRING ACTION

The CHAIRMAN. He will do that just like Black did, but they have never testified before a committee because they are international servants. What does the committee want to do about it?

I think it is a mistake to throw it overboard but if that is what the committee wishes to do.

Senator CASE. That is not what we are wanting to do.

The CHAIRMAN. I would much rather vote against the foreign aid bill.

Senator GORE. I move that action be deferred.

Senator MUNDT. Second the motion.

The CHAIRMAN. The motion is that action be deferred indefinitely, I take it.

Senator PELL. Not indefinitely, but just be deferred.

The CHAIRMAN. All in favor of the motion—any discussion?

Senator HICKENLOOPER. Did you leave that word indefinitely in there?

Senator GORE. I just said deferred.

The CHAIRMAN. I stand corrected. The motion is——

Senator GORE. For one thing the hearings haven't been printed. McNamara hasn't testified.

The CHAIRMAN. He can't testify.

Senator PELL. He can't testify. He would be like U Thant.

The CHAIRMAN. All I can say is it is a mistake to defer both of these and then come along and vote a $2½ billion foreign aid bill.

Senator CASE. We haven't done that.

The CHAIRMAN. Both of these are better dealings than the aid bill, I think if you are going to do anything——

Senator GORE. Well, let me say about this deferring, the Office of Economic Development, well anyway, the agency here that makes not soft loans but loans to develop water facilities, sewage disposal facilities, community improvement projects returned last month 240 applications from my state, all action deferred, and yet we are called on here to provide this vast amount of money for the

same kind of programs on a soft loan basis when the loans are not even expected to be repaid.

The CHAIRMAN. Just for the record——

Senator SPARKMAN. Not this.

Senator GORE. The U.S. Government is not supposed to get its money back.

Senator SPARKMAN. Not supposed to. But the loans are made in the form of hard currency and will be, they are required to be made.

Senator GORE. The fact is this is hard money.

Senator SPARKMAN. The fact is this is a program where we join with 97 nations of the world in order to carry help to the developing and undeveloped nations.

The CHAIRMAN. For the record to make the Senator from Tennessee feel he isn't discriminated against the same thing has happened in Arkansas so I don't want him to feel it is just Tennessee.

Senator GORE. How can we keep doing this for communities all over the world when we can't even get a project approved in our home state?

Senator MUNDT. It doesn't make any sense.

The CHAIRMAN. The real culprit, of course, is the appropriations of the Pentagon.

The motion has been made. All in favor say "aye."

[Chorus of "ayes."].

The CHAIRMAN. Those opposed "no."

Senator SYMINGTON. It is 797 million plus the supplemental of 3.9, so it is 83 billion.

The CHAIRMAN. I stand corrected.

CALLING VANCE TO TESTIFY

Now, does the committee want to ask Mr. Vance—the paper reports that he is coming back for consultation. Do you want to have him on Wednesday or not?

Senator PELL. Yes.

The CHAIRMAN. What is the sentiment of the committee? Will you come and will there be somebody here besides the Chairman? Then you want to hear him?

Senator SPARKMAN. Mr. Chairman, I will be here unless the Senate meets early that day.

The CHAIRMAN. I just want a respectable group. There is no use having these people unless you are willing to come. Are you all interested enough to come?

Senator HICKENLOOPER. I will be here. I quite often am here.

The CHAIRMAN. I know you are. I wasn't picking on you. The committee will, the staff will, invite them on Wednesday.

Senator SYMINGTON. Just listen to this, Bourke, because you haven't got any important telephone calls based on what you used to have.

Senator HICKENLOOPER. You ought to hear the ones I have.

A JOINT MEETING

Senator SYMINGTON. I would like to ask unanimous consent that in addition to the Foreign Relations Committee that the Central Intelligence Agency Committee which would include Dick Russell

and John Stennis and Scoop Jackson and Margaret Smith, Milt Young and, I think you, Carl, is that correct, so a lot of it would be intertwined, but I hope that maybe these people can be asked also if we had Vance.

The CHAIRMAN. It is all right with me .

Senator HICKENLOOPER. You will never get anyplace if you do that.

Senator SYMINGTON. Why not?

Senator HICKENLOOPER. Because you have too many. You have enough here to talk to Vance.

Senator SYMINGTON. The chairman was saying he hopes he wasn't the only one of the committee.

Senator PELL. It is going to be hard enough to get five people.

Senator HICKENLOOPER. The interrogation of Vance will take all the time.

The CHAIRMAN. I don't know whether he will come. I want to know if we should invite him. He is going to be in town.

I want to ask one or two other——

Senator PELL. What was the decision on Senator Symington's request? It seems an excellent thought with me.

The CHAIRMAN. Do you want them at the same time?

Senator SYMINGTON. Sure, have a joint meeting. It is a report of what we are doing and it is tied up so tight with the military picture.

The CHAIRMAN. I don't have any objection.

Senator HICKENLOOPER. I don't have any objection.

The CHAIRMAN. They hate to contradict each other.

Senator SYMINGTON. You don't mind if I make a little talk and say you refused to let them come, do you?

The CHAIRMAN. I think in two people like that I don't think you have as frank a discussion. Helms hasn't agreed with the administration on various aspects of the war, and I don't think he likes to confront another member.

Senator PELL. He is not talking about Helms.

The CHAIRMAN. I thought you were.

Senator PELL. No, he said the subcommittee exercising supervision over intelligence.

Senator SYMINGTON. I just asked the members of the Armed Services Committee and the Appropriations Committee.

Senator HICKENLOOPER. You will fill the room.

Senator SYMINGTON. I withdraw the recommendation.

LONG STAPLE COTTON

The CHAIRMAN. This afternoon there is a long staple cotton bill. What is the request, that it be open, not executive?

Mr. MARCY. We have scheduled this committee with Assistant Secretary Battle and this, we are going to have it in executive session because it relates primarily to restrictions on the import of long staple cotton from the UAR as long as we have, they have broken diplomatic relations with us. This is simply a request that it be an open session instead of executive session and I thought if anybody——

Senator SYMINGTON. Why? What is the position of State? This affects my state.

The CHAIRMAN. I don't know any reason one way or the other. What is the reason?

Mr. MARCY. For its being executive?

The CHAIRMAN. Any reason.

Mr. MARCY. No, except we thought with just Mr. Battle here the committee would probably concentrate more on the matter of diplomatic relations and if the effect of using this as a device to restrict the import of long staple cotton—in other words, that is the Hickenlooper.

The CHAIRMAN. This refers to long staple cotton?

Senator SPARKMAN. Afraid it would displease Mr. Nasser?

Mr. MARCY. The only thing would be the position of this committee to restrict this device to long staple cotton. It passed the House, came out of the Committee on Agriculture.

The CHAIRMAN. What does it do?

Mr. MARCY. It says that when a country breaks diplomatic relations with the U.S. it shall not be permitted to have a quota of long staple cotton imports into the United States until two years after diplomatic relations have been reestablished.

Senator MUNDT. Why do you limit it to long staple cotton?

Senator SPARKMAN. That is the Egyptian export.

Mr. MARCY. This has been sponsored I think on this part by Senator Anderson and Senator Montoya and it came out of the Agriculture Committee and was by unanimous consent referred here.

SenatorSYMINGTON. What is the matter with it?

The CHAIRMAN. George, you are on Agriculture, what about it?

Senator AIKEN. I don't think it is a very wise bill that we shall not have anything to do with Egypt for two years after diplomatic relations are restored.

Senator HICKENLOOPER. That is for New Mexico.

Senator AIKEN. This is New Mexico, possibly Southern California and Arizona.

Senator SYMINGTON. Would you accept it if it took the two years off?

The CHAIRMAN. All I ask you—should it be executive? I think it ought to be executive.

Senator MUNDT. I think too.

Senator AIKEN. Because heaven knows we may be at war with Greece or Italy and we want Egypt to be on our side.

The CHAIRMAN. Well, anyway, the meeting is at 2:30 this afternoon in executive.

Tomorrow morning at 10 o'clock Admiral Rickover is coming over to testify about research programs, et cetera, of the Pentagon.

Anything else? The committee is adjourned.

[Whereupon, at 11:55 a.m., the hearing was adjourned, to reconvene Tuesday, May 28, 1968, at 10 a.m.]

# MINUTES

**MONDAY, May 27, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 2:45 p.m., in room S–116, the Capitol.

Present: Chairman Fulbright and Senators Symington, Hickenlooper, Aiken and Case.

Lucius D. Battle, Assistant Secretary of State for Near Eastern and South Asian Affairs, accompanied by Jack R. Johnstone, UAR desk, and Alexander Schnee, Congressional Liaison Officer, discussed with the group the foreign policy implications of S. 1975, the Extra Long Staple Cotton Import Quota bill.

For a record of the proceedings, see the official transcript and published hearings.

[The committee adjourned at 3:30 p.m.]

# MINUTES

**TUESDAY, May 28, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 10:20 a.m., in room S–116, the Capitol.

Present: Chairman Fulbright and Senators Mansfield, Lausche, Pell, Hickenlooper, Aiken, Williams, Mundt and Case.

Defense Department sponsored Foreign Affairs Research was discussed with Vice Admiral H.G. Rickover, Deputy Commander for Nuclear Propulsion, Naval Ships Systems Command, Department of the Navy.

For a record of the proceedings, see the official transcript and published hearings.

[The committee adjourned at 12:25 p.m.]

# THE INTERNATIONAL GRAINS ARRANGEMENT

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**Wednesday, June 5, 1968**

U.S. SENATE,
AD HOC SUBCOMMITTEE ON THE INTERNATIONAL GRAINS ARRANGEMENT OF THE FOREIGN RELATIONS COMMITTEE
*Washington, DC.*

The subcommittee met, pursuant to notice at 11:00 a.m. in room S–116, the Capitol, Senator Mike Mansfield presiding.

Present: Senators Mansfield, Gore, Lausche, Aiken, and Carlson.

Also present: Mr. Marcy. Mr. Kuhl and Mr. Lowenstein of the committee staff.

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Senator MANSFIELD. Gentlemen, I have been asked by Senator Sparkman to take over this committee today. I am doing so reluctantly, but the question is to call up the agreement, the Wheat Agreement, what is your pleasure?

Senator LAUSCHE. There has arisen a new aspect in this thing, and I have here this Journal of Commerce Report that I find in my file. "U.S. wheat exportation foreseeable." Frank, what do you know about that and what is the significance of it?

Senator AIKEN. That is the last thing we would get would be an export tax on wheat.

Senator CARLSON. No, that is just a lot of speculation somebody has written an article. That is not in it.

Senator LAUSCHE. That is not in it.

Senator CARLSON. No.

Senator AIKEN. We can have an export subsidy.

Senator CARLSON. That is right.

THE CRITICAL DAIRY SITUATION

Senator AIKEN. I might as well tell you I joined the other day in holding this up because I felt that the dairy situation has three times as much income as the wheat to the farmers here, and it is in a very critical situation and I thought they should be settled together. To be settled by the administration administratively, and the other one by two-thirds vote of the Senate, and the administration has agreed to that, they will take care of the—you know imports of canned milk have increased a thousand percent since March, and they are just going down the drain with the dairy industry.

Senator MANSFIELD. Some of it is contaminated too, isn't it?

Senator AIKEN. They don't have to have any health requirements or health question either the animals or the processing

plants overseas under the order issued by the Food and Drug Administration, under pressure from the State Department two months ago, and so what we have to do, the President can invoke, I am sure, Section 22 of the Agricultural Act which says there is an emergency, he can establish quotas on imports, and evaporated milk has not had any quota on imports. Justice Finley came through and said "Well, quotas apply to condensed milk and not evaporated," and those darned rascals started transferring their operations from condensed to evaporated milk and they introduced, they brought in more evaporated milk in the month of April in this country or I think they are piling it up in Puerto Rico, aren't they, than they did in all last year. We have let it come into our territories previously, Puerto Rico, particularly, but it is a thousand percent increase since the Food and Drug issued that order and it is building up, up, up. Our agricultural attaches have warned foreign countries not to think they are going to be able to dump it because the western European countries pay their processors about $2 a case or 25 percent of the value for dumping it on to us. But the administration assures me they will take care of that without delay and I said under the circumstances we will see if we can't take care of the grains agreement. I don't think we really need the Wheat Agreement, but we think the Grains Agreement is helpful without delay.

Senator CARLSON. I just want to say this. I am pleased that this dairy situation is clearing up. You have dairy all over this nation and I think it is helpful.

Senator AIKEN. 105 plants in the United States either producing condensed or evaporated milk. I had a letter from Carnation this morning saying that "We use about 4 billion pounds of milk a year to can, and we would lose that entire business." You have got one, two, one Murfreesboro.

Senator GORE. One, Lewisburg just closed.

Senator AIKEN. One may be in Memphis or Mississippi, I don't know, taking the milk, but as long as the administration is able to take care of it I have said repeatedly we should handle the two things together.

IN THE INTEREST OF WHEAT GROWERS

Senator CARLSON. Mr. Chairman, my position is well known on this. I support the International Grains Agreement. I think it is in the interest of the wheat growers, in the interest of the economy of the country, and I think it is important if we can get action on it preceding the July 1st date at which time we are going to make contracts with Japan, and we ought to do it on a new price instead of the old price.

Senator AIKEN. Frank, is next Monday the crucial time with Japan?

Senator CARLSON. I know it is urgent.

Senator LAUSCHE. Why is Monday, somebody mentioned there is to be a meeting of some type Monday.

Senator MANSFIELD. I think it is with Japan on this particular wheat contract.

Senator AIKEN. Shipment of wheat and grains to Japan.

Senator CARLSON. Japan is our best purchaser of wheat of all countries and if we have to deal on the old International Wheat Agreement instead of the International Wheat Arrangement we have to deal at the lower price so I was hoping we could get it. Of course, it is awfully fast.

Senator AIKEN. Next to Canada, Japan is our best customer today.

Senator MANSFIELD. What is the wish of the committee.

REPORT THE BILL

Senator CARLSON. Well, I move we report it to the full committee, if it is in order.

Senator MANSFIELD. All right.

Senator GORE. Second the motion.

Senator MANSFIELD. Anybody opposed?

Senator LAUSCHE. That is you move it go to the full committee for decision?

Senator CARLSON. YES.

Senator MANSFIELD. Without objection it will be so ordered.

The committee will meet 10 o'clock tomorrow morning.

Mr. MARCY. Take up this and other committee business. There may be a few other items.

USE OF PROXY VOTES

Senator GORE. I am addressing the Tennessee Bar Association tomorrow morning and I would like to give you my proxy for approval.

Senator AIKEN. On the full committee I think you are safe. But Senator Hickenlooper told me he would probably object to the use of proxies on the subcommittee.

Senator MANSFIELD. I am not exercising my own vote. I am exercising Sparkman's.

Mr. MARCY. I think it is very important that everybody be there, because if anybody wants to make a point of no quorum——

Senator MANSFIELD. They ought to be there because we have three votes on treaties tomorrow at 12 o'clock.

Senator GORE. Three. France, Brazil——

Senator MANSFIELD. And the Philippines. If you want me, Albert, I will vote against them to give you a yea vote or vote any way you want.

Senator GORE. No.

If somebody moves to strike out those reservations why then I want somebody to talk until I can get back.

Senator MANSFIELD. They have been agreed to.

Senator GORE. They have been agreed to.

Senator MANSFIELD. I mean in the Senate.

Senator GORE. Good.

Senator MANSFIELD. So we have the treaties with the reservations.

Mr. MARCY. That is right, you are through the third reading and I think you sort of agreed if anybody wanted to raise the dickens you asked unanimous consent to let them do it for a while.

Senator GORE. I don't want to raise any unless somebody else does and then I want to raise plenty.

Senator MANSFIELD. All right.

The meeting is adjourned.

[Whereupon, at 11:15 a.m., the hearing was recessed until 10:00 a.m., Thursday, June 6, 1968.]

# INTERNATIONAL GRAINS ARRANGEMENT OF 1967

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**Thursday, June 6, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:25 a.m., in room S–116, the Capitol, Senator Mike Mansfield presiding.

Present: Senators Mansfield, Morse, Church, Clark, Pell, Senator Aiken, Carlson, Cooper, and Case.

Also present: Mr. Marcy, Mr. Kuhl, and Mr. Lowenstein, of the committee staff.

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Senator MANSFIELD. Gentlemen, the meeting will come to order.

If anybody wants to raise a question that a quorum is not present, I hope no one will raise that question because of the events which confront us today and the fact we go in at 11 o'clock.

The first question is on the nominations for the Foreign Service.

Senator CLARK. Move their approval en bloc.

Senator MANSFIELD. Any objection? Without objection, so ordered.

AN URGENCY TO THE GRAINS AGREEMENT

Second is the International Grains Agreement which was reported out of the subcommittee on yesterday by a vote of five to nothing and Mr. Hickenlooper was not present.

Senator MANSFIELD. I understand there is a certain urgency about this because of contracts which are being entered into with Japan and other countries which will give the wheat farmers of the west a better price structure than is the case at the present time. And, may I say it is a long time since wheat has been so low in price as it is at the present time in the western states, what is it now, Frank?

Senator CARLSON. It is down to a $1.30.

Senator MANSFIELD. A $1.30 or less.

Senator CARLSON. Yes, that is right.

Senator MANSFIELD. What is the wish of the committee?

Senator CARLSON. Mr. Chairman, if it is in order, I would like to move that it be reported to the Senate for approval.

Senator MANSFIELD. I would like to second that motion. Any comment?

MAKING WHEAT NON-COMPETITIVE

Senator COOPER. Mr. Chairman, I must say this is one subject I have not studied at all, and I do note that there have been a number of objections made to it. One that I quickly read it in the report, one that it would fix prices which would make it, the wheat, non-competitive and I note it is said by action of the United States under this treaty it could lower the minimum. Others say that could not be done.

Senator CARLSON. May I speak to that?

Senator COOPER. I would like to know is this price fix inflexible which could not be adjusted to meet some drastic change in the situation in this country?

Senator CARLSON. If I may——

Senator COOPER. Yes.

Senator CARLSON [continuing]. I just want to state that this grains arrangement is based on a 20 to 25 cent increase in the world price for wheat over the international wheat agreement, and the importing countries as well as the exporting countries agreed to that price. For the last five years this price in the world market has been higher than even the 20 to 23 cent increase so it will have no effect. In fact, it has been as much as eight cents a bushel higher at various times so there is no objection to it from the importing countries, the exporting countries, and there is a flexibility that they can arrange these prices to work out between all cooperating countries. Personally, I think it is in the interests of not only the wheat growers but of the economy of this nation.

AN UNUSUAL ADVOCATE

Senator MANSFIELD. May I say there is an unusual advocate of this, the 7th Day Adventist Welfare Services, Incorporated, is in favor of this.

Senator COOPER. Will the price be fixed and be so inflexible that it will keep the United states locked in even in situations which would show that we could not be competitive?

Senator CARLSON. Well, of course, I would not agree that it does tie us 50 inflexibly that we cannot operate, because this grains arrangement is between these countries who are the large exporting countries and they will have to get together. This is not just a price affecting the United States, it is affecting all the countries exporting wheat.

Senator COOPER. I understand. I do not want to hold this up but I would like to know something about it. Would you tell me then, what are the main objections to it that have been made and what is the basis of the objections?

GOVERNMENT SHOULD KEEP HANDS OFF

Senator AIKEN. The objection comes from those who do not believe that government should be in pricing—keep their hands completely off farming operations. They are opposed to extension of the support price program as well. They think government should be completely out of it and let the law of supply and demand take complete control, and it is the same argument against this, I think.

Senator COOPER. I think I recognize the objection.

Senator AIKEN. Also, John; you heard the Liberty Lobby should be added to the opposition.

Senator COOPER. Do all the wheat states support it?

Senator CARLSON. Yes. The organizations that do support this, and you should get this staff memorandum which in answer to this question——

Senator COOPER. I have.

Senator CARLSON. Then, you realize, of course, that the National Association of Wheat Growers, and Farmers Union, Great Plains Wheat, Western Wheat, Mid-Continent Farmers, National Grange, National Farmers Organization, National Council of Farmer Cooperatives, all of these people operating out in the wheat states favor this program.

IMPACT ON CONSUMERS

Senator PELL. What does it do to the consumers, does this raise the price at all?

Senator CARLSON. No, for the simple reason it has already been higher in the world market, and this agreement is as high or higher; stabilizes the price in the domestic market.

Senator MANSFIELD. The sale price is lower and you know the farmer does not get these profits from the price which the consumers have to pay. Somebody in the middle does.

Well,gentlemen, are you ready for the question? All those in favor say "Aye."

[Chorus of "Ayes."]

Opposed, "No."

[No response.]

So ordered.

The committee is adjourned.

[Whereupon, at 10:30 a.m., the committee was adjourned.]

# MINUTES

**THURSDAY, JUNE 13, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 3:35 p.m., in room S–116, the Capitol.

Present: Senators Pell and Clark.

Leonard C. Meeker, Legal Adviser, Department of State, accompanied by Herman Pollack, Director of International Scientific and Technological Affairs, Gerald Heldman, Office of U.N. Political Affairs, and Edward Weinberg, Solicitor, Department of the Interior, briefed the Senators on Ocean Space and the Seabed.

[The committee adjourned at 4:45 p.m.]

# MINUTES

**WEDNESDAY, JUNE 19, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 2:45 p.m., in room S–116, the Capitol.

Present: Senators Sparkman, Mansfield, Gore, Symington, Dodd, Clark, Hickenlooper, Senator Aiken, Williams, Mundt and Cooper.

The following nominations were ordered reported: Robert F. Wagner to be Ambassador to Spain; William H. Cook to be Ambassador to Australia; David S. King, now Ambassador to the Malagasy Republic, to serve concurrently as Ambassador to Mauritius; and H. Brooks James, to be Assistant Administrator of AID. S. 3535, to authorize the exhibit of certain motion pictures and films prepared by the USIA, was discussed and passed over. S. 1975, the Long Staple Cotton bill, was ordered reported without recommendation. It was agreed to begin markup on the House committee bill on Foreign Aid next week. S. 3378, the IDA bill, and S. 2478, the Asian Bank bill, were discussed and no action taken.

[The committee adjourned at 4:00 p.m.]

# FOREIGN ASSISTANCE ACT

**Thursday, June 27, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:40 a.m., in room S–116, the capitol, Senator John Sparkman, presiding.

Present: Senators Sparkman, Mansfield, Lausche, Church, Symington, Clark, Pell, Hickenlooper, Aiken, Williams, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, and Miss Henderson of the committee staff.

A PRIVATE CLAIM

Senator SPARKMAN. We have got a private matter, and I can't see why we can't do anything about it. Have you looked it over, Frank?

Senator LAUSCHE. Yes, I have looked it over. But I know nothing about the matter except what is said in here.

Senator SPARKMAN. That is all we know.

Senator LAUSCHE. How much has already been paid to this family?

Mr. HOLT. Under the existing provisions of law, the Department of State paid for the first 120 days of this boy's car and treatment. How much that amounted to I don't know.

Since the expiration of the first 120 days the insurance company has paid for, has paid $44,000. The boy's father has paid $28,000, and the end is not in sight.

The Civil Service Commission in commenting on this bill suggested that as it was drafted, and as it was introduced it opened the possibility of reimbursement of the insurance company. The staff has drafted amendments to the bill which would preclude that possibility, and which also would direct that the payment to the family be taken from the AID administrative expenses authorized in the Foreign Assistance Act.

Senator LAUSCHE. How old is this boy, David, that was injured?

Mr. HOLT. He was a teenager in 1965. I don't know his exact age.

Senator LAUSCHE. What was the injury?

Mr. HOLT. He was in an automobile accident in Lusaka-Zambia.

Senator AIKEN. What date?

Mr. HOLT. December 24, 1965. He was getting out of a car to go to a Christmas Eve party when a truck sideswiped the car, hit him, threw him 30 feet. The Zambian medical officer who saw him diagnosed it as a simple concussion. Sometime later when it was properly diagnosed there were revealed severe brain stem damage, frac-

ture of right tibia, torn ligaments in both knees, fractured nose, loss of left upper incisor tooth, and lacerations.

He was unconscious for 10 months, he was in a hospital for 14 months, and the point which AID makes in commenting on it is that if his injuries had been correctly diagnosed to begin with much of this would have been avoided. For example, they point out that injuries of a similar nature in the United States generally are able to be discharged from the hospital within three or four months.

Senator LAUSCHE. Who was the operator and owner of the truck?

Mr. HOLT. The owner of the truck was an entity known as Wienand Estates which is a farming establishment in Zambia.

Senator LAUSCHE. The insurance company had coverage on the truck or was that a governmental matter?

Mr. HOLT. No, the insurance that is involved is the regular government employees' insurance.

Senator HICKENLOOPER. This boy was not a government employee, was he?

Mr. HOLT. His father was the AID representative.

Senator HICKENLOOPER. I know, but I am talking about the boy.

Mr. HOLT. No, the boy was not.

Senator HICKENLOOPER. I am sympathetic about the boy, but I am just wondering about the technicalities of this. Does the Government insurance go to the members of the family?

Mr. HOLT. Yes, sir.

Senator HICKENLOOPER. I see.

Senator WILLIAMS. Why don't they pay it?

Mr. HOLT. They did pay, but the point here is that because of the locale of the accident, which was Zambia, it was not accurately diagnosed to begin with. Because of this the recovery process was very greatly lengthened and indeed he may never have a full recovery.

The insurance provided coverage up to a maximum of $40,000 which has long since been exhausted.

Senator AIKEN. Does this provide for payments to go on indefinitely?

Mr. HOLT. Yes.

Senator AIKEN. 40 years?

Mr. HOLT. Until, the rest of the boy's life or until, his recovery.

Senator SPARKMAN. The insurance company continues to be liable for $2,000 a year?

Mr. HOLT. That is right.

Senator AIKEN. Indefinitely?

SETTING A PRECEDENT FOR OTHER CLAIMS

Senator LAUSCHE. What are they asking us to pay for?

Mr. HOLT. The medical and hospital expenses which they argue, AID argues, I think rather persuasively, resulted from the fact that the boy was in Zambia because his father was the AID representative in Zambia. If he had been in Washington he would have had more adequate treatment for that.

Senator CHURCH. Isn't this a situation in which everyone who serves this country abroad faces? Wouldn't this kind of bill open the door to similar claims for anyone who happens to fall sick in a country with inferior medical service?

Mr. HOLT. The Foreign Service Act is of general applicability and now provides for complete payment of these expenses except whenever the Secretary, on the basis of professional medical advice, shall determine that such illness or injury clearly is caused—wait a minute, I beg your pardon.

When they determine that the injury clearly was caused by the fact that the dependent is or has been located abroad, then they can pay it under existing law.

The medical advisers of the State Department came to the same conclusion you just suggested, that this type of injury can happen in the United States or anywhere else and it was not clearly caused by the fact that the boy was in Zambia.

The counter argument to this is that the complications resulting from it were clearly caused by the fact that he was in Zambia because if he had been in the united States or in Western Europe he would have had better treatment sooner.

Senator WILLIAMS. This goes beyond what—excuse me.

Senator CHURCH. I am just trying to get to understand. If we do this, if we pass this bill, don't we go beyond the provisions of present law in that we establish principles where the medical treatment is of inferior quality, there is a responsibility for the Government to pay for medical bills over and beyond what is now provided in the law? Isn't that right?

Mr. HOLT. What you are doing in this bill is finding that these injuries occurred in an area of inadequate medical personnel and facilities which contributed to the severity of the injuries and long period of recovery. So presumably you might make this argument in future cases of this nature if you pass it.

COMPARISON TO VIETNAM VETERANS

Senator WILLIAMS. What do we do about the veterans in Vietnam? They all fall in this category.

Mr. HOLT. Well, veterans of Vietnam, the Army takes care of them.

Senator WILLIAMS. I know they do. But we don't take care of them for life. They fall within the rules of the Veterans' Administration limitations.

Senator HICKENLOOPER. Do we have any——

Senator WILLIAMS. Does this go beyond the Veterans Act is what I am getting at.

Mr. HOLT. I am not familiar with the Veterans Act.

Senator HICKENLOOPER. I think it does.

Do we have any medical statement in here at all. This is Gaud's statement. He is not a doctor.

Senator LAUSCHE. We can't handle this on that basis.

Senator SPARKMAN. Let's hold it up. I thought it might be a simple matter that we could attend to quickly.

Senator AIKEN. John, there is nothing simple these days.

FOREIGN ASSISTANCE ACT

Senator SPARKMAN. Let's get on the Foreign Assistance Act now.

Senator SPARKMAN. I hope we can finish this today. Time is getting——

Senator HICKENLOOPER. We can finish this in three minutes.

Senator SPARKMAN. Do you want to make a motion?

Senator CHURCH. Are we going to go directly to the dollar?

Senator WILLIAMS. That is the guts of it.

Senator CHURCH. That is the guts of it.

Senator LAUSCHE. Yes.

Number one may I ask how much did the House grant, if it has granted anything?

Senator SPARKMAN. You will find it on the front page. The House has not acted on it but in committee.

Mr. HOLT. On the mark-up print you have there is a table on page 1 which shows the House committee recommends.

Senator LAUSCHE. All right. The House committee recommended $2,364,725,000.

Mr. HOLT. That is correct.

Senator LAUSCHE. How does that amount compare with what was granted finally in the last fiscal year?

Mr. HOLT. The appropriation for fiscal year 1968 is shown in the adjacent column as $2,301,621,000. To that you will add $100 million which was carried in the supplemental that the Senate passed yesterday, so the fiscal 1968 total appropriation is $2.4 billion.

Senator CHURCH. And the authorization last year was $2.674 million?

Mr. HOLT. Right.

Senator CHURCH. In the right column figure?

Mr. HOLT. Yes.

Senator CHURCH. Now, the House has not taken action on the bill. It is just come out of the House committee, is that correct?

Mr. HOLT. That is correct.

Senator LAUSCHE. My query is whether we ought not to consider getting this thing wrapped up and taking the House figure.

Senator WILLIAMS. The House figure is $63 million over last year. Can we afford to go over last year's figure?

Senator LAUSCHE. We are not going above.

Senator WILLIAMS. We are going above the figure last year. The House figure was $2,301,000,000.

Senator SPARKMAN. Not if you add the supplemental.

Senator WILLIAMS. I don't remember Congress ever adjourning without a supplemental.

Senator SPARKMAN. But we don't very often get a supplemental for Vietnam.

Mr. HOLT. This is a supplemental for Korea.

Senator HICKENLOOPER. The administration figure was $2,961,000,000. The House authorization as reported out by the committee is $600 million less than that.

Senator WILLIAMS. That is correct, but it is $63 million more than actually appropriated.

Senator CHURCH. Mr. Chairman, I would like to make a motion.

Senator SPARKMAN. Senator Church.

THE COSTS OF THE WAR

Senator CHURCH. Before I make the motion I want to say I think everybody recognizes the need for cutting back on all programs in view of the costs of the war, the deficit, and the necessity to impose more taxes, and I personally think that this program needs to be

cut back farther than the House committee has cut it, and I reserve, as everyone has the right to do, the option of making further proposals on the Senate floor when the bill comes before the Senate for action. But I would like, just to expedite matters, to put the motion that the Senate committee adopt the House committee figure of $2,364,725,000, and report the bill out at that figure.

Senator CLARK. Will you yield, Frank?

Senator CHURCH. Yes.

Senator CLARK. Are you content with the military aid?

Senator CHURCH. Joe, I would reserve the right to raise that question on the floor of the Senate. I am just trying to think of a way to expedite matters because of the pinch of time we are all faced with.

Senator HICKENLOOPER. You can't tell what the House will do by way of cuts on the floor. This hasn't come from the House. It hasn't been acted on.

Senator CHURCH. That is right.

Senator SPARKMAN. That is why you serve notice you may be otherwise minded.

Senator CLARK. Mr. Chairman, as a matter of legislative tactics what is our advantage in acting before the House acts?

Senator WILLIAMS. August 2nd.

DEADLINE FOR RECEIVING BILLS

Senator SPARKMAN. One thing we want to get our calendar clear. The Majority Leader has commanded—

Senator MANSFIELD. Not commanded, but requested.

Senator SPARKMAN. I realized that. But the deadline, hasn't the Policy Committee set July 9 as the deadline for receiving bills?

Senator MANSFIELD. Except for rare exceptions.

Senator SPARKMAN. There is a recess coming next Wednesday.

Senator CLARK. Just one more question. I will go along with what Senator Church has proposed. But is it your thought that we should act ahead of the House?

Senator SPARKMAN. We should act ahead of the House?

Senator CLARK. Yes.

Senator SPARKMAN. I think we ought to go on and report the bill. I have no desire to act before the House acts on its bill.

Senator CLARK. Let's ask the Majority Leader whether he would like to have us do so.

Senator SPARKMAN. I think we ought to remain flexible because he is going to have his difficulty in arranging these bills to come in between appropriation bills, so I think we ought to remain flexible and not set a definite procedure that we would wait until the House acts.

Senator MANSFIELD. There was an expression used in that statement, John, and incidentally, I had gone over this with Dirksen[1] ahead of time and he said he thought we ought to strive for that date, with rare exceptions, and that would take care of something which might come up but give us a little leeway, Joe, so I would prefer the House to act first.

[1] Republican Minority Leader Everett M. Dirksen.

Senator SPARKMAN. Yes, so would I, but I don't think we ought to definitely determine that now.

Senator MANSFIELD. No, no. I said we would prefer it.

Senator SPARKMAN. To remain flexible?

You heard the motion any discussion on it?

A CONTINUING RESOLUTION

Senator PELL. I heard the motion, but I would like to ask two questions: One, what would be the effect if we had a continuing authorization for a year in the Senate figure as opposed to adopting Senator Church's motion, which is the smaller figure?

Senator LAUSCHE. We would have to pass it to the Appropriations.

Senator PELL. If we had a continuing——

Senator SPARKMAN. Well, the Appropriations Committee makes the final determination.

Senator PELL. Unfortunately, they do.

Senator MANSFIELD. They have to, Claiborne.

Senator PELL. Wouldn't it be a smaller figure if we had a continuing resolution at the same rate as the House?

Senator CHURCH. No, it wouldn't be because the total, as I understand it, the total amount appropriated for the program this year comes to $2.4 billion plus. The House figure as reported out by the House Committee was $2,364.

Senator PELL. Okay.

AID TO GREECE

One other question, Pat. What are the actual provisions with regard to Greece in the House bill as passed?

Mr. HOLT. There aren't any.

Senator PELL. On the military assistance program?

Mr. HOLT. No, sir.

Senator PELL. There must be. Why not?

Mr. HOLT. No.

Senator PELL. I am delighted. You mean there is no authorization for military assistance to Greece?

Mr. HOLT. No, sir, there is—the word "Greece" is not mentioned in the House bill. And this means that under the House bill the military assistance program to Greece will remain under status quo as it is under existing law which contains a number of provisions concerning eligibility for military assistance but these are stated in very general terms and I would suppose Greece could fit them or not fit them depending on how the administration felt about it.

Senator PELL. But if we accept this proposal then we are leaving the decision in this matter to the tender judgment of the administration?

Mr. HOLT. So far as Greece is concerned specifically, yes.

Senator CLARK. We could propose an amendment on the floor.

Senator PELL. Which would not be passed, as we all know.

Senator CLARK. I don't know. We are not turning it down.

Senator CHURCH. May I say as for this motion, this only applies to the total figures, and if afterwards the committee wants to consider a special provision to insert in the bill concerning Greece it is open to the committee's consideration.

Senator MUNDT. Mr. Chairman?
Senator SPARKMAN. Senator Mundt.

MANDATORY REDUCTION IN SPENDING

Senator MUNDT. Mr. Chairman, I am sorry I have not been here for the preceding steps of the mark-up because Senator McClellan and I have had engaged in the Second Reformation. So I don't know much about what has been going on. Have you marked up a bill.

Senator SPARKMAN. No, the motion is to accept the House figures subject to revision that anyone might want to make on the Senate floor.

Senator MANSFIELD. Make it available for consideration at an expeditious moment.

Senator WILLIAMS. I would like to be heard. We just passed this bill making it mandatory we have a $6 billion reduction in spending next year. I really fought for it and we have got to make some cuts which are going to be unpleasant to a lot of us. If we are accepting the House figures we are in effect approving an authorization bill here which would permit the spending in the foreign aid program next year at the same rate as it is this year. I don't think that—recognizing we are going to have to cut a lot of programs in this country, come back on defense as well and I have gone along with some defense cuts the other day that I normally would have preferred not to and we are all going to have to do that as we go through this bill, but I don't think. that we can justify reporting particularly foreign aid, which carries a lot of projects which are going to be denied in Idaho and Delaware and other states, reporting out a bill here which would give to this agency the same amount of money that they had last year.

I realize that an authorization is an authorization, and we can cut the appropriation but I really think this committee ought to face some of it right here ourselves and personally, I would like to make a substitute that we cut last year's, cut the House bill by a minimum of $500 million below what the House figure is, if we are going to report this bill, because that is to me the very minimum, and even then I would reserve the right to examine this further in the authorization and appropriations. But if we approve the House figures we are in effect as a committee putting our endorsement on the same rate of spending abroad on all of the projects that are carried in the foreign aid program as last year, and I just couldn't go along with that. I think we ought to start right here and face it.

If it is in order, I would like, if the Senator would consent to make a substitute motion, that we accept the House figures minus $500 million. We can do that in a block and let it be—let the agency find out where they want to put the $500 million or we could go through here and take it out.

Just as an example the development loan fund last year got $435 million. The House raises that $115 million. The House raises the technical cooperation $20 million, and the American schools abroad are raised $4 million. We are going to have to cut education some in this country, and the question is can we do that without this, and I personally think we ought to—in our international organizations we raise it $14 million above last year, above what we gave

them. We are going to cut a lot of American organizations below what they got last year if we are going to do this job and I don't think a $500 million cut is at all unrealistic, make the ceiling $1,864,000,000 rather than $2.364 billion.

FAVORING SELECTIVE CUTS

Senator CHURCH. John, I am very much in sympathy with what you have said. I myself am going to favor further selective cuts in the Senate, but I would point out last year the total authorization when it finally went through the process in both Houses came out $2,674,000,000.

Senator WILLIAMS. That is right.

Senator CHURCH. My motion would approve an authorization that is a little over $300 million less than the amount authorized last year. We all know——

Senator MUNDT. What figure are you suggesting?

Senator CHURCH. I am suggesting the House committee figure which is $600 million below the administration request. This figure is $600 million below the administration request and $300 million below the amount we authorized last year, and I just think that in the process of appropriation and in the consideration of the bill on the floor there will be further alternations, and we would have an opportunity to select them and vote on them when they come up and that is the basis on which I make this motion.

Senator WILLIAMS. I appreciate that, but I just think if we make these cuts in the committee it would be much better than we can do it on the floor because as one member of the committee he would be supporting them too and I would be supporting them here in committee. I think we are just going to have to make these cuts. I think we are going to have to really cut deeply if we are going to get this $6 billion, otherwise we are delegating all of the authority to the president.

Senator SPARKMAN. Any further discussion?

MAKING FOREIGN AID A SACRED COW

Senator MUNDT. Mr. Chairman, now that I know what we have been talking about I would like to express my own feeling. Having just come out of the Interior Appropriation situation which is dear to many of the people in the room, I don't know about how you fellows from the East feel about it, but to the rest of us this is really life and death material, as Mike and Frank and those in the Western areas know. We cut that 10 percent, 10 percent, which is a larger cut by far than we usually make on appropriation bills, and we did it precisely because of the argument that John has mentioned.

I just never even anticipated that we were going to cut all our domestic spending programs and all our social programs and all these other local programs and make a sacred cow of foreign aid, that it isn't going to be cut at all. I just couldn't possibly go along on that because I am going to vote for cuts on agricultural appropriation bills.

BELOW THE BUDGET REQUEST

Senator SPARKMAN. Can I ask you a question?

Senator MUNDT. Go ahead.

Senator SPARKMAN. For clarification, 10 percent below what?

Senator MUNDT. Below the request of the budget.

Senator LAUSCHE. The authorization?

Senator MUNDT. Right.

Senator SPARKMAN. I know, but the request of the budget.

Senator CLARK. Aren't we cutting $600 million?

Senator SPARKMAN. This has been cut more than 10 percent, it has been cut from $2.9 to $2.3, it has been cut over $600 million.

Senator WILLIAMS. It has been cut over $600 million, but the administration asked for $600 million more than they asked for last year.

Senator CLARK. That is in the budget, John.

Senator WILLIAMS. I know that.

Senator SPARKMAN. He is talking about the budget request and I wanted to be sure we could compare it. This is cut more than 10 percent.

Senator CHURCH. This is cut more than 25.

Senator MUNDT. You don't have the discrepancy between what the budget asked and what the people give us. This has been an old game for years, the State Department knows it is going to be cut. I am perfectly confident after talking with Bill Gaud they don't expect to get $2 billion, they would be happy to get $1,800,000. I am willing to give them $2 billion. Even $2 billion I would go along with. But I just don't think we can possibly fail to cut this more than we have because you have to measure it against last year experience. $6 billion is going to happen now. Suppose we are going to dillydally long enough and don't make the cuts in Congress, if we pass the law the president is going to make it, he isn't going to take them out of foreign aid or the military. He is going to take them out of other programs that have more flexibility.

Senator HICKENLOOPER. He is going to take them out of your hide.

Senator MUNDT. But I certainly want to make some kind of an impression of this new status of affairs on foreign aid.

Senator WILLIAMS. If we cut it $500 million we will still be in conference and maybe we can get it back to us.

Senator SPARKMAN. I think it would be mighty nice to avoid a conference.

WAIT UNTIL THE HOUSE ACTS

Senator MUNDT. If all you are doing is arrive at a figure we could do it in an hour's time after the House acts. I would rather wait until the House acts and maybe we could go along with the figure that they cut it. down to. I think they are going to cut it down to $2 billion.

Senator HICKENLOOPER. Mr. Chairman, I am perfectly willing to vote this out on the House figures, but as I have expressed before and in a couple of meetings before this, I would prefer to see what cuts the House will make on the floor because it is pretty well known, I talked to Dr. Morgan the other day and he said without

a doubt the House is going to make some cuts when the bill gets to the floor. I would rather like to see what the House is going to do on that before taking the House figure just lock, stock and barrel, although, if it is going to help any, I would just as soon vote it out. But I am curious as to what the House will do and see whether we will accept it or not.

Senator WILLIAMS. If we can knock off $500 million maybe we will give them a little encouragement. We are always bragging about being the upper House.

Senator HICKENLOOPER. We have scared them to death for a couple of years.

DIVISION WITHIN THE FOREIGN AFFAIRS COMMITTEE

Senator MUNDT. Will the Senator yield? I was talking to some of the House Foreign Affairs Committee last night and they kind of think, there is division among themselves like we are, but they sort of think they are going to come out with $2 billion, and if they do that we might get by without a conference and I would hate like the devil to vote more than $2 billion here and have them vote for $2 billion. So why can't we have some kind of a resolution to commit ourselves to vote this bill out without any changes in language and so forth and just put the figure in after the House has acted? We can do that in a short session, lock it up except for the arithemetic.

Senator SPARKMAN. Let me ask the majority leader, do you know, do you have any idea when the House is going to take up the bill?

Senator MANSFIELD. I understood when they came back.

Senator SPARKMAN. Not until after the 4th of July?

Senator MANSFIELD. Not until the 9th or 10th.

REPORT THE BILL WITHOUT AMENDMENTS

Senator SPARKMAN. I will say as far as I personally I am concerned, I have no preferences about voting it out now or voting it out then if we will be safe, but I want to tell you it is pretty hard to get a quorum present. We have a quorum here now and I hate to throw away the golden opportunity. This is the third day we have struggled for a quorum.

Senator PELL. Could we follow Senator Mundt's idea, do you think, and——

Senator MUNDT. In other words, put across a kind of a Mansfield rule here among ourselves we are not going to accept any more amendments after today? All we are going to do is write in the total figures. That wouldn't waste any time and we would know what the House is going to do.

Senator LAUSCHE. Repeat what you suggested, will you, please?

Senator MUNDT. That we agree among ourselves or some motion that is necessary that we report the bill out without amendment except that we are going to have a meeting after the House has acted to write in the figures.

Senator HICKENLOOPER. How can you do that, Karl? You would have to recall it.

Senator MUNDT. All we are doing there is stopping Wayne Morse and Karl Mundt to come in and make a lot of language amendment, I want to change the interest rates on this or put a limita-

tion on the number, that stops all of that of any amendment except arithemetic.

Senator HICKENLOOPER. But you will have amendments on the floor.

Senator MUNDT. No, just a motion among ourselves that all other amendments will be out of order except those dealing with the figures.

Senator PELL. It would be like a third reading except in committee.

Senator MUNDT. Except like Mansfield said at a certain day the Policy Committee isn't going to bring new bills on the floor.

Senator WILLIAMS. Except for exceptions. If we came in and somebody had an amendment we would have to put it in.

SENATOR WILLIAMS' AMENDMENTS

Senator SPARKMAN. Let me ask a question, John, don't you have two amendments you are proposing, I mean on the language?

Senator WILLIAMS. I have. I could offer them here or on the floor.

Senator SPARKMAN. You don't think there is any objection to them?

Senator WILLIAMS. This is on the Waters case over there and they found they had penalties they can put on our people but not to put on the contracting firms that could be followed, and they recommended extension of the penalties provisions under the AID Act for contractors who defrauded the Government. I agreed with him and he sent the language down and I introduced it. That would just increase the penalties on corporations.

Senator SPARKMAN. It is two separate amendments.

Senator HICKENLOOPER. Does it apply to some local contractors who build buildings around here?

Senator WILLIAMS. Now, which two amendments, which are they?

Mr. HOLT. We have one amendment from Senator Williams which is on page 47 of your print, that is the only one I know of.

Senator WILLIAMS. That is what I was thinking, that is the only one I know of.

False claims. I had the Legislative Counsel take the administration's amendment, relate it to the bill, and that was the purpose to increase the penalties.

Senator SPARKMAN. Why can't we consider that amendment now? Is there any objection to it?

Senator HICKENLOOPER. I have no objection.

Senator SPARKMAN. If not it is agreed to.

THE POPULATION PROBLEM

There is one other matter, I don't know that this is earthshaking, but Bill Gaud mentioned to me this, that the House committee has provided that at least $50 million will be spent on those countries wanting help in the population problem, and he says that the present law provides for $35 million, is that right?

Mr. HOLT. I am sorry, Senator, I was diverted.

Senator SPARKMAN. On population control, $35 million and he says they just can't spend $50 million, and he would like to have the $35 million retained as his.

Senator WILLIAMS. Who is it who said he couldn't spend all the money we gave him?

Senator SPARKMAN. Mr. Gaud. Now he says they can't spend, there won't be demand for as much as $50 million on population control. That under the present law it is $35 million and he thinks that limitation is good.

Senator AIKEN. John, I think where you can get some money, I read in the New York Times this morning that people in other countries doing business with the Viet Cong insist on being paid with American dollars. Why can't we withhold those American dollars from the Viet Cong and use them for other purposes?

Senator SPARKMAN. You mean population control?

Senator PELL. I would support an amendment to that effect.

Senator SPARKMAN. He says he doesn't need the $50 million.

Senator MUNDT. Does he want to cut the total by $50 million?

Senator CASE. I think there ought to be pressure on him to put this out.

Senator SPARKMAN. He says it can only be done under the law as the nations request it.

Senator LAUSCHE. Can't we put some language in the bill that will allow him to use that part of the $50 million for other purposes, if it is not used for population control?

Senator SPARKMAN. Yes, but the House amendment says it shall be used only for this purpose.

Senator MUNDT. It is a good amendment because that will force them to put—the Administrator to encourage them and the people will say "if we are going to get our money here if that is the only way we can get it we will do it."

ENCOURAGE BIRTH CONTROL

Senator SPARKMAN. I have relaxed his wish in the matter. He says he can't possibly spend $50 million. If you want to keep it $50 million will do it.

Senator CASE. I think so.

Senator SPARKMAN. I think we ought to hold it to $35 million.

Senator LAUSCHE. Then you will have to go in conference and you are trying to avoid it.

Senator WILLIAMS. We will be in session.

Senator SPARKMAN. It means nothing to me. I am just telling you he pointed out that one thing.

Senator MUNDT. Don't you think, John, you will take a little of the pressure off if you do that? What we are trying to do is encourage birth control.

Senator CASE. Encourage birth control.

Senator MUNDT. This gets to the root cause.

Senator CASE. This is work that they ought to keep their noses to the grindstone on.

Senator SPARKMAN. This provision appears on page 29, and AID's position is stated there.

Senator CASE. I think they haven't been sufficiently diligent.

Mr. MARCY. One thing, you ought to notice one thing, Mr. Gaud objected to is it may not be used for any other purpose.

Senator SPARKMAN. That is right.

Senator CASE. That is the only reason that they find it at all burdensome.

EARMARKING THE FUNDS

Mr. HOLT. If I could clarify this matter, Mr. Chairman, last year over the objections of AID the Congress earmarked $35 million for programs relating to population growth. This year the administration bill struck out the earmarking and simply said funds provided to carry out the provisions of Part I of this Act shall be available for population control, thereby leaving it up to the administrative discretion how much they would or would not spend. The House committee rejected that provision and increased the earmarking from $35 million to $50 million. So what the Senate committee has to decide is whether funds at all should be earmarked for population control and, if so, how much?

Senator MUNDT. We have to take some kind of action.

Mr. HOLT. That is correct.

Senator LAUSCHE. How much did they actually spend of the $35 million?

Mr. HOLT. They anticipate $32. They propose $35.9.

Senator MUNDT. Mr. Chairman, we accept the House language, if I understand Pat's statement.

Senator CASE. I support that.

Senator SPARKMAN. Is there any further discussion? Is there any objection to the proposal of Senator Mundt If not what is the old good newspaper word, stet, let it stand.

Senator MUNDT. Yes.

Senator SPARKMAN. All right.

IMPOSING PENALTIES

Mr. HOLT. Mr. Chairman, could we go back to the Williams amendment for a moment?

Senator SPARKMAN. Yes, what page is it?

Mr. Holt. Page 47.

Senator SPARKMAN. Page 47.

Mr. HOLT. You will see in the left hand column on page 47 provisions which are in the House committee bill which relate to the same subject, but differ from the Williams amendment in two principal respects, one of which is that they do not provide penalties and, on the other hand, the House bill applies to military as well as non-military assistance. The Williams amendment applies to only non-military assistance. It will be my assumption in acting on the Williams amendment the committee meant to substitute it for the provisions of the House bill, but this does not necessarily have to be so. You could have both provisions in the bill.

Senator WILLIAMS. You want military and non-military. As I said before I don't claim any pride of authorship. Senator Mundt and I were discussing at the hearings some of this abuse and Gaud admitted that he corrected some of it administratively, he did correct some of it administratively, the pre-auditing and so forth, and then he said they would need legislation because he said there were no penalties to put on all these contractors and the penalties are what we wanted. We want it to apply to both military and non-military. Whether we change this amendment of mine that way or whether

we change the House language, I don't care how it is worked out at all. But if the House has no penalties on it we would want penalties. Maybe we can put in both in there and maybe let them work out a conciliation of both.

Senator SPARKMAN. Let me see if I understand it. Does the Williams amendment meet the criticism of the House amendment?

Mr. HOLT. The executive branch comment is that it is unnecessary, they have already provided this by regulation.

Senator SPARKMAN. Well, Mr. Gaud told me that he welcomed the Williams amendment.

Senator WILLIAMS. He sent it down.

Mr. HOLT. The Williams amendment goes beyond the House bill in providing penalties. The Williams amendment is relative to non-military assistance. This may be a distinction without very much substantive importance because most of the cases that both the Williams amendment and the House bill are trying to get at arise under the economic side of the program. There is not much of this kind of thing happening in the military side.

Senator SPARKMAN. Is there any conflict between the House proposal and the Williams amendment?

Mr. HOLT. I don't see any conflict—no, this is why I raise the question, did you want one or the other or did you want both?

Senator SPARKMAN. Why don't we let them both stay in? What do you think, John?

STRIKE OUT "NON-MILITARY"

Senator MUNDT. It would be all right if we get the military in both. But if you have the word "military" in one and not in the other that would not be good.

Mr. HOLT. If you want to make it consistent to that score the way to do it, I think, is by striking out the word "non-military" in the Williams amendment. If you look at in the 5th line, the last word there is "non-military" in the phrase that reads "for the purposes of furnishing non-military assistance," so if you strike" out "non-military" it is for the purpose of furnishing assistance so it includes millitary and non-military.

Senator SPARKMAN. You mean strike out "non-military"? Is there objection. It is done.

Senator MUNDT. Is that the only place it appears in the language?

Senator SPARKMAN. Is it understood both of them are going to stay in. Without objection, that will be done.

CRIMINAL PENALTIES

Senator LAUSCHE. John, may I ask you, you provide no penalty for any of these misdeeds which you describe in your amendment to section 640A.

Senator WILLIAMS. It is supposed to be.

Senator LAUSCHE. It is damages, but no criminal penalty. Why have you confined it only to what you call——

Senator MUNDT. What line is that, Frank?

Senator LAUSCHE. Page 47, the amendments proposed by Senator Williams.

Senator MUNDT. How far down?

Senator SPARKMAN. It starts after the middle of the paragraph number one.

Senator WILLIAMS. It is my understanding that criminal damages and criminal liability, I can be checked on that, I have no objection to putting it in.

Senator LAUSCHE. Probably there are criminal penalties already if a fraud is perpetrated on the Government. I won't——

Senator WILLIAMS. I am not sure. If it is not I would be glad to see it included.

Senator LAUSCHE. I would let it stand as it is.

Mr. HOLT. There are general statutes providing criminal penalties for defrauding the Government or attempting.

Senator LAUSCHE. Okay.

Senator SPARKMAN. It is understood that the two of them will stay in.

Mr. HOLT. And "non-military" is deleted?

Senator SPARKMAN. "Non-military" in the 5th line of the Williams amendment is stricken out.

Mr. HOLT. Yes.

SUPPORTING ASSISTANCE

Senator CASE. Mr. Chairman, may I ask if you have any information about the supporting assistance, about the broad categories of the $660 million which is going to be disbursed which is on page 35?

Senator SPARKMAN. Supporting assistance, you mean the breakdown?

Senator CASE. Yes, roughly.

Senator SPARKMAN. I guess it is before us, it is in this.

Mr. HOLT. The supporting assistance proposed for 1969——

Senator CASE. $595 million.

Mr. HOLT. Is $20 million for the Dominican Republic, $2½ million for Haiti, $1 million for African regional programs, $25 million for Korea, $39 million for Laos, $50 million for Thailand, $480 million for Vietnam.

Senator CASE. $480, did you say, Pat?

Mr. HOLT. $480 for Vietnam, yes, sir.

Senator SPARKMAN. What page is that on?

Senator MUNDT. Nothing in here for India at all.

Mr. Holt. No, sir, not supporting assistance.

Senator CASE. What is this supporting assistance of $480 million to be used for?

Mr. HOLT. The bulk of it will be the commodity import program.

Senator CASE. More rice?

Mr. HOLT. I don't know whether it is rice or not, but $220 million for commodity imports, $231 million for projects of a wide variety of nature and $29 million for administrative programs——

Senator SYMINGTON. What page are we talking about?

Senator CASE. Breakdown of supporting assistance.

Mr. HOLT. In the prints before you it is on page 35. I am reading from some other documents that you don't have.

COMMERCIAL IMPORTS

Senator CASE. How does that compare, Pat, in categories with last year's program?

Mr. HOLT. The estimate for fiscal year 1968 is $470 million for Vietnam.

Senator CASE. Roughly in the same breakdown.

Mr. HOLT. Yes, commercial imports in '68, $200 million as compared to $220. Projects $251 million as compared to $231.

Senator CASE. Commercial imports means that we supply them with goods like Hondas and all the rest of it so it can be sold on the market there?

Mr. HOLT. This is correct.

Senator CASE. Well, damn it, I really think it is time we quit this. I can't imagine the American people standing for this kind of thing, and we do this in dollars. We don't use—we sell it to them for their local currency, I assume, and then we can't use that local currency in paying our military over there, we have to pay them in dollars. Where is this fellow here who so fussed about the balance of payments?

Senator Sparkman. He is directing something at you.

Senator CASE. I don't mean to interrupt anything, I just knew you were interested in this balance of payments thing and I think it is maybe time the committee took more than just a passover on the matter of our paying some $220 million for commercial exports or imports into the Vietnamese private market like Hondas and all the rest of it, and then not be able to use the Vietnamese money for our military purchases over there, but having to use dollars, which is building up reserves for the Vietnamese Government to an outrageous degree, they already have got half a billion dollars, I think, in reserves or something like this.

Senator SYMINGTON. We can't control Ky. They try, once in a while they are successful.

CUTS IN NON-VIETNAM DEFENSE EXPENDITURES

Mr. Chairman, I would like to make a very brief observation. In the record the day before yesterday I placed the fact that when the President said he would agree to a $6 billion reduction instead of a $4 billion reduction in spending in order to obtain the tax surcharge he was asked in the press conference where it would come from, and I put it in the record but the impression I got based on his answer, was largely it would come from non-Vietnam defense expenditures. I have done my best to understand this ABM system and I thought there was a very good place to cut, but the majority of the Senate disagreed with that, and that is that, because that would have saved pretty close to a billion dollars all told if we carried through the cut for construction and the system itself.

Now, I also put in the record the day before yesterday that the Baltimore Sun, a responsible newspaper, said that the people in this government who were the experts in the financial field predicted that the deficit this year may be $25 billion, that is this year we are in now.

Senator MUNDT. Isn't that before the cut and taxes?

Senator SYMINGTON. Yes, as of now.

Senator WILLIAMS. Of course, that won't affect it, that is the fiscal year ending this year.

Senator SYMINGTON. This year, $25 billion.

COST OF THE VIETNAM WAR

Now, this morning, on the Today Show, perhaps some of you all saw it, Joe Barr who is an outspoken little fellow, he said in his opinion that there would be no money available for the social problems, education, cities, et cetera, et cetera, if we stopped the Vietnam War to any extent, that people felt because there would be such heavy expenses even if we did stop the war. He said he thought even though the war was costing, he didn't mention this figure, I did, $30 billion a year, that the maximum we could expect available for anything else was $10 billion.

Well, I don't think he is right, although he probably knows more about it than I do, but the point is that he is looking at it only from the standpoint of reducing the cost of the Vietnam War per se. I am looking at it and I think it is fair to say the majority leader is looking at it, based on some of the things he has said and others, of changing our policy of being the babysitter and gendarme and policeman of the world. It is not just the Vietnam War we hope to stop. It is the gigantic expenditures.

Again, let me present, and I am nearly through now, there are just about 2 million military-connected people that the American taxpayer is supporting abroad today.

Under those circumstances, the under secretary of the Treasury making a statement like that, facing that type and character of a deficit, recognizing the danger that our life insurance which is now a trillion dollars and our pension plans, retirements plans, and Social Security, et cetera, I would hope that we would take a good long look at this whole foreign aid concept.

I don't know if you have seen Passman's[1] figures, but they are interesting and even if they are largely, even if they are only ¾'s right, it seems to me what we have done in the past is there is no use in crying over spilt milk, and I just couldn't agree more with the Senator from New Jersey, that we have to face up to this fact that we are in serious financial trouble, and if we are going to pass all these things and go ahead with the foreign aid and go ahead with the war and do all these things that we apparently intend to do, I don't see anything but a financial collapse and a financial catastrophe.

Now, we have had a serious crisis in the pound in the last six months, incidentally, it is in very bad shape as of yesterday morning, I haven't seen today, again. We had a crisis in the dollar which we overcame, but the SDR development is only a palliative, it is in no sense a cure. Ironically if the franc goes under because of our major enemy, General de Gaulle, it is going to hurt the dollar again. The only people who will benefit from that will be the Soviet union and I think we are going to just have to have financial responsibility.

[1] Representative Otto E. Passman, chairman of the Foreign Operations Subcommittee of the House Committee on Appropriations.

I understand Senator Williams wants a billion eight. My feeling is I will go for any figure to cut out our sitting around these tables and just dishing out the taxpayers' money just on the basis of habit. This is what this has developed into.

SURGICAL WORK WILL BE DONE ON THE SENATE FLOOR

Senator CHURCH. Mr. Chairman, I just want to say to what Senator Symington has said I have felt for a long time we ought to have fundamental changes in the American foreign policy. The purpose of my motion was merely to expedite the time table and was based on my assumption the surgical work is going to be done on the Senate floor. But if the committee wants to undertake this job at this time, I am all in favor of that, and on that basis, I want to accommodate the wishes of the committee and won't insist upon the motion. But we do have just a month within which to finish and that was the reason that I offered it, to move it out on to the Senate floor where I anticipate a number of cutting amendments will be offered.

UNOBLIGATED FUNDS

Senator CASE. Mr. Chairman, may. I ask one more question just to clarify the facts? The statement is made by the administration, the executive branch, that a substantial balance is going to be carried over. It doesn't say how much. Pat, do you know the figure unobligated?

Mr. HOLT. With respect to Vietnam, yes, they expect to carry over something in the neighborhood of $80 million because they did, as a result of the Tet offensive cut back on their project expenditures in Vietnam, and they have also reduced the commodity import program in fiscal year 1968. They anticipated that they will not be able to maintain this reduction, and so it will increase in fiscal year 1969.

INDONESIA AND KOREA

Senator MUNDT. Pat, may I ask you this, I would like to understand this, we didn't give anything to Indonesia. It seems to me Indonesia and Korea are two of our comparatively strong points.

Senator CASE. This is supporting assistance.

Senator MANSFIELD. Korea is getting something, $25 million.

Mr. HOLT. Korea is down to substantial supporting assistance. Indonesia is not. In the administration's program in this bill, $55 million in development loans and $6 million in technical assistance for Indonesia, nothing in supporting assistance.

Senator MUNDT. That just goes, supporting assistance, where you have American soldiers?

Mr. HOLT. No, not necessarily. Supporting assistance is sort of a catch-all kind of thing. It is usually related to military considerations, well, the bulk of it is Vietnam which is related to military, but it can also be related to political considerations where the political situation or economic situation in the administration's judgment precludes the use of loans. The American Republicans are a good example of that.

Senator SPARKMAN. Senator Mansfield wanted to say something.

OUR OWN WORST ENEMY IN VIETNAM

Senator MANSFIELD. Mr. Chairman, I wanted to bring this up several times, but like all the rest of the members of the committee I read the article in the Saturday Evening Post by Mr. William Lederer. I have read the book and I would like to propose that the staff undertake a complete investigation of those charges.[2]

Senator HICKENLOOPER. What article is that? I don't read the Saturday Evening Post so what article is that?

Senator MANSFIELD. It has to do with the graft and corruption.

Senator MUNDT. How we are deceiving ourselves?

Senator MANSFIELD. We are our own worse enemy in Vietnam and I would like to propose, Mr. Chairman, that the staff be empowered in behalf of the committee to undertake a thorough investigation of the charges made by Mr. Lederer, and report back to the committee as expeditiously as possible.

Senator PELL. I would like to strongly support that.

Senator CASE. I would like to ask if the majority leader, I support him entirely in this request for the staff to report on this new book by this Marine Colonel on the same general line referred to in Newsweek and we ought to do that.[3]

Senator PELL. If you will let me comment I think the book was on tactics and strategy. The Lederer article was on graft and corruption.

Senator CASE. It is in the same field.

Senator SYMINGTON. Colonel Corson. C-o-r-s-o-n, Marine.

Senator LAUSCHE. I read the article, and if what he says is true it is just indefensible and the impact that it will have upon the readers will be that whatever we do in South Vietnam is wrong. It is just shocking how he describes the graft that is prevalent. Ships come in with American goods and military equipment, and there are the Vietnamese boats waiting to unload to divert the material and take it into the black market. It is just shocking to read it.

Senator SPARKMAN. Is that the book?

Senator LAUSCHE. That is the Lederer.

Senator SPARKMAN. Without objection.

Senator LAUSCHE. Lederer is the man who wrote "The Ugly American."

MASKING THE COST OF THE WAR

Senator SYMINGTON. Mr. Chairman, I fully support Senator Mansfield's position. The article starts off with a quotation from the head of the Viet Cong expressing their extreme gratitude for the U.S. for giving them the equipment to carry on the war successfully against the South Vietnam, a direct quote.

Following what Senator Case said, I would hope that we could add to that, and I have reason for wanting to do it, the masking of actual cost of the war incident to the financial operations that we have had between the Vietnamese government and the United States. For example, when I was there, I believe it was a year ago last December, the one person they told me in the embassy who

[2] William J. Lederer, *Our Own Worst Enemy* (New York: William Morrow, 1968).
[3] Col. William R. Corson, *The Betrayal* (New York: W.W. Norton, 1968).

stood up to the Secretary of Defense and handled himself very well, who was fairly soon removed, was the financial man in the embassy, and whereas, as you know, we buy our bonds, Federal Reserve Bonds in order to support our position, that is the standard practice in our way we operate our finances, they, Ky, for a long time flatly refused to do that. All he wanted was dollars. He didn't want to invest in his own securities in his own country. It seems to me, therefore, that if the committee agreed we might take a look also at the nature of this financial operation which to a certain extent embraces graft, too.

Senator SPARKMAN. Without objection that will be done also.

INVESTIGATE AMERICAN OFFICIALS

Senator MUNDT. Mr. Chairman, I wonder if you could have it understood, I am thoroughly in sympathy with the Mansfield approach, in the McClellan committee we have had an investigation under Ernest Gruening's subcommittee and Abe Ribicoff has been over there, with majority and minority staff members, and they have a report, all of which would be good background material.

However, I think we should include in this, and maybe your amendment does, that we should also examine the various charges of graft involving AID officials. We have had a couple of cases we have been hearing so far. This is not all a South Vietnamese racket. There are some Americans involved in it, too, and I think we should cover the whole waterfront for misuse.

Senator SYMINGTON. The Lederer article says as a result of this graft there are many American millionaires.

Senator MUNDT. I just wanted to be sure you know we cover the whole thing.

Senator MANSFIELD. Oh, yes, the whole thing. This book is the basis.

Senator HICKENLOOPER. Does he name them?

Senator LAUSCHE. What is the exact language of your proposals?

Senator MANSFIELD. That the staff be given the authority to undertake an investigation of all these allegations made by Mr. Lederer in his book and which goes beyond the Saturday Evening Post article and report back to the committee as expeditiously as possible.

SENSATIONAL CHARGES

Senator HICKENLOOPER. Mr. Chairman, I think it is well to look into this thing, I don't object to that, but I have over the years been fed up with these journalists that make startling claims and statements about this, that and the other thing and then refuse to name the people or furnish information to a committee to sustain their charges. But they get a sensational article and a sensational book and get a reputation with no responsibility at all.

Senator LAUSCHE. That is why I have asked this question of Senator Mansfield, to make sure what is now suggested doesn't imply a verification of what Lederer said. We are wanting to ascertain the facts.

Senator CASE. We want to find the facts out and we can get the facts by an inquiry.

Senator SPARKMAN. Yes.

Senator MANSFIELD. And the staff will do it for the committee.

Senator MUNDT. Can we check with either Pat or Carl, can they give us a little digest of what you consider your mandate to be so we know it and understand it?

Senator CASE. He has a stomachache right now.

Mr. MARCY. I would like a little time to sort of digest it. I think the first request would be that nobody make any other request of the staff between now and about the 1st of January because I mean——

Senator CASE. I agree.

Mr. MARCY. If I contemplate this is the kind of thing where we could start out by sending at least a couple of people out, not only to talk with Lederer, but then to look specifically into these charges in the field.

Senator SYMINGTON. Won't it be in order to move that additional money be appropriated to the staff in order to handle this at the same time they handle their regular activities?

Senator SPARKMAN. I think we have got sufficient money under the resolution.

Mr. KUHL. I would think, Senator, in most instances we would use foreign currencies for travel and while in Vietnam so I don't anticipate that there would be much of a dollar outlay.

Senator HICKENLOOPER. I wonder if the legal beagles also could devise a resolution, a Senate Resolution, sufficiently specific so that you could call Mr. Lederer before this committee, in an airtight situation, and if he refused to give the sources for his information lay the basis for a thorough contempt charge. I am getting tired of these journalists hiding behind this newspaper privilege which is phony.

Senator SYMINGTON. I would like to say one more thing in defense of the book.

Senator HICKENLOOPER. I am not jumping on the book, but on the anonymity.

SHORTAGES OF SUPPLIES

Senator SYMINGTON. When I was out there there was a bad shortage of this new type of boots that prevents this stick from going through. I was in the field, and people from Missouri complained to me. We went to look at the black market which was, those of you who have seen it which was, between three and four blocks at the most—from our old embassy, and there all of it was. The boots were for sale, everything you can think of, whiskey, everything was for sale at three or four times the price right out in the street, and with the policemen passing by and American soldiers passing by and buying all these items that the troops were short of in the field. This is a personal experience which I would not believe unless I saw it.

Senator HICKENLOOPER. You can see that. But who is responsible for that?

Senator MUNDT. I would be happy voting for an amendment which I could read or I could see so that we are all voting for the same thing. I am all for it. But why doesn't somebody put it on paper so we can see it.

Senator SPARKMAN. Let us do this, I don't know about the rest of you, but I have an appointment pretty soon and need to be going, why can't we, we are going to have to have additional why can't we ask the staff to write out a memo as to their understanding of what this is and take it up at the next meeting?

Now, what shall we do with reference to this bill? Is there a motion or shall we just hold it until the House acts?

FOREIGN AID SHOULD BE CUT

Senator WILLIAMS. I don't want to prevent it but I couldn't go on it altogether. If you want to make the motion and cut it $500 million I would support you. I think we ought to cut it because we are not only proposing a $6 billion reduction in spending but we also have approved a mandatory $10 billion reduction of new obligational authority for fiscal 1969 and we have directed the President to send down in January where he can make additional $6 billion, that means $16 billion we have committed ourselves we want taken off the obligational authority that will be, that is, requested in 1969, and we have got to start somewhere and we are going to cut out a lot of projects in all of our states and I really think this is one program that has got to be hit harder. I don't think we can justify it otherwise.

Senator CHURCH. John, I would like to do this, since it was my motion and subject to my amendment, I want to say so that the committee understands my own position, I believe, and I have said publicly, that in view of the tremendous costs of the war in Vietnam and the fiscal situation that faces us we should suspend the foreign aid program for the duration of the war. That will be my position on the floor.

Senator SYMINGTON. Mine, too.

Senator WILLIAMS. I would go along with that, too.

Senator CHURCH. If the committee wants to take action on the figure, I would be happy to get that process in motion by proposing a cut here.

Senator AIKEN. What is the duration of an undeclared war?

Senator CHURCH. Well, duration of the fighting anyway. Anyway I think not continuing this program as usual under existing circumstances.

Senator COOPER. Will you yield just a minute so I can ask a question?

Senator CHURCH. I would be happy to amend my motion to cut $500 million from the House figure.

AID COMMITMENTS

Senator COOPER. Would you yield just a moment so I can ask a question that bears on this? I will assume—I will ask it of the staff, assume that the appropriation, say, would be what it was last year, $2,200,000,000 or any other figure, would the AID use those funds, appropriated funds in fiscal 1969 or the total funds appropriated are not used in the year for which they are appropriated?

Senator SPARKMAN. Not necessarily.

Senator MUNDT. They have a pipeline.

Senator SPARKMAN. They have a pipeline.

Senator COOPER. It just keeps the flow going.

Senator HICKENLOOPER. Most of them are committed.

Senator SPARKMAN. Yes, most of them are committed during that year and the money is not necessarily disbursed, in part it can go two or three years.

Senator HICKENLOOPER. It is obligated so they can go on and spend it.

Senator COOPER. I would think it shouldn't be cut that much.

Senator SPARKMAN. No, I don't think it ought to be cut that much.

Senator LAUSCHE. I offer a substitute that we cut it back to $2 billion.

Senator CHURCH. If we are going to do any cutting, I want to cut it at least $500 million under the present circumstances.

GETTING THE BILL ON THE CALENDAR

Senator CLARK. Mr. Chairman, I do think we are in a tough spot here with the deadline of the 9th and we have got all the opportunity in the world to propose our cuts on the floor. I know the majority leader would like to get this bill on the calendar so we can deal with it. If we start cutting back and forth we will be at this thing for so long we will never get to vote on it. I do hope, Frank, you withdraw that motion and take it up on the floor.

Senator LAUSCHE. He has a $500 million.

Senator WILLIAMS. Why don't we vote on the Church amendment? If it carries all right, if it doesn't——

Senator SPARKMAN. Also is a lower cut than the one Frank proposes.

Senator HICKENLOOPER. He proposed a cut of $500 million below the House figure.

Senator LAUSCHE. I am proposing we cut about $350 million.

Senator WILLIAMS. Why not let us vote on the $500 million first? If it carriers that is all of it. If it doesn't carry then we will vote on the other.

Senator SPARKMAN. The order would be to vote on Frank Lausche's first.

Senator WILLIAMS. It puts you in a position frankly of voting on $350 million.

Senator SPARKMAN. Do you have any objection to voting on Frank's?

Senator SYMINGTON. Let me ask a question first. Is it true the House has not yet acted on this authorization?

Senator SPARKMAN. That is correct. We have discussed it. The committee has reported it out.

Senator PELL. Mr. Chairman, before voting, are we going to vote on Senator Mundt's motion which to me made a lot of sense, before we take these votes or afterwards?

Senator CHURCH. If we take these votes it makes the Mundt motion moot.

Senator SPARKMAN. It depends on the outcome.

Senator WILLIAMS. Let's vote on——

Senator SPARKMAN. Is there objection to voting on Senator Church's motion first?

Senator COOPER. What is his motion?

DIFFICULT ALTERNATIVES

Senator MANSFIELD. I think we are faced with a lot of very difficult alternatives and it appears to me that the least disreputable of the alternatives is the Mundt motion, because there you leave yourself some leeway based on what the House does, if you do otherwise by specific cuts.

Senator SPARKMAN. Then we are boxed in.

Senator CLARK. I wonder, Mr. Chairman, if you will yield briefly, if there isn't some procedural way in which we can get to a vote on what I know several of us would like to vote on, what I understand the Chairman would like to vote on, which is to take the figure of the House committee and let's see if we have enough votes to put that out, that is the less objectionable. Then comes the vote on Mundt's.

Senator MANSFIELD. All right, if you do it on that basis.

Senator CHURCH. The Mundt proposal, if I understood it, was simply to ban all further amendment to the bill except for the figures and then await and make our decision on the figures until after the House has acted.

Senator MUNDT. That is right.

Senator CHURCH. I have no objection to that. If we are going to vote on figures I will want to vote on $500 million.

Senator SPARKMAN. Will you agree to withhold yours?

Senator CHURCH. Yes.

Senator MANSFIELD. Proposes yours.

Senator CLARK. I think I am correctly reflecting on what the chairman would like to see done. I think he would like to see first a vote on the amount contained in the House committee bill and I think in justice to the chairman and the administration we ought to be entitled to vote on it. Senator Symington. I am not sure that is the first vote we should take in justice to the people, which transcends the administration or any other position on it, and the Mundt bill is the best bill from the standpoint of the people.

Senator CLARK. We are getting into a procedural hassle here. I am wrong——

Senator SPARKMAN. Let me say this, Joe, of course, I would like to dispose of the matter today.

Senator CLARK. So would I.

DEFERRING ACTION

Senator SPARKMAN. But Senator Mundt has suggested an alternative and Senator Mansfield says it is flexible enough.

Senator CLARK. It is the less objectionable.

Senator SPARKMAN. The program is flexible enough so we can opeate under it.

Senator LAUSCHE. The Mundt proposal ties itself into what the House would do.

Senator CHURCH. Mr. Chairman, to expedite that, I withdraw my motion in order that we may first pass upon the Mundt amendment.

Senator SPARKMAN. Senator Cooper?

Senator COOPER. If we postpone this and follow Senator Mundt's position it would mean we would not only accept the total which would be fixed by the House——

Senator MUNDT. No.

Senator SPARKMAN. We are not accepting any figures. The figures remain open.

Senator MUNDT. We are just deferring action.

Senator COOPER. Just deferring action.

Senator HICKENLOOPER. We are accepting the language, not the amount.

Senator MANSFIELD. Until the House acts.

Senator COOPER. We will have to meet again and argue about the amount.

Senator SPARKMAN. We will have to meet again.

Senator MUNDT. My motion is that the committee recess subject to the call of the chair until after the House acts on the bill, and when the committee meets again only the money item in the bill to be considered.

Senator SPARKMAN. Include in your motion that the language of the bill be accepted, except for figures. That the bill be accepted except for figures.

Senator MUNDT. All right.

Senator HICKENLOOPER. Mr. Chairman, I have to go.

Senator COOPER. Can I be heard?

Senator MANSFIELD. Stay just for a few minutes.

MAKE THE CUTS NOW

Senator COOPER. I don't want to delay it, I haven't said anything, but I assume we want to make a cut, that is one thing. Too, you want to get this bill out so it can be acted upon.

Senator MUNDT. Right.

Senator COOPER. Well, the Mundt proposal in my view will not expedite the action because we will have to meet again and I would rather—my own judgment is we could expedite the action by acting in this way, I was going to suggest that, and I know it probably won't be acted upon, that we make these cuts right now. I was going to suggest that we look at the House action on the development loans, 550, and cut it $100 or $75; alliance for progress, cut it $25 or %0, that would be $100 million cut. Then you look at these other items, you can't cut them very much because they are so small.

Senator SYMINGTON. Well, now wait a minute.

Senator COOPER. Then you get down to military assistance and cut it down to $350, you could get a $200 million cut right now and vote it out.

Senator SYMINGTON. I think this committee abdicates its responsibility if we said we accept something from the House because we all want to go home. I am for the Mundt amendment and I would like to vote on it.

A NEW GUARANTEE MEDIA

Senator MUNDT. I must say Pat just told me something that disturbs me about the amendment for example, he says there is something in the bill that sets up a new guaranty media.

Senator SYMINGTON. Why do you put it in the bill? Why can't you say wait until the House acts? They originate money bills and this is a money bill.

Senator MUNDT. You mean that part of the amendment? I don't know. I happen to be for the guaranty media thing, but the Senate has rejected it overwhelmingly. I think we ought to know it is in there. I didn't know it is in there.

Senator SPARKMAN. What is the final motion?

Senator MUNDT. I make it this way. That the committee recess subject to the call of the chair until after the House acts on the bill. That when the committee meets again only the money items of the bill shall be considered except for rare exceptions, something like that.

Senator CLARK. Except for what?

Senator MUNDT. Except, you know, if we find something in there, some escape hatch.

Senator SYMINGTON. Karl, you know the House is going to cut this bill beyond what the House Foreign Affairs is going to cut and, therefore, we are just going to be following. Why don't we just recess until we see what the House does?

Senator LAUSCHE. Then everything will be open for further action.

Senator MUNDT. I am trying to reduce the discussion.

Senator SPARKMAN. Why don't we do this? Why don't we just recess period.

Senator COOPER. I am going to make a proposal. If I may make one so we can act upon it.

Senator SPARKMAN. All right. Listen to Senator Cooper. Wait a minute, Frank, listen to Senator Cooper.

CUT IN ALLIANCE FOR PROGRESS FUNDING

Senator COOPER. My proposal is look at this schedule of the House action, will you look at it. $550, cut it $75 million, that would be $75. Alliance for Progress, cut it $25 million, that would be $100.

Senator SPARKMAN. On what, Alliance for Progress?

Senator COOPER. Cut $550 to $75. Alliance for Progress $25 million, that would be $100, and cut military assistance $45 million, that would be $165 million off which brings it down to $2,200,000,000. At least we get something done to get the bill out.

Senator MUNDT. We don't have a quorum now and we can't act.

Senator MANSFIELD. We have a quorum.

Senator SPARKMAN. Do you make a motion?

Senator COOPER. Yes.

Senator SPARKMAN. That we report the bill with the cuts mentioned which give a total of two billion 200 some odd million?

Senator COOPER. Yes.

Senator SYMINGTON. I can't vote for that, Mr. Chairman.

Senator CHURCH. If we are going to undertake cuts I don't think that is adequate.

Senator SYMINGTON. I thought we were going to vote on the Mundt amendment? I don't see why we go back to the House bill.

Senator MUNDT. I move we recess.

Senator SYMINGTON. I second the motion.

Senator SPARKMAN. Do you want a vote on your motion?

Senator MUNDT. I move we recess, Mr. Chairman, that has priority.

Senator CLARK. We don't have a quorum.

Senator MANSFIELD. Yes, you have a quorum.

Senator SPARKMAN. We will just recess.

Senator COOPER. I don't want to be obstinate but it is not quite the way to treat a member. If you want to vote for recess——

Senator SPARKMAN. Well, we have no quorum so they tell me. I hope when we have the next meeting we can get together so we can vote this out. The committee stands in recess subject to call.

[Whereupon, at 12:20 p.m., the hearing was recessed, subject to the call of the chair.]

# FOREIGN SERVICE BUILDINGS, AMBASSADORIAL NOMINEES, FOREIGN AID, AND THE NON-PROLIFERATION TREATY

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**Friday, July 19, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:05 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Mansfield, Symington, Aiken, Carlson, Williams, Mundt, and Case.

Also present: Mr. Kuhl, Mr. Holt, Miss Hansen, Mr. Henderson and Mr. Bader of the committee staff.

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Senator SPARKMAN. Let the committee come to order, please.

We have Mr. Earnest J. Warlow, Director of Foreign Buildings of the Department of State to testify on H.R. 18065, to authorize appropriations of $13,500,000 for Fiscal Year 1970, and $14,300,000 for Fiscal Year 1971 for operating expenses in the Foreign Service Buildings Program.

Senator SPARKMAN. Mr. Warlow, we are very glad to have you and your associates. We will be glad to hear from you at this time.

## STATEMENT OF EARNEST J. WARLOW, DIRECTOR OF FOREIGN BUILDINGS, DEPARTMENT OF STATE; ACCOMPANIED BY RALPH S. ROBERTS, ACTING DEPUTY UNDER SECRETARY FOR ADMINISTRATION; AND ORLAN C. RALSTON, DEPUTY DIRECTOR, OFFICE OF FOREIGN BUILDINGS

Mr. WARLOW. Thank you, sir. May I introduce Mr. Roberts, the Deputy, Acting Deputy, Secretary for Administration; Mr. Ralston, my deputy.

Senator SPARKMAN. Yes, sir, glad to have all of you.

Mr. WARLOW. Thank you, sir.

Mr. Chairman, and members of the committee, periodically the Department presents a request to the Congress for less legislative authorization for appropriations for foreign buildings essential to the conduct of the foreign policy. I am glad for the opportunity to be here today as the committee considers our current authorization request. Most previously legislation has included authority for acquisition and construction of buildings, as well as for the operation and administration of the Buildings Program. The last authorization of this nature was P.L. 89–636 enacted October 10, 1966. In

view of the constraints exercised by the administration and Congress, few new construction starts have been made in the past few years, so there is no need for additional authority for acquisition and construction of buildings in FY 1970 and 1971. This bill covers only the operating expenses of the Buildings program.

At the present time, two bills of identical substance are before the Congress—Senate Bill 3442 and H.R. 18065. The House passed this latter bill on July 16 without amendment.

The real property holdings to be operated and maintained under this legislation consist of some 1700 properties with a gross area of about 17 million square feet. The properties cost about $270 million and are currently estimated to be worth approximately $550 million.

The levels of authorization requested for operating expenses are $13,500,000 for FY 1970 and $14,300,000 for FY 1971. These sums would be utilized for minor improvements to existing properties, recurring long-term leasehold payments, building operating expenses, maintenance, repair and furnishings of buildings, and salaries and related administrative expenses. We believe the levels requested represent the minimum amounts essential to maintain these properties adequately.

Unlike most other appropriations, the Foreign Service Buildings Program appropriation does not have continuing authority for these recurring operating costs. The 1966 bill provided this authority for fiscal years 1968 and 1969. Passage of this bill in the current session is very important, indeed essential, to permit the Department to present to the Congress an appropriation request for this program early in the next session.

Thank you, Mr. Chairman.

Senator SPARKMAN. Thank you.

CONGRESSIONAL OVERSIGHT

As I understand, only in recent years have we had this procedure of providing authorization for operating expenses. Why that change?

Mr. WARLOW. Well, we believe the Congress wanted to take a periodic look at our operation, and to give them an idea as to what we are doing and how we are proceeding, what we have in mind.

Senator SPARKMAN. Now, on this $29 million plus that was authorized for capital, for acquisition and construction of capital, projects provided in 1966, how much of that remains?

Mr. WARLOW. Approximately $28 million, Senator.

Senator SPARKMAN. Very little of it.

Mr. WARLOW. Very little of it used.

Senator SPARKMAN. Is there a freeze now on acquisition and new construction and so forth?

Mr. WARLOW. Generally speaking, yes. We are substantially limited on all new construction. We have got one or two essential projects that we are proceeding with. But we have had a very drastic reduction in our capital program.

Senator SPARKMAN. How was that freeze put into effect and when, and how long does it last?

Mr. WARLOW. It started, it took effect in Fiscal Year 1968. It was a law, 92–18 reduced our obligation level and expenditure level.

A BUDGETARY FREEZE

Mr. ROBERTS. Even before that, Mr. Chairman, I believe there has been, I guess beginning about four years ago, a substantial reduction in the amount of money being made available in the annual budget for construction overseas in view of other needs which the administration felt was more essential

Senator SPARKMAN. In effect it has been a budgetary freeze?

Mr. ROBERTS. It has been a budgetary freeze, yes, sir.

Senator SPARKMAN. There are minor drafting changes between this bill and S. 3442, which was introduced by Senator Fulbright by request of the State Department. Are these changes acceptable to the State Department?

Mr. WARLOW. So far as I know, yes, sir.

Senator SPARKMAN. Senator Mansfield.

Senator MANSFIELD. No questions.

Senator SPARKMAN. Senator Aiken?

ESSENTIAL CONSTRUCTION PROJECTS

Senator AIKEN. Where are your essential construction projects?

Mr. WARLOW. As for the coming year there will be one in Bogota, sir. We plan to undertake that, go to bid this October of this year. We have two projects, one in India and another in Pakistan at Islamabad, the capital there was moved from Karachi to Islamabad.

We have a small office building in Vientiane, Laos, with $220,000. We have some completion costs for the projects now underway also.

Senator AIKEN. These are not construction of new embassies or consulates then?

Mr. WARLOW. No, sir. The ones I mentioned to you are all embassy buildings.

Senator AIKEN. And these are to be additions or improvements to existing buildings?

Mr. ROBERTS. The new building, Senator Aiken, is a new office building in Bogota.

Senator AIKEN. How much does that come to?

Mr. WARLOW. $2,200,000.

Senator AIKEN. Is that included in the bill?

Senator SPARKMAN. It is coming out of the $29 million.

Mr. WARLOW. That is right, sir.

Senator AIKEN. I see.

That is all.

Senator SPARKMAN. Senator Carlson.

AN ALL-AMERICAN BIDDING LIST

Senator CARLSON. Just one thought here. I notice these projects are designed by American architects and engineers and they are talking about supervision here. Because of the performance of possible contractors, did you ask for bids from foreign contractors or how do you handle that.

Mr. WARLOW. No, sir, we changed the policy. We first endeavored to establish an all American bidding list with American contractors. If the American contractors are not interested then we go to

the foreign contractors. But we do try to get an American bidding list.

Senator CARLSON. And you try to get a bidding list of foreigners if——

Mr. WARLOW. If the American industry is not interested then we go to open bidding.

Senator CARLSON. Has that been satisfactory?

Mr. WARLOW. Yes, sir, so far we have been able to do very well with American contractors. However, they don't have the interest that we thought they would have.

Senator CARLSON. How about the foreign contractors, do you get satisfactory performance?

Mr. WARLOW. Yes, sir.

Senator CARLSON. That is all.

THE USE OF NATIVE CURRENCY

Senator AIKEN. How much native currency will you use in the case of India?

Mr. WARLOW. In India it would be——

Senator. AIKEN. You use some native currency?

Mr. WARLOW. All native currency. In Pakistan it would be about three-quarters.

Senator AIKEN. Okay. That is all.

Senator SPARKMAN. Thank you very much, gentlemen, we appreciate your appearance.

We have several items on the agenda today. I hope we can get to them. I assume we should wait until we get a quorum or something approaching it before we take action on this.

Senator AIKEN. On which?

Senator SPARKMAN. On the building just heard from.

Senator AIKEN. This is really maintenance for the most part.

Senator SPARKMAN. Well, it is.

Senator MANSFIELD. Mr. Chairman, I move that the bill be reported favorably.

Senator SPARKMAN. Without objection it will be done.

AMBASSADORIAL NOMINEES

Senator SPARKMAN. I wonder if we might move to the next item, which is the list of ambassadorial nominees.

Senator SPARKMAN. All of these appeared before the committee a couple of days ago.

Senator Carlson and Senator Aiken, I believe, were both present at the time. Most of these are, I believe, all of these are career men except two or three.

Mr. HOLT. Except Adams, Burgess and Linder.[1]

Senator SPARKMAN. All of them are career Foreign Service people except those three.

Linder, of course, has been chairman of the, is chairman, of, the Export-Import Bank. Adams has been in the Government.

Mr. HOLT. He has been in AID, yes, sir. He is not a career Foreign Service man. He has been in government a long time.

[1] Samuel C. Adams, Jr., to be Ambassador to Niger, Carter L. Burgess, Ambassador to Argentina, and Harold Francis Linden, Ambassador to Canada.

Senator SPARKMAN. He has not been in the Foreign Service?

By the way, in connection with the consideration of these I should like to put in the record a letter from William Macomber, Assistant Secretary of State, regarding the question that we raised as to whether or not the FBI had completed a full field investigation. He says now they have been satisfactorily completed with respect to Messrs. Renchard, Linder, Burgess and Adams, Clark, McElhiney, Sayre and Stoessel, prior to their appearance, had been prior to their appearance before our committee.[2]

[Letter follows:]

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**July 18, 1968**

Hon. JOHN SPARKMAN,
*Acting Chairman,*
*Committee on Foreign Relations,*
*United States Senate,*
*Washington, DC.*

DEAR CHAIRMAN SPARKMAN: In a series of recent letters informing Chairman Fulbright of the President's intention to nominate certain individuals to Ambassadorial posts, I indicated the current security status of these prospective nominees, as well as the steps being taken to comply with the requirement (necessary for Senate confirmation) that each have a full field investigation conducted by the Federal Bureau of Investigation.

As you know, all Foreign Service Officers are the subject of a full field investigation conducted by the Department of State's own Office of Security. As a result of this investigation, they receive a security clearance under the provisions of Executive Order 10450. In the case of Foreign Service Officers, therefore, my letters to Chairman Fulbright indicated, in addition to the status of the request for a Federal Bureau of Investigation full field investigation, that these officers presently had valid 10450 clearances.

I am writing now to confirm that FBI full field investigations, referred to as "initiated" in my earlier letters, were satisfactorily completed with respect to Messrs. Renchard, Linder, Burgess, Adams, Clark, McElhiney, Sayre, and Stoessel prior to their appearance before your Committee on July 16.

With all best wishes,

Sincerely,

WILLIAM B. MACOMBER, *Jr.,*
*Assistant Secretary for Congressional Relations.*

Senator MANSFIELD. Mr. Chairman, I note that all of these nominees, with the exception of Mr. Burgess, say they have a pretty fair knowledge at least of the country to which they are being assigned. Mr. Burgess says not stated.

Senator SPARKMAN. He said he was studying.

I move we report them favorably. Any objection?

Senator AIKEN. With the understanding they will all resign in January. I won't object. [Laughter.]

Senator SPARKMAN. Without objection they are recommended for confirmation.

FOREIGN AID

Senator SPARKMAN. Now, we come to foreign aid. I don't know whether you have been able to digest just what happened in the House on the Foreign Aid Bill or not, but I have a chart here which

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[2] George W. Renchard, to be Ambassador to Burundi, G. Edward Clark, Ambassador to Mali, Thomas W. McElhiney, Ambassador to Ghana, Robert M. Sayer, Ambassador to Uruguay, and Walter J. Stoessel, Jr., Ambassador to Poland.

has been furnished me by Mr. Gaud that has a breakdown. Do we have charts made or I wonder if they would be run off right quick. Do you have a Xerox?

Mr. HOLT. I have got another copy of that same chart and I made one myself but I haven't had a chance to run it off.

Senator SPARKMAN. I wonder if he couldn't have about a dozen of them.

Mr. HOLT. Yes, he is working on them.

Senator AIKEN. I have an amendment which will affect, the staff has the amendment, rather, these outfits that get investment guarantees now think that they can organize subsidiaries anywhere in foreign countries and the guarantee extends to their subsidiary down to the second, third, fourth, sixth generation. In other words, if we don't stop them they will be guaranteeing, in the course of time, virtually any loan any country makes in any part of the world and it is time they got stopped before they get started and go too far.

Senator SPARKMAN. Isn't there a provision in the bill that says six generations?

Senator AIKEN. Yes, but I would stop it with the first generation, and I am not sure there is anything in the law that prevents them doing that. I forget what company it was, Pat.

Mr. HOLT. Well, they recently began this in issuing an investment guarantee to an enterprise called Back Bay Orient Enterprises of Boston.

Senator AIKEN. Connected with the New England Power Company.

Senator SPARKMAN. That Back Bay identified it.

Mr. HOLT. Which has made an investment in an intermediate financial institution in Korea called Korea Capital Corporation and the AID guarantee applies to losses the Korea Capital Corporation may suffer in its operations in addition to applying to the original investment of Back Bay Orient.

SCHEDULING DIFFICULTIES

I am not saying, Mr. Chairman—the House made a number, besides the reduction in the amounts, the House made a number, of substantive changes in the law. By Monday we will have a new mark-up print so that the committee can consider these if it wants to.

Senator SPARKMAN. I thought we would be in conference by Monday.

Senator MANSFIELD. I thought we were going to report it out within an hour after they got through with the bill over at the House.

Senator SPARKMAN. Let me say this, I don't believe they have any great objection to those substantive amendments.

Mr. HOLT. Well, some of them they do and others they don't.

Senator MANSFIELD. They are not going to have any objection anyway.

Mr. HOLT. Senator Symington phoned a while ago and said he had to go to a military conference this morning and he hoped the committee wouldn't act on aid. Senator Morse came in yesterday and said he hoped the committee wouldn't act before Tuesday.

Senator CARLSON. Why don't we take the House bill and forget it?

Senator SPARKMAN. That is one trouble we have. Almost every time we set it somebody wants us to postpone action until the next day.

Senator MANSFIELD. Why don't we have an afternoon session on this and if necessary meet tomorrow. We are going to be in session.

Senator SPARKMAN. I can't meet this afternoon because we are trying to wrap up the housing bill. We have been working on it all week starting Monday and we are very close to finishing it. However, I have no objection.

Mike, if you could be here, to take over and have my proxy.

Senator MANSFIELD. I can't be here. I can be in and out this afternoon and tomorrow.

MODEST REQUESTS FOR RESTORATION OF FUNDS

Senator SPARKMAN. Mr. Gaud[3] has been in my office and he told me they were not particularly concerned about the substantive amendments. He is concerned about some of the cuts and not—I won't say not too greatly so, but I mean his requests for restoration are, in my opinion, rather modest, under the conditions.

Senator CASE. How much?

Senator AIKEN. I am agin it.

Senator SPARKMAN. He asks that this money for American schools and hospitals abroad which was cut from $15 million to $13 million, he thinks that ought to be restored. That is, he says, the big impact there will fall on this hospital that is underway, construction in Beirut.

Mr. HOLT. In Beirut.

Senator SPARKMAN. And certainly we ought to be allowed to continue with that.

Senator AIKEN. John, if they have to save $10, $20,000 by closing four little post offices in Vermont, two of them in adjoining communities I just am not going to give them one more cent to establish post offices, schools, hospitals, anything else in Afghanistan or any other part of the world. You can tell them for me that that is my position.

CUTTING MILITARY ASSISTANCE

Senator SPARKMAN. Let me make this suggestion, there was no cut made in the House on military assistance.

Senator AIKEN. I can go along cutting that some, too.

Senator MANSFIELD. Yes.

Senator SPARKMAN. Couldn't we balance them off in some way? For instance, make some of these restorations and make some cuts in the military?

Senator AIKEN. Yes, but then we go in the conference and they take our increase and we would have to take their increase and the result would be——

Senator SPARKMAN. I don't think it usually works that way.

Senator MANSFIELD. Another place we could cut the administrative expenses for aid below $50 million.

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[3] William Steen Gaud, Jr., Administrator of the Agency for International Development.

Mr. HOLT. The House cut it to $53 million.

Senator MANSFIELD. Cut below $53 million. It is an awful lot of money.

Senator CASE. What is the last figure on the final appropriation is that what the House did yesterday?

Senator MANSFIELD. Yes.

Senator Case. The total for the House bill is $1,992,850,000.

Senator MANSFIELD. The second column, Cliff.

Senator CASE. I am sorry, the second column, that is the last one.

Senator MANSFIELD. That is what they did yesterday.

Senator CASE. Supporting assistance is the same old help the military.

Mr. HOLT. It is a catchall, Senator. In some cases it is helping the military and in some cases it is for other things.

FUNDS FOR VIETNAM

Senator CASE. How much of this is for support of Vietnam?

Mr. HOLT. Well, there is no way to tell from the House bill how much they would allocate to Vietnam because they have to reprogram what they originally requested.

Senator CASE. The government's proposal, the administration's proposal, is what?

Mr. HOLT. The proposal for Vietnam in supporting assistance was $480 million, but that is in excess of the total amount authorized by the House worldwide so there will have to be some changes.

Senator CASE. I see.

Senator CARLSON. That table is correct, but I thought the press carried the story that they did cut military.

Senator SPARKMAN. Cut it in committee but not on the floor of the House.

SUSPEND SUPPLIERS SUSPECTED OF WRONGDOING

I want to go back, back up a little on these substantive amendments. He does say there is one thing here that he thinks they should not have done and that is the temporary suspension of suppliers. He says "We now have authority, as do other federal agencies, to suspend suppliers temporarily pending investigation of possible wrongdoing on their part. We cannot suspend them for longer periods of time without a public hearing. The House bill would require a public hearing even for temporary suspensions," and he says this will seriously interfere, and it seems to me it would, too. In other words, they can't even suspend temporarily until a public hearing has been held.

Senator AIKEN. Suspend what?

Senator SPARKMAN. Suppliers.

Senator AIKEN. Suppliers?

Mr. HOLT. Yes.

Senator CARLSON. Where there are questionable operations.

Senator SPARKMAN. Yes, where somebody raises a question of fraud.

Senator AIKEN. I am in favor of suspending three-quarters of them anyway. [Laughter.]

[Memo follows:]

# DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT

## WASHINGTON

## July 19, 1968

OFFICE OF THE ADMINISTRATOR

MEMORANDUM FOR SENATOR SPARKMAN

SUBJECT: House Foreign Aid Bill

Here are some comments on the bill passed by the House last night.

*Money*

The House authorization of $1.992 billion is $969 million below the President's $2.961 billion request—a cut of nearly 33%. The breakdown is shown on the attached table.

The House Foreign Affairs Committee had recommended a cut of "only" $600 million from the President's budget request. This resulted in a proposed authorization of $2.364 billion (which is well under the FY 1968 authorization of $2.675 billion). The President said in his statement of July 17 that although he regretted this $600 million cut he would not oppose it. But he did vigorously oppose any further cuts. The House nevertheless cut another $370 million.

I strongly recommend that the Foreign Relations Committee restore this entire $370 million. But if it is unwilling to do this, there are three items that deserve top priority.

Most critical is the *Development Loan* cut from $765 million to $350 million. This is well below the $435 million appropriation for FY 68, which proved wholly inadequate. I hope the committee will see fit to authorize *at least* the amount it authorized last year: $500 million.

The cuts in *Contributions to International Organizations* (from $143 million to $130 million) and in *American Schools and Hospitals Abroad* (from $15.1 million to $13 million) may seem small. But the former is clearly a step in the wrong direction, and the latter falls $1.6 million short of enabling us to get on with the construction of Phase III of the medical center at the American University of Beirut. Authorizations of $143 million and $14.6 million, respectively, are strongly recommended.

The three restorations suggested above add up to $164.6 million. This would raise the total authorization to $2.157 billion (as against last year's authorization of $2.675 billion and last year's appropriation of $2.295 billion).

If the committee is prepared to restore more than the $164.6 million just discussed, priority should go to *Development Loans* and the *Alliance for Progress.*

*Substantive Amendments*

The House bill proposed relatively few substantive changes in the Foreign Assistance Act. Except as indicated below, I would not take serious objection to these proposed changes.

*Temporary suspension of suppliers* (p. 11, line 14 of the House print before floor action). We now have authority (as do other federal agencies) to suspend suppliers temporarily pending investigation of possible wrong-doing on their part. We cannot suspend them for a longer period of time without a public hearing. The House bill would require a public hearing even for temporary suspensions. This amendment, which will seriously interfere with our efforts to police our procurement activities, seems to me an unfortunate retrogression. I imagine Senators Williams and Mundt will be particularly interested in it.

*Trading with Cuba.* I have not had an opportunity to discuss with the State Department a floor amendment dealing with trade to Cuba which was offered by Congressman Fascell.

*F–4 Phantom Jets for Israel.* I have likewise not had an opportunity to discuss with the State Department a floor amendment offered by Congressman Wolff which authorizes and requests the President to negotiate an agreement with the Government of Israel for the sale of these fighter planes.

* * * * *

I would be happy to discuss the bill further with either you or the committee.

| | FY 1969 | | FY 1968 | |
|---|---|---|---|---|
| | Auth. Request | House Bill | Senate Auth. | Final Appro. |
| Development Loans | $ 765 | 350 | [1] $500 | $435 |
| Technical Assistance | 235 | 200 | 210 | 180 |
| Alliance for Progress | 625 | 420 | 578 | 469 |
| Loans | (515) | (330) | (478) | (389) |
| Technical Assistance | (110) | (90) | (100) | (80) |
| Partners of the Alliance | 0 | .5 | 0 | .3 |
| Supporting Assistance | 595 | 420 | 600 | 600 |
| Contingency Fund | 100 | 10 | 30 | 10 |
| Contributions to International Organizations Grant | 143 | 130 | 140 | 130 |
| Indus Basin Loans | [2] | [2] | (51) | 0 |
| American Schools and Hospitals Abroad | 15.1 | 13 | 14 | 11.5 |
| Local Currency | 3.1 | 5.1 | (3) | 6.0 |
| Investment Surveys | 1.5 | 1.25 | 2.1 | 1.25 |
| Administrative Expenses—A.I.D | 58.8 | 53 | 55.8 | 55.3 |
| Administrative Expenses—State | [3] | [3] | [3] | 3.3 |
| Total A.I.D. | $2,541.5 | $1,602.850 | $2,149.9 | $1,895.9 |
| Grant MAP | 420 | 390 | 475 | 400 [4] |
| Grand Total | $2,961.5 | $1,992.850 | $2,624.9 | $2,295.9 |

[1] $185 million authorized but not appropriated for FY 1967 also available for appropriation for FY 1968.
[2] $51 million previously authorized for Indus Loans. $12 million appropriation request for FY 1969.
[3] Permanent authorization. Appropriation request $3.9 million for FY 1969.
[4] This figure does not include the $100 million FY 1968 supplemental appropriation for Korea.

## CRIMINAL PENALTIES FOR FRAUD

Mr. HOLT. Mr. Chairman, I can give you some background on that. The committee agreed to this particular provision in the House bill on June 27, at the same time they agreed to the amendment proposed by Senator Williams which is along the same lines, which imposes criminal penalties on suppliers guilty of fraud. The administration has no objection either to the Williams amendment or to the general provisions of the House bill except the requirement that a public hearing be held prior to suspension.

Senator SPARKMAN. That is right, and I understand that even the persons who offered the amendment decided later, after it was too late that they had——

Senator AIKEN. John, if they are really guilty they shouldn't be permitted to buy a gun either?

Senator SPARKMAN. By gum?

Senator AIKEN. A gun.

If Williams gets an amendment on their carrying a penalty of over one year, they won't be permitted to buy a gun.

Mr. HOLT. The administration has suggested alternative language—there is a long position paper here about it but that is the way they would like to have it.

Senator SPARKMAN. Here is the new language that they would put, I assume this underscored is new language.

Mr. HOLT. That is right, yes.

Senator SPARKMAN. It reads as follows—Pat, maybe you had better read that.

Mr. HOLT. Fine.

The President shall issue and enforce regulations determining the eligibility of any person to receive funds made available under this Act.

Person may be suspended under such regulations——

Senator SPARKMAN. This is the new material?

Mr. HOLT. This is the new material.

Senator SPARKMAN. That he is starting on right now.

Mr. HOLT. [continuing].

A person may be suspended under such regulations for a temporary period pending the completion of an investigation and any resulting judicial or debarment proceedings, upon cause for belief that such person or an affiliate thereof probably has undertaken conduct which constitutes a cause for debarment; and, after an opportunity has been afforded to such person for a hearing he may be debarred for an additional period, not to exceed three years. Among the causes for debarment shall be (1) offering or accepting a bribe or other illegal payment or credit in connection with any transaction financed with funds made available under this Act; or (2) committing a fraud in the procurement or performance of any contract financed with funds available under this Act; or (3) acting in any other manner which shows a lack of integrity or honesty in connection with any transaction financed with funds made available under this Act. Reinstatement of eligibility in each particular case shall be subject to such conditions as the President shall direct. Each person whose eligibility is denied or suspended under this subsection shall, upon request, be entitled to a review of his eligibility not less often than once every two year.

The principal difference between this and the House bill is that this permits a temporary suspension of eligibility upon executive, on an administrative determination, a longer suspension would require a public hearing. The House bill requires a public hearing for even a temporary suspension.

DEBARMENT

Senator SPARKMAN. Why do they use the word "debarment?"

Mr. HOLT. I think of that as being denying a lawyer the right to practice law.

Senator CASE. Except it just misses that, too.

Senator SPARKMAN. And they use "judicial" this doesn't just pertain to lawyers does it? It pertains to contractors and suppliers. A person may be suspended under such regulations for a temporary period pending the completion of an investigation and any resulting judicial or debarment proceeding upon cause.

Mr. HOLT. I don't know why they used the word "debarment," but in this context I would assume that he is debarred from further participation in the aid program.

Senator CASE. It is a terrible thing, messing up these words.

Senator SPARKMAN. We don't like our legal terms mixed up in every——

Senator CASE. At least they could spell them right if they wanted to use them.

Senator SPARKMAN. This seems to me to be a good proposal. Wouldn't you agree?

Senator CARLSON. If they need a change in the language and they feel they need it and it sounds to me the other was too rigid, I mean just immediately, no opportunity to look at it.

Senator SPARKMAN. It is too rigid against the Government.

Senator CARLSON. Yes.

Senator SPARKMAN. Is there any objection to the adoption of this language? The motion is made. Any objection, if not it is agreed to.

Senator CASE. Aiken not voting?

Senator AIKEN. That is as far as I will go.

TRADING WITH CUBA

Mr. HOLT. The House added a long amendment dealing with trading with Cuba and upon a hurried examination of it this morning I am at a loss to find it means anything, because it forbids assistance under this Act to sales under PL 480 to any developed country which sells or furnishes Cuba, et cetera, and there is no assistance under this Act insofar as I am aware, no sales under PL 480, to any developed countries, so I don't know what they are getting at in this amendment.

Senator SPARKMAN. It would be kind of like insulting motherhood, those who go against it.

Senator AIKEN. Mr. Chairman, how about proposing, considering that amendment which had been prepared by counsel relative to the grandfather, I don't know whether it is a grandfather, clause or whatever it is, but where an American company can organize a subsidiary of foreigners in foreign countries and they get their investments guaranteed, too. I think Pat probably can explain it. I have written, I think I have written, I think I have written, to Mr. Gaud asking for an explanation of this, didn't I, Pat?

Mr. HOLT. You did, yes, sir.

Senator AIKEN. And I got no response as of yet.

Mr. HOLT. This deals with——

Senator AIKEN. Monkey business, I think.

INVESTMENT GUARANTEE PROGRAM

Mr. HOLT. This deals with a very complicated part of the operation of the investment guarantee program. They have recently begun to issue guarantees of financial investments made in foreign banks or other financial institutions, and the guarantee extends not only to the original U.S. investment in the foreign institutions, but also to the sub-loans or sub-investments which the foreign institutions may make in turn. It is a second degree kind of operation, and this amendment which Senator Aiken asked us to prepare would attempt to clarify the law so that they would still be able to guarantee the original investment, but the guarantee would not extend to the sub-investments thereunder.

What is involved here is a U.S. financial institution makes an investment, either a loan or equity investment, in a foreign financial institution which then makes a number of sub-loans, and the guarantee applies to each of those sub-loans against the risk that is covered. So that although 9 of them may be good and pay off, if one of them goes bad, the guarantee applies to it.

Senator AIKEN. I think specifically this Boston Corporation or whatever it is, Back Bay Corporation, proposes to lend money to a bank in Korea, and asked for an investment guarantee, and then they claim that loans made by the bank to which they loaned to also has its investments guaranteed, and I don't know how far, how many generations they could follow that. Suppose the bank in Korea lends to another Bank in some other place.

Senator SPARKMAN. Samoa.

Senator AIKEN. It can go on indefinitely.

Senator CASE. In case the sub-loan goes bad is the foreign bank paid or is the American investor paid pro tanto and how do they determine when his investment——

Mr. HOLT. The law as it now stands is really silent on this point, and AID has interpreted it to mean that they can guarantee the sub-investments.

Now, in answer to your specific question they do not pay off the foreign bank. They pay the U.S. investor pro rata for his share.

Senator CASE. Even if one goes bad and they are good the guy gets paid off for the bad one and keeps the good ones.

Mr. HOLT. That is right.

Senator CASE. I wouldn't think that is a good idea.

Senator MANSFIELD. You have written to Gaud and gotten no answer.

Senator AIKEN. No answer.

When did I write to him, last week?

Mr. HOLT. July 15.

Senator AIKEN. It was only about three or four days.

Senator MANSFIELD. Mr. Chairman, I move the adoption of the amendment. It sounded good to me.

Senator SPARKMAN. Is there any objection?

Senator AIKEN. If it turns out there is any catch to it. But we have to stop this before it goes too far.

Senator SPARKMAN. Without objection it is agreed to.

Senator AIKEN. Thank you. I am feeling less provincial right now.

RESTORATION OF CUTS IN FUNDING

Senator SPARKMAN. Maybe we ought to go to the restoration of some of these cuts. [Laughter.]

Senator SPARKMAN. I do feel we ought to make it possible for them to continue with this construction which I understand is already underway of that hospital in Beirut.

What more can we do on this bill this morning?

Mr. HOLT. You could, if you wanted, Senator, I could run over some of the substantive provisions besides the figures that the committee, I think, at least ought to be aware of.

Senator SPARKMAN. You mean on the authorization?

Mr. HOLT. Yes, sir.

Senator SPARKMAN. The dollars?

Mr. HOLT. Yes, sir.

Senator SPARKMAN. All right, why don't we start in right at the top? Everyone has a list now. Why don't we start in?

Senator CASE. We are too late there, John.

Senator SPARKMAN. Tell him we took care of him anyhow, Senator Williams, on his amendment.

Mr. HOLT. The House bill puts in the Authorization Act the substance of the Conte-Long Amendments which were in the Act last year, dealing with the purchase of sophisticated weapons systems by under-developed countries. The House bill also increases by $10 million the military assistance funds for Latin America. Directs the President to negotiate an agreement with Israel for the sale of F–4 Phantom fighters in such numbers as shall be adequate to provide Israel with a deterrent force capable of preventing future Arab

agression by offsetting sophisticated, weapons received by the Arab states and to replace losses suffered by Israel in the 1967 conflict.

Senator CASE. They passed that. Was there a record vote on that one?

Mr. HOLT. No, there was not.

SenatorCASE. Whose was it?

Mr. HOLT. Mr. Wolff's.

Senator CASE. Have we had a comment on it from downtown?

Mr. HOLT. No, we have not.

Senator CASE. Gaud didn't object to it?

Mr. HOLT. Gaud said, "kept as indicated below, I would not take serious objection to these proposed changes," and then he lists three of them including this one, but with respect to this one he said "I have not had an opportunity to discuss it with the state Department."

Senator CASE. It is open still?

TRADING WITH CUBA

Senator SPARKMAN. I wonder if on this trading with Cuba, it seems to me if we try to rewrite that thing it probably will go, get into a hassle, and I wonder if we can't, if it wouldn't be the better part of wisdom just to accept it.

Senator AIKEN. On what?

Senator SPARKMAN. Trading with Cuba.

Senator CARLSON. What is the amendment?

Senator SPARKMAN. He discussed it a minute ago.

Mr. HOLT. The amendment says no loans, I won't read all of it because it is too complicated but the substance of it says that no assistance shall be furnished under this Act and no sales shall be made under PL 480 to any developed country which sells or furnishes to Cuba or permits ships or aircraft under its registry to transport to or from Cuba any equipment materials or commodities other than, including medical supplies, so long as the Castro regime governs Cuba and continues to export communist subversion to any country of the western hemisphere."

Senator CARLSON. What is it that we are not doing now?

Mr. HOLT. This is what I don't understand about it, Senator, because it applies to any developed country.

Senator CARLSON. Right.

Mr. HOLT. Which does these things, and there is no developed country which gets assistance under this Act, and I am not aware of any that buys under PL 480.

Senator AIKEN. He is not referring to Russia, Yugoslavia, Czechoslavakia.

Mr. HOLT. I would presume Czechoslavakia would be a developed country but not getting any assistance under this Act and it is not getting any PL 480, but it might.

Senator SPARKMAN. We don't want to disturb Czechoslavakia right now.

Senator AIKEN. No, sir.

I would put some money in it for them if it would do any good.

Mr. HOLT. There is another interesting thing about the way this amendment is written. This prohibition applies so long as the Castro regime governs Cuba and continues to export communist sub-

version. So that theoretically in any event a finding could be made that the Castro regime had ceased to export communist subversion and it wouldn't apply.

Senator AIKEN. I think we should require our hijackers to get passports anyway. [Laughter.]

Senator SPARKMAN. Maybe we ought to hold that until we have some comment from the State Department.

Senator AIKEN. Find out more about it.

Senator WILLIAMS. Require a man can't use a gun for hijacking under this bill.

Senator AIKEN. Under the proposed gun bill—I don't know.

Mr. HOLT. The last hijacker used a can of shaving lotion which he said was a grenade.

Senator WILLIAMS. That is all right, shaving lotion. [Laughter.]

MILITARY AID TO LATIN AMERICA

Senator SPARKMAN. Pat, where is that $10 million additional of military aid to Latin America?

Mr. HOLT. This comes in one of the substantive amendments added by the House which says "not withstanding the foregoing provisions of this section," which is the section which contains the limitation on military assistance to Latin America, not withstanding that "not to exceed $10 million of the funds made available for use under this part," i.e., military assistance, "may be used to furnish assistance to the American republics directly or through regional defense arrangements to enable such republics to strengthen, control activities in their coastal waters for the purpose of preventing landings on their shores by communist or other subversive elements originating in Cuba, which threaten the security of such republics and of their duly constituted governments."

Senator SPARKMAN. That doesn't increase the overall. It just earmarks.

Mr. HOLT. It authorizes an additional $10 million to Latin America for coastal patrol is what it comes down to.

Senator SPARKRNAN. But it comes out of funds already provided.

Mr. HOLT. It comes out of the general military assistance pot, that is right.

Senator SPARKMAN. Yes. I should think we ought to accept that, shouldn't we?

Senator MANSFIELD. I think you had better wait until Wayne shows up about that.

Senator SPARKMAN. Well, this is aimed directly at Cuba as effort to infiltrate, is it not, Pat?

Mr. HOLT. Yes.

Of course, the other funds for Latin America could be used for this purpose under the law as it now stands.

Senator SPARKMAN. All right. We will hold off on that then.

SOCIAL SECURITY PAYMENTS TO COMMUNIST COUNTRIES

Senator WILLIAMS. Are we going to try to report the bill today?

Senator SPARKRNAN. I guess we are not. I would like to.

Senator WILLIAMS. It would suit me if I did, I wanted to be sure, I wanted to offer an amendment for the floor which I will have ready for tomorrow which deals with the manner in which recently

deciding on release all back withheld Social Security payments of Russia and a bunch of these countries that have been held for a number of years, and they are making the decision now, they are going to release it. We want to put an amendment in they can't release it as long as we have got claims of American citizens which they are not recognizing. And you have got China on the list. They haven't released it to China, they are not talking about it yet, but they are talking now about releasing it to Soviet Russia and Czechoslavakia too, but you can understand that.

Senator SPARKMAN. Social Security payments.

Senator WILLIAMS. In years back they withheld Social Security payments that were made to people who had gone back over there and were withheld on the premise that there is no way in those countries that they could determine whether the earning limitations or the number, whether they were actually there today or whether they were not, and there is still no way, they admit it. The department down there admits there is no way of doing it, but just sending it over in a block and they will distribute it.

Senator SPARKMAN. Was that a determination by Social Security, the State Department or what?

Senator WILLIAMS. A combination, but it is being done by regulation and we want to put an amendment. I will have it tomorrow.

Senator SPARKMAN. Can we meet tomorrow morning?

Senator WILLIAMS. Will you have a quorum?

Senator SPARKMAN. Let's push for a quorum. Tell them we hope to finish, final action on the aid bill.

BACKDOOR OPERATIONS

Senator CASE. Will we have the comments from the department of this somewhat desultory third hand, backdoor operation which I am not criticizing, but will we have it?

Senator SPARKMAN. Both on Cuba and on arms to Israel.

Mr. HOLT. I am sure we will. As a matter of fact, we already have some comments on things they want to change in the House Committee bill, which remained in the bill that the House passed, and we can get these others during the day.

Senator MANSFIELD. How about getting permission for the committee to meet tomorrow?

Senator SPARKMAN. Yes.

Senator AIKEN. The House passed this by a two to one vote practically, which indicates their mood.

Senator SPARKMAN. I wish you would also ask AID to give us the statement on that hospital, the impact of that cut on the hospital.

Senator CASE. I notice in that connection they raised the currency thing by an amount almost equivalent to what they took off on the direct grant, isn't that right?

Mr. HOLT. Well, the House committee had raised the local currency appropriation. The House left that undisturbed and reduced——

Senator CASE. I see that wasn't done——

Mr. HOLT. It was not a balancing operation.

Senator SPARKMAN. Ask them to give us a statement on the impact of this on the hospital. Mr. Gaud told me that it would be one

of the most serious things, that little cut, relatively, from $15 million to $13 million.

Senator WILLIAMS. Why not just report the House bill and give them discretionary authority to shuffle around a few million dollars?

Senator SPARKMAN. Let's find out what the impact is. I wonder then if we can leave this over until the morning and move to another item?

NON-PROLIFERATION TREATY

Senator SPARKMAN. I suppose we are not ready to act on the Non-Proliferation Treaty, are we, or are we?

Senator AIKEN. Not right now. Let's see how we come out on Czechoslavakia.

Senator SPARKMAN. On Czechoslavakia? Do you think you want to hold it open, possibly to send in a few little nuclear weapons? [Laughter.]

Senator AIKEN. I think we had better play Russia's game awhile.

Mr. HOLT. I ought to say Senator Hickenlooper indicated yesterday afternoon he hoped the committee would not act on that Treaty this morning.

Senator SPARKMAN. That is right. I recall he said that over there when we finished yesterday morning, didn't he?

S. 3092: MILITARY SALES BILL

Senator SPARKMAN. Tell me this, can we act on the military sales bill? We had hearings on that some little time ago. It must have been a month ago, wasn't it?

Mr. HOLT. It was last month.

Mr. BADER. It was June 20.

Senator SPARKMAN. A month ago tomorrow. Is there any objection to our acting on the military sales bill?

Senator CARLSON. Has it been resolved to the satisfaction of Symington and others who——

Mr. HOLT. Senator Symington indicated he hoped the committee wouldn't act on that in his absence and I have a note from Senator McCarthy saying that if the committee does act he wants to file minority views.

Senator CASE. Is that a recent request?

Mr. HOLT. Yes.

Senator SPARKMAN. Let's put this on the agenda for tomorrow.

Mr. HOLT. Military sales.

Senator AIKEN. Following the foreign aid.

Senator SPARKMAN. We have just got to get some of these things out of the way.

S. 3378

Senator SPARKMAN. I suppose we have had a request not to act on IDA today?

Mr. HOLT. I have had no request about IDA.

Senator CASE. I move we adopt it.

Senator AIKEN. I move we don't.

Senator SPARKMAN. The motion is made we approve S. 3378.

Senator WILLIAMS. George moved we don't.

Senator SPARKMAN. Any discussion?

Senator AIKEN. I suggest the absence of a quorum.

Senator CASE. Arguments of that sort are not fair. [Laughter.]

Senator MANSFIELD. John, I am afraid that is about it, isn't it?

Senator AIKEN. $480 million, we ought to take about $2 million to maintain our post offices.

Senator SPARKMAN. Karl, we are mighty glad you are here. The committee is adjourned, recessed until 10:00 o'clock tomorrow morning, and we expect final action on all of these matters. [Whereupon, at 11:00 a.m., the hearing was recessed to reconvene Saturday, July 20, 1968, at 10:00 a.m.]

# FOREIGN AID

**Saturday, July 20, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 10:10 a.m., in room S–116, the Capitol building, Senator John J. Sparkman, presiding.

Present: Senators Sparkman, Morse, Gore, Lausche, Church, Symington, Clark, Pell, Hickenlooper, Aiken, Carlson, Williams, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

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Senator SPARKMAN. Let the committee come to order. We can start talking because we have to go up at 10:30 to vote.

Senator AIKEN. Mr. Chairman.

Senator SPARKMAN. Senator Aiken.

AID OPPOSES AMENDMENT

Senator AIKEN. Yesterday you adopted an amendment I proposed which would have some purpose of deterring loans by U.S. banks in other countries who, in turn, would loan it and re-loan it and so forth, and then the loss would, what, we would undertake three quarters of the loss if they lost the money.

Mr. Gaud is very much opposed to that amendment. He says they are not going to do it any more anyway. I suggested if they are not going to do it any more anyway it is probably a good idea to have it in the law. But he wrote me this morning:

> This is to confirm our conversation this morning with respect to the guarantee of Back Bay Orient Investment in Korea. You doubt the wisdom and soundness of the policy under which this guarantee was issued. I consider it an important part of our program. We have not had an opportunity to discuss the matter adequately and see if we can work out a mutually satisfactory solution.
>
> Under the circumstances, I assure you that AID will not issue you any more such guarantees unless and until you or the Committee on Foreign Relations, if you prefer, agree that the policy makes sense. I am sorry that the timetable of the markup has made it impossible for us to discuss this at greater length.
>
> Sincerely yours, William Gaud.

He says he questions the advisability of it himself, nevertheless they went ahead and did it, and I don't feel like rescinding what we did yesterday, but I would say this: When we go to conference with the House, if in the meantime they can show that this amendment is completely undesirable—the idea is this banking group can make a lot more lending money over there than they can over here

to some poor cuss who wants a roof over his head, you can't borrow money for this purpose.

So I say let's leave it in there and I would be willing to tell him that if between now and the time we go to conference they can show us that this is going to disrupt the whole foreign lending policy, that I will be glad to have it thrown out in conference. But the difference is between 6 percent and 30 percent earnings on the money, that is what it is.

MAKING INVESTMENTS THROUGH FOREIGN INSTITUTIONS

Senator LAUSCHE. What is the technique, George? I wasn't here yesterday.

Senator AIKEN. Pat, you tell him.

Mr. HOLT. The technique that Senator Aiken is complaining about arises when a U.S. financial institution makes a financial investment in a foreign financial institution.

Senator AIKEN. It is a new scheme they worked up.

Mr. HOLT. In the specific case that gave rise to Senator Aiken's concern, a group called Back Bay Orient Enterprises in Boston made an investment in something called Korea Capital Corporation in Korea. Back Bay Orient's investment is 70 percent of Korea Capital's capital stock.

The investment guarantee which Back Bay Orient received applies in turn to loans or other investments which Korea Capital may make in Korea. If one of these is lost through expropriation or through war, revolution or insurrection, AID will pay Back Bay Orient 70 percent of the amount of the loss, that representing Back Bay Orient's share in Korea Capital, and what this amounts to is an extension of the investment guarantee program to second degree investments, so to speak.

Senator LAUSCHE. Isn't it also an indirect method of achieving what it could not achieve directly?

Mr. HOLT. Well, they could——

Senator LAUSCHE. The American investment company gets the guarantee? It then loans, does it, over in Korea?

Mr. HOLT. That is right.

Well, in this case it bought stock, it was an equity investment.

GUARANTEEING LOSSES

Senator LAUSCHE. So we guarantee that the ones to whom they loan or invest will repay whatever has been loaned or invested?

Mr. HOLT. No, no.

In this particular case the guarantee extended only to losses from inconvertibility, from expropriation and from war, insurrection or revolution.

Take an example, if Back Bay has made a single investment of $700,000 in Korea Capital, Korea Capital will make a number of sub-investments in Korea. If one of those happens to be blown up by North Korea and saboteurs or something, and 9 others are sound investments and are paying off, nonetheless under this guarantee AID will pay Back Bay Orient its pro rata share of the loss in the single investment.

Senator SPARKMAN. I see no objection to leaving it in there.

Senator AIKEN. I think we ought to leave it in there and if they can prove before we go to conference it is very damaging, Bill says he will agree not to make another loan of that type until the committee or I approve it but he may not be director next week or the week after, and I may not be here six months later, who knows. If the Liberty Lobby has their way I won't be.

Senator SYMINGTON. You remember when Senator Morse brought out on IDA a lot of this IDA money we were sending out at no interest, no repayment of principal for 10 years, and the countries in question were promptly, the Governments were promptly, relending the money at 12 percent interest?

Senator AIKEN. The idea is they can get so much more for their money in some other countries and here the poor devil trying to get money to build a house in Vermont just can't borrow from the banks. They have to go to the federal government and if we keep that this will be a socialist country in no time flat, and I don't want to be a socialist yet, despite the Liberty Lobby.

Senator LAUSCHE. There is no motion here to strike it, is there?

Senator SPARKMAN. No.

Senator AIKEN. I will tell him we have all the time in the world until we get to conference.

CHANGES MADE BY THE HOUSE

Senator SPARKMAN. We have a quorum here and suppose we ask Pat Holt to give us the principal items that the House and the amendments relating to substance that they put into the bill?

Senator SYMINGTON. What bill are we talking about now, Mr. Chairman.

Senator SPARKMAN. The AID bill.

Mr. HOLT. Mr. Chairman, we don't yet have copies of the House bill except a Star print of the embossed bill. It will not be officially sent to the Senate until Monday.

Yesterday afternoon we sent a mark-up print to the Printing Office but it was not, it has not yet been delivered.

Aside from the money figures the House bill makes a number of substantive changes in the law, the first of which appears on page 2 of the blueprint that has been given to you in lines 14 to 17.

Senator SPARKMAN. What page is that?

Mr. HOLT. Page 2, Senator, in lines 14 to 17.

Two years ago Congress authorized not to exceed $10 million of technical assistance funds to be used for assistance to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry on programs concerned with economic and social development of less developed countries.

The House bill puts that $10 million authorization on an annual basis, $10 million a year for that purpose, instead of $10 million one shot.

Senator SYMINGTON. Is that on page 2?

Mr. HOLT. That is on page 2, that is the effect of the language on lines 14 through 17 on page 2.

Senator LAUSCHE. The House puts it on an annual basis. How does the present law put it?

Mr. HOLT. The present law puts it on a one-time basis of $10 million. It has been there for 2 years, they have so far used $6.1 million, they have plans to use more next year. The administration would welcome this change which the House makes.

AN ENLARGEMENT OF AUTHORITY

Senator LAUSCHE. Is this an enlargement of the present grant?

Mr. HOLT. This would be—well, it is not any more money because this comes out of whatever is finally appropriated for technical assistance, but it is an enlargement of their authority in that they can do this up to $10 million a year rather than a one time operation of the $10 million.

Senator SYMINGTON. What does the word "certain" cover, "for certain research," what kind of research?

Mr. HOLT. This is a——

Senator SYMINGTON. In other words, if you say it is not more money then it means they can transfer funds of what they get and what does the word "certain" therefore mean with respect to what they can transfer?

Senator CLARK. I suppose it modifies "institutions" doesn't it, or what are we talking about?

Senator SPARKMAN. It relates to the law.

Mr. HOLT. "Certain" in line 15 relates to research that is described in section 211(d) of the Act which is research by universities to, essentially to, learn how to carry out foreign aid better.

Senator CLARK. Doesn't it mean certain research institutions?

Mr. HOLT.

Senator CLARK. You mean research is a noun, "certain research?"

Mr. HOLT. That is right.

Senator CLARK. What kind of research?

Senator SPARKMAN. That is in the basic law.

Mr. HOLT. It is essentially research to learn how to carry out foreign aid programs better. It is described in the law.

Senator SPARKMAN. Cheaper.

Mr. HOLT. Research for the purpose of strengthening the capacity of research and educational institutions to develop, and carrying out programs concerned——

Senator SYMINGTON. The reason I asked the question, Mr. Chairman, is that the Department of Defense used quite a little money to investigate the efficiency of Korean women divers, and when we asked about it, it seems that the Korean women dive in colder water than any other women that dive, and we asked how about the men and they said that was not pertinent to the question.

Senator LAUSCHE. Does this cover the research in social, on social questions, about which Rickover and you sent us a report yesterday?

Mr. HOLT. I think he was testifying about the Department of Defense research. This is AID research. I could give you a specific example of things they have already done.

Senator CLARK. Let's just give one and then move on.

Mr. HOLT. All right.

MORE MONEY ALLOCATED

The University of North Carolina, 4.4 million dollars for a build up of the Center for Population Studies; the Center to expand its research work and training programs in India, Thailand and elsewhere——

Senator CLARK. Will the effect of this House amendment be that more money will be spent or less money?

Mr. HOLT. More money can be spent on this purpose but not more money in total. This comes out of whatever is finally appropriated.

Senator CLARK. But more money can be spent for this purpose within the limits of the bill than presently is allowed?

Mr. HOLT. That is correct.

Mr. Marcy. They have to come back every year to Congress now to spend the $10 million, as it is now as soon as they run out of $10 million——

Senator SPARKMAN. It doesn't mean more than the law presently provides but it provides it on an annual basis and we would have to take, if we wanted to provide we would have to take, action to review it, and this just puts it on a continuing basis.

All right, Pat.

RAISING THE CEILING ON RISK GUARANTEES

Mr. HOLT. Well, the next item not dealing with authorizations has to do with investment guarantees. The House increases the ceiling on the amount of specific risk guarantees that can be outstanding at any one time from $8 billion to $9 billion.

Senator SYMINGTON. Where is that?

Mr. HOLT. That is on page 3, lines 8 and 9.

Senator CLARK. Page 3, lines 8 and 9?

Mr. HOLT. The House also increases the ceilings on extended risk guarantees, and perhaps the most important substantive change is that the House repeals the termination date for the extended risk guarantee program.

Senator SYMINGTON. If we are going to get into this let's find out what it means. On line 8, page 3, and line 9, why do they increase that? It is not much, just a billion, but why do they do it?

Mr. HOLT. Because they want additional authority to issue more guarantees.

Senator CLARK. Pat, isn't it the fact that the guarantees have run out so if the program is going to continue we ought to have a greater authorization, won't we?

Mr. HOLT. Of course, the guarantees are limited to 20 years.

Senator CLARK. Yes, but you are not in a revolving fund situation.

Mr. HOLT. No, you are not.

Senator CLARK. If you are going to make more guarantees you have to have more authorization, if you don't want to make more guarantees you don't need more.

CONTINGENT LIABILITY

Senator SYMINGTON. What is a guarantee?

Senator COOPER. Is there any evidence that the demand is greater than $8 billion?

Senator SYMINGTON. Is it a direct obligation of the Treasury?

Mr. HOLT. It is a contingent liability.

Senator SYMINGTON. It is a direct contingent liability against the Treasury?

Mr. HOLT. That is right.

Senator SYMINGTON. So if the investments in foreign funds, if the private entrepreneur fails then the Government puts up the money, is that right?

Mr. HOLT. Not under this program. No, this applies only to specific risks, that is to say inconvertibility of currency, expropriation or losses due to war, insurrection or revolution.

Senator CLARK. It is not a business risk but a government risk based on fiscal problems, isn't it?

Senator SPARKMAN. Isn't it backed by premium payments?

Mr. HOLT. Yes, sir.

Premiums are charged for this and, as a matter of fact, so far the program has made a little money, that is to say the premiums have exceeded the losses.

CREDIT INSURANCE

Senator SYMINGTON. What do you mean by premiums?

Mr. HOLT. When AID issues a guarantee it charges a premium from the business that gets the guarantee.

Senator CLARK. It is credit insurance.

Senator SYMINGTON. How does that work?

Mr. HOLT. If you are making an investment in country X and you want insurance against these specific risks I mentioned you go to AID and if they approve the investment they say "we will guarantee you against these risks for a million dollars and we will charge you 1½ percent."

Senator SYMINGTON. What is the normal percent of the premium that is paid in order to obtain a guarantee from the Government for the private investment?

Mr. HOLT. It is about 1½ percent. It depends on which risks are covered and so on. About l½.

FUNDS FOR UNDERDEVELOPED NATIONS

Senator SYMINGTON. When did the program start?

Mr. HOLT. 1948.

Senator AIKEN. Most of it went to Western Europe for a few years.

Mr. HOLT. Most if it went to Western Europe until about 10 or 12 years ago Congress restricted its operation to underdeveloped countries, and it is now running at the rate of about a billion and a half dollars per year.

Senator SPARKMAN. Senator Cooper wants to say something.

Senator COOPER. I note that last year we increased the total from $7 billion to $8 billion. Now, this is another increase. Is there a demand for it? There must be some reason for it.

Mr. HOLT. It is running at about a billion and a half dollars a year.

Senator AIKEN. Won't the new subsidiary program add to the amount necessary?

Mr. HOLT. In dollar terms their new program is not very large.

Senator AIKEN. The guarantee investment wouldn't.

Mr. HOLT. It would but it is not very large in dollar terms. Most of these are industrial investments.

SELLING INSURANCE POLICIES

Senator MORSE. Mr. Chairman, I think we have a vote up there. When the vote is over can we come down and Pat can take the illiterates such as me by the hand and tell me what this is all about. I have come in completely cold and I don't know what the program is. I don't know why we are increasing, from $8 billion to $9 billion but maybe there is a good reason.

Senator SPARKMAN. It is to take care of the growth. Now, whether the growth demands that much increase——

Senator MORSE. Growth of what?

Senator SPARKMAN. The amount that we guarantee investments.

Senator LAUSCHE. We really have an insurance department and we are selling in effect policies guaranteeing if they invest in an undeveloped country and suffer loss because of inconvertibility, insurrection, government confiscation but I thought there was another one, that there is a guarantee against loss——

Senator MUNDT. They tried to get another one in it, I don't know whether it is in or not, about bad management.

Mr. HOLT. That is not in this bill.

Senator MORSE. What is to prevent them from going down and make a lousy investment and make us foot the bill?

Senator LAUSCHE. Do they pay it each year, one and a half percent?

Mr. HOLT. Yes, sir.

[Short recess.]

THE LOWEST IN HISTORY

Senator SPARKMAN. I wonder if we can get back to work on the bill. I would like very much for us to get some of this stuff out today. You know time is getting short, and we are meeting and meeting on these things and they are becoming wearisome and whatever action we want to take I wish we would go on and take it, whatever that may be.

Senator CLARK. What would you think, Mr. Chairman, of a motion to report out the bill with the figure that the House committee voted, brought to the House floor?

Senator MORSE. You can't do that.

Senator SPARKMAN. If I had my way there are a couple of increases that I would make but I would be willing to accept that because——

Senator CLARK. It is a big cut over last year.

Senator SPARKMAN. What?

Yes, it is the lowest in history.

Senator MORSE. I have some more cuts.

Senator Sparkman. And the Appropriations Committee is going to cut it more.

Senator HICKENLOOPER. Not the House figures as brought here.

Senator CLARK. No, the House figure as brought out by the committee.

ACCEPT THE HOUSE AMOUNT

Senator CHURCH. Mr. Chairman, you remember the last time we met I considered moving until, we decided to wait until, the House acted before we took up the question of the figures, and I certainly would be disposed to move that this committee accept the figure as voted by the House itself, at that level, and then let any further work be done on it on the Senate floor. But I will favor further cuts. In fact I will offer them myself.

Senator CLARK. I wonder if what Senator Church said probably doesn't represent the feeling of a good many members of the committee and if we could agree on principal on dollar amounts then we could horse around with these other things.

Senator SPARKMAN. Why don't we take up, if you feel disposed to offer cuts, why don't we take it up in the form of amendment and vote them up or down?

Senator CHURCH. The only question I would raise is should we proceed with the overall figure and find out where we stand or should we proceed on a piecemeal basis and take up the items one by one?

Senator SPARKMAN. It doesn't matter to me which way you go.

Senator MORSE. I would like to discuss the overall motion, some of us who disagree with it.

Senator CLARK. If we could get a consensus on the overall motion we might move more quickly.

Senator SPARKMAN. Senator Cooper.

CUTS TO SPECIFIC ITEMS

Senator COOPER. The last time we met on this at the last two or three minutes of our meeting, I made my proposal and people were moving out and I don't think anybody paid much attention to it so I would like to, before I offer an amendment to any amendment which is offered I would like to, give my ideas.

The total amount recommended by the administration was $2,961,475,000. The House committee reduced it to $2,364,000,000, a cut of about $600 million. Then the House reduced it approximately another $400 million, $1,993,850,000. Before we adjourned the other day, my idea was, and it didn't get much support, if any, but it was instead of just looking at the total we have to look at the different items, because some of them really ought not to be reduced. So I had proposed that cuts be made to specific items, and this is what I am going to offer today at some point. The House recommended, the House committee for DLF recommended $550 million. The House cut it on the floor $200 million, to $350 million. I am going to put in one amendment in these three items.

Senator HICKENLOOPER. Where is that, I don't see it in the House bill.

Mr. MARCY. I am sorry, we are making copies.

Senator HICKENLOOPER. Development loans.

Mr. MARCY. I think if you will wait then we will know specifically what you are talking about, Senator.

Senator COOPER. Anyway, the DLF under House action is $350 million against the $550 million recommended by the committee $765 million recommended by the administration. My amendment would reduce that to——

Senator CLARK. Reduce what?

Senator COOPER. Reduce the $550 million.

Senator CLARK. What $550 million is that?

Senator COOPER. Recommended by the House.

Senator CLARK. Are you talking about what the House did or the House committee did?

Senator COOPER. I will take what the House did, $350 million.

Mr. MARCY. If you will hold it just a second we will get a copy of it.

Senator COOPER. Mine would go to three items only, development loan fund, supporting assistance, military assistance because it seems to me the other items are small, with the exception of the last program.

Senator CLARK. Give us your figures.

Senator COOPER. DLF I would place it at $475 million the House did; Supporting assistance——

Senator SPARKMAN. $475 million.

Senator COOPER. Yes.

Supporting assistance at $320 million instead of the $420 million of the House.

Senator CLARK. You want to cut supporting assistance $100 million?

Senator COOPER. What?

Senator CLARK. You want to cut supporting assistance $100 million over what the House did?

Senator AIKEN. $320.

Senator COOPER. I am dealing with committee recommendations. $475 million was the committee recommendation. I would reduce that to $375.

Senator CLARK. What was that cutting figure?

Senator COOPER. That would be $100 million.

Senator CLARK. What is that hundred——

Senator SPARKMAN. I think you read $320 million intending $375 million.

Senator COOPER. This is what the House committee recommended, and the total is $2,364,725,000. I am dealing with the House committee recommendations. For DLF was $550 million. I would cut that to $75 million.

Senator HICKENLOOPER. You would thereby increase it $125.

Senator CLARK. Over what the House did but not over what the committee did.

Senator SPARKMAN. John, why don't we compare?

Senator COOPER. Let me get my figures, please.

Senator HICKENLOOPER. I don't think we are looking at the same sheets here.

Senator SPARKMAN. We ought to relate it to the floor action.

Senator COOPER. I am going to relate it to both if you will let me go ahead.

Senator SPARKMAN. Go ahead, first item he would set at $475 million.

SUPPORTING ASSISTANCE

Senator CLARK. Next item would be supporting assistance, the House committee fixed it at $475 million. Military assistance the House committee fixed it at $390 million, I would reduce that $75 million, that would be $315 million. So my total cut would be $250 million.

That would reduce it, so the amount of the total cut would be, that would leave $2,114,725,000 as compared to the House recommendation, the committee recommendation, of $2,364,000,000 and the House cut to $1,993,000,000.

I gave you my figures as to how it would relate to the committee recommendation. I will give you how it would relate to the House recommendation.

DLF, the House on the floor cut it the $350 million, I would place it at $475 million or I would go $25 million more.

Supporting assistance——

Senator SPARKMAN. John, can I stop you right there, you say you go up $25 million, you go up $125 million.

Senator COOPER. Yes.

Senator SPARKMAN. You said $25 million.

Senator COOPER. Supporting assistance on the floor they place it at $420 million. Mine would be $375 million.

The military assistance, both the committee and the House placed it at $390 million. I would place it at $315 million.

Senator CLARK. Can I ask a question?

Senator COOPER. Yes.

HELP OTHER COUNTRIES RUN THEIR GOVERNMENTS

Senator CLARK. Why did you cut supporting assistance below what they did on the floor of the House?

Senator COOPER. Why do I cut supporting assistance? Well, my figure would be $375 million as compared to $420 million because supporting assistance, we all know is just money appropriated to these countries to run their governments, that is what it amounts to.

Senator CHURCH. Make up their budgetary deficits.

Senator CLARK. I agree but I am just wondering why you pick supporting assistance, why you want to go even lower than the House did on the floor. After all they cut a billion dollars out of this bill already.

Senator COOPER. What we are faced with, the reason I offer mine is, we started out with the President's recommendation of $2,961,000,000. Well, last year, after final appropriation it was about $2,300,000,000. Now, the House committee reached that figure approximately, the same as was appropriated last year. On the floor they reduced it another $400 million. Mine would reduce about $250 million instead of $400. It is just a question, I think the cut is too deep and I pointed out three items which I believe we could reduce it.

WHETHER TO INCREASE OR DECREASE

Senator SPARKMAN. The result of that would be to increase the overall by $5 million.

Senator COOPER. Sir.

Senator CLARK.. No.

Senator HICKENLOOPER. No.

Senator COOPER. What is that?

Senator SPARKMAN. The result would be to increase the overall by $5 million.

Senator CLARK. No, John, because you have to subtract $1,993,850,000 from $2,114,770,000 in order to get the amount that he is increasing, which is well over $125 million.

Senator COOPER. I am not increasing anything.

Senator SPARKMAN. I took his round figures and I added them up here.

Senator CLARK. That is what I did.

Senator SPARKMAN. Now, let's go, if you add $350 million, $420 million, $390 million you get $1,160,000,000 round numbers of those three items. If you add what he would propose, $475 million, $375 million, $315 million you get $1,165,000,000.

Senator CLARK. That is true.

Senator SPARKMAN. So that is just an increase of $5 million.

Senator CLARK. That is true but if you look at the total figure, John would recommend it would be $2,114,770,000 as opposed to what the House did as $1,993,650 and to me those are the critical figures.

Senator COOPER. This is the result, if you have these figures. The president recommended approximately $2,900,000,000. The House cut it to $2,364,000,000.

Senator CLARK. The House committee.

Senator COOPER. House committee.

The House itself cut it to $1,993,000,000; about $400 million from their House committee recommendations. My proposal would cut the, instead of the, $400 million would cut it by $250 million.

Senator CLARK. But the gut figure to me, John, is that your proposal which, actually, I would support increases the House figure by $125 million.

Senator COOPER. That is correct.

Mr. HOLT. It increases the House figure by $5 million.

Senator SPARKMAN. By $5 million, I don't see any way around it.

Senator CLARK. I will tell you because doesn't it end with $2,114,000,000?

Senator SPARKMAN. Give me, all right, give it to me.

Senator COOPER. The House total as finally passed is $1,993,850,000.

Senator SPARKMAN. What would your total be?

Senator COOPER. With my cuts if approved we would end up with $2,114,275,000.

Senator CLARK. It is not a cut, it is an increase of $125,000,000.

Senator COOPER. Over the House.

Senator CLARK. That is right.

Senator SPARKMAN. I don't see how it can if you give us the correct figures.

Senator PELL. It is cut in the committee and increase floor action.

Senator SPARKMAN. Senator Morse?

PROPER WAY OF PROCEEDING

Senator MORSE. I want to take five minutes or so for a discussion of what I think is more important than a discussion of these figures at the present time. I engage in no dilatory tactics at all. I engage in making a plea to this committee. We have had some suggestion here this morning that we do a blanket job here this morning and take the bill to the floor of the Senate and then amend it on the floor of the Senate. I want to say that to me that is a procedure that can't possibly be justified in this committee. I don't care if it was only one person who held my point of view, and I am not alone, that would be no way to handle the minority procedure. This committee has the duty around this table of giving each member of this committee a full opportunity, short of his engaging in dilatory tactics, to try to change the minority into a majority. I intend to make a series of proposals for cuts in this bill below the action of the House, and the chairman of this committee will support me. I have his proxy for these cuts, and I shall exercise them.

I think we need to go over this bill very carefully and that this bill does not go to the floor of the Senate so that any member of this committee can say on the floor of the Senate that he was not given ample opportunity to present his amendment in the committee. We have never followed that procedure in this committee, and we certainly shouldn't start that precedent now.

I think it would do great damage to the standing of the committee with the public and on the floor of the Senate, and within the committee itself.

Now, let me point out that in spite of the fact that some of you think we have got to act with great haste in this matter, you don't. In fact I think quite an argument can be made that you should not take action on this bill until the conventions are over because I think it is obvious we are going to be back here after the conventions, and I don't think there is any doubt about the fact that foreign aid is going to be an issue in both conventions.

SUSPEND FOREIGN AID

Now, each one of us comes from a different political environment. Joe Clark, I think, is in an entirely different position than Wayne Morse. As far as my state is concerned one of the strongest positions that I have taken from the standpoint of support among both Democrats and Republicans is my opposition to foreign aid in any such figures as are involved even in the House bill. As far as my state is concerned I am satisfied that the overwhelming majority of my people simply say this ought to be put in suspension for the most part, only a skeleton of foreign aid should be passed this year. It should be put in suspension.

The countries that will be the recipients also need to understand that they have no mortgage right to collect on the American taxpayers while we are in the fiscal crisis that we are in, and other countries ought to come in to be of assistance to us in foreign aid this year by taking over the burden until we get out of our own military and fiscal crisis.

I think you couldn't be more wrong if you think you are going to be of any assistance to any of us running for office on either side

of the table by any such figures as John Cooper is proposing which, in fact, as I add them up, means more money than the House has appropriated. I shall come forward with a group of figures that will call for at least a $500 million cut over the House floor action on this bill and I think that is going to represent the desire of public opinion in this state but that is for each man to interpret.

I have some amendments that I want to offer. I want to plead with you not to follow a course of action of voting this bill to the floor of the Senate today or Monday until everyone of the committee has had an opportunity to present his case.

SHIPPING LOGS TO JAPAN

I have one amendment that I am not asking you to act on now, but I think you ought to have notice of it which is co-sponsored by Hatfield, Mansfield and Metcalf, that deals with the foreign policy question that has been made a foreign policy question by this administration. We never should have been involved in foreign policy but the State Department and Treasury and Commerce have made it a foreign policy question. It has got the West stirred up. It involves the exportation of logs to Japan. There isn't the slighest justification from the standpoint of either existing or national forest legislation on the books which have been there for many, many years, nor there isn't the slightest justification from the standpoint of a sound conservation program, Giffort Pinchot must be revolving in his grave, to ship any logs to Japan and/or anywhere else for there are no surplus logs in this country, and so I am, in the due course of time, going to offer the following amendment to this bill, because this is the only way that we see that we can make an issue of the foreign policy aspects of this matter created by the State Department.

The acting chairman of the committee at my request made it possible for Dr. Marcy to sit in on our hearings yesterday which lasted all day. Two governors appeared and representatives of three other governors appeared in opposition to the administration's policy. The Secretary of Agriculture issued a directive on April 16 restricting the exportation of logs from the national forests in Western Oregon and Western Washington, but that doesn't solve the problem because that simply sends the Japanese into the national forests in other states so we have Utah, Idaho, Montana up in arms about it, and rightly so, and the Congressmen from Eastern Oregon.

So I am going into detail later but I am just going to give you this broad brushstroke of what this problem is. If you are going to protect our forests, to stop them from becoming tree farms in Japan, putting one lumber mill after another out of business in the West, there is no question about two facts: We have established the burden of proof, we have established the burden of proof in January. Ed Cliff of the Forest Service testified, [Boyd L.] Rasmussen, head of the BLM [Bureau of Land Management] admit there is no surplus of logs. The testimony is there is a direct relationship between the prices of logs that Japan is willing to pay and the closing of mills in our country. I need not tell you what it was doing to the lumber economy. So this amendment will provide an amendment to existing law:

Provided, that for each of the calendar years 1968 to 1972, inclusive, not more than 350 million board feet, in the aggregate, of unprocessed timber shall be sold for export from the United States from Federal lands located west of the 100th meridian, except for Alaska and Hawaii.

BAN ON EXPORTING LOGS FROM ALASKA

Don't forget since 1928, our government has not permitted any export of logs from Alaska. This has been our policy in Alaska. Why?

Senator SYMINGTON. Why?

Senator MORSE. Because they know you can't export logs from Alaska and build up a lumber industry. You can't permit the export of logs because of the prices the Japanese are willing to pay for the logs and have your lumber manufacturers process them at a profit, that is why the mills are going down. We are simply saying that the same policy ought to prevail in other national forests as prevail in the national forests in Alaska.

Senator CHURCH. The hundredth meridian, Wayne, is where?

Senator MORSE. It covers Montana.

Senator HICKENLOOPER. It goes right up through Denver, doesn't it?

Senator CHURCH. Right up through Denver.

Senator HICKENLOOPER. I don't know but I think it does.

Mr. HOLT. I think it is the west side of the Texas Panhandle.

Senator PELL. It includes Idaho.

Senator MORSE. Idaho.

Senator CHURCH. Would you include me as a co-sponsor of the amendment?

Senator MORSE. Senator Church is added.

Senator SYMINGTON. This is very interesting, they take those logs, ship them to Japan and Japan fabricates stuff and it comes back here and it undercuts our manufacturers.

LUMBER TO VIETNAM

Senator MORSE. Not a great deal, some of it comes back. We have shipped a lot of logs to Japan and they have manufactured it into lumber and sent it to Vietnam. There isn't anything that stopped our lumber from going from Seattle and Portland to Vietnam.

And furthermore let me point out that the reason why you have got the 350 million board feet, that is the, that is even more than we ought to allow them to ship out but we are using that as a come-on to Japan to work out an understanding with us they will take processed lumber. Processed lumber helps our balance of payments more than shipment of logs. That been brought out again and again.

Senator HICKENLOOPER. But that denudes our forests.

Senator MORSE. Our point is this does great violence to our whole conservation program as far as our forests are concerned. But let me point this out also. You get Canada refuses to allow any logs to be exported. Japan can't buy a log from Canada. That has gone on for years and years. They are too smart to denude their forests and ship out these logs.

I had for a while strong longshore opposition to the position I took. It didn't bother me. They didn't have any facts to support it.

I said "you mean to tell me it takes more manpower to load a ship with round logs rather than lumber?" Of course, the opposition is true, great opportunity in the shipment of lumber rather than logs.

Senator CLARK. What do they do with logs when they get them into Japan?

Senator MORSE. Process them.

Senator HICKENLOOPER. Don't they make veneer?

Senator MORSE. You ought to see the terrific new establishments. I can't prove this but the industry is perfectly satisfied and they had been told by private businessmen in Japan that it is true and you will find this in our hearings, too, we have three volumes of hearings in January of the Small Business Committee and we had the hearings all day yesterday, that the State Department has encouraged this right along, and has encouraged American business to help these Japanese. What we are saying is this has got nothing to do with foreign policy. This involves the conservation policy of this government whereby for decades and decades we have looked at these forests as a trusteeship obligation between the Government and the lumber industry of this country to maintain these forests on a sustained yield basis in perpetuity so that all oncoming generations of Americans will have an adequate supply of wood products, and they are undercutting this.

JAPANESE PURCHASES OF AMERICAN FORESTS

You know what Japan is doing, we have got to stop this, too. We have already now two big sales of forests in this country, where the Japanese have come over and bought the forests.

Senator HICKENLOOPER. Where, what state?

Senator MORSE. Private land, but they have bought them.

Senator HICKENLOOPER. What state?

Senator MORSE. In Washington and Oregon. They are now, in effect, economically Japanese territory. We have got to stop this business. That is why we say you cannot turn these forests over to any foreign country. They happen to be the national asset of all the people of this country, not Lyndon Baines Johnson or Dean Rusk or Fowler of the Treasury or the Bureau of the Budget. You can't make this sacrifice in order to get so-called good will with Japan. There is no end to that road.

So let me read the rest of it:

Section 2. After public hearing and a finding by the Secretary of the Department administering a Federal land area that specific quantities and species of unprocessed timber are surplus to local needs, such quantities and species may be designated as available for export from the United States in addition to that quanty stated in section 1.

Now, let me cover that very quickly. You have certain species that are not marketable here, but you can sell to Japan, Port Orford cedar, you can't give it away in the United States.

Senator HICKENLOOPER. You can 10 years from now.

Senator COOPER. What kind?

Senator MORSE. Sure you can 10 years from now, but I am talking about the condition now. That that goes beyond the sustained yield cut even of your other timber.

Senator HICKENLOOPER. I was thinking of the conservation.

Senator MORSE. I am thinking, too, you have certain species of hemlock, you have certain species of spruce that you have no market for here. This is the testimony of the Forest Service now. But the species for which there is a demand in this country ought not to be exported. I have no answer to Hickenlooper when he says 10, 25, 50 years from now, you probably will need it all.

Section 3: The secretaries may issue rules and regulations to carry out the purposes of this Act, including the prevention of substitution of Federal timber restricted hereby from export for export for private timber.

OFFERING THE AMENDMENT

Senator SPARKMAN. Is that the Secretary of Agriculture?

Senator MORSE. Or Interior because they are BLM lands now.

I shall offer the amendment on the floor of the Senate in any event. I think it ought to come out of this committee on this bill for it will serve notice to the administration we do not think that this kind of foreign aid should be tolerated. This is a really foreign aid program on the part of this administration in regard to shipping out of this country timber that never should have been shipped out in round log form.

Senator SPARKMAN. Let me say this to Senator Morse, if you will recall I invited the individual amendments, I have no idea of, I don't believe the committee is ready to report the bill out.

Senator MORSE. I understand that.

Senator SPARKMAN. And the amendment offered by Senator Cooper is, for instance, an individual amendment.

Senator MORSE. I understand that.

Senator SPARKMAN. I think we should proceed to try to shape up the bill.

Senator MORSE. I am not quarreling with that.

Senator SPARKMAN. Senator Cooper.

Senator MORSE. I want to help you.

Senator SPARKMAN. Did you offer yours as an amendment?

Senator COOPER. I simply said, at the beginning I wanted to give my idea since other people were suggesting I guess. I will offer an amendment at some time.

Senator SPARKMAN. I wonder if we can't take up some of these items. Why can't we go down the list?

EXPORT QUOTAS ON NATIONAL ASSETS

Senator CARLSON. Let me make a comment on Wayne Morse's suggestion just a minute. What you are doing, Wayne, is you are establishing export quotas and we are wrestling around on import quotas, maybe we will get around to a deal if you will help me on beef I will help you on that.

Senator MORSE. I also have.

Senator CARLSON. I voted for the textile quota and my wheat growers in Kansas just gave me hail Columbia. "Don't you realize we don't grow any cotton like the South. Japan is our best cash customer for wheat." So I had a little problem for a few days until finally I told them that you don't pass any farm legislation in the Senate without support from the Senators like John Sparkman, so

I finally got them started around. So you have that problem when you start dealing in this field, there is no doubt about it.

Senator SPARKMAN. Of course, Japan is the best cotton customer.

Senator CARLSON. The best wheat customer.

Senator SPARKMAN. The best agricultural.

Senator MORSE. I think, Frank, this goes far beyond all export quotas. This really goes to the national assets. As I said in the hearing yesterday, you wouldn't think of cutting off a strip of the United States and ceding it to Japan but to the effect that you take this timber out of our forests you are in effect giving away part of the United States.

Senator CARLSON. I think you have a good case, but I just mention what you run up against.

Senator HICKENLOOPER. I don't think that at all. I think it is reprehensible.

Senator MORSE. I think so, too. That is why all these western states are up in arms. I wish you were at the hearings yesterday. We can't be where we all would like to be. But it was a terrific hearing.

THE ADMINISTRATION'S POSITION

Senator CARLSON. You are not getting any help from the State Department?

Senator MORSE. If you would leave it to the Forest Service and BLM they wouldn't ship 350 million board feet. They are under a handicap of where they have to carry out as part of the team the administration's policy. I am going to try to get to him, I don't think that the President has ever been given the facts in regard to what is involved in this great mistake that the State Department, the Treasury, they argue about, the State Department argues relations with Japan, the Treasury argues balance of payments. Of course, you get much better balance of payments if you stop shipping the logs and you make your lumber merchantable.

Senator SPARKMAN. Let me say just this, this is either the third or the fourth meeting that we have had in which we have tried to get moving on the AID program. We are not making much progress. I want to call attention to some items that are pending before us that I think we ought to act on. There is the AID program, the military sales, IDA, and Non-Proliferation Treaty. Now, those are 4 important bills that we ought to act on one way or the other, whatever it may be, and I think we ought to come to a vote. If we are not ready to start on AID today then let's move on to one of these others. We take up——

Senator MUNDT. Why aren't we ready to vote?

Senator CASE. Why aren't we ready to proceed with AID?

Senator SPARKMAN. I am perfectly willing to proceed with AID. Shall we go item by item?

Senator MUNDT. If we stick to AID.

Senator MORSE. If we have had this much discussion on my amendment why don't we decide to vote it up or down? .

Senator SPARKMAN. All right, I am willing to vote on it now.

Senator PELL. What does it do?

Senator MORSE. Let me read it to you again.

Provide for each of the calendar years 1968 to 1972 inclusive, this will put it in conference "not more than 350 million board feet in the aggregate of unprocessed board timber shall be sold for export from the United States from Federal lands located west of the 100th meridian, except for Alaska and Hawaii.

OTHER EXPORT QUOTAS

Senator PELL. Let me ask you a couple of questions to clear my own thinking. Are there any other export quotas in practice in the United States?

Senator MORSE. We have one in this field since April 16, applying to the forests in Western Oregon and Western Washington but that is not fair to the states that have the other national forests that are subject to the raiding of Japan. The reason you picked the 100th meridian is that the evidence indicates that is no danger of this being east of that. The 100th meridian will really stop the area of operation for the Japanese, and that you give them 350 million——

Senator HICKENLOOPER. Wayne how about the timber in Minnesota, Wisconsin and Michigan?

Senator CHURCH. They can't reach that point economically.

Senator MORSE. Economically there is no danger of those coming into those forests.

Senator CHURCH. All this does is take a present limitation which has been administratively established but is today limited to the coastal part, there does now exist this export limitation as an administrative order.

Senator SPARKMAN. Isn't this true also, it is limited to federal land?

Senator MORSE. It is limited to federal forests, the national forests.

Senator CHURCH. This amendment would merely extend the area of that export limitation to present applications.

Senator MORSE. Let me make this point very quickly and clearly to the Senator from Rhode Island. There is no question that the law of 1926 really gives the Secretary of Agriculture the power to do this by directive order but the point is the administration won't let him do it by directive order and, therefore, we seek a legislative sanction.

Senator PELL. But my question to you, Wayne, is while I vote as a Senator from a textile state for import quotas on textiles, I think basically this dealing back and forth is poor and it is against the national interest and I shall be outvoted and defeated.

NOTHING COMPARABLE TO WOOD

In this case here are there any export quotas of the United States besides wood? Are we creating what could be a bad precedent?

Senator MORSE. There is no other product in the United States comparable to your national forest problem. Don't forget that the national forests belong to the people of the country, and they have expressed ever since Gifford Pinchot's day that these forests shall be administered by the Government in the interests of the trusteeship arrangement to see to it that a sustained yield is maintained, so that every generation can have an adequate supply of wood

products in perpetuity. That is why you have got this whole sustained yield program. That is why, may I say, about 63 percent of the forests in my state are owned by the federal government. There is some addition by the state and our state does not permit a sale of logs off state lands. The private land holdings, once you get this established, will be subject either to a voluntary agreement on their part or they won't be able to buy federal logs to replenish any private logs they sell.

Senator PELL. It seems to me what this is it is of vital concern, real concern to your state and your area, but not to the national interests.

Senator MORSE. It is a concern to every person in the State of Rhode Island. It is just as important——

Senator PELL. I am talking about the Nation as a whole.

Senator MORSE. Every person in Rhode Island, I don't care what group you take, farmers or teachers or lawyers or doctors, has the same stake in this as every similar person in Oregon for we are dealing with protecting a national asset that belongs to all those people.

Senator PELL. But should this be done by legislation and not by administrative——

Senator MORSE. It has to be done by legislation because you can't get them to do it administratively.

Senator SPARKMAN. Senator Cooper?

SALES FROM PRIVATE LANDS

Senator COOPER. Will you yield? First, you place a limit of 350 million board feet annually, I assume, that is correct, isn't it?

Senator MORSE. That is right.

Senator COOPER. What is the export now? How many million board feet?

Senator MORSE. Last year it was over a billion board feet and the Japanese have indicated they want to go to 7 to 10 million board feet in the next five to seven years.

Senator CHURCH. The present order that is presently in effect limits it to 350 million?

Senator MORSE. 350 million board feet, but only in the national forests covered by the order.

Senator COOPER. This would not prohibit sales from private lands?

Senator MORSE. No, but they have indicated voluntarily they will not sell logs that in any way so diminish their supply that they have to get logs from the federal government to replace the diminishment.

Senator COOPER. The third point is you term this as a conservation measure? Does the Department of Interior now limit the cuttings to certain diameters?

Senator MORSE. Up to allowable cut. We can't cut beyond allowable cut. You have now the Forest Service and the BLM determine what the allowable cut shall be to maintain a sustained yield program.

Senator COOPER. That is the law then, that is the way they work it now, to protect the limit, the cut, so that it will conserve the growth.

Senator MORSE. That is right.

Senator COOPER. Are they now selling more walnut and timber out of the public lands——

Senator MORSE. No, you still have the allowable cut but the logs under that allowable cut are going in increasing quantities to Japan and that closes down our mills.

UNDERCUTTING OUR OWN INDUSTRIES

Senator COOPER. My final point: Isn't this what happened, because I get lots of letters from my own state, we have furniture companies and veneer companies and curiously enough we have a good deal of walnut but they claim what is happening we are exporting our walnut and other veneer woods to Japan, that Japan then processes them into veneers and they send them back to the U.S. and they undercut our furniture and veneer industries, is that correct?

Senator MORSE. That is correct.

Senator COOPER. So it is not only a conservation measure, it is a measure to protect the furniture and veneer manufacturers in this country?

Senator MORSE. What we are saying to the Japanese—don't forget the Japanese maintain a cartel system as far as the sale of American finished products in many areas that go into Japan.

If you are a lumber operator in Oregon or Washington, you don't have free access to the Japanese market. You have got to go through a Japanese cartel, and you will have to sell at the price that the Japanese cartel fixes, and they protect their own retail prices first. We just can't permit that to continue.

OPINION OF THE STATE DEPARTMENT

Senator CLARK. Mr. Chairman, I am very sympathetic to the position of Senator Morse and Senator Church and I would like, if I could conscientiously, to vote for this amendment. But it seems to me that we ought to know before we vote what is this amendment going to do, if anything, to the foreign policy of the United States. This is the Foreign Relations Committee. I would like to know why the administration is unwilling to go along administratively with what Wayne Morse believes should be done and what the State Department thinks this will do to the relationships of Japan and the U.S. if any. I would hope that the answer would be not much in which case I would like to support the amendment. But if we are going to find that in the opinion of the State Department this is going to raise hob with our relationships with Japan we ought to know it before we vote.

Senator SPARKMAN. Senator Church.

Senator CHURCH. May I respond to that, Joe? There is one aspect of this that I think may not be clearly understood. There was a long period of negotiation when this problem first began to become serious, Senator Morse raised the question, and others, too, and there was a long series of hearings and negotiations with the Forest Service, with the State Department, with the Department of Agriculture and others concerned, to determine how to best solve the problem. It was finally decided last April, an order was issued after the consultation of all the Departments and with the adminis-

tration's blessing, an order was issued restricting exports prospectively, future exports, of logs to 350 million board feet a year.

That is the existing situation with the sanction of the administration.

At the time that the order was issued it was thought that it needed to apply only to the coastal area, because it was thought that it would not prove economically feasible for the Japanese to reach beyond the coastal area in their effort to bid up logs.

Since the order has gone into effect we have reason to believe that that judgment was in error, that they can come further in to look for the logs.

Senator MORSE. They are doing it.

Senator CHURCH. What we now seek to do is not change the program which is now established with administration sanction but to extend the area of its application so that the protection that it confers is not limited just to the coastal area but reaches in and protects the western areas.

Senator CLARK. Mr. Chairman, that satisfies me.

Senator PELL. If that is the situation instead of getting into it as a matter of legislation why not have it done by Executive Order which it was done in the beginning.

Senator MORSE. We have and they won't do it because there is where you get the opposition of the State Department and the Treasury which bears upon Senator Clark's point.

Senator SPARKMAN. May I make a suggestion? Between now and the time we have a conference with the House, they will have an opportunity to make a comment.

Senator MORSE. I am favorable to that.

JAPANESE TRUCKS IN VIETNAM

Senator SYMINGTON. I am very sympathetic with the Japanese people, they are fine people, 25 years ago they were not so fine people but they are fine people, and I think we ought to do everything we can to help them. We have done everything we can to help them. They haven't put a nickel into their military establishments. One of the reasons was MacArthur gave them a constitution which prevents them from putting a nickel into their military establishment, and another thing is we guaranteed a unilateral guarantee which is going to come up in 1970 and which is going to be a beaut because we have arbitrarily, for reasons that have never been quite clear to me, specified that they cannot trade if they want to with Red China which is their natural market. However, this is the type and character of help we are giving them.

Yesterday, in an appropriation conference with the House we found out the Japanese are building and renting trucks to us in Vietnam for $5,000 a year and if those trucks were built in the United States and sent to Vietnam it would save this country per truck per year $2,000.

Now, I only mention that because it astounded me, and they showed me, the House Armed Services Committee showed me, the testimony that justified their position.

I think that this relates very much to what we are talking about this morning. Has the time come when we should be sympathetic with the problems of our country but at the same time should we

realize that as a result of our sympathy gives these people modern machinery all over the world, with their labor rates, we are getting ourselves into a beautiful fix in many industries and with many raw products.

I would think that if we would go along with the idea of more trade, less aid to these foreign countries, that we would be in a better position than just to constantly shell out the taxpayers' dollars, which has been our policy.

Just one more statement which is a shocker to me, and it takes a lot to shock me in this field, and that is the figures that came out of the House, that today the debt of the U.S. is $43,891,000,000 more than the total debt of all the other countries of the world put together. I called up the Federal Reserve the other day, I know a lot of people don't like them because they believe in monetary soundness.

Senator CASE. Orthodoxy.

Senator SYMINGTON. High interest, yes, but they still know a little more about money than the average citizen, and I asked them to give me a statement, because I first said is it true, according to Secretary McNamara, and others in the administration that it doesn't make any difference how much money we spend on outlays in foreign countries, including Vietnam because it is no greater a percentage of the gross national product. And the answer was it is not only not true, it is insane, and I said, "Well, will you give me the verification for it?" Which I put in the record yesterday and which I hope you all will have a chance to read, it came out of the Federal Reserve staff, and I think it is a logical and sound presentation of the deep and terrible economic problems that we are beginning to get into. We are going to destroy all retirement plans, destroy all pension plans which is what the big unions are all talking about, destroy the value of all life insurance and at the same time affect Social Security itself, which is the difference between being below the poverty line in some cases and being above it.

I am for this amendment, and any amendment like it, which recognizes that perhaps we have done our share which is $171 billion of our total debt is what we have given, counting the interest, to foreign countries since World War II.

Senator SPARKMAN. Shall we vote on the amendment?

A PROTECTIONIST AMENDMENT

Senator GORE. Mr. Chairman, before you vote, it is with the deepest regrets that I ever disagree with my colleagues from Oregon and Idaho but I can't vote for this amendment. It is not a conservation amendment. It is a protectionist amendment. The way to handle a conservation problem is on limitation of the cut. There is ample authority within the administration now to limit the cut of the timber so as to conform with desirable conservation practices.

What has happened here is Japan has developed an efficient lumber industry. Some of our own lumber industry, like some of our steel mills, continue to ride on old equipment, old methods and distribute dividends instead of modernization, so Japan is buying logs from us, processing them, and running them here competitively. This is what this is about.

Now, if you are going to protect all American industry, that is one thing, and then we must set quota for textiles, for steel, a whole category of matters. So this is an indirect quota on the importation of processed wood products, and because of my long interest in liberalization of international trade and my opposition to high protectionism and quotas, I can't vote for this.

ALLOWABLE CUTS

Senator MORSE. Mr. Chairman, I would like to reply to my friend from Tennessee. I share his expression, that he doesn't like to be in disagreement with me, I don't like to be in disagreement with him, and I particularly don't like to be in disagreement with him when I think he is overlooking the facts I now want to point out.

Having, claiming the allowable cut won't change this one iota. I don't care what the allowable cut is, the Japanese are going to buy the logs and you cut down the allowable cut, if you cut it down then you have got to cut it down entirely contrary to the purchase of the allowable cut. The allowable cut is that figure that can be cut and maintain a sound conservation program. If you don't cut up to that point then you are wasting millions of board feet of timber and hundreds of billions of dollars of the American taxpayers because if you don't harvest the forest then they become overripe, they become disease-infected, they become blowdowns, you have got to get out that amount of timber that reaches the scientific allowable cut. So you don't handle this problem with an allowable cut.

But let's assume Albert's position for a moment and you lower the allowable cut. It doesn't stop the Japanese from buying the logs. They will continue to buy the logs and shut down more mills, lowering the allowable cut itself will put mills out of business.

The allowable cut is admitted right now by the Interior Department and the Agriculture Department to be a figure considerab1y higher than their previous level, and the reason they are not allowing up to the true allowable cut is they have neither the personnel nor the access roads nor the funds that it takes to manage these forests on a basis that would permit a maximum of allowable cut consistent with a sound conservation program, and they pass the buck back to us here in the Congress because we don't give them more money.

Next I want to point out that Canada doesn't sell them a log. Canada sells them lumber. Alaska doesn't sell them a log. Alaska sells them lumber. They will not buy lumber wherever they can buy logs.

QUALIFIED PURCHASERS

Now, one of their policies is to come in even on a set-aside sale and get some stooge to bid for them who they think can qualify as a small business operator. Well, they got caught here a few months ago, they did that in Oregon, and they bid up the price of a government sale way out of proportion to what it was worth in our country. I got into the case and found that the purchaser didn't qualify as a small business operator. We required the Department of Agriculture to set aside the sale and then under the law the Forest Service had to sell the timber to the next lowest bidder. At that point of the bid, at which all other American bidders left the bid-

ding, and the Japanese bidder came in, and that cost the Treasury of the United States $140,000 on that particular sale because this American bidder was allowed to get it for $140,000 less than the final figure.

This is the way the Japanese are working on these sales. They will pay any price to get the log.

I want to repeat, gentlemen, there is no question about this fact, and Senator Church will bear me out, the evidence is clear that this practice of the Japanese is closing American lumber mills.

Yesterday, the witnesses before the committee, lumbermen and their spokesmen, the governors, said it is only a matter of time in Idaho and Montana and Utah and Northern California, Northern California being badly hit now, that mills are going down if we don't stop this practice.

All I can say is you cannot justify exporting American jobs to Japan in this fashion. It is a conservation program, number one. It is, second, a program necessary to protect a great natural resource of this country that is owned by the American people and we ought to prevent this exportation.

Senator SPARKMAN. Shall we vote?

NO CONSERVATION ELEMENT

Senator GORE. Mr. Chairman, I must respond. In the first part of Senator Morse's reply he confirmed all that I said. This has no conservation element whatsoever. The distinguished Senator complained if we didn't cut the logs would rot, get overripe, so what are we doing. We refuse to sell to the Japanese and they either then rot or the members here of our own lumber firm take them at whatever price.

I want to point out to my friend from Alabama if you applied the same principle to cotton you would refuse to sell cotton from the South to Japan because they are manufacturing cotton into textiles and competing in the United States market. We would refuse to sell tobacco to some other country because they manufactured cigarettes and sell them in this country.

Senator SPARKMAN. Of course, in the case of cotton and we have had a quota agreement with them from time-to-time.

Senator GORE. That is true. If you want to approach it from the standpoint of a limitation of imports that is one thing. But we are here refusing to sell a product which the, proposing to sell a product which the, distinguished Senator says is going to fall and rot if they don't sell it.

APPRAISED VALUE OF THE LOGS

Senator MORSE. I didn't say that at all. Every log will be bought by American purchasers at above the appraised value. Don't forget they can't buy these logs unless they pay the appraised value. The Forest Service puts an appraised value on it and they go far above it in the appraised value in your domestic buying. Not only that but we could increase the minimum cut by a third and every log would be sold to American mills above the appraised value. You certainly don't want them to pay an unreasonable price above the appraised value? It is what they have to pay to compete with the Japanese. They cannot buy these logs at the Japanese prices and

manufacture them into lumber in this country. That is why the mills are going down.

Senator PELL. How long does this apply for, one year or indefinitely?

Senator SPARKMAN. Through 1972.

Senator MORSE. 1972.

Senator SPARKMAN. All right, are you ready to vote? Those in favor of the amendment let it be known by saying "aye."

AMENDMENT IS AGREED TO

Senator GORE. Let's have a roll call.

Senator SPARKMAN. Have a roll call, all right. Have the clerk call the roll.

Mr. KUHL. Mr. Mansfield?

Senator MORSE. Aye.

Mr. KUHL. Mr. Morse?

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore?

Senator GORE. No.

Mr. KUHL. Mr. Lausche?

Mr. Church?

Senator CHURCH. Aye.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Mr. Clark?

Senator CLARK. Aye.

Mr. KUHL. Mr. Pell?

Senator PELL. Pass.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. Aiken?

Senator HICKENLOOPER. Aye. I will ask that he might be allowed to change his vote. He gave me his proxy when he left and said whatever I wanted to do, so I will vote him aye.

Mr. KUHL. Mr. Carlson?

Senator CARLSON. Aye.

Mr. KUHL. Mr. Williams?

Senator WILLIAMS. I am going to pass.

Mr. KUHL. Mr. Mundt?

Senator MUNDT. Aye.

Mr. KUHL. Mr. Case?

Senator CASE. No.

Mr. KUHL. Mr. Cooper?

Senator COOPER. No.

Mr. KUHL. Mr. Chairman?

Senator MORSE. Aye.

Senator SPARKMAN. I have not voted.

Senator MORSE. I thought that is who he was calling.

Senator SPARKMAN. I will vote aye and you have Fulbright's proxy.

Senator Pell?

Senator PELL. No.

Senator SPARKMAN. Let me say that I have proxies from Senator Dodd and from Senator Lausche, and I have some other general proxies, but they did not instruct me on this particular item so I am not voting them.

What is the result?

Mr. KUHL. On this vote, Mr. Chairman, 11 ayes and 4 nays.

Senator SPARKMAN. The amendment is agreed to.

What is our next amendment?

ASSETS BEHIND THE IRON CURTAIN

Senator MUNDT. Senator Williams and I have an amendment and we ask that it be distributed to the members. While it is being distributed I will give you the background. This problem has plagued many of us as I am sure it has me down through the years when you have constituents who have money or property in Iron Curtain countries and the only way they can get any good out of it is to go back and live there. They can't go back and liquidate it and bring it back and there is a tremendous amount of controversy that the State Department has tried to help and so forth.

Now, it develops that a number of people from Iron Curtain countries also have claims in our country. They are people who have claims, legitimate, they are Social Security, retirement claims and et cetera.

Down through about two decades they have been trying to get their money but because of the fact that the Governments of the Iron Curtain countries have consistently refused to assure us that the money that belongs to Joe Doe in Poland, let's say, gets it will stay with Joe Doe instead of the Government the whole thing has been disrupted until very recently they got commitments from all except one of the Iron Curtain countries so they can get guarantees that the moneys owed to their nationals in Iron Curtain countries will go to them as of July 1. So they have started now verifying the cases, and by the end of this month or next month they are ready to start making the payments.

John and I propose that is fine, let them make the payments but let's put a prohibition in this bill to be sure therefore that those who have payments due our nationals are also made available by the same countries.

Our amendment says:

No check or warrant drawn against funds of the United States or any agency or instrumentality thereof, shall be sent from the United States (including its territories and possessions) for delivery in a foreign country which has not paid claims of nationals of the United States for the nationalization or other taking of their property or is in default in the payments due under any claims agreement and related financial matters, except that payments may be made for operating expenses for the purchase of supplies and for services rendered.

This is sort of a Hickenlooper amendment in reverse. Some of your people who have got claims in Poland and East Germany. Let them get their money as their people should have what they are entitled to receive from our government.

BLOCKING PAYMENTS

Senator PELL. Mr. Chairman. I just came back from a week in Czechoslavakia, which is very interesting at this time particularly, and I was struck by the fact as you know we started our railroad retirement and Social Security payments there and they made com-

mitments to us they will get the actual money and also at the tourist rate of exchange which is better than the regular rate.

As I read your amendment as you know the claims have not been settled with Czechoslovakia and this means we would have again to hold up the Social Security payments.

Senator MUNDT. To the Czechoslovakians? No, I would think the Czechoslovakian government would be one who would say that American Czechs who have money in a Prague bank, for example, take it out.

Senator HICKENLOOPER. As I read it, yes, it would block all these payments.

Senator PELL. Yes, it would block it because they would not be willing to do that. This is one of the many points at issue you know, and we would be going back a little bit because about three weeks ago we made this determination that a man could receive his Social Security check if he retired and had gone to Czechoslovakia.

Senator MUNDT. That is correct, but they have not yet agreed that a Czechoslovak citizen living in Tabor, South Dakota, this is an actual case, who has about $2,000 of inheritance in a Prague bank, could get his money.

Senator PELL. I think there is a difference between a Social Security payment which is earned and the claims which are completely screwed up on both sides.

Senator MUNDT. No.

Senator PELL. May I ask this one question of fact?

Senator MUNDT. Yes.

Senator PELL. Would this not mean if one approved it that those Social Security payments would again have to be held up?

Senator CASE. YES.

Senator MUNDT. It would depend altogether on the attitude of the recipient country.

Senator PELL. In fact wouldn't it mean that?

Senator MUNDT. I don't think so in Czechoslovakia. It might in Russia or Poland. They could say all right. They could pay them.

Senator PELL. I would like to ask somebody on the staff what their view is, because technically what this would mean is we would have to hold up the payments.

Senator WILLIAMS. Only if they are holding up ours.

Senator PELL. But they are, that is the fact.

IN DEFAULT OF PAYMENTS

Senator HICKENLOOPER. Let's read this language here. It seems to me it is very clear here unless I misread it, "or other taking of their property or is in default" this is the country "or is in default in the payments due under any claims agreement and related financial matters" that is any. That doesn't refer to the fellow——

Senator MUNDT. Not default against our country. We are not trying to recapture the lend-lease claims or that. It is where they are in default——

Senator SPARKMAN. Wouldn't that apply to any country?

Senator HICKENLOOPER. I am sympathetic with your position.

Senator SPARKMAN. Wouldn't that apply to any country that is in default of payment of payment of our World War II debts.

Senator MUNDT. No, we took this up deliberately, this his nationals against nationals. This is citizen against citizen. It has nothing to do about war claims. It has nothing to do about lend-lease claims.

Senator SPARKMAN. You say payments due under any claims agreement.

Senator PELL. This would certainly apply in Czechoslovakia.

Senator CASE. It is a word of art.

Senator MUNDT. No, if you get the words, claims against nationals of the United States.

Senator HICKENLOOPER. It is all right up to that point, but you say or is in default under the payment due under claims agreement and related financial matters.

Senator CASE. That means when the thing has been settled under a general agreement and it doesn't fall under that?

Senator CHURCH. This is really unworkable because many of these claims, these claims are of types of varieties and many of them are not recognized.

Senator SPARKMAN. Many of them may be disputed.

Senator CHURCH. And this language would operate to bar our payment that we recognize as legitimate if some other nationals acclaim which may or may not be legitimate. Its practical effect would just be to terminate further our payment as now written.

A DELICATE POSITION

Senator SPARKMAN. May I say this, it seems to me that the delicate position that we find in reference to the East Europe today, this might be a disturbing influence. You take the Czechoslovakian situation right now, we don't want them to get back into the Soviet fold, and yet this might be the straw that breaks the camel's back.

Senator MUNDT. They haven't got their money.

Senator WILLIAMS. It doesn't only affect Czechoslovakia but Russia and China.

Senator SPARKMAN. I know but I am using them as an example.

Senator WILLIAMS. We passed here in Congress last year or the year before, anyway it is within the last two years, an amendment which would rescind as of June 30 all of these funds which we have held and would go into the general funds. That was the purpose of this amendment, and the amendment was approved on some bill that went before the Finance Committee and these funds have been held up over a period of years and at the time we had it up they argued it was almost impossible to make these retroactive payments even if we wanted to because they have been held, I think since the early 40's anyway, and how can they go back, even if we get entrance into those countries and find out whether Joe Doe was living, when he died, what his earnings base was at that time, because Social Security payments to our recipients are based upon an earnings test, you know, and how can they go back and get all of that information and make these retroactive payments except in one way, just check to see if the man is living, take his word and pay it, which is something we don't even do for our own citizens and that is the reason that the committees, the Finance Committee and the Ways and Means Committee, added in their

bill, went on record, that we would rescind these as of June 20 this year.

Without any consultation at all, right at the last they issued this Executive Order releasing these funds, and they came into my office to see, because I was on the conference and taking part in this, to get my opinion about it on this because they were planning to do it. Well, I happened to have a copy of the Executive Order they put out three days before, and I asked them, I said "What are you coming into my office for and asking my opinion, you have already issued that," and it was being printed, and the Register was coming out the following day and I had a copy of it. They said, "We didn't have time to see you and we didn't have time to tell you about it." So I said, "You are telling without asking." That is the reason we are in the posture about this.

Senator SPARKMAN. What happened to the bill, what happened in the Finance Committee?

Senator WILLIAMS. Had they taken no action before June 30, the problem wouldn't be here. In the last half of June, I don't know the date but it was in the 20's right in that part of June they went ahead and issued an Executive order in the Federal Register which committed these funds and which our orders were which if they had not worked out some agreement with some of these countries prior to June 30 it would have gone back.

Senator SPARKMAN. Was that the State Department?

Senator WILLIAMS. State Department and I asked them, "Have you worked out an agreement," and they said, "No, we have not worked out an agreement. We are releasing these funds but we think having done this generously they will now come along and maybe we will get an agreement." In other words, we give them first and now we are going to ask them, what are you going to give us in return."

PAYMENTS EARNED AS A RIGHT

Senator PELL. Except there is a difference, the Social Security railroad retirement are earned by American citizens and it is theirs as a matter of right.

Senator WILLIAMS. Yes, it is no more their right than the right of the man who lives in Connecticut or Delaware, and that man who lives in Connecticut or Delaware has to establish his eligibility based upon his earnings tests or the number of years and depending upon the number of claims and so forth.

They admit it is almost physically impossible today to go in, for example, in East Germany or Russia, our Social Security people, and determine whether John Smith died at a certain time, they may be able to get that. What was his earnings test at the time, and you know in other words, just what is the amount of his claim. Now, it can't be done but it would——

Senator SPARKMAN. Did they testify before the Finance Committee on this?

Senator WILLIAMS. No, they testified—that is the point, they never testified to anybody. It was——

Senator MUNDT. Just by Executive Order.

Senator WILLIAMS. They did it by Executive Order and then they came down to ask my opinion about it.

Senator SPARKMAN. Yes, I understood that.

Senator WILLIAMS. And they said, "We are considering doing it all through," and I said, "I have a copy of your order here and it is dated two days ago," and then they admitted it.

Senator SPARKMAN. Why don't we leave this off and set it down for hearing and call them down here?

Senator MUNDT. John, if you don't do it now time is against it.

Senator WILLIAMS. If you don't do it not it is gone.

HONORING COMMITMENTS

Senator COOPER. I read an article, I think, in the New York Times, two or three weeks ago, talking about this situation, I didn't know whether it involved every element but it said that because of legislation which had been included probably in one of the bills a couple of years ago, that our government came up against this situation that we had people living in this country who were now Americans or who, under some old pension system in Italy, Germany, Poland, had claims against those governments.

Senator MUNDT. This was in East Germany.

Senator COOPER. Where they earned an annuity. Now, you have people in this country who had earned their Social Security payments or other annuities under any program and they went back to Italy, went to Germany, went to Poland, and because their countries were not paying our nationals annuities that had been earned years ago, all the people who earned——

Senator SPARKMAN. Earned over there.

Senator COOPER. My feeling is that whatever they do over there, if we made a contract in this country that people paid their money into these programs and earn an annuity, I think we ought to pay them.

Senator MUNDT. We should also protect our own citizens.

Senator PELL. It is mixing apples and pears.

Senator SPARKMAN. It seems to me the way this is drawn it extends to an area beyond that and whatever agreements you refer to ought to be agreements related to these particular types of payments.

Senator PELL. Anyhow we are going to have to quite and go vote.

You know where John Cooper and I came from you don't work on Saturday afternoon. How is 10:00 o'clock Monday morning?

We will resume Monday at 10:00.

[Whereupon, at 12:20 p.m., the hearing was recessed, to reconvene Monday, July 23, 1968, at 10:00 a.m.]

# FOREIGN AID

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**Monday, July 22, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 10:30 a.m., in Room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Morse, Gore, Church, Symington, Pell, Hickenlooper, Aiken, Williams, Mundt, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

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Senator SPARKMAN. I wonder if we could get started. Let's start talking. Carl has something he wants to call to our attention.

GIVE THE COMMITTEE A DEFENSIBLE POSITION

Senator MORSE. Before we start talking, Mr. Chairman, I want to get ahead with this bill and I want people—I think you ought to be here to help me get ahead with this bill. But this bill is going to be so vigorously contested on the floor of the Senate that I think it very, very important that we keep the committee in a completely defensible position properly, and unless you proceed at all times with a quorum you are going to get into the same kind of trouble that we got into in the Labor Committee recently when people outside the committee served notice that they were going to object to any bill coming out of the committee without a quorum being present for its mark up.

I think we have got to get the members of this committee to go and say they owe it to John Sparkman to be here for a quorum, and we don't have a quorum at the present time. I have no objection to informal talk about it but I do not think we should tentatively agree to anything without a quorum present.

Senator HICKENLOOPER. If the Senator will yield, I suggest we have been trying to do it for five years.

Senator MORSE. I know. You have a worse situation this year, than you have had for five years.

Senator SPARKMAN. Under the Morse proposal we now have seven present, which is a number that he suggested for proceeding, not to a final vote, but proceeding.

Senator MORSE. I am for that.

Senator SPARKMAN. All right.

Senator MORSE. But I think the record ought to show we understand there is going to be no final vote on anything until we get a quorum present.

Senator SPARKMAN. We will certainly stick to that. Now, Carl what is it you want?

PAX AMERICANA

Mr. MARCY. If I can just check this out with the committee, for sometime we have been trying to get hold of this study called Pax Americana which was done for the Douglas Aircraft Company. It was in a classified form. We finally got it in an unclassified form through the cooperation of Senator Symington.

That study then was the subject of some discussion in our hearing with Admiral Rickover, and Senator Mundt carried on that discussion and during that Senator Mundt read several exerpts and being very careful to say he was reading from the unclassified version, although the statement is clear in the record that the unclassified version was practically identical except for the cover to the classified version.

Now, some of the sharp press boys have noticed this and they have called me and said "Well, we would like to come in and take a look at the unclassified version" and I said I wouldn't make a decision like that without telling the committee about it.

Senator SYMINGTON. Mr. Chairman, I have a bit of a problem here. I am willing to have this on the record, an executive decision in an executive session. The Douglas Company was very poorly run, and it was purchased by the McDonnell Company of St. Louis, who are my constituents, and even though they are ardent Republicans, the leading banker of the town perhaps is the brother of J.S. McDonnell and they are my good friends and I thought it was unfair, inasmuch as they purchased the Douglas Company, and as usual, as we all know, when you buy something that is going badly it is much worse than you thought it was before you bought it and they found there the most incredible line of activity that this so-called airplane company was pursuing. One of the things that they found was this incredible Pax Americana report because it was made for a government agency. Carl?

Mr. MARCY. It was made for the Department of the Army.

Senator SYMINGTON. Made for the Department of the Army. It ranks with the investigation by the Army of Women Sea Divers of Korea, and so forth.

Well now, it seems to me, inasmuch as they had an awful lot at stake because it was so bad, that it would have been unfortunate to have the new company saddled with this report because the management of the new company and the new owners knew absolutely nothing about it.

I have read the report and I suggested to them, with the approval of the chairman of this committee, that they either come up with a report or face subpoenas, and they came up with the report. I believe that is correct, is it not?

Mr. MARCY. That is correct.

Senator SYMINGTON. So they have given us the report. They were just worried about it, like you would be worried about explaining while you were away somebody was living on your top floor and

doing a lot of things around the neighborhood that they shouldn't, you might say. So that is the statute as it is.

THE UNITED STATES SHOULD RUN THE WORLD

Senator HICKENLOOPER. Was there anything in it that was classified? They marked it classified but was there any reason for classification.

Senator SYMINGTON. I think the reason, Bourke, was this——

Senator HICKENLOOPER. Except embarrassment.

Senator SYMINGTON [continuing]. Carries out what I personally think is an opinion of a lot of people in this town: that the United States should run the world. Am I correct, Carl?

Mr. MARCY. That is the impact, that is correct.

Senator SYMINGTON. And they are asking this committee to do a lot of things that we shouldn't do, and I believe that inasmuch as it was an impression of Pax Americana strictly from a primarily military view, my guess would be that it might have been written in order to please some people in the hopes they would get some other business, you see. There is nothing like being frank in an executive session.

So with that premise, I just hope that nothing is done that would hurt the McDonnell Company because, putting it mildly, they had absolutely nothing to do with it, and nobody has been more good to my community and my state than these McDonnell's have. Incidentally, I would say this about the McDonnell Company in an effort to break away from the type and character of criticism that is logical to other companies—they have put back into their business over 80 percent of their profits in the last 15 years trying to find other things to do. They have problems like that, as all these other companies have, and with the possible exception of a company like Boeing which has been so successful in commercial airlines, but they have made a big effort.

STUDY PROMPTED BY THE PENTAGON

Senator MUNDT. Stu, was there anything that you found out as to how the Douglas, predecessor, company got this contract?

Senator SYMINGTON. No. I didn't get into that, Karl.

Mr. MARCY. We never looked into that.

Senator SYMINGTON. Well, I just wouldn't want to hurt some good people who had nothing to do with the mistake that later turned up in their bureau because they bought the other company and they did it at the urging of the Pentagon and other people in the Government because they did have some stuff that was important to security. Don't misunderstand me, they wanted to buy it. I don't think they would ever dream of buying it.

Senator MUNDT. You mean this other company?

Senator SYMINGTON. I don't think they would have dreamed of buying—it was one of a long series of regression—if you know what I mean?

Senator MUNDT. Is that the Douglas people they bought?

Senator SYMINGTON. And Douglas got the contract from the Army before the McDonnell managership.

Senator AIKEN. When an outfit like that takes a contract, they usually, like a poll taker, find what the writer of the contract wants to be found.

GOVERNMENT SPONSORED RESEARCH

Senator MUNDT. Do you know, Carl, how they got the contract initiated by the Army or by Douglas?

Mr. MARCY. I don't really know, Senator. They did put it out for bids, which is how it first came to our attention—that it was printed in a small paper requesting bids in Los Angeles.

Senator MUNDT. What I can't understand is why an airplane manufacturer should get a contract dealing with foreign policy.

Senator AIKEN. They knew the right people.

Senator MUNDT. I think most of the companies now have political advisers.

Senator SYMINGTON. We are finding out the most amazing things about this budget. Princeton University I didn't say this as a Yale man—Princeton University—which is supposed to be the great this, that or the other in research is almost the highest of all. They are the second or third highest in the percentage of overhead it takes in its contracts. For every dollar that is put up for Princeton University for research, 80 percent, 80 cents of every dollars is for overhead, and 20 cents is for actual research. It is the third highest in the United States of all the universities and colleges that if we put it in the record.

Senator HICKENLOOPER. They can't featherbed these professors without that.

Senator SYMINGTON. They have a program called Themis which is how to get more of this out.

Senator MUNDT. This comes out in our appropriations. When Saltonstall was here he was from Harvard and he wanted a bigger percentage.

DEPENDENCY ON THE FEDERAL GOVERNMENT

Senator SYMINGTON. The President of Yale wrote me a letter, the substance of which was no federal institution can live without federal money and I replied to them by sending him an article by Fulbright on what the, the way that the, universities were joining the military-industrial complex and I said "before I make a decision in my mind about this would you answer this criticism," and I haven't heard from him since and this was three weeks ago.

Senator AIKEN. This dependency on the federal government on the part of everybody isn't that kind of leading us into a kind of socialist government?

Senator SYMINGTON. Mr. Chairman, I would just hope that we don't hurt this other company because it had nothing to do with the report.

QUESTION OF RELEASING THE REPORT

Senator MUNDT. Meaning what? We should not release it?

Senator SYMINGTON. I would leave this up to the committee. I am too prejudicial about it.

Senator MUNDT. Since you are involved in it we ought to do what you want to do.

Senator SYMINGTON. I wouldn't want to say we should not release it. I think if we released it it should be with the understanding that the new management did not have anything to do with it.

Mr. MARCY. I don't think there is any point in releasing it. It might be just showing it to some of the fellows who come around and ask for it who have some initiative.

Senator SYMINGTON. I don't go for that. I would much rather have a formal release of it with the management not being responsible, than slip it to a few guys who don't know who is responsible for it.

Mr. MARCY. The study says on its face Douglas Aircraft Company, Inc.

Senator SYMINGTON. But it is called McDonnell Douglas now—the actual name of the company.

Senator SPARKMAN. It is not on here.

Senator HICKENLOOPER. I don't think the committee ought to be put in a position of standing sponsor of this report one way or the other.

Senator SPARKMAN. I don't think we ought to release it.

Senator HICKENLOOPER. I am sympathetic with the new ownership, but it may take a little proof to prove that they didn't have anything to do with it.

Senator SYMINGTON. Oh, no, because it was a long, long time ahead. I would say this if I may, if you want to release it, I would ask that it be released with a definite statement that it happened so many years before——

Senator HICKENLOOPER. I don't care anything about releasing it one way or the other.

Senator SPARKMAN. Let's not release it now. Let the record show that a quorum is present. Let's proceed——

Senator MORSE. We haven't decided one thing, John. We should not release it but should we let any of the newspapermen look at it, is Carl's question.

Senator SPARKMAN. My personal feeling is there is no reason to do that.

FORTY COPIES FLOATING AROUND

Mr. MARCY. Can I say something about it? There are about 40 copies of this darned thing floating around which Douglas passed out to the scholarly community. So all I will say to the press is "It is classified, we won't give it to you."

Senator SYMINGTON. I would not be part of it unless at the same time you made a statement regarding when it was and that the new management had nothing to do with it.

Senator AIKEN. I am glad we are considered a scholarly community. [Laughter.]

Senator SPARKMAN. I wonder if we could proceed with the bill now and see if we can come to a conclusion.

Senator SYMINGTON. Mr. Chairman, could we reach an agreement on that we do not release it unless at the same time put out

a statement saying that the new management had nothing to do with it?

Senator SPARKMAN. All of you hear that? That we do not release it unless or if later we do, put out a statement that the new management——

Senator HICKENLOOPER. Mr. Chairman, this was produced apparently for the Department of the Army. They are the ones who got it produced. I just said to Carl send the newspaper people to the Department of the Army to handle it. I don't see that we should take responsibility for it.

Senator SPARKMAN. I don't either.

RETALIATION BY THE STATE DEPARTMENT

Senator SYMINGTON. I don't want to try to block anything just because these people are friends of mine, but I do say if we do release it we should clearly say this was done what, two years before they bought the Douglas Company, the contract was made.

Senator SPARKMAN. Here is the way I feel about it aside from any company connection, if we release it, in any way whatsoever, I think that there is going to be the implication that we approve of it, and we don't.

Senator SYMINGTON. Fine. Every time you say anything against the State Department that I have about perhaps cutting a few troops out of Europe, somebody in the State Department calls me up—or connected with it like Rostow—and then as soon I say "I don't agree with you," within 48 hours I read a column knocking hell out of me because I don't agree with them. So as soon as I put down the phone, the State Department, this great efficient organization where everybody knows exactly what they are doing, call up a reporter and say "give Symington a good ride because maybe he is sensitive to the press and he will change his opinion," and that has happened to me three times in the last four weeks on this business of not fighting Czechoslavakia. Which every time Rusk decides he is going to throw American boys into—

PROCEEDING TO THE BILL

Senator SPARKMAN. Suppose we proceed with this bill and see if we can't get some action today. Where are the tables we had the other day?

Mr. HOLT. They are on page 1 of the print.

Mr. MARCY. They are the most helpful ones.

Senator HICKENLOOPER. I may say at the outset I have Senator Carlson's proxy. He does not want to go above the total House figure in any event. He will go for that, but he does not want to go above it.

Senator SYMINGTON. Are we talking foreign economic aid now?

Senator SPARKMAN. The whole bill.

Senator HICKENLOOPER. Whole bill, one billion nine?

Senator COOPER. Do we have what the House did?

Senator SPARKMAN. Page 1 of the agenda.

Senator HICKENLOOPER. He just instructed me not to vote for anything that would go above the final House passage.

Senator MUNDT. Page 1?

Senator SPARKMAN. Page 1 is the table.

DEVELOPMENT LOAN FUND

Suppose we take the first item, development loan fund. Any thoughts on that, any amendment?

Senator CHURCH. Mr. Chairman, may I simply say that, as I indicated at our last meeting, I want to place a motion before the committee to report out the bill at the figure adopted by the House of Representatives, that is the $1,993,850,000 figure. I just want to advise the committee of my intention to place that motion before the committee. I personally am going to support efforts to cut the bill below that figure. I know that Senator Morse is going to make some amendments to that effect. But I think I know the tenor of the committee, and I think that any further curtailment of the bill is likely to come on the Senate floor.

In any case, I want to give notice of my intention to offer an amendment over a motion to report out the bill at the level of the House, as the House passed it at an appropriate time.

Senator SPARKMAN. Would that apply both to the total and to the items.

Senator CHURCH. And to the items.

Senator SPARKMAN. One by one.

Senator MORSE. Mr. Chairman, I think the committee ought to know that one of my proposals will be in total, Senator Fulbright will support me in them, I shall propose a minimum of $440 million below the $1,993,850,000 that the House passed. I hope to get it up to $500 million, but it will be at least $440 million.

Senator SPARKMAN. That would make it $1,543,000,000——

Senator MORSE. $553.

Senator SPARKMAN. $850. Any other suggestions?

Senator AIKEN. I suggest we take the House figures and leave it up to the Appropriations Committee to make any further cuts.

Senator SPARKMAN. Why can't we get a motion covering this?

Senator CHURCH. That would be my motion.

Senator SPARKMAN. You offer that motion?

Senator MORSE. I want to take it up item by item.

Senator SYMINGTON. Oh, yes.

Senator SPARKMAN. The first item the House approved $350 million. Is there an amendment?

Senator MORSE. Yes, I move we change the House figure from $350 to $300, a $50 million cut, and I want to talk about it.

Senator COOPER. Reduce it to what?

Senator SPARKMAN. $300.

Senator COOPER. After he offers an amendment will other amendments be in order?

RAISE THE AMOUNT

Senator PELL. Mr. Chairman, if you will forgive me, I think some of us feel exactly the opposite and want to see it raised considerably, I would support an amendment of $700 million for development loans and cut out military assistance so I hope we will have an opportunity to vote that way.

Senator SPARKMAN. Yes.

Senator COOPER. I have some amendments I offered the other day.

Senator SPARKMAN. You offered that as an amendment.

Senator MORSE. And I want to discuss it.

Senator SPARKMAN. The amendment pending is Senator Morse's to reduce DLF from $350 million to $300.

Senator PELL. Excuse me, from a parliamentary procedure do we discuss the cutting first or the raising amendment?

Senator WILLIAMS. You can offer a substitute.

Senator AIKEN. If his motion carries I think your motion would be out of order.

Senator COOPER. That is the reason you know I wanted the other day, I wanted to raise the House figure.

Senator PELL. I would think we ought to knock down me first.

Senator COOPER. I think we ought to raise it to $450 million.

Senator MORSE. Every man should have his parliamentary rights.

Senator SPARKMAN. Senator Cooper has moved a substitute to change that figure from $350 to $450.

COST TO THE FEDERAL GOVERNMENT

Senator SYMINGTON. Mr. Chairman, before we go into the substitute amendment where does this money come from? I know it comes from the taxpayers but what is the procedure? What are the terms? What is the right of the President to set no interest or, I mean you know the word "loan" gets in here but they really aren't loans in many cases, and a loan generally has interest, and it has no period of grace where you don't have to repay any principal and so forth. What is this money, if somebody on the staff could tell us a little more about it I would be happier to vote on it.

Mr. HOLT. These are loans with minimum interest of 2 percent during the first 10 years and 2½ half percent thereafter repayable in dollars.

Senator SYMINGTON. What is the cost of money to the federal government?

Mr. HOLT. I don't know.

Senator SYMINGTON. It is 5 percent. If it is 5 percent this isn't a loan, it is part of an aid subsidizing the loan. It is a loan but they say "don't bother to pay us back." Where does the money come from?

Mr. HOLT. Well, it comes from the United States Treasury.

Senator PELL. From our pockets.

Senator SYMINGTON. How does it come?

Senator AIKEN. Printed.

Senator SYMINGTON. Are we appropriating?

Mr. HOLT. It will be if the authorization bill is passed. There will be an appropriation bill for that much, presumably appropriating some parts of what is authorized.

Senator SYMINGTON. How much have we appropriated since the program started in development loan funds? I have a great big general book somebody sent me from the Treasury Saturday.

Mr. HOLT. It is considerable. I don't think I have the cumulative figure on it.

Senator SYMINGTON. I would like to know before we vote it if we could, first, when the program started and, second, how much

money has been given away in the form of this kind of a cockeyed loan before we vote on this loan.

Mr. HOLT. Well, the program, this particular program, named developed loans started in 1961, and——

Senator SYMINGTON. It couldn't be very much then. How much is it?

Mr. HOLT. Well, it has been running at a little more than a billion dollars a year.

Senator WILLIAMS. That is not much.

Senator MUNDT. $7 billion.

Senator SYMINGTON. $7 billion?

Phony loans.

MAKING A RECORD IN THE COMMITTEE

Senator MORSE. Mr. Chairman, what I want is a little general discussion first. I don't expect agreement with many, but the record has to show that those of us who hold to my point of view at least took a reasonable amount of time in the committee so we are not confronted on the floor of the Senate with the usual argument that is made—the Senator from Oregon didn't say that in committee, the Senator from Oregon didn't make proposals in committee. I am sorry to inconvenience you but we are going to have to make the record in committee if it takes some time to do it.

In my judgment when this bill reaches the floor of the Senate there is going to be the longest, most protracted debate on foreign aid we have ever had because, in my judgment, the American people are demanding that we stop passing the kind of foreign aid we have been passing and the development loan fund is a good example of what I mean, but I think we ought to have the respectful understanding among us that this bill is not going to be handled quickly and this bill is going to result in many amendments on the floor of the Senate and there will be no agreements for any limitation of time on this bill at any time in its consideration in the Senate. We are going to, I think, have to give to those of us who believe the bill has to be changed an adequate opportunity to make their case. I think it is only fair that I say this at the beginning of the discussion this morning.

FAVORITISM IN FISCAL POLICY ABROAD

Now, I come to the matter of development loan funds. When you take into account the interest rates that we make these loans for, and take into account the different characteristics of these loans, and that much of the money will never be repaid, the American people have become wise to that fact, and when you take into account that at the present time with our domestic fiscal policies what they are, with young married couples having to pay exceedingly high interest rates now to get even any government loans for building a home, but with the interest rate problems across the country what they are, I do not think you can possibly justify the amount of money for development loan funds contained in this bill, not to say anything about increasing the amount for development loan funds. Because I think the demand in this country on the part of so many people that you have got enough split of public opinion that you can't justify increasing this money or giving the amount

of money that you have got in the bill, because of what it is doing in creating a serious disunity in this nation.

We ought to stop thinking about increasing the amount of money for development loans. We ought to start thinking about reducing the $350 million. We ought to start thinking about increasing interest payments because you cannot justify, in my judgment, the favoritism that you are giving fiscal policy abroad against the interests of the American people at home. And therefore, as and when I can get myself into a parliamentary position to do so, I shall move that the ceiling on this amount be $300 million in committee. We will wait for discussion of that parliamentary matter in just a moment. But I think that we ought to recognize there is such great demand in this country for substantial reduction in foreign aid that we should say to the other nations of the world who are in better fiscal position than we are in, as the Senator from Missouri (Mr. Symington) has pointed out; many times, we are worse off than a lot of countries that are not doing the job that they ought to be doing—assuming greater responsibility in loans and foreign aid until we get out of the war in Vietnam—until we can get our own fiscal house in order.

INDIA FEELS LET DOWN

That is all I am going to say for now other than to call your attention to the article in the Washington Post of yesterday where India, the heading is, "India feels let down by two big power patrons."

India's leaders are sorely troubled by their big power patrons, the Soviet Union and the U.S., and their anguish over Moscow dominating the political talk here." Down in the body of the article it says "there is a perverse satisfaction——

Senator SYMINGTON. Mr. Chairman, I have to go to the floor I would like to leave my proxy with Senator Morse.

Senator MORSE. [continuing].

There is a perverse satisfaction in some quarters here over the prospect of any diminished U.S. aid. One high official in receiving word of the deep slash by the House said "good. I almost wish they would cut it out entirely. Then perhaps we would do things we need to do ourselves."

A number of leading economic officials here believe that the aid cushion has spared New Delhi from attacking some crucial issues like taxing the large and untaxed incomes of big farmers, and pressing industry to turn toward export markets.

Later the article says "at the highest levels here there is the beginning of a suspicion nourished by this year's record harvest in 21 years that India's biggest resource is itself."

I think we have spoon-fed these nations too long and I think now is the time to suspend much of this foreign aid until we get out of our own fiscal plight and that is why the amendment that I shall offer in due course of time will add up to at least $440 million below the House figure.

SENATOR COOPER'S SUBSTITUTE

Senator SPARKMAN. Any further discussion of Senator Cooper's substitute?

Senator AIKEN. Why don't we vote on Senator Cooper's motion?

Senator MUNDT. Pat, what countries get this $350 million? Do you have a list of the countries?

Senator AIKEN. If Senator Cooper's motion carries then motions to reduce would be out of order.

Senator SPARKMAN. Will be out of order.

Senator COOPER. So you may understand what I am trying to do, I just say frankly, I have three amendments which will be directed to three items: One would be the development loan fund where I would move to increase the amount from $330 for loans as approved by the House to $478 as approved last year.

Senator HICKENLOOPER. My figure is $350 as approved by the House.

Senator SPARKMAN. He is talking about another item. What item are you talking about?

Senator COOPER. You are right. Development loan fund—increase that from $350 to $450, that would be an increase of plus $100 in total. I would leave the Alliance for Progress alone as requested by the administration, but then I would move to cut later $50 million from supporting assistance, and $50 million from the military aid so I would cancel out.

Senator CHURCH. Your motion is to increase the $350 million for development loans. This is what we are voting on?

Senator COOPER. Yes.

Senator CHURCH. Your motion, the vote now is to increase the development loan fund from $350 million as passed by the House to $478?

Senator COOPER. $450.

Senator CHURCH. $100 million increase?

Senator MORSE. Is that the limitation of your present motion? Your present motion is limited to development loan funds?

Senator COOPER. That is right.

A SUBSTITUTE FOR A SUBSTITUTE

Senator MORSE. Parliamentary inquiry. Would a substitute motion be in order to reduce the $350 million——

Senator SPARKMAN. No.

Senator MORSE. Why not?

Senator SPARKMAN. Second degree.

Senator MORSE. Second degree to what?

Senator SPARKMAN. He is offering a substitute to yours. There is no other amendment in order until his is disposed of.

Senator PELL. Excuse me, can I move a substitute for the substitute?

Senator SPARKMAN. I don't believe so.

Senator PELL. Surely I can.

Senator CHURCH. You can offer another substitute.

Senator SPARKMAN. A substitute is really an amendment. Let's vote on the Cooper motion.

Senator MORSE. I am not ready to vote yet. The day is short.

Senator PELL. Can't a substitute be offered for a substitute amendment?

Senator SPARKMAN. It could if it is not pending as an amendment to another amendment.

Senator PELL. Yours would be in order?

Senator AIKEN. Yours would be in order to raise it higher.

Senator SPARKMAN. None would be in order to his amendment because his amendment is an amendment to an amendment.

Senator MUNDT. You made a motion, Wayne, to make it $250?

Senator MORSE. I am not ready to vote.

Senator COOPER. I would ask unanimous consent to vote on his. Then vote on mine.

Senator MORSE. I give no such unanimous consent.

Senator SPARKMAN. Let's vote on the Cooper amendment. That is the proper procedure.

Senator MORSE. I have a few questions.

Senator SPARKMAN. I may say, I would be very glad to see the development loan fund increased but I think we have got to recognize the practicalities of the situation. I plan to vote to sustain the House action.

Senator MORSE. Mr. Chairman, I want to raise a question.

Senator SPARKMAN. All right, Senator Morse.

Senator MORSE. We are going to proceed now under this proposal to vote to increase the funds which, in effect, gives to those of us who want to reduce the fund really no opportunity to get a record vote.

Senator SPARKMAN. It does in the event it is voted down.

Senator MORSE. Yes, I know. I am going to go along with the rules. I am ready to vote.

DEFEAT OF THE MOTION

Senator SPARKMAN. All right.

The clerk call the roll.

Mr. KUHL. Mr. Mansfield?

Senator MANSFIELD. No.

Mr. KUHL. Mr. Morse?

Senator MORSE. No.

Mr. KUHL. Mr. Gore?

Senator GORE. No.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. No. He instructed me to vote for the House figure.

Mr. KUHL. Mr. Church?

Senator CHURCH. No.

Mr. KUHL. Mr. Symington.

Senator MORSE. No.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?

Mr. Pell?

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper.

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. No.

Mr. KUHL. Mr. Carlson?

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Williams?

Senator WILLIAMS. No.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. No.
Mr. KUHL. Mr. Case?
Senator SPARKMAN. Does anybody have Case's proxies?
Mr. KUHL. Mr. Cooper?
Senator COOPER. Aye. I thank you, Pell. [Laughter.]
Senator WILLIAMS. Pell, yours wouldn't have gotten far either.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. No.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Senator WILLIAMS. I believe you lost, John.
Mr. KUHL. In this vote, Mr. Chairman, there are 14 nays, and two ayes.
Senator PELL. I withdraw my amendment. [Laughter.]

THE MORSE AMENDMENT

Senator SPARKMAN. The amendment is defeated and we defer to the Morse amendment.
Senator MORSE. I am about ready to vote on mine, but I need to have the staff help me with a question that I don't think we have got clear on the record yet this morning. Out of the development loan fund now, Pat, what two questions, what is the difference in the types of loans and, two, what is the difference, if any, in the rates of interest that are charged and what is the rate of interest charged?
Mr. HOLT. Well, so far as the types of loans are concerned, Senator, these are all generally loans made for purposes of economic development. There are a number of criteria set forth in the Act which they are supposed to meet. There are two general types of loans. One is the so-called program loan and the other is the project loan. The project loan is loans for a project, a specific project, that is a fertilizer plant or a hydroelectric dam or something of that nature.
The program loan is a general balance of payments support loan to finance agreed upon imports into the borrowing country.
Now, so far as the terms of the loans are concerned, the Act sets minimum interest rates of 2 percent during the first 10 years, 2½ percent thereafter. The Act does not set maximum maturities but administratively the maximum maturities have been set at 40 years. Most of the loans are made at these terms, that is 2 percent interest the first 10 years, 2½ percent the next 30 years. Some of the loans are made for somewhat higher interest rates and somewhat shorter maturity.
Senator MORSE. They are in the minority.
Mr. HOLT. They are in the minority.
Senator MORSE. I have already given my reasons for the cut I am ready to vote.

DEFEAT OF THE MORSE AMENDMENT

Senator SPARKMAN. All right.
You know the amendment. It is to cut it to——
Senator MORSE. $300 million.

Senator SPARKMAN. Clerk call the roll.
Mr. KUHL. Mr. Mansfield?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Morse?
Senator MORSE. Aye.
Mr. KUHL. Mr. Gore?
Senator GORE. Aye.
Mr. KUHL. Mr. Lausche?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Church?
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington?
Senator MORSE. Aye.
Mr. KUHL. Mr. Dodd?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Clark?
Senator GORE. No, I am sure, I haven't got it, but I know how we would vote.
Senator SPARKMAN. I don't have the proxy.
Senator GORE. I don't have it either.
Senator SPARKMAN. He told me one day.
Mr. KUHL. Mr. Pell?
Senator PELL. No.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. Aye.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. Aye.
Mr. KUHL. Mr. Case?
Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 9 nays and 7 ayes.
Senator SPARKMAN. The amendment is not agreed to. Now, let's move to the next one.

INCREASE OF INTEREST RATES

Senator MUNDT. Mr. Chairman, I have another motion on this.
Senator SPARKMAN. On this?
Senator MUNDT. I move along the line of what the committee has been doing in past years in trying to bring the interest rates upward, somewhere, upwards really to make a slight forward step in that direction because of the interest rates paid by us now and the money we borrow has gone up so I suggest we increase by 1 per-

cent in paragraph (d) the interest rates proposed, where the State Department says 2½ percent, I suggest 3½ percent. Where they suggest during the 10 year grace period 2 percent I suggest 3 percent, we increase each one by 1 percent which is strictly in harmony with what the American taxpayer has to pay in connection with the interest rates world-wide.

Senator SPARKMAN. Any discussion?

Senator COOPER. Is there a grace rate?

Senator MUNDT. It is 2 and this will make it 3.

Senator MORSE. Karl, will you yield for a question?

Senator MUNDT. Yes.

Senator MORSE. Why do you say in line with what the American taxpayer——

Senator MUNDT. I don't say line, but with the movement.

Senator SPARKMAN. More nearly.

Senator MUNDT. More nearly but you have to move gradually in this business.

Senator COOPER. What is your amount?

Senator MUNDT. 3 percent.

Senator MORSE. Why don't you make it 2 percent a year?

Senator MUNDT. I made it 3 years.

Senator MORSE. Why don't you increase it 2 percent?

Senator MUNDT. Remember, we started out, Wayne, with a quarter of 1 percent, we have been working up kind of slow each year.

Senator MORSE. But we have been going down hill awfully fast fiscally.

Senator MUNDT. That is right.

But we have been moving up the rates from a quarter of 1 percent, we finally set the REA rate and now if this goes up 3 percent this is a movement forward and we can increase it again.

Senator HICKENLOOPER. The REA is paying 2 percent.

Senator MUNDT. Yes.

Senator SPARKMAN. Shall we vote?

Senator MORSE. I think there ought to be an increase of 2 percent.

Senator MUNDT. We will get the other percent next year. I think if we can make a little progress.

PASSAGE OF THE MOTION

Senator SPARKMAN. Shall we vote? Let's call the roll.

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Morse?

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore?

Senator GORE. Aye.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Church?

Senator CHURCH. Aye.

Mr. KUHL. Mr. Symington?

Senator MORSE. Aye.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?
Mr. Pell?
Senator PELL. No.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Williams?
Senator AIKEN. Aye.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. Aye.
Mr. KUHL. Mr. Case?
Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 10 ayes and 6 nays.
Senator SPARKMAN. The motion carries.
What is next?

TECHNICAL COOPERATION

Shall we move on to the next item? Which is technical cooperation? Any amendment to that?
Senator MORSE. I have an amendment, I would like to hear if anybody else has one?
Senator MUNDT. I would like to dissuade you from making any amendment on this. This is a good one, this is where you put people into teach people. I don't know whether I would go higher but this would be effective of the whole program.
Senator MORSE. Sure it is a good program. I am not quarreling about it being a good program, but I am simply saying you can't spend this much money on it as of now.
Senator MUNDT. I think other places we can cut better.
Senator MORSE. We will cut every place because it will be discussed on the floor of the Senate, I move to reduce the $200 million for technical cooperation to $150 million, saving $50 million.
Senator GORE. Let me try to persuade the Senator to make the reduction instead identical with what we approved for the present fiscal year. I don't want to cut it $150 but I will vote to keep it the same as this year.
Senator MORSE. That reduces it $20 million.
Senator GORE. Make it $180.
Senator MORSE. I will accept that.

MOTION IS REJECTED

Senator SPARKMAN. The amendment is to reduce from $200 million to $180 million, technical cooperation. Are you ready for the vote? The clerk will call the roll.

Mr. KUHL. Mr. Mansfield?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Morse?
Senator MORSE. Aye.
Mr. KUHL. Mr. Gore?
Senator GORE. Aye.
Mr. KUHL. Mr. Lausche?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Church?
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington?
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Clark?
Mr. Pell?
Senator PELL. No.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr KUHL. Mr. Aiken?
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson'?
Senator HICKENLOOPER. Just a minute, I have to think this over. I will vote him no on that. I am not so sure whether he would want to cut or not.
Mr. KUHL. Mr. Williams?
Senator AIKEN. Aye.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. No.
Mr. KUHL. Mr. Case?
Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 6 ayes and 10 nays.
Senator SPARKMAN. The amendment is rejected.
Shall we move to the next item?

AMERICAN SCHOOL IN BEIRUT

Senator PELL. Mr. Chairman, I would like to make a motion we raise it by exactly $2 million which will handle the American school in Beirut, the operation there which will otherwise collapse if we don't put it in.
Senator MUNDT. Why would it collapse, it is included.
Senator PELL. No, it is not because apparently the other programs are committed and this particular project will——
Senator SPARKMAN. Is it a school or hospital?
Senator PELL. As I understand it is a school. It is kind of important to keep some embassies in the Arab countries.
Senator MUNDT. Is that right, it will collapse?

Mr. HOLT. If you will look on page 13 of the print——

Senator MUNDT. 13 of what?

Mr. HOLT. Page 13 of the print before you in the far right hand column you will find the executive branch explanation of this item on American schools and hospitals abroad. What the House cut out apparently was a medical center at the American University at Beirut.

Senator MUNDT. A hospital?

Senator CHURCH. This is something new.

Senator HICKENLOOPER. They have a medical school there, I have been in it, but this is a medical center apparently for the Middle East.

Senator CHURCH. This is something new.

Senator HICKENLOOPER. I am very much for it myself. I think it is a wonderful thing. We have educated a lot of people.

Senator PELL. I think it rubs off.

Senator HICKENLOOPER. I think if we put this back to $15 million——

Senator PELL. $15.1.

Senator HICKENLOOPER. Well, whatever it is, $15.1, we will probably end up with the $14 million which was what the House approved last year.

Senator CHURCH. If we move that up, could we take that amount out of supporting assistance so we are not edging up on the total?

Senator HICKENLOOPER. I don't want to edge up on the total.

Senator CHURCH. I was just thinking we ought to be sure that if we put it in there we ought to take it out of somewhere else.

Senator HICKENLOOPER. I will support taking it off supporting assistance.

Senator MORSE. We will take additional cuts out of supporting assistance.

Senator PELL. We can knock out military assistance.

Senator MORSE. But don't forget last year you approved for fiscal 68 you approved $11,500,000 for this project.

Senator SPARKMAN. That was for schools. I don't believe this project was involved.

THE ADMINISTRATION'S REQUEST

Mr. HOLT. The original administration request for this item was $15.1 million which the House reduced to $13 million. The administration now says that $14.6 million would be adequate for their purposes.

Senator MORSE. Says what?

Mr. HOLT. $14.6 million would be adequate. They have reduced their original request.

Senator SPARKMAN. Why don't you amend your amendment?.

Senator PELL. Well, I checked into it and I was told by the agency to keep this thing going they wanted $15.1.

Senator MUNDT. On page 13 they quote from that saying they can get by.

Senator SPARKMAN. Don't you see it there?

Senator HICKENLOOPER. You have a conference and then you have an appropriation corning on there.

Senator PELL. Give them a little bit of fat.

Senator HICKENLOOPER. I am very much for this.

Senator MORSE. I don't think you can justify putting in more than they say they can get along with. I amend it to $14.6.

Senator HICKENLOOPER. That is all right.

I offer an amendment of $14.6.

I will just amend my amendment, if I offer the amendment then we won't have to have two substitutes.

Senator MUNDT. No objection.

Senator HICKENLOOPER. I amended mine so we don't have a doubt vote here, to $14.6, that is what they say they need.

Senator SPARKMAN. It is in effect an amendment to the I amendment, $14.6.

Senator HICKENLOOPER. I amended my amendment which I have a right to do.

Senator SPARKMAN. Is that all right with you?

Senator PELL. I would like——

Senator SPARKMAN. Those in favor of $14.6 say aye.

[Chorus of ayes.]

Senator SPARKMAN. Those opposed say no.

The $14.6 carries.

SENATOR PELL'S AMENDMENT

Senator PELL. Excuse me, Mr. Chairman, I have a right to ask for a vote on my $15.1, I ask for a voice vote on my $15.1. I move we vote on $15.1.

Senator SPARKMAN. I think you are wrong though because yours was offered.

Senator MORSE. I think we ought to agree on a parliamentary point of view.

Senator HICKENLOOPER. I had a right to amend my amendment. I amended my own amendment and that made mine primary amendment and——

Senator SPARKMAN. He offered the original amendment. So yours became a substitute.

Senator MORSE. Start all over.

Senator AIKEN. Now we will vote on the amendment.

Senator MORSE. He is out of order as of now.

Senator SPARKMAN. All those, in favor of $15.1 say aye.

[Chorus of ayes.]

Senator SPARKMAN. All opposed say no.

[Chorus of no.]

Senator SPARKMAN. It fails.

Senator MORSE. What was your ruling? $14.6?

Senator SPARKMAN. $14.6 carries.

Senator HICKENLOOPER. I want the record to show this is a backward way to do it.

Senator SPARKMAN. You just forgot who put the original amendment. It was Pell.

LOCAL CURRENCIES

Senator MORSE. I would like on the next amendment to ask Pat to explain what the survey of the local opportunities involved.

Senator AIKEN. The local currency, what did you do to this, the 4th item on page 2?

Senator SPARKMAN. The local currency——

Senator MUNDT. Why did that go up so much from the last time, from the budget request? They added $2 million to the budget request.

Mr. HOLT. That is correct. The House increased the budget request for local currencies for American schools and hospitals abroad by $2 million, and that is to make it possible to give assistance to a proposed university of North Africa which will be in Morocco.

Senator GORE. I move we approve the budget figure.

Senator MUNDT. Second the motion.

Senator SPARKMAN. Budgeted figure.

Senator GORE. $3,100,000.

A UNIVERSITY IN NORTH AFRICA

Senator SPARKMAN. Any other amendment? What is it Chairman Fulbright wants on this?

Mr. MARCY. Senator Fulbright supported rather strongly this House increase which will help create a University in North Africa, isn't that right, Don?

Mr. HENDERSON. At Tangiers, right.

Senator SPARKMAN. I felt you ought to know of the chairman's desire.

Mr. HENDERSON. Dan Kimball is behind it.

Mr. MARCY. Dan Kimball of Aerojet has been pushing this project for a number of years.

Senator SPARKMAN. The motion is to approve the budget item which is $3,100,000, the House figure is $5 million. Do you want a voice vote? Those in favor say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Maybe we had better have a show of hands. Those in favor——

Senator PELL. We are talking about the higher figure?

Senator SPARKMAN. The motion is to accept the lower figure. Those in favor of accepting $3,100,000 instead of $5,100,000.

Senator HICKENLOOPER. Which is the budget figure?

Senator SPARKMAN. Those who favor the budget figure raise their hands.

[Showing of seven hands.]

Senator HICKENLOOPER. I will vote Carlson for that.

Senator SPARKMAN. Seven. Those who oppose it raise your hands.

[Showing of five hands.]

Senator SPARKMAN. Five, and I am voting Lausche and Dodd which is tied.

Senator MORSE. Then you ought to have a roll call.

Senator SPARKMAN. Let's have a roll call.

Senator HICKENLOOPER. We are voting on the budget request of $3 million.

Senator GORE. This gives them everything the administration requested.

Senator COOPER. What is it Senator Fulbright wants to do?

Senator SPARKMAN. This would enable them to establish a hospital in Africa.

Mr. MARCY. A school.

Senator SPARKMAN. A school in Africa and this is the one that Chairman Fulbright is particularly interested in. He supports the figure that the House voted in rather than—after all, these are local currencies, they are not, it is not our money, not our dollars.

OPPOSED BY THE ADMINISTRATION

Mr. MARCY. I can say one other thing, Mr. Chairman. This amendment is opposed by the administration. While there are currencies available for this, foreign currencies available, they oppose it because they say once you get it started you are going to have to put dollar amounts in it.

Senator MUNDT. What about the University of Beirut year after year more and more American dollars.

Senator SPARKMAN. They have opposed every move we made with regard to schools abroad.

Senator COOPER. Then I move to substitute the House language.

Senator SPARKMAN. The $5,100,000.

Are you ready for the vote? The clerk will call the roll on the Cooper substitute of $5 million.

Senator HICKENLOOPER. Instead of the $3 million?

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Morse?

Senator MORSE. No.

Mr. KUHL. Mr. Gore?

Senator GORE. No.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. Wait a minute. I voted Mansfield wrong. He votes aye. Can we start over?

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Morse?

Senator MORSE. No.

Mr. KUHL. Mr. Gore?

Senator GORE. No.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Church?

Senator CHURCH. Aye.

Mr. KUHL. Mr. Symington?

Senator MORSE. No.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Clark?

Mr. Pell?

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. No.

Mr. KUHL. Mr. Carlson?

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Williams?

Senator AIKEN. No.
Mr. KUHL. Mr. Mundt.
Senator MUNDT. No.
Mr. KUHL. Mr. Case?
Senator COOPER. I have his proxy, and I vote aye.
Mr. KUHL. Mr. Cooper?
Senator COOPER. Aye.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. Aye.
Mr. KUHL. On this vote, Mr. Chairman, there are 9 ayes and 8 nays.
Senator SPARKMAN. The motion carries.
Senator SYMINGTON. What was the motion?
Senator SPARKMAN. On local currencies.
Senator CHURCH. Then the $5,100,000 figure stands?
Senator MORSE. I voted you "no."

SURVEY OF INVESTMENT OPPORTUNITIES

Senator SPARKMAN. The motion carries. Let's move to the next item.
Survey of investment opportunities.
Senator MORSE. That is the one I wanted an explanation of by Pat.
Mr. HOLT. This is a program under which the Government finances up to half the cost of making a survey of an investment opportunity abroad. If the business which is making the survey decides to go ahead with the investment then the Government does not pay any of the costs. The business making the survey decides not to go ahead with the investment the Government pays half the cost. I call your attention in this connection to new language which the House added this year and which appears on pages 18 and 19 of your print which would broaden the program so that the Government would pay up to 75 percent of the cost for small or medium-sized companies who have never invested in less developed areas in connection with surveys that in countries where it is particularly important to promote the U.S. private investment.
Senator AIKEN. In any case this helps them get money out of the country. I don't think this is the year to do it. I want it understood my opposition to a lot of this stuff is temporary.
Senator MORSE. Mine, too.
Senator SPARKMAN. Moritorium.
Senator AIKEN. Somebody asked where they get the money, they said they get the money by closing four post offices in Vermont and thirty in Kentucky and I think they probably save $100,000 over all.
Senator SYMINGTON. And by closing water control and water pollution effort in my state.
Senator MUNDT. After they make the investments we have to guarantee them against loss.
Senator SPARKMAN. Do I hear a motion?

STRIKE OUT INVESTMENT SURVEYS

Senator AIKEN. I would like to stick that out for this year.
Senator SPARKMAN. Do you move that?
Senator AIKEN. To strike out investment surveys.
Senator SPARKMAN. Any further motion? If not are you ready for a vote? Do you want a roll call?
Senator HICKENLOOPER. No.
Senator SPARKMAN. Those in favor of striking it out say "aye."
[Chorus of "ayes."]
Senator SPARKMAN. Opposed, "no."
Senator PELL. No.
Senator SPARKMAN. I vote no.
The motion is carried.
Mr. HOLT. Do I understand this strikes out the authorization for surveys of investment opportunities?
Senator MORSE. That is right.
Mr. HOLT. As well as the new language.
Senator MUNDT. It strikes out the whole title, is that it?
Senator SPARKMAN. Is that your purpose, Senator Aiken?
Senator AIKEN. Certainly. Strike out everything for this year. If they need it next year——
Mr. HOLT. I am not clear. Senator Mundt says it strikes out the title and Senator Aiken says it strikes out the money.
Senator AIKEN. I want to strike out the survey of investment opportunities.
Senator SPARKMAN. Strike out the money.
Mr. HOLT. No new authorization?
Senator SPARKMAN. You 1eave the basic law but strike out the money.
Senator AIKEN. No.
Senator MUNDT. Then you have to stop them because you have a big enough contingency fund if you want to stop them. We are just spinning our wheels in the dirt.
Senator SPARKMAN. Tell us what you want.

ENCOURAGEMENT TO TAKE MONEY OUT OF THIS COUNTRY

Senator AIKEN. I want to strike out the provision for survey of investment opportunities. It is simply an encouragement to take the money out of this country and get 30 percent instead of 6 of it.
Senator MUNDT. Take the language of 18 out along with the money.
Mr. HOLT. Do you want to take out the whole of it?
Senator SPARKMAN. The motion was to strike Title IV. Do any of you want to change the vote?
Senator MUNDT. And the money.
Mr. HOLT. The money is in Title IV. You can strike the whole title.
Senator CHURCH. Is the money in the title or what?
Mr. HOLT. The money is in the title. You can either strike the title, the money or you can strike the title.
Senator MUNDT. Where do you find the language about money on page 18?

Mr. HOLT. Well, the authorization is on page 20.

Senator MUNDT. On page 20?

Mr. HOLT. Yes, sir.

Senator SPARKMAN. Oh, yes, at the top of the page. But the motion, Senator Aiken says, was to strike the whole title, and the motion carried.

Let's move on to the next title.

Senator MUNDT. Wait a minute, have you struck out what is on page 18 too, then?

Mr. HOLT. Yes, sir, if you strike the title.

Senator SPARKMAN. Which begins at the end of 18 and top of page 20.

THE ALLIANCE FOR PROGRESS

Let's move on, Alliance for Progress.

Senator Morse?

Senator MORSE. Mr. Chairman, on loans the House proposed $330 million. Pat, will you tell us what those loans cover?

Mr. HOLT. Yes, sir.

The way this appears in the law you really ought to look at the figure on the line that says Alliance for Progress in the column showing the House action there is a figure of $420 million and then below that in parentheses there are two figures, one for loans $330 million, and one for grants $90 million.

The House bill authorizes for the Alliance for Progress $420 million and then it says not more than $90 million of that can be used on a grant basis. The portion which is used on a grant basis is technical assistance in Latin America. The balance, which in this case would be $330 million in the House bill is for loans in Latin America analogous to develop loans which are in Asia and Africa.

Senator MUNDT. What about the rate of interest? Do we have to have another motion to get the interest rate up?

Mr. HOLT. No, you don't.

Senator MUNDT. You don't?

Mr. HOLT. The provision on interest rates applies to development loans and to Alliance for Progress.

Senator MUNDT. Okay.

Mr. HOLT. The Alliance for Progress loans are quite analogous to development loans. They are of two types, project loans and the program loans. In the case of the Alliance for progress the bulk of this is for program loans. The principal recipient countries being Brazil and Colombia, and two or three to Chile.

A PRETTY FULL PIPELINE

Senator MORSE. Mr. Chairman, I move to cut $330 million to $200 million. You have got a pretty full pipeline, to begin with, and I think we have just got to let off on this until next year until we get over the other problems we are in, and I move to change $330 million to $200.

Senator SPARKMAN. What do you do with the $90?

Senator MORSE. Leave it what it is.

Senator SPARKMAN. You would reduce the principal figure to $390, is that correct?

Senator HICKENLOOPER. The request was for $515 million and the House reduced it to $330 million on the loans so it has already been reduced.

Senator MORSE. I said $200, I meant $100. It has been cut $100 million.

Senator SPARKMAN. Make it $230.

Senator MORSE. It makes it $230.

Senator AIKEN. I move as a substitute we approve the House figure and let's get a vote on that.

Senator SPARKMAN. All right. Are you ready to vote?

Senator COOPER. I want to increase it, I can't do it.

Senator SPARKMAN. Not until this is disposed of. Let's vote.

Senator PELL. I will support him.

Senator SPARKMAN. Let's vote on Aiken's—did you say something?

Senator SYMINGTON. I just said rich people.

Senator SPARKMAN. I thought you said wait a minute. The Aiken amendment is to accept the overall $420 million which would be made up of $330 million for loans and $90 million for grants.

Senator HICKENLOOPER. Wait a minute. You have got that partners of the Alliance.

Senator SPARKMAN. That is a separate item.

Senator HICKENLOOPER. I know it is a separate item, but it is under the Alliance for Progress.

Senator SPARKMAN. It is not included in that $420 million.

Senator HICKENLOOPER. I see, all right.

THE AIKEN AMENDMENT

Senator SPARKMAN. Are you ready for a vote? The clerk will call the roll.

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Morse?

Senator MORSE. No.

Mr. KUHL. Mr. Gore?

Senator CHURCH. No.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Church?

Senator CHURCH. No.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. No.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Clark?

Mr. Pell?

Senator PELL. No.

Senator SPARKMAN. This is for the House figure.

Senator PELL. Which is raising it—aye.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. Aye.

Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. No.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. No.
Mr KUHL. Mr. Case?
Senator COOPER. Aye.
Mr. KUHL. Mr. Cooper?
Senator COOPER. Aye.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. No.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. Aye.
Before you announce the vote, did I vote Dodd?
Mr. KUHL. Yes, sir.
Senator SPARKMAN. And Lausche both?
Mr. KUHL. Yes, sir.
Senator SPARKMAN. Okay.
Mr. KUHL. On this vote, Mr. Chairman, there are 10 ayes, 7 nays.
Senator SPARKMAN. The motion carries.
Senator COOPER. Can I offer mine?
Senator AIKEN. I think a motion to increase it would be in order. I wouldn't vote for it. It wouldn't carry.
Senator SPARKMAN. All right.

DOING WHAT WE CAN IN THIS HEMISPHERE

Senator COOPER. As I said the effect of any amendment I will offer will, in total would, reduce the amount approved by the House committee but would be about almost $200 million above what the House did. My motion on this is to increase by $100 million.
Senator SYMINGTON. John, let me be sure I understand it. How can you reduce the House figure but increase the House figure?
Senator COOPER. I said my motion, the effect of the amendment I have offered, would reduce the action of the House, it would end up about $2,100,000, instead of about $1,993,000, it would be a little over $100 million more over the total.
Senator SYMINGTON. With great respect and I mean that with great sincerity, what is your reason for doing this?
Senator COOPER. Because I believe that with all the trouble we are in all over the world, I think, I really think, it is important to try to do what we can in this hemisphere, that is my reason.
Senator SYMINGTON. Don't you think we are in a little trouble in this country here, too?
Senator COOPER. Yes, absolutely and I am voting for reductions and I vote—
Senator MORSE. We are in trouble in all of Latin America because we haven't put any restrictions on it. They just take it for granted we can't require them to do their share under the Alliance for Progress they never have done their share under the Alliance for Progress they have never carried out Punta del Este.
Senator COOPER. I understand that.

Senator MORSE. They never carried out any of the agreements we entered into with them.

Senator COOPER. I want us to try to keep working and do our share, that is all. So my amendment is this: It would increase it from $330 to $430.

Senator MORSE. Vote.

Senator SPARKMAN. All right.

Are you ready for the roll call? That in effect would increase the $420 to $520 because the $420 is truly the resulting figure.

Senator COOPER. Yes.

Senator SPARKMAN. Shall we call the roll? Call the roll, shall we?

THE COOPER AMENDMENT

All right, those in favor of the motion show your hands.

Senator MORSE. He wants a proxy vote. You can't vote proxies this way.

Senator SPARKMAN. Call the roll.

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Morse?

Senator MORSE. No.

Mr. KUHL. Mr. Gore?

Senator CHURCH. No. He give me his proxy.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Church?

Senator CHURCH. No.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. No.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?

Mr. Pell?

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. No.

Mr. KUHL. Mr. Carlson?

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Williams?

Senator AIKEN. No.

Mr. KUHL. Mr. Mundt?

Senator MUNDT. No.

Mr. KUHL. Mr. Case?

Senator COOPER. Aye.

Mr. KUHL. Mr. Cooper?

Senator COOPER. Aye.

Mr. KUHL. Mr. Fulbright?

Senator MORSE. No.

Mr. KUHL. Mr. Chairman?

Senator SPARKMAN. No.

Mr. KUHL. This vote, Mr. Chairman, there are three ayes and 14 nays.

Senator SPARKMAN. I would like to say here, let me say this with reference to the vote of Senator Dodd on all of these votes, my understanding is, he just gave me, I think that letter is here, he gave me a general proxy and my understanding is he wants to sustain the House action all the way through and I have been voting him that way. I hope I am right. The motion is rejected.

PARTNER OF THE ALLIANCE

Senator MUNDT. What is this partner of the Alliance?

Senator CHURCH. May I speak to that?

Senator SPARKMAN. That is a good thing.

Senator CHURCH. That in my judgment is a frill and a boondoggle, I say that with all respect to the chairman.

Let me just say that this is one of those things that has been added on which enables communities in this country to foster parent a community in Latin America and then citizens from this country go to Latin America and go to their foster community and come back to the towns in the United States and get some machines and things of this kind, and——

Senator AIKEN. I am for it——

Senator CHURCH. We have had this happen in Idaho. I really think the impact on the overall situation that this adds is supremely minimal and I do know that it is used as a method for expediting trips to Latin America for——

Senator HICKENLOOPER. This just gives free trips to certain people.

Senator CHURCH. That is all that it is. And I would love to strike it out entirely except I will tell you——

Senator MORSE. It is a lobbying activity for the administration.

Senator HICKENLOOPER. It gives something for the county chairman—

Senator CHURCH. It popularizes the program.

[Discussion off the record.]

MOVE TO STRIKE OUT THE PROGRAM

Senator MORSE. I will move to strike it out.

Senator CHURCH. I can't see any possible justification for increasing it above last year's level from $330,000 up to a half million dollars.

Senator PELL. Do they ever adopt us or is it always vice versa?

Senator CHURCH. We are always the big brother.

Senator HICKENLOOPER. I don't see any reason for it at all. I move to strike it out.

Senator MORSE. Second the motion.

Senator MUNDT. They should do it people to people.

Senator SYMINGTON. People to people in Kansas City. But it is not the kind of thing that you ought to have private enterprise interested in.

Senator HICKENLOOPER. We have cities in this country that adopt cities abroad.

Senator MUNDT. What is your motion?

Senator CHURCH. My motion was to not increase the amount of the funding from last year, to reduce the half million to the $330,000.

Senator HICKENLOOPER. I move to strike the whole business.

Senator SPARKMAN. Bourke offers that as a substitute.

I want to say just this word for it. Of course, I live in an area that is a little closer to Latin America than most of you and we do make great use out of this in Alabama, and I know they do in Florida and in the Gulf States because we have a heavy trade with Latin America.

Senator MUNDT. They like to travel.

Senator SPARKMAN. This is used by our people primarily for stimulating trade.

Senator SYMINGTON. Let's do it to Canada too then.

Senator SPARKMAN. You don't have to do it for Canada.

All right. The motion pending is to strike it entirely. Do you want a roll call? Call the roll.

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Morse?

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore?

Senator CHURCH. Aye, I think he would vote.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Church?

Senator CHURCH. I have to vote no.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. The motion is to strike it?

Mr. KUHL. Yes.

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?

Mr. Pell?

Senator PELL. No.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. No.

Mr. KUHL. Mr. Carlson?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Williams?

Senator AIKEN. Aye.

Mr. KUHL. Mr. Mundt?

Senator MUNDT. Aye.

Mr. KUHL. Mr. Case?

Senator COOPER. I don't know how he would vote on this one so I am not going to vote him.

Mr. KUHL. Mr. Cooper?

Senator COOPER. Aye.

Mr. KUHL. Mr. Fulbright?

Senator MORSE. No.

Mr. KUHL. Mr. Sparkman?

Senator SPARKMAN. No.

Mr. KUHL. On this vote, Mr. Chairman, there are 8 ayes and 8 nays, a tie vote.

Senator SPARKMAN. The motion loses.

CUT THE FUNDING

Senator MUNDT. I move another substitute, that we cut it to $200,000, save $l30,000, $200,000.

Senator SPARKMAN. Cut it to what?

Senator MUNDT. $200,000.

Senator SPARKMAN. All right.

You heard that motion. Those who favor it say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Those opposed "no."

Senator AIKEN. No.

Senator SPARKMAN. I vote no with Senator Aiken. So he won't be lonesome. The motion carries to cut it to $200,000.

Now, let's move to international organizations.

INTERNATIONAL ORGANIZATIONS

Let me say before we take this up, I had a call from Geneva this morning. Frank, did he get you?

Senator CHURCH. Yes, I had—I had the same call. I want to comment on it.

Senator SPARKMAN. Maybe you better comment. I referred him to you. I transferred him to you. Tex Goldsmith, Ambassador over there, having to do with some phase of international organization.

Senator PELL. And I asked him who is paying for it and he said it is a tieline so you must not think it was subsidized.

Senator SPARKMAN. Very good.

Senator MORSE. Tell us about it.

Senator CHURCH. He is very concerned about the cut that the House made in the total appropriation for international organizations. I am concerned about it, too, for the same reasons that he is, namely these: That in the past we have always recognized and supported the budget figure on international organizations because it involves the American contribution to a variety of U.N. agencies which is matched by contributions of other countries. In no case that I am aware of does our contribution exceed 40 percent, and for the most part it is in the neighborhood of one-third. It is being matched anywhere from 60 percent to 66-⅔ percent by contributions of other U.N. members. This is a part of the collective U.N. effort, and on the whole it has been well worthwhile for this country. And since it is in the form of multilateral aid through the U.N. and its agencies, and since they have come to rely upon the American contribution and they put up their part I think it would be inadvisable to cut this back because it will, in turn, trigger cutbacks all along the international front, and for that reason, I would propose, Mr. Chairman, that we reinstate the budget figure but that we reduce, which would be adding $12 million to the $131 million that the House approved, but I would couple that with a proposal to reduce supporting assistance by the same amount so that we

simply shift the $12 million than to the international organizations category.

Senator PELL. I would object to that because of my proxy situation and I would call for a division.

Senator SYMINGTON. Are we talking about international organizations?

Senator CHURCH. That is right.

Senator SYMINGTON. And programs. Is that section 301, Pat?

Mr. HOLT. It is 301 of the Act, yes, sir.

THE INDUS BASIN

Senator SYMINGTON. It says here when he determines it to be in the national interest the President is authorized to make voluntary contributions on a grant basis to international organizations and to programs administered by such organizations, and in the case of the Indus Basin development fund administered by the International Bank for Reconstruction and Development to make grants and loans payable as to principal and interest in United States dollars and subject to the provision and so on, so this goes a lot further than international organizations. This is an additional belt at the American taxpayer through grants and loans. Where is Indus Basin, isn't that around India?

Senator CHURCH. Well, the Indus Basin, I am not certain I understand this part.

Senator SYMINGTON. I want to bring it up because it goes beyond what you had in mind.

Senator CHURCH. But I had understood the $154 million requested for fiscal year 1969, $154 million is what includes the $12 million for the Indus Basin as I read the chart on page 1, and the requested amount for fiscal year 1969, is $154,250,000. That is in the last column. The little subnote there says it includes $12 million for the Indus Basin developments authorized by existing law.

What the House did was to reduce it to $131 million, and I am requesting——

Senator MORSE. That includes Indus Basin.

Senator CHURCH. That includes Indus Basin.

Senator SYMINGTON. That is the World Bank soft loan, it is more than that, it is a grant.

Mr. HOLT. There are two things involved here in the Indus Basin, a very large undertaking in which U.S. participation was authorized a number of years ago. Hitherto all of the U.S. contributions to the Indus Basin development fund have been grants administered by the World Bank. Last year Congress also authorized loans for this purpose, and for Fiscal 1969 the appropriation request includes $12 million for Indus Basin loans which were authorized last year. That is where you get the $152 million figure.

In addition to the $12 million in loans the administration's original request for this item included $17,600,000 in Indus Basin.

PALESTINIAN REFUGEES

Senator SYMINGTON. I would hope, Mr. Chairman, inasmuch as I see it also includes the Palestine Refugees and it says it shall seek not to help Cuba so long as Castro runs it I would think it

would be better before we vote on this if we could have a breakdown of the money.

Senator MORSE. What page is that?

Mr. HOLT. Pages 30 to 32.

Senator MUNDT. Which clearly implies that Cuba can get some.

Senator SYMINGTON. Yes. It says shall seek.

Senator HICKENLOOPER. Excuse me just a minute, I have to go. In the military appropriations, the thing I am primarily interested in is that atrocious and inexcusable Israeli thing that is in there where somebody threw the overalls in Mrs. Murphy's chowder over there between what the House passed and what they put in the bill, there is something not kosher about it.

Senator SPARKMAN. If we pass it why don't we take what they passed on the House bill instead of in the engrossed bill?

Senator HICKENLOOPER. It orders the President to sell them 50 F–4s.

Senator SYMINGTON. At least it is a sale, not a gift.

Senator HICKENLOOPER. I don't care whether we are selling it. It is the idea we are ordering him to sell Israel. We don't do that to any other country.

Senator SYMINGTON. When we passed a law ordering to sell Morocco——

Senator SPARKMAN. Wait a minute, Stu, before Senator Hickenlooper leaves. I hope we can drive on and finish in this session but if we can't can we meet this afternoon?

Senator SYMINGTON. Mr. Chairman, it is very difficult for me to meet at 2:00.

Senator SPARKMAN. Can you meet at 2:30?

Senator SYMINGTON. I have got dates all afternoon.

Senator SPARKMAN. Bourke, 10:30 tomorrow morning?

Senator Pell. Not for me. I have a hearing. I will leave my proxy.

Senator AIKEN. You want to take up international organizations and——

A BREAKDOWN OF THE FUNDS

Senator SYMINGTON. Can we have a breakdown of what the money is for?

Senator MORSE. Will the Senator yield?

John, I think this requires more time than you are going to be able to give it—because I think we ought to start with this tomorrow morning. I think we need the breakdown, I don't like this 33½ percent contribution of the U.S. We have been doing this for years. It is about time some of these other countries increased their contributions and let us decrease. I would be willing to go along for $135 million, up it $4 over the House, but I don't think you can——

Senator SPARKMAN. All right, let's stop there. I wonder if by the morning when we meet we might have a memorandum giving us the breakdown?

Mr. HOLT. Yes.

Senator COOPER. Are you going to meet in the morning or this afternoon?

Senator SPARKMAN. All right, the committee stands in recess until 10:30 tomorrow morning.

I think we will tell people we are making progress but we haven't completed it.

Mr. MARCY. There are two military assistance—there is a military sales bill which has to be taken up separately and military assistance in this bill.

Senator PELL. I have a couple of amendments on that.

Senator MUNDT. Does that moratorium on the press include the State Department and AID too?

Senator SPARKMAN. All right.

[Whereupon, at 12:00 noon, the hearing was recessed, to reconvene at 10:30 a.m., Tuesday, July 23, 1968.]

# THE SITUATION IN WESTERN EUROPE

[EDITOR'S NOTE.—Economic strains caused by the war in Vietnam spurred congressional calls for a reduction in U.S. troop deployment elsewhere. In 1967 Senate Majority Leader Mike Mansfield became chairman of a special Senate committee to study U.S. troop commitments to the North Atlantic Treaty Organization (NATO). Mansfield's committee proposed two resolutions that would have reduced American troops in Europe and encouraged other NATO members to shoulder the military responsibility more equitably. When the resolutions came to the Foreign Relations Committee for consideration, the Johnson administration strongly opposed their adoption. In August 1968, the Soviet invasion of Czechoslovakia overthrew its reform government and undercut efforts to reduce the U.S. military presence in Europe. Senator Mansfield conceded that the invasion meant "we had no choice but to maintain our present position," but continued to advocate a gradual reduction in force.]

**Monday, July 22, 1968**

U.S. SENATE,
SUBCOMMITTEE ON EUROPEAN AFFAIRS OF THE FOREIGN RELATIONS COMMITTEE,
*Washington, DC.*

The subcommittee met, pursuant to notice, at 3:00 p.m., in room S–116, the Capitol, Senator Stuart Symington presiding.

Present: Senators Symington, Sparkman, Mansfield, Pell, and Case.

Also present: Mr. Marcy, Mr. Henderson, and Mr. Lowenstein of the committee staff.

Senator SYMINGTON. First, Mr. Owen. I wanted to ask you this question.

One of my colleagues told me that you had told several prominent newspapermen that one of the reasons we had our troops in Europe was because it was to hold the Germans in position, and if that is true, that might affect my thinking about this.

I just wanted to know what the facts were on that.

## STATEMENT OF HENRY D. OWEN, CHAIRMAN, POLICY PLANNING COUNCIL, DEPARTMENT OF STATE

Mr. OWEN. Let me answer the question in two parts, Senator.

First, about prominent newspapermen, to the best of my knowledge I have not seen any newspapermen for months and months. There is very little news to be gotten out of the Policy Planning.

Senator SYMINGTON. My colleague had just gotten back from abroad and he was talking to the head of one of the prominent papers in London and the head of another prominent paper in London, and they said you are the one referred to. I am not criticizing.

Mr. OWEN. No, no.

Senator SYMINGTON. It changes the thought if there is any justification in that line of reasoning, that would certainly very possibly change my thinking about it.

Mr. OWEN. I have not seen any newspaperman here or in London. In fact, I have not been in London for a year. So as far as that part, what I said to newspapermen, I think it is a mistake.

A BALANCE FOR GERMAN FORCES

Now as to my own views, which I guess is the more important part of the question, I would not put it that way. I would say that one reason for having U.S. forces in Europe is to provide a balance for German forces.

I do not think that from a political standpoint or from a military standpoint that it is healthy to have an Atlantic Alliance which consists almost entirely of German forces, with only a thin cadre of other national forces. And I think, therefore, that U.S. forces, as well as British, Belgian and Dutch forces serve a useful role in providing a balance to German forces.

When I was in Denmark in 1966, I was very struck by the Danes who were then talking about troop reductions in troop levels. This was just after the President's speech of October 1966. And the Danes said, "For God's sake don't pull out your forces. The last thing we want is to be left with the Germans.

Before going to Copenhagen, I was in Warsaw. Some of the Poles I spoke to, instead of reputing what I had expected, which was their desire to see the U.S. get out of Europe, said "For heaven's sake don't withdraw forces and leave us alone with the Russians and the Germans."

So I think there is some merit to the argument, not one of trying to hold the Germans down or holding them in place, because I do not think that is a problem with the present German Government or the present German nation, but I do think providing a balance to German forces is a useful function.

Senator SYMINGTON. That is well answered.

FEARS OF A GERMAN RESURGENCE

Tell me what you mean by a balance to German forces. Do you think that the Poles and the Czechs are afraid of a German resurgence?

Mr. OWEN. Yes, I do.

Senator SYMINGTON. That's what I wanted to know. And the Danes and the Dutch, too?

Mr. OWEN. I do not know about the Dutch, Senator. I have not been to Holland but the Danes, yes.

Senator SYMINGTON. I see.

SOVIET UNION'S CONFLICTING CONSIDERATIONS

Do you think, therefore, that perhaps the Soviets are not adverse to seeing the troops——

Mr. OWEN. Our troops?

Senator SYMINGTON. Yes.

Mr. OWEN. This is pure conjecture because certainly their propaganda line runs very much to getting us out of Europe. I would

guess, Senator, there are two conflicting considerations present in their thinking.

On the one hand, they would like to break the U.S. connection with Europe because they think that connection strengthens Europe and they want to weaken Europe.

On the other hand, I suspect there are times when they wonder whether it really is not in their interest to have the calming advantage of five or whatever it is, U.S. divisions in Western Europe instead of facing a border which is manned almost entirely by German forces, and I suspect one line of thought predominates in some Soviet officials and another in others.

Senator SYMINGTON. After all, the Germans have been at them, you might say, twice in the last 40 years.

Mr. OWEN. Yes, sir.

ATTITUDES IN EASTERN EUROPE

Senator SYMINGTON. How would you interpret this: One of our colleagues, a member of this committee, just got back from Czechoslovakia and he said all the Czechs that he talked to were very much in favor of our taking our troops out of Europe?

What would you think would be their thinking behind that?

Mr. OWEN. I am very surprised at it, Senator, unless they were talking reciprocal reductions.

Senator SYMINGTON. Not at all. He said, "Even though I don't agree with you," he said another prominent newspaperman had told him that he had come from Poland and there was exactly the same feeling in Poland.

Mr. OWEN. I cannot comment on Czechoslovakia because I have not been there.

Senator SYMINGTON. Yes.

Mr. OWEN. In Poland there is a marked difference depending, at least in my experience, on whom you talk to. When you go into government offices and talk to government officials in their offices, you get what you can read in a press release, and the ambassador, John Gronouski, told me in effect they are talking to the recording machines.

When you speak to people out of government, newspapermen, at parties, in the embassy, then they say something quite different. In government offices, I did get very much the line that you mention, Senator. When I spoke to people outside offices, I got the line that I repeated earlier.

Senator SYMINGTON. In other words, you think that the Government people in Poland say that they wish that we did take our troops out, but that privately they feel, and the rest of the Polish people feel it is well for us to keep them there; is that it?

Mr. OWEN. I would not want to generalize, Senator, because I was there all of two days. All I can really say——

Senator SYMINGTON. I want to be sure I understood what you said. I do not want to put words in your mouth.

Mr. OWEN. I understood that.

I would not want to generalize about the Government as a whole as well as the Polish people as a whole because I did not get out of Warsaw, but among the Polish people I did speak to in Warsaw, this did occur several times; that is all I would say.

If I were a Pole I would think just a common sense basis I would not want particularly to be left alone between Russians and Germans. They divided Poland among themselves four times.

AN ANTI-AMERICAN LINE

Senator SYMINGTON. Why would they say they want us to get out?

Mr. OWEN. Why do some governments say things in propaganda which bears only a limited——

Senator SYMINGTON. I do not see what the propaqanda would be out of it. I should think the propaganda would be that they wanted us to stay in.

Mr. OWEN. I suppose if they are committed generally to an anti-American line, it would be inconsistent with that line to be saying they would like to keep American forces there and would it not also, Senator, seem to reflect in some degree on their confidence in their Soviet allies if they expressed a felt need to see U. S. forces there?

Senator SYMINGTON. You see, all my thinking in this field has primarily to do with my growing apprehension about the solvency of the United States.

Mr. OWEN. Right.

Senator SYMINGTON. I am a member of the Joint Economic Committee, and my governor Warren E. Hearnes, who happens to be one of my best friends in politics, wants to get a lot of money back from the Federal Government into the state, you know.

Mr. OWEN. Right.

Senator SYMINGTON. And after explaining it to me very carefully, he says "You see what I mean?"

I said, "Sure, I see what you mean. You want me to be the tax collector and you want to be Santa Claus," you see.

We have been Santa Claus to Europe now for a long, long time, and I was in the executive branch of the Government when we were in the Marshall Plan and the Truman Doctrine, all of which could not have been more worthwhile and desirable. In those days everybody from Mr. Acheson down in your Department said maximum 18 months staying.

We have been there now for over a quarter of a century one way or the other.

Mr. Passman, who is not known as the greatest advocate in this town for foreign aid assistance nevertheless comes out and points out that counting the interest, we put up $171 billion, and that the debt of the United States is now $43,891,000,000 more than the debt of all the other countries in the world combined.

PAX AMERICANA

Well, if you add that to the fact that the history of all empires, especially Pax empires that want a Pax Americana or Pax Britannica, is ultimate economic crippling to the point where there is a heavy loss of position, if not loss of country, and it worries me a great deal, and those are the reasons why I viewed with increasing apprehension the continuing failure of the executive branch to live up to what they say they are going to do.

It was wrong to do it four years ago for reasons I forget when Eisenhower first brought it up. It was wrong to do it two years ago for reasons that I forget now, and Rusk and McNamara and Fowler briefed us. It is wrong today because of Czechoslovakia, it will be wrong tomorrow for some other reason.

I asked Mr. Owen whether it was accurate in accordance with one of my colleagues, who is not present, one of our colleagues said that several newspapermen in Europe had told him that people in the State Department had told them that one of the chief reasons, perhaps the chief reason we kept troops in Europe was because we wanted to hold the Germans down, and Mr. Owen has been very frank about it. His name was given to me by our colleague as one person who felt this way about it, and naturally I told him this might affect my thinking in the matter if it was a joint effort to not only control the Russians, but also the Germans or if it was more to control the Germans than the Russians, and he was very frank in his answers.

And Mr. Owen, would you care to tell the Majority Leader and the Chairman and Senator Pell what you just told me?

Mr. OWEN. I said I did not, first of all, the report of the newspapermen is in error, if only because I see so damn few newspapermen, particularly European newspapermen.

But as to my views——

Senator SYMINGTON. I might say, interrupting you there, that your position in the State Department along those lines is so unique that I may respectfully offer my congratulations. [Laughter.]

HOLDING DOWN AND BALANCING

Mr. OWEN. As to the nature of my views, I do not think that the purpose of U.S. forces in Europe is to hold down the Germans. I do think that they hope to provide a balance to German forces. And I do not think it would be healthy from a political standpoint for NATO to consist almost entirely of German forces with only a thin layering of other forces.

Senator MANSFIELD. Mr. Owen what is the difference between holding down and what was your word, balancing?

Mr. OWEN. Well, holding down implies that the Germans have some malign intent and that the purpose of the U. S. forces is to prevent them from fulfilling that. I do not believe that the present German Government or any foreseeable German Government has malign intent, but I think given the memories which attach to Germany in Europe, memories in Poland and the countries in the west on Germany's border, that it is natural that they should have more confidence in an alliance in which Germany is not the dominant military part, and that was the answer I was giving to Senator Symington.

Senator SYMINGTON. Well now, Mr. Chairman, I have some questions that the staff got up here. Should I ask those now or would you ask them yourself or how would you like to handle it?

Senator SPARKMAN. You go right ahead and handle it because as I say, I do not know when I may be called.

Senator SYMINGTON. Claiborne, can I go ahead this way?

Senator PELL. Please do.

ADVANTAGES OF A LARGER FORCE

Senator SYMINGTON. What purpose do 220,000 United States forces in Germany serve that 50,000 would not serve?

Mr. OWEN. Well, I suppose one purpose is the one I have described, of providing for a better balance within NATO, between different nationalities.

Second, having a larger force in Europe gives NATO more options in responding to different. types of aggression. The smaller the force, the earlier, the more automatic, the resort to nuclear weapons. The larger, the more diversified the force, the wider the range of response to different contingencies.

Then I think that the effect——

Senator SYMINGTON. Say that again now, that sounded a little oversemantic to me.

Mr. OWEN. I am saying that the larger NATO's force, the wider the range of options it has in responding to different military contingencies. Smaller——

Senator SYMINGTON. What do you mean by that?

Mr. OWEN. Well, if NATO had only 50,000 men——

Senator SYMINGTON. But it has not, it has all the Germans, the Dutch, the French, the Italians.

Mr. OWEN. Well, if NATO were smaller than it is, smaller by the amount involved in withdrawing U.S. forces down from their present level to 50,000, then NATO would be less able to handle different contingencies without resort to nuclear weapons.

Senator SYMINGTON. So if we doubled our troops in Europe, that would make it that much more able to handle it without nuclear weapons, correct?

Mr. OWEN. I suppose that is true, but I am not proposing that.

Senator SYMINGTON. No, I know, I know.

Mr. OWEN. So that is one difference which I think it makes, that you have, you can handle different types of aggression without early resort to nuclear weapons better if you have the forces there.

MORE A SHIELD THAN A TRIPWIRE

Senator SYMINGTON. What you are implying then is even though France has left SHAPE, you still feel our present forces there are more of a shield than a tripwire; is that correct?

Mr. OWEN. Yes, sir.

Senator SYMINGTON. Using those phrases?

Mr. OWEN. Yes, sir; I think that is very well put. For contingencies less than all-out aggression, I think that is right.

For example, in responding to various forms of pressure on Berlin, I think our forces are more than a tripwire, so that is one purpose that they serve.

Senator SYMINGTON. When I was in Paris some years ago with Senator Bridges, we asked the head of SHAPE, one of the wise men in my experience in the military, General Gruenther, if there could be a NATO without Italy, and he said yes, indeed and we said could there be one without France and he said absolutely impossible.

Mr. OWEN. Yes.

Senator SYMINGTON. And we said, "Why do you put it that strong?"

And he said, "Look at the map, it is geographically impossible to start with."

General MacArthur, who had his own unique characteristics but nobody ever said he was not able as a military man, said to me before France got out, it is not a tripwire or a shield, if the Russians hit it will be a parade to the channel. He did not say he thought so. He just asserted it, which was his wont.

Since then France has gotten out. Are you talking from a military standpoint that after France has left, if you have to logistically support armies through the English Channel in a port like Antwerp, that nevertheless anything we have over there now would be a true shield against a Russian onslaught?

Mr. OWEN. Well, first of all, Senator, obviously this is a question for military experts, not for me, and all I am doing is repeating what I hear from Secretary McNamara's statement and from the people I work with in the Pentagon.

Senator SYMINGTON. I see.

Mr. OWEN. But if we are talking about contingencies and all-out Soviet attack, yes, I do find credible their statements that some limited kind of threats could be better handled by a force which included 200,000 American troops than by one which included only 50,000 American troops.

Senator SYMINGTON. 220,000?

Mr. OWEN. Yes.

Senator SYMINGTON. Right.

CONSIDERATION OF DEPENDENTS

Senator MANSFIELD. Mr. Chairman, even with dependents to consider?

Mr. OWEN. Sir?

Senator MANSFIELD. Even with dependents to consider?

Mr. OWEN. Yes, sir.

Senator MANSFIELD. What are these men going to do if a showdown comes and they have to choose between facing whoever is coming at them or looking after their families, what did the Romans do when they brought their families up to the Rhine? They had to make a choice and the choice was they were driven back into Italy.

Senator SYMINGTON. It could not be a better question.

I was over there not too long ago with the troops, and asked the question about things and one officer, general officer, said to me, "You know, one of our big problems was well-expressed by a sergeant, I understand, the other day." He said, "I don't know where you fellows are going but if we get hit I am going for my family."

And as you say, that has been a characteristic of the problem whenever they allow the dependents to go.

How many dependents have we now, do you know?

Mr. OWEN. No, sir; I do not.

Senator SYMINGTON. Jim?

Mr. LOWENSTEIN. One hundred 50,000 in addition to the 220,000.

Senator MANSFIELD. Mr. Chairman, I think the figure is more than that.

Mr. OWEN. Just in Germany, Senator. It is 250,000 in Europe, 261,000.

ACCESS ROUTES TO BERLIN

Senator SYMINGTON. If there were an attack from the East, which 50,000 U. S. forces, plus the forces of the other NATO countries, could not contain would it not be necessary to resort to nuclear weapons regardless of whether there were 150,000 additional troops in Germany?

Mr. OWEN. Senator, that is a military question to which I would not try to return an answer.

But let me say this which bears on the question. I do not think we ought to think of the only military contingency in Europe as being a Soviet attack which is an attempt to overrun Germany and to reach the channel.

I can remember in 1961 hearing President Kennedy say several times that the principal need for conventional forces in Europe seemed to him in connection with Berlin.

If you get various types of pressure on the access routes to Berlin, I could conceive of ways in which you might want to use conventional forces which would not be simply trying to defend against an all-out Soviet attack.

Senator SYMINGTON. Is it your view that the U.S. needs 220,000 forces in Germany, among other reasons, to counter Western and Eastern European fears of an armed West Germany?

I think you have said that is part of your feeling.

Mr. OWEN. I think that is one of the reasons.

I would not myself make it the dominant reason, Senator.

RECIPROCAL REDUCTIONS

Senator SYMINGTON. If so, does this mean that U.S. troop reductions must be dependent on West German troop reductions?

Mr. OWEN. No, I do not think so.

I would be glad to outline what I do think might permit reductions in U.S. forces eventually.

I think one thing might be, if you get progress toward some kind of Western European defense community, I think that might make it possible to reduce U.S. forces. I think reciprocal—I can conceive of at least three contingencies which might make it possible to reduce U.S. forces in Europe, sir:

One would be reciprocal reductions with the Soviets.

The second would be progress toward creating a Western European defense community which could take over more of the load in Europe.

And the third might be technological developments such as the C–SA, which would make it technically and militarily feasib1e to do this without ostensible loss of effectiveness.

So I do not think, to answer the question you put, that the only circumstance in which one could reduce U.S. forces in Europe would be if German forces were reduced.

FAILURE OF EUROPEANS TO MEET THEIR COMMITMENT

Senator SYMINGTON. You see what has worried me and worried me since the very beginning has been that whereas we have never been one man short of our commitment, not a single country in Europe has ever been up to its commitment made in the early Fifties when NATO was set up.

And it is very hard for me to understand why, if it is so important to maintain our troops in Europe, they do not think so. It is their land, their homeland, not ours, and here we are, if it is right for us to be in Vietnam at all, which I have to be frank I have increasing doubts on any basis after examining the Geneva Accords and so forth, but if it is right for us to be there, we are defending them there as much as we are defending ourselves because we are defending freedom, and with that premise, not only do they not help us any in Vietnam—as you well know, they are very, very critical of our position in Vietnam—and at the same time they raise hell if we do not take anybody out, if we plan to take anybody out of Europe even though they have never been up to what they said they would be up to in Europe.

What are your thoughts about that?

Mr. OWEN. Well, I think your point is quite well taken. I think we are closer to fulfilling our commitment than they are to fulfilling theirs.

That still leaves the question, Senator, when you look at the U.S. national interests in the totality, will our interests be advanced or retarded by pulling forces out of Europe now, and while the relative contribution which each of us is making to the common defense is relevant to that question, I do not think in itself it is a sufficient answer to the question.

GERMAN DEFENSE BUDGET

Senator SYMINGTON. Would you say that our having troops in Germany is more important for the defense of the United States or more important for the defense of Germany?

Mr. OWEN. I would say it is more important, for the common interest in averting war, Senator.

Senator SYMINGTON. Nobody wants war, but I think it is a fair question.

Who do you think benefits most from the standpoint of defense by having our troops in Germany, the United States or the Germans?

Mr. OWEN. Clearly the Germans.

Senator SYMINGTON. Why do they not do what they said they were going to do? Why have they never come up to what they said they would do?

They have the money, they have gotten rich. They were aggressors in the war and finally defeated. We built them to a point where they are the strongest power today economically in Europe. Why do they not come up to it?

Why do they just still lean on us?

Mr. OWEN. Senator, I am not here to apologize for what the Germans have done.

Senator SYMINGTON. I am only asking.

Mr. OWEN. I think the reason is they have internal political currents in Germany which have produced a defense budget which is less than the one required to meet the goal that you set forth, and I am not saying I think that is a good idea. I am saying it still leaves the question, even if they have fallen somewhat short of their goal, are we going to be better off or worse off if we reduce forces in Europe.

Senator SYMINGTON. According to Secretary Rusk, we have 40 commitments around the world, and we are obligated to defend against 40, any attacks on 40 different countries.

Do you feel that we have to fulfill that obligation in every case?

Mr. OWEN. Senator, I would have to answer this on a case by case basis, looking at the individual commitments.

RETURN MILITARY DEPENDENTS TO THE U.S.

Senator SYMINGTON. What are the reasons for not returning to the United States most of the 250,000 U.S. military dependents now in Western Europe, about 150,000 of whom are in Germany, and how much do these dependents contribute to the foreign exchange costs of maintaining U.S. forces in Europe?

Mr. OWEN. On the second question, I do not know how much they contribute.

On the first question, I think that should be put to the Department of Defense. I am not an expert in that.

Senator SYMINGTON. Well, you would agree, would you not, especially in the lower levels, that having their dependents there very much impinges upon the military efficiency of the units in question?

Mr. OWEN. The only time I was ever in the service was in a war, Senator, when we did not have dependents. I really do not think I am competent to answer that.

Senator SYMINGTON. All right, sir.

Why are there no plans to follow the redeployment of 33,000 men and 15,000 dependents now being carried out with further redeployments?

Senator CASE. What does that refer to, Mr. Chairman.

Senator SYMINGTON. We were told some time back, I would say, when was it, may I ask the Majority Leader—it was over a year ago, was it not?

Mr. LOWENSTEIN. Last May.

Senator SYMINGTON. A year ago last May?

Mr. LOWENSTEIN. Yes.

Senator SYMINGTON. We were told they would take out 35,000 troops with dependents. A year later, say last May, how many had been taken out, Jim?

Mr. LOWENSTEIN. They are halfway through that redeployment, which will affect 33,000 troops and 15,000 dependents. Originally it was going to be 35,090 troops and 25,000 dependents.

Senator SYMINGTON. We thought it was going to be fairly prompt, but it has taken them some time.

My question was, what were we waiting for?

Mr. OWEN. It is a good question, but I am the wrong person to put it the I worry about longer range issues and I really do not know.

Senator SYMINGTON. The way this started, if I may say to Senator Case, one of our colleagues back from Europe said that the head of several papers, American papers in Europe, their people stated that the State Department had given the impression that one of the reasons, if not the chief reason, for keeping the troops in Germany was to keep Germany to heel, so that they would not get rambunctious again, and they said that—they used Mr. Owen's name, so I asked him to come down here and explain this. And he has explained as to what he meant by it. In your opinion, why are 26 Soviet divisions stationed in East Germany, Poland and Hungary? Is it because the Soviets expect an attack from the West or wish to be in a position to engage in some military adventure in the West?

Mr. OWEN. I am sorry, I thought you were going to read more.

Senator SYMINGTON. What are your thoughts on it?

Mr. OWEN. I would suspect, Senator, that in good part it is because of their concerns in Eastern Europe, their concerns with what happens east of West Germany, in Poland and Czechoslovakia, partly because I do not think they want to preclude the possibility of pressure on Berlin as a possible tactic.

I would think these are two factors which rank high among their reasons.

Senator SYMINGTON. Incidentally, when we considered pulling people out, we are always given the array of the Communist divisions.

Do you think we could pull just a few people out based on Czechoslovakia and they might not be quite as ambitious to defend Soviet Russia as we thought they would be a year ago? Is that a fair interpretation?

In other words, today I think it is fair to say that the Soviets are not entirely sure as to whether the Czechs would fight with great bravery against West Germans or any other troops we might have there.

Could that lead to more of an agreement for reducing our forces, the intransigence of Czechoslovakia along with such other countries as Yugoslavia?

Mr. OWEN. I can only speak for myself on this, Senator,

Senator SYMINGTON. Yes.

Mr. OWEN. I have always thought that the real threat looking to the East were the Soviet forces and not the forces of Eastern European nations, and it would be, therefore, to the level and efficiency of Soviet forces that I would look primarily rather than what is happening in the Eastern European armies in gauging the threat.

Senator SYMINGTON. Then you would not agree with military people who give us the satellite divisions the Russian divisions along with the Russian divisions when they measure quid pro quo?

Mr. OWEN. I think they are relevant, but the main thing I would keep my eye on would be the Soviet forces, speaking wholly personally.

Senator SYMINGTON. Thank you, Mr. Owen.

POSSIBILITIES OF REDUCING TROOPS

How long do you expect it would be necessary for these 220,000 U.S. forces to remain in West Germany and the 340,000 military personnel to remain in West Germany?

Mr. OWEN. Well, that brings me back to what I was saying earlier, Senator.

As one looks ahead, I can foresee at least three circumstances in which one might want to reduce the level of these forces.

First, if you have progress toward a Western European defense community which could take on more of the load.

Second, if you could work out reciprocal reductions with the Soviets.

Third, if technological developments make it possible to reduce these forces without an apparent reduction in military effectiveness.

Senator SYMINGTON. Well, you know, we tried to get the European defense community and that turned out impossible primarily, I believe, because of the French, as I remember it.

Mr. OWEN. Yes, sir.

Senator SYMINGTON. And the second part is one that leaves it up to the Soviets, and the third, I do not quite understand what you mean, so the net of it is, you really do not know when we can take our troops out.

Is that a fair observation?

Mr. OWEN. If you are asking in terms of calendar years, that is a fair observation, yes, sir.

Senator SYMINGTON. Thank you.

WHEN THE WAR IN VIETNAM IS OVER

If our forces should remain in such strength until the Soviets begin reducing their forces in East Germany, in how many years do you expect the Soviets to be sufficiently confident about the stability of East Germany and other Eastern European regimes to be able to begin to withdraw?

Mr. OWEN. I am not an expert on Soviet intentions, but I have asked the same question of people who are, and the answer that they return is that when the war in Vietnam is over, the Soviets may well be under considerable budgetary pressure to reduce their forces in Eastern Europe, and may well feel that the needs those forces serve can be met at a lower level of forces as part of reciprocal U.S. and Soviet reductions.

Senator SYMINGTON. You say when the war in Vietnam is over.

Have you any thoughts or ideas or knowledge as to when that will be over?

Mr. OWEN. No, sir.

Senator SYMINGTON. Next year?

Mr. OWEN. No, sir.

Senator SYMINGTON. Five years?

Mr. OWEN. Senator, I do not know.

THE WESTERN EUROPEAN DEFENSE COMMUNITY

Senator, may I come back to one point you spoke about, a Western European defense community?

Senator SYMINGTON. Sure.

Mr. OWEN. And you are quite right, in 1954——

Senator SYMINGTON. I think we called it the EDC, did we not?

Mr. OWEN. That is right. And it was sunk without a trace then due to French action.

Senator SYMINGTON. Before de Gaulle?

Mr. OWEN. Before de Gaulle, that is absolutely right, sir.

I would not want to be in the position of saying that I think this is a sure thing or 80 percent probability, but looking toward the longer range, which is what I am paid to do, I would not preclude this and I would not think it is impossible, Senator, I think there are people in the UK who are beginning to think in these terms. The non-Gaullist political parties in France have come out in favor of it, the Germans, the Italians, the low countries have spoken for it.

I would not think it was right to say that this was an impossibility over the next five, ten years.

A POST-DE GAULLE FRANCE

Senator SYMINGTON. Well, let me ask it of you this way: It happened without de Gaulle. Do you think with de Gaulle in power in France there is a greater chance of happening than with de Gaulle?

Mr. OWEN. I think there is a very slim chance of its happening while he is in power.

Senator SYMINGTON. So now we are talking about de Gaulle's leaving.

Mr. OWEN. France has not shown a remarkable tendency toward having the same governments over a long period of time, but I think you are quite right, while he is in office I think his distaste for this scheme will persist.

Senator SYMINGTON. Have you any knowledge that you could give us the benefit of that the Government will change in France if he dies?

Mr. OWEN. Oh, I think—after General de Gaulle leaves the government, sir?

Senator SYMINGTON. Yes, leaves the government would be a better way to put it.

Mr. OWEN. Yes, sir; I think there is a fair chance that the policies of a post-de Gaulle government in some respects would differ from his.

Senator SYMINGTON. What do you base that on?

Mr. Owen. The fact that in large degree the political parties and the political leaders other than the General take a different attitude than him on one issue, which is the European question.

I think one of the reasons that he was forced into a run-off in the Presidential election a while back was because of the unpopularity of his apparent opposition to creating an effective Western European entity.

Senator SYMINGTON. But he got his greatest majority after he put it up to the people, did he not?

Mr. OWEN. Yes, but this was in the last election, this was not the issue, domestic politics were the issue.

Senator SYMINGTON. The number two man is Maurice Couve de Murville, who is a good friend of many of us. Do you think his thinking differs from General de Gaulle?

Mr. OWEN. I think it would be if he turned out to have an independent political position, which would make him a likely successor to General de Gaulle, than the way Prime Minister Georges Pompidou.

Senator SYMINGTON. And do you think Prime Minister Pompidou would deal differently toward a European defense?

Mr. OWEN. I would feel less certain that he would than in the case of Couve de Murville.

Senator SYMINGTON. All right, sir.

CHANCES OF AN ATTACK FROM THE EAST

What do Western European leaders believe to be the chances of an attack from the East? Would they fear such an attack if U.S. forces were reduced to 150,000, to a 100,000 or to 50,000?

Mr. OWEN. I cannot answer the conditional part of the question, but I will answer the first part of the question, sir.

I do not think people in Western Europe at this point take very seriously the threat of a large attack from the East.

Senator SYMINGTON. If that is true, can we not, as the dollar continues to run into trouble because of these gigantic investments we have, is it not possible for us to make some reduction abroad; and if so, how much do you think we could make without seriously affecting our position?

Mr. OWEN. I think there are two questions there, Senator.

The first question——

Senator SYMINGTON. That is right.

Mr. OWEN [continuing]. Could we make a reduction without affecting the combat effectiveness of the forces——

Senator SYMINGTON. Any reduction.

Mr. OWEN [continuing]. And that I could not answer.

That is a question Defense would have to answer.

The second is at some point could we make a reduction which was sufficiently substantial so that it would affect the combat effectiveness and that would bring me back to the conditions I discussed earlier.

Senator SYMINGTON. All right, sir.

FEAR OF GERMANY

Which Western European leaders, if any, have in the past few years expressed a fear of what the West German Army might do or what internal political developments might occur in West Germany if U.S. forces in Germany were reduced to 150, 100, or 50,000?

Mr. OWEN. I would hope that very few Western European leaders had spoken in this sense, Senator.

I would think if you are trying to hold together an alliance, to have heads of government go about expressing this kind of fear and concern of a major ally would not be particularly helpful. So I would hope that the answer to that is none, and I do not at the moment recall any having spoken publicly in these terms.

ATTITUDE OF EASTERN EUROPEAN LEADERS

Senator SYMINGTON. Are Eastern European leaders generally in favor of U.S. reductions in Europe?

Mr. OWEN. I think Senator Pell could answer that better than I can.

The only Eastern European country I have been to was Poland, and I have spoken earlier of the impressions I formed there.

Senator SYMINGTON. And your impression was that they were in favor—they were not in favor.

How would you put it?

Mr. OWEN. My impression, Senator, was that in a very short stay I was struck by a number of Poles who spoke to me of their concerns of a U.S. withdrawal which would leave them alone with the Germans and the Russians. I was not there long enough, and I did not travel sufficiently extensively to form a general impression of Polish sentiment.

CHANCES OF MUTUAL TROOP REDUCTIONS ARE SLIGHT

Senator SYMINGTON. What chance is there that the Soviets would agree to mutual reduction while the war in Vietnam continues?

Mr. OWEN. I think while the war is on the chances are relatively simple, sir.

Senator SYMINGTON. What chance is there that the Soviets would agree to mutual reductions, given the present situation in Eastern Europe?

Mr. OWEN. Sir, if by that you mean at the height of a crisis, I think the chances are slight.

But supposing that we get through the present crisis without Soviet action against Czechoslovakia, and that as a consequence of that the Soviets gradually reconcile themselves to a situation in which there is liberalization in Czechoslovakia provided that the liberalization does not bump up against the parameters which they have set for themselves and which you mentioned, Senator, on TV, Senator Pell, I could conceive that in this sort of a situation the Soviets would ask themselves increasingly "Do we need to maintain for internal purposes in Eastern Europe the present level of forces? Have we not really passed the point at which we are going to use force against Eastern European countries because of internal changes in these countries within the limits that they are observing?"

And at that point I could conceive that they would be willing to engage in reciprocal reductions.

IMPACT OF SOVIET TROOP REDUCTION IN GERMANY

Senator SYMINGTON. What effect would the withdrawal of some Soviet forces from East Germany have in that country?

Mr. OWEN. I think it depends on the level, Senator.

I would think some withdrawals could take place without triggering instability in East Germany. I think drastic withdrawals which brought the level down close to zero could have destabilizing effects.

REDUCTIONS IN OTHER NATIONS' FORCES

Senator SYMINGTON. Have not Canada, Belgium, West Germany and France either reduced or eliminated their NATO military commitments one way or the other in the past year?

Mr. OWEN. Could we take each of those in turn, sir?

Senator SYMINGTON. Well, I said reduced or eliminated. France has eliminated.

Mr. OWEN. France has eliminated.

Senator SYMINGTON. Canada?

Mr. OWEN. Canada, to the best of my knowledge, still has a brigade in Europe.

Senator SYMINGTON. Has it not reduced some that it had before?

Mr. OWEN. It may have, sir. I am not aware of that.

Senator SYMINGTON. How about Belgium?

Mr. OWEN. The Belgians, I think, have transferred one brigade from an active status, but again, Senator, on this sort of current detail people from the Bureau of European Affairs would be much more knowledgeable than I am.

Senator SYMINGTON. "Canada Assays Role in NATO," quoting from the paper.

Trudeau avoided indicating that Canada might withdraw from NATO but the announcement did echo his remarks on May 23 that Europe can get along without the Canadian troops stationed there.

Mr. OWEN. I thought Trudeau has spoken in this sense, but your question is, have they done anything?

Senator SYMINGTON. That is a fair answer.

How about Great Britain?

Mr. OWEN. I think the British have actually increased their commitments to NATO recently.

Senator SYMINGTON. On the basis of their deal with the Germans?

Mr. OWEN. No, sir.

Senator SYMINGTON. You say recently; they are not up to what they said they would do in the beginning.

Mr. OWEN. That is correct, they are not up to the levels that speak of the EDC and WU Convention.

INCREASED COMMITMENTS

Senator SYMINGTON. I would not say at the time they all sucked us in, but at the beginning I would put it that way, at the beginning when everybody agreed to commitments, the British along with the others have not carried out their commitments. That is correct, is it not?

Mr. OWEN. Yes, sir.

Senator SYMINGTON. And you say they have increased their commitments lately?

Mr. OWEN. Yes, sir.

After the announcement of prospective British withdrawals from the Far East.

Senator SYMINGTON. I was going to say that was a corollary of their withdrawal.

Mr. OWEN. Yes, sir.

Senator SYMINGTON. Also, the Germans are putting up more money for them, are they not?

Mr. OWEN. As part of the offset, I do not know, Senator.

Senator SYMINGTON. I see.

How about West Germany itself?

Mr. OWEN. Well, the Germans have 12 divisions, of which eight are in good shape and four are in less good shape.

Senator SYMINGTON. Are they carrying out their agreement with us with respect to the Soviet through the purchase of military equipment, do you happen to know?

Mr. OWEN. I do not know sufficiently what the terms of the original agreement were.

Senator SYMINGTON. I think they have shifted from buying military equipment to buying American bonds on which we pay the interest; is that not correct?

Mr. OWEN. Yes, sir; that certainly, the last agreement provides, as you know, for the purchase of bonds both by the Bundesbank and the private banks to makeup the deficiency between offset purchases and the cost of the troops.

U.S. TROOPS IN JAPAN

Senator SYMINGTON. Mr. Owen, these questions are being asked for the record because some of us are getting worried about the economic position of the United States.

I asked somebody the other day "How many people, how many Americans do you think are in Japan?"

And they said, "Well, very few, I am sure of that."

And I asked them how many, I think they guessed 2300. There are 82,000 military-connected people in Japan and still, and you go all around the world and you find them to the tune of two million, and when you look at "What's happening to our economic position?," why it worries you a great deal, and I trust you understand we are asking these questions to get information with the background of that premise.

Mr. OWEN. Yes, sir.

SIZE OF THE COMMITMENTS

Senator SYMINGTON. If these countries feel, and I am nearly through, that they can afford to reduce, why can't we afford to reduce?

Mr. OWEN. Well, sir, as we went through these other countries, we did not find that all much reduction, Senator.

Senator SYMINGTON. I am sorry, I did not hear you.

Mr. OWEN. I say, as you and I went through these other countries, one by one, the U.K., Canada, Germany, we did not really find sizeable reductions, so that I would question the premise of the question.

Senator SYMINGTON. Well, they have not reduced, they just have not come up; is that it?

Mr. OWEN. I think that is right.

Senator SYMINGTON. I see.

Here is a quotation from the Washington Star of February 24:

West Germany, which had been talking about troop reductions of 60,000 men is now planning cuts of some 20,000. Britain is reducing the Army of the Rhine some

6,000 men and is planning more cuts by 1971. The Belgians recently dismantled two brigades, and the Dutch show signs of following suit. The United States is in the process of withdrawing 35,000 of our 246,000 soldiers and airmen in West Germany.

Mr. OWEN. Well, take each of these in turn, I do not know about the 20,000 German troops, but the German Army is still of a very large size, and it still has 12 divisions in the condition that I described, eight good, four less good.

The U. K. has increased its commitment to NATO recently.

The Belgians, as I indicated, have transferred, I believe, one brigade to the Reserve.

I do not believe the Dutch have reduced. I believe the Dutch have stood firm. But again, Senator, I am a poor witness on this because current details are not——

Senator SYMINGTON. I think you are a very good witness. You are articulate and very intelligent about it. We may not agree, but you look at it from a different slant than we do, perhaps.

Mr. OWEN. I think someone from the Bureau of European Affairs could produce the exact figures for you, sir.

EUROPEAN ANTICIPATION OF CUTS IN U.S. FORCES

Senator SYMINGTON. Do other NATO countries expect U.S. reductions, that is, will any add1tional U.S. redeployment surprise them?

Mr. OWEN. I think that depends on the period of time you are speaking of, sir. I suspect that if you were to ask the average European, "Do you think ten years from now the U.S. will have the same level of forces," I think they would say, no.

If you asked them, "Do you think that the U.S., in the dying administration, is about to take an action of this sort," I think it would come as a surprise, yes, sir.

Senator SYMINGTON. Did not the Secretary of Defense in the last few days or last few weeks, say, that we could, something to the effect that—what was it he said?

Mr. OWEN. That was at the NATO meeting, Senator, which was in May, I believe.

Senator SYMINGTON. Yes.

Mr. OWEN. His language was, "I cannot speak for the next administration, but I would be surprised if the United States indefinitely maintained the present level of forces in Europe."

Senator SYMINGTON. Of course, 20 years ago if you had, asked the average fellow in Europe, "Do you expect the United States to stay there," the chances are he might have said 20 years ago he thought there might have been some reduction.

Mr. OWEN. Yes, I am sure that is the case, Senator.

Senator SYMINGTON. So, if there are further U.S. redeployments, what is likely to be the reaction of other NATO countries, that is, will they strengthen their contributions or reduce them further?

Mr. OWEN. Well, this is guessing, and I will give you my guess, but I qualify it by saying that someone like John Leddy, who is in close touch with these governments, could answer it better. My guess would be they would reduce, that the general feeling would be that this is the beginning of the unraveling, that this reduction is merely a prelude to further reductions, and that they might as well ride with the bandwagon.

I would expect the Dutch, the Belgians, the British, probably even the Germans to go down as a result of U. S. reductions.

REACTION TO AN EARLY REDUCTION

Senator SYMINGTON. What they would really be saying would be, in effect, "If you want to defend us we do not want to defend ourselves," right?

Mr. OWEN. Could I just add one thing to that, Senator? I was speaking of their reaction to an early reduction, not of their reaction to a reduction which took place some time in the future under circumstances which I have described, and which you think are improbable.

No, I think the explanation would lie differently, sir. I think what they would be saying is that at this juncture an effective defense of Europe is only feasible with substantial U.S. contribution, and if that contribution is not going to be there the thing is not going to work, so why make a large investment in failure.

But I repeat, Senator, I do not have great confidence in my judgment on this because it is not my business to stay in close touch with them the way it is Mr. Leddy's. I work on the whole world.

IN THE INTERESTS OF THE FREE WORLD

Senator SYMINGTON. One more question. This is what worries me the most. If it is of interest for us, for them, if it is in the interests of the Free World, for us to be there, and in that they have so tremendously increased their financial position after the war, every country has, with the exception of England, including Canada, the highest being Spain the next highest is, as I remember, until the recent trouble, France, and the only country in the Free World that has lost its financial resource net current position is the United States, except Great Britain, and we have lost very heavily, and under those circumstances would it not be logical, why is it now logical, for them, seeing us defend freedom in China, defend freedom in Korea, defend freedom in Vietnam, all to their interests, why is it not logical for them to say, "We have not been up to our commitments now, we are going to be up to our commitments and, perhaps, a little more, and we want to help by letting you reduce your commitments."

Isn't there any psychology aspect of this at all?

Mr. OWEN. Well, I guess you would have to answer that, sir, in terms of. the specific countries. Let us take the three big ones. In the case of the French, we know the answer.

Senator SYMINGTON. That is out.

Mr. OWEN. That is one side.

In the case of the U. K., they would say, "We have got our own troubles."

Senator SYMINGTON. I except the U. K., because they are in serious financial trouble and they are dragging the dollar down with it because of the Bretton Woods Agreement.

How about the Germans or the Belgians or the Dutch or the Italians?

LIMITATIONS ON THE GERMANS

Mr. OWEN. I think the Germans are the key case there, Senator, and I would say two things on that: first, they committed themselves to maintain 12 divisions, they created 12 divisions.

Senator SYMINGTON. Yes, but they did not do it for a great many years, and they have not created four of them, right? And they still have not got anything like the Air Force, now we are getting back into my field, net, they have not got anything that they said they would have 20 years ago, and for many years there was a pitiful situation because they had just about nothing.

Mr. OWEN. Four divisions, certainly, I agree.

The other point I would make on Germany is their fiscal problem is accentuated, as you know, by a gerrymandered constitution which meets the desires of your friend, the Governor of Missouri, by allocating most of the sources of revenue to the States, to the lands.

The Federal Government's fiscal resources are very limited.

Senator SYMINGTON. Does this mean the Germans would like to do it but they are not able to because of the nature of their government?

Mr. OWEN. I would not try to prophecy whether they would like to do it, but I think within the limits of the present Federal budget, particularly, when the Government is being operated by a coalition, it is not easy to raise the level of military expenditures required. It is not a full answer to your question because the question is——

Senator SYMINGTON. It means net the Germans do not want to protect themselves, does it not?

Mr. OWEN. No, I do not think it does, Senator. But I think what it means——

Senator SYMINGTON. It has a free press over there, has it not?

Mr. OWEN. I think what it means is that within the present constitutional framework and within the fiscal situation in which they find themselves, it is darned hard for them to go higher.

I am not trying to defend them or to apologize. I am trying to answer the question in the sense that you posed it, why doesn't this happen, and I am trying to explain why.

Senator SYMINGTON. Yes.

COSTS TO THE AMERICAN TAXPAYER

What the American people, at least the people of Missouri, do not understand is, if it is important for us to defend the Free World all over the world to the tune of a good many billion dollars a year cost to the American taxpayer, by the American taxpayer—I am not talking about the rich people, I am talking about the way that the school teachers in my State or the working people in my State are gutted by these taxes today, especially the more recent tax surcharge—if it is necessary for us to put up this kind of money in order to protect all these countries, starting with Vietnam and working West, why is it not advisable from the standpoint of the Germans, unless they are just taking a ride on us and feel they can get away with it, to protect their own country to the extent that they promised to do it 20 years ago?

Mr. OWEN. The short answer is that it is, and they should be doing it.

Senator SYMINGTON. That would seem to be the answer to me, and don't let us just locate it against the Germans. The Dutch and the Belgians have gotten stinking rich, as have the Italians, too, and I can understand how an individual like de Gaulle can say, "I don't care," but I do not understand how a whole people, with a representative government, can just say, "Let Uncle Sucker handle it," or whatever term you want to use, because that is what has been going on, and the people are getting very upset about it around where I live.

Let me ask you some questions for the record that have been given to me by the staff.

How many U.S. forces are there presently in Europe, and how many were there a year ago?

Mr. OWEN. I do not know, Senator.

Senator SYMINGTON. Will you supply that, or we will get that for the record?

Mr. LOWENSTEIN. We can submit all those in writing.

Senator SYMINGTON. How many were there five years ago?

Mr. OWEN. Sir, if there are a number of questions——

Senator SYMINGTON. All right, we can skip it.

Senator Sparkman, have you any questions you would like to ask? This is your committee.

Senator SPARKMAN. No, thank you.

Senator SYMINGTON. Senator Pell.

CZECH SUPPORT FOR REDUCING U.S. TROOPS

Senator PELL. A couple of comments and queries.

I recently came back from a very interesting week, and one of the things that startled me when I was there—as you know, I never co-sponsored the resolution of Senator Mansfield and Senator Symington and others for the reduction of troops—was that the Czech leaders seemed to think it would be an excellent idea if we reduced our troops in Germany.

I was startled on this, and I talked with a couple of them, and I gave them every opportunity to sort of blink their eyes, saying I did not know whether they were saying it for the record or they meant it, and I felt they meant it.

I was startled. How do you account for this?

Mr. OWEN. I was going to ask you the same question, Senator. Did they explain why?

Senator PELL. Yes. I pressed them on it—Jim Lowenstein was with me and he can refresh my memory—and they felt that it would defuse the situation a bit, lead to a little more of a détente, and their life and their security really—or they would thrive best in a climate of real détente, and they felt this was one of the best ways they could achieve a détente, and I then asked them, would they really want to be left to the tender mercies of the Germans and the Russians—I put this on the record, in other words—and they seemed to think they would be better off with the détente than the present high state of tension.

Jim, is that correct or not?

Mr. LOWENSTEIN. Yes. They said they preferred West Germans on their western boundary rather than West Germans and Americans.

Senator PELL. I did not want to embarrass the officials, but then I would ask privately this question a little bit, and you get varying reactions. A couple of my former friends were not true blue Communists, and they were not as enthusiastic, but the reaction was of much greater acceptability than I thought.

I also have a press friend who came back from Poland, and he had a somewhat dissimilar experience from yours, and he felt they rather wanted it, too. Now, I was surprised at that, but I guess their anxiety is to get those Russians out of Germany any way they can.

LOWERING THE GENERAL TEMPERATURE

Mr. OWEN. Why did they think—did they think the U.S. taking forces out of Germany would lead the Russians to take forces out of Germany?

Senator PELL. They left that, one would say, open-ended a bit. They just felt it would lower the general temperature and give them less of an excuse to leave them there. At least this was the way it went along, and I, as I say, always have borne with your view on this, and I was startled.

Senator SYMINGTON. Did you not say, if you will yield, Senator, that you found a friend who had run into the same situation in Poland?

Senator PELL. I said that. I said I had a press friend who had run into a similar reaction in Poland.

I was wondering how you would account for this. It is a thing that maybe we ought to check through our embassies with a round-robin circular to Eastern European Missions to get a governmental reaction from the people over there. Obviously, they may not be quite as free with the executive branch as they are with us, because we are always considered irresponsible. But they might give a similar reaction. I do not know. It would be an interesting circular exercise.

A FIVE-YEAR PROGRAM OF PHASED REDUCTIONS

The other thing is, I was wondering what your specific reaction would be to a thought that is not original with me but is going through my mind, and that is not going quite as dashingly as Senator Symington would want to go, but having sort of a five-year program, getting down to exactly half of where we are with phased reductions, working out a balance with the other countries, which is absolutely predictable, and the Russians and the Poles would know exactly where NATO forces would be in five years, four years, three years, just as we will be on a unilateral basis, and then let the chips fall where they may.

At the end of the five years we would be exactly one-half the number of people that we have now, no more, no less, and at the end of that five-year period if we found a mistake, you stop, or you can even push it up. What would be your reaction to that thought?

Mr. OWEN. Well, I think this comes back to the point that I tried to make earlier with Senator Symington when he was asking me

the same question in a different form: when can you pull the forces down?

I do not, myself, see that you really solve the problem by a fixed schedule, deciding how much you will do each year. The real question is, when is it in your interest to pull the forces down and that, to my mind, involves some changes in the existing situation, and I tried to describe some of them.

Failing these changes, and they are changes which the Senator thought were highly unlikely——

Senator SYMINGTON. So do you, I think.

Mr. OWEN. No, I do not think so.

Senator SYMINGTON. We disagreed about the European Defense Community.

Mr. OWEN. Right.

Senator SYMINGTON. Yes.

Mr. OWEN. Failing these changes, I think it would be imprudent to commit ourselves to a kind of fixed schedule you were thinking of.

GROWING SUPPORT IN THE SENATE

Senator PELL. You do not feel that by fixed schedule of this sort, providing for the governments to work out their budgets and really bring maybe a little more heat on the Eastern Europeans to make reductions there, it is better than the present kind of sporadic, at-random, view because I think—I took the liberty of telling my colleague about the people I met over there, the officials that Senator Mansfield and Senator Symington's resolution, dropping it down from 220,000 to 50,000, had more than 50 sponsors already in the Senate, and they sort of blanched. Sixty-seven, is that it? They would sort of blanch, and I am sure it is a little better to do it in a predictable way rather than in this more radical way.

Mr. OWEN. Aren't there two questions, Senator? The first question is, is it desirable to do at all, and that was the question I was answering.

Senator PELL. Excuse me, one has to accept the fact, judging the political climate here, that it probably will be done. But it will be done in a rather random way, depending upon the mood of the Senate and the mood of the country.

Mr. OWEN. Then there is a second question if it is going to be done, is it better to do in the predictable way you suggest than in the random way.

Senator PELL. What would be your reaction to that?

Mr. OWEN. I think if it were going to happen, the more advanced notice, the more you had a fixed in-hand, rather than a random on-and-off, procedure——

Senator SYMINGTON. Fifty-six, excuse me.

Senator PELL. What is a majority——

Senator SYMINGTON. I said 67, I was wrong.

Mr. OWEN. But the prior question would seem to me whether it should be done at all, obviously, it is not my job to estimate what the U. S. Government is going to do or what the Congress is going to decide. I gather from what you want me here, is to say from a foreign policy standpoint, what is acceptable.

BRITISH SUPPORT FOR THE STATUS QUO

Senator PELL. I think it would be very interesting—my impression is that the British seem to be the hottest to keep it as it is now perhaps for the reasons that Senator Symington indelicately referred to earlier. But whatever the reason is——

Senator SYMINGTON. What is it about my lack of delicacy?

Senator PELL. You said they suckered us into it, the British Foreign Office.

Senator SYMINGTON. Not the British Foreign Office but all of the countries.

Senator PELL. But particularly the British, they are the hottest.

Senator SYMINGTON. I think we are inextricably bound up with the British not only because of tradition but because of the Bretton Woods Agreement. When the pound goes down, the dollar shakes.

Senator PELL. The other countries seem to be a little less hot on this. Why would they be less hot on it than the British?

Mr. OWEN. I am sorry, Senator, I do not get your question.

Senator PELL. The British seem to be the hottest for us not to reduce it.

Mr. OWEN. I see.

Senator PELL. The others do not seem to be quite as shocked. What is the reason for that?

Mr. OWEN. I think my impression, Senator, is that the German government is rather concerned about the level of U.S. forces. If it were not, it would not be making these financial arrangements to help cover their costs.

Senator PELL. And yet you travel in Germany and you talk to German people, and the Germans—and this Army of occupation is not—the Government may welcome it, but I am not sure the country as a whole welcomes it.

Mr. OWEN. I thought you were speaking of the British government.

Senator PELL. You are quite right. I was comparing apples and oranges.

Senator SYMINGTON. As a Scotchman, I have always believed in a fair advantage, and the British, you know, they worked on the Welsh just before us, and the Irish afterwards, so I imagine we have the same general characteristics here.

PROMOTING EDITORIALS IN THE PRESS

Mr. Owen, to your knowledge, do officers of the Department of State ever seek to promote editorials in the local press? [Laughter.]

Senator PELL. Frequently, from my service in the Department of State.

Senator SYMINGTON. When I want you as a witness I will let you know. [Laughter.]

Mr. OWEN. I have no idea, Senator. I do not do it myself. If I knew how to do it, I would do it because there are a lot of things I would like to promote editorials on.

Senator SYMINGTON. I want to express my gratitude. You have been a very fine and fair witness, and you have been very tolerant of some of us who worry about this.

It is hard to express. About five years ago, I know it was before the death of President Kennedy, I got interested in the balance of payments due to some people back in my State and, putting it mildly, based on the record their apprehensions were justified.

I think it is wonderful for us to be the nursemaid, the gendarme, whatever the word is, of the world if we could do it. I do not quite go for Pax Americana, because I do not think we can do it. But there were four little boys one time and they went up to a fifth and said, "Would you like to shoot a little crap," which is a dice game around where I live and he said, "I cannot for five reasons."

And they said, "What is the first?" And he said, "I haven't got the money." And they said, "Never mind the other four."

We are just running out of money and we are running out fast, and the question comes, if we do clip the dollar, what does that do to the Free World.

Mr. OWEN. Sir, can I tell a story Mr. Acheson used to tell, a story about Mossadegh. Mossadegh used to say when he was discussing the question of why the Americans always stuck so close to the British, he said, he kept asking why, and their answers confused him, and it reminded him of an Iranian Army Lieutenant who was court-martialed for not firing off his battery during maneuvers, and they said, "Why didn't you fire your battery?" And he said he had 13 reasons, and the first is, "I didn't have any ammunition. [Laughter.]

Senator SYMINGTON. That is very good.

FALSE FACADE OF SECURITY

Just one other thought. I do not think it will have any influence on the State Department because that is the one department that nobody in the Congress has influenced for a good many years, to the best of my knowledge, but the military situation of SHAPE Europe is just a joke today, and everybody knows it who has had any military experience of any kind.

The idea that you could maneuver great armies between the distance that once was France in SHAPE and now is not any longer, between that—I remember years ago I ran the Berlin Air Lift when I was Secretary of the Air Force, and you did not get altitude before you were over Communist territory, and the idea that we could support great armies and defend ourselves against the typical sweep from the north, which is the way they always come, of Russian divisions, to me is just beyond comprehension.

So we have a false facade of security and that would be all right with me except it is so terribly expensive and, naturally, therefore, when we heard the statements and Senator Pell, I have never said it, but he has now, about what he heard over there, that very much increased my interest as well as——

Senator PELL. I am not saying I am in agreement, but I was told.

Senator SYMINGTON. I understand.

Well, I just hope some day that I can give as much as you would like to give to all of the people of the world, too. [Laughter.]

Senator Sparkman, have you any questions?

COMMUNIST REACTION TO LAST REDUCTION IN FORCE

Senator SPARKMAN. Mr. Owen, let me ask this question: what reaction, if any, has there been behind the Iron Curtain to the reduction of the forces that we did carry out in Germany, the 33,000, was it?

Mr. OWEN. I do not know the answer to that. I will check on that and provide you with that information, sir.

Senator SPARKMAN. Well, my recollection is when Secretary McNamara testified before us, and laid out that program, I got the impression that it was to be a continuing program. They are not all over here yet, are they?

Mr. OWEN. I do not know the answer to that, Senator.

Senator SPARKMAN. And I do not believe there is anything else ever contemplated, and I got the understanding at the time it was to be a continuing program, a gradual reduction. That would be, if not painless, not too painful.

Senator PELL. And predictable.

Mr. OWEN. I said earlier, Senator, when Senator Symington asked a similar question, I think it would be much better to put that sort of question to people from the Department of Defense or the Bureau of European Affairs who worry about day-to-day affairs. I am in the Policy Planning Council and try to look forward, look toward, some of the longer range issues, so I do not think I am a good witness on that particular question.

LONG-RANGE EFFECT ON THE BALANCE OF TERROR

Senator PELL. May I ask one question, just following that up, because you are a long-range man, and I immensely enjoyed the conversations we have had, but from a long-range viewpoint what, in your view, would be the impact of the implementation of this 50-percent reduction I am talking about?

Mr. OWEN. In U.S. forces?

Senator PELL. Yes. What would be the long-range effect on the East-West balance of terror?

Mr. OWEN. And assuming that it took place, Senator, without any of the three conditions that I mentioned earlier, is that correct, not a Western European Defense Community, no reciprocal reductions, and under circumstances which made it clear that it was, in fact, a reduction in the military effectiveness of the NATO forces?

Senator PELL. That would be correct, although one would hope that the second condition might remedy itself, but you cannot presume that if you are making a unilateral statement of intent.

Mr. OWEN. Yes.

A DESTABILIZING FACTOR

Senator PELL. And looking at your crystal ball and looking ahead, what would be the effect 10, 15 years from now; five, eight years from now?

Mr. OWEN. I am afraid I would have to say—I know I won't get many converts—I think it would be a destabilizing factor. That, I think, it would increase the Soviet temptation to apply pressure on Berlin at some point when for other reasons this might seem advis-

able; that it would reduce tensions in the Western Alliance because of other countries' fears.

Senator PELL. You mean increase.

Mr. OWEN. Increase.

Senator SYMINGTON. You meant increase. You said reduce.

Mr. OWEN. It is nice to have this friendly correction; and it would give the Soviets intentions to carry out their purposes in Eastern Europe, watching this disarray within the West. In the absence of any of the conditions I have tried to describe, on balance it would be a destabilizing factor. I am not saying it holds true for the future, even though I am looking at the future, which I cannot predict any better than you can.

But looking in the next several years, this would be my idea.

NO STABILITY BY WEAKENING THE BALANCE

Senator PELL. In this proposal, it is not the U.S. forces only but an equivalent reduction of the Belgians and the Dutch and the whole NATO Force going down at this particular rate.

Mr. OWEN.I do not believe you achieve stability in Europe by one-sided reduction from what is now a fairly even balance of forces. I doubt whether the less of history is that you get stability by weakening a balance.

Senator SYMINGTON. Could I ask a question there, Senator Pell? Suppose the Soviets attacked Czechoslavakia, do you think we have any commitment to defend them?

Mr. OWEN. No, sir.

Senator PELL. What were those three conditions again?

Mr. OWEN. I said progress toward a Western European Defense Community that could pick up more of a load; reciprocal reductions, and then new technical developments like the C–5A which might make it possible to reduce some of the forces in Europe while maintaining military effectiveness.

Senator PELL. Thank you.

Senator SYMINGTON. Senator Sparkman.

Senator SPARKMAN. Nothing more.

ISOLATIONIST IMPULSES

Senator SYMINGTON. I just want to make one comment to you, and that is I think the greatest mistake this country probably ever made in foreign policy in this century was its failure to go through with the League of Nations. I think it might have stopped World War II.

In my opinion, the policies of the State Department are creating in my part of the world the same type and character of isolationism desire that was prevalent at the time of the League of Nations, and that worries me a great deal because people do not understand why we should continue with this load.

The figures that come out of the House, $171 billion, whatever it is, is past, and there is no use of crying over spilled milk. I was in complete sympathy with all the programs in the late forties and early fifties.

Mr. OWEN. I remember that.

Senator SYMINGTON. However, it has gone, on too long, and we cannot continue to do this without jeopardizing our own economy, in my opinion.

I am a member of the Joint Economic Committee. What I do not understand is why, especially with people who feel this way and have so testified really before committees, like Joe Barr, Bill Martin, and so forth, why there is such a complete disregard of it in the State Department and that, I think, is why people are getting so, perhaps the No. 1 reason why people are getting so, apprehensive about overall policy.

Mr. Owen, you have been very kind and we appreciate your coming down. I am very glad to have met you and hope we can renew this discussion on a less formal basis some time.

Mr. OWEN. Thank you, sir.

[Whereupon, at 4:10 p.m., the committee adjourned.]

# FOREIGN ASSISTANCE ACT

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**Tuesday, July 23, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 10:40 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Mansfield, Morse, Gore, Lausche, Church, Symington, Clark, Pell, McCarthy, Hickenlooper, Aiken, Williams, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

INTERNATIONAL ORGANIZATIONS

Senator SPARKMAN. We were down to international organizations, weren't we?

Let the committee come to order, please.

Let's resume on international organizations.

Frank, I believe you were talking on it.

Senator CHURCH. Yes. What I had proposed, Mr. Chairman, as you will recall, is that the amount that the House approved for international organizations $131 million be increased to the amount of the budget request which was, as I read the figure, $143 million. That is increased by $12 million.

Senator GORE. What is that?

Senator SPARKMAN. International organizations.

Senator CHURCH. Yes, and that this $12 million, and the amount of supporting assistance be reduced by $12 million so that the overall amount of the bill would not be increased.

Senator AIKEN. Haven't we had a reduction up, an overall reduction up, until now?

Senator CHURCH. Actually it has been an increase of just a few hundred thousand dollars by my figures.

Senator AIKEN. On the items we have taken so far?

Senator CHURCH. Yes. But in order to account for those other adjustments we may want to make a different alteration in the amount of supporting assistance, but my main argument is that this money, in the past we have always granted in the bill the amount requested for international organizations, for the reason that our contribution to the various U.N. agencies in their work is matched by larger contributions in the aggregate from other foreign countries, and that if we now reduce this amount it will have a triggering action on contributions of many other countries and it

would be very debilitating to the U.N. and its various agencies in the multilateral effort that they are carrying forward.

I just think it is unwise for that reason to do this. It will be demoralizing to the U.N. agencies, and here is one area where our contribution is more than matched by contributions of other countries.

Senator GORE. Will you yield there, Frank?

Senator CHURCH. Yes.

EXTRAVAGANT AND PROFLIGATE

Senator GORE. Well, this may be an appropriate time to observe that from what I have seen and learned of various international organizations they are the most extravagant, overstaffed profligate outfits that I know of in all respects that I have observed, personnel, various traveling funds, and I am not sure but what we ought to cut it down rather than to increase it. I don't know how. No one seems to exercise any supervision over, fiscal supervision over, these people. Once they are on there they are, they are tax-free, they are just about free of all things.

Senator HICKENLOOPER. Albert, that applies to any department of government that you can name. I can't decide which one you are talking about.

Senator GORE. At least under the Bureau of the Budget, under the Congress, under the department head, but these offsprings of the U.N. are only under the supervision of U Thant and we don't have any way of getting at him and we pay a big share of it and here they go.

Senator CHURCH. Albert, I don't know, my experience—you, of course, had your own experience in the U.N. but I served for a time on the Fifth Committee which deals with the U.N. and it seemed to me there was tremendous resistance on the part of a great many countries for increases in that budget, particularly countries that could ill-afford to pay their part even though it was small by comparison to ours, and I don't think there is a moderating influence at the U.N.

Senator SPARKMAN. We are on international organizations. Were you through, Albert?

Senator GORE. Yes.

CUT SUPPORTING ASSISTANCE

Senator CHURCH. I only wanted to say, Mr. Chairman, there are a lot of items here that are far more questionable and profligate, supporting assistance is one, where we just pour out this money for budgetary support in all these countries, all of our money, and if we are picking and choosing between these items it just seems to me we ought to favor the international organizations as against supporting assistance and that is the purpose of it.

Senator SPARKMAN. You put it in the form of a motion.

Senator CHURCH. Is to transfer $12 million out of supporting assistance and add it to international organizations.

Senator SPARKMAN. Why don't you notice it when you get to supporting assistance because there may be others who may want to offer it?

Senator CHURCH. Didn't we take action on this yesterday?

Senator SPARKMAN. No, we quit while discussing it.

Senator MORSE. I am ready to take action.

Senator CLARK. I ask to be heard. I strongly support Senator Church and I am glad that he has divorced his motion from a reduction in supporting assistance. I think it is essential that this committee should not turn its back on international cooperation and get over on the side of so many of our colleagues in Congress who are, in effect, espousing international conflict. I think I probably represent a minority of one in this committee, but I shall at an appropriate time move to restore the full amount of the President's budget request. I think we are going crazy in this country in our efforts to return to isolationism.

Senator SPARKMAN. When you say restore the entire, you are talking about the overall figure, not this.

Senator CLARK. Not this.

Senator SPARKMAN. Because Frank's motion is to restore it here.

Senator CLARK. I shall be very brief. I think we are on the wrong track. I think the House is on a tragic track. I think it is most important that we should cut this military budget by billions and billions of dollars but to take this out of the foreign aid bill in my judgment is unwise and unsound. I won't make a long argument because I realize there are very few members of this committee, if any agree with me, but I certainly support Church's motion.

Senator SPARKMAN. Senator Morse?

NOT ISOLATIONISM

Senator MORSE. Yesterday we discussed 33⅓ and 40 percent in most instances are the United States' contribution to international organizations. I think it is absurd. The time has come when the countries in better fiscal condition than we are should up their figures to international organizations. I want to completely disagree with Joe who tries to pin the label on those of us who want to cut foreign aid as isolationists. There is not the slightest basis in fact for the charge because it deals with matters of motivation which the Senator from Pennsylvania just isn't qualified to speak with regard to other people's motivations.

Now, those of us who are seeking to cut back in foreign aid among various reasons are the following: Number one, we think it is obviously the will of the American people by an overwhelming majority. If you don't think so you are going to discover it in November. The American people think that the time has come for us to suspend, note my language, to suspend these large outlays for foreign aid, until we get out of this war, and until we do something about our problems here at home.

I don't think there is an item in this foreign aid bill that shouldn't be cut. I think every one of them should be cut to some extent. I think this is one. I certainly think that we cannot justify the requested amount of $143 million in this item. The House appropriated $131 million. I am proposing $125 million.

Senator CLARK. Will the Senator yield?

Senator SPARKMAN. Do you offer that as a substitute?

Senator MORSE. What is the pending motion?

Senator SPARKMAN. The motion by Senator Church to set it at $143 million.

Senator MORSE. I am proposing $125 million.
Senator CLARK. Will the Senator yield?
Senator MORSE. Yes, I yield.
Senator CLARK. I merely want to make it clear that I question no man's motivation and I never have. I just question the effect of our action.
Senator MORSE. You pin the label isolationist on us charging us with motivation.
Senator SPARKMAN. Are you offering that as a substitute?
Senator MORSE. Yes.
Senator AIKEN. As a substitute, otherwise the higher amount comes first.
Senator CHURCH. That would reduce the figure below the House figure.
Senator SPARKMAN. He offers it as a substitute.
Senator MORSE. $6 million. I don't know, Mr. Chairman, I don't hear anyone argue in support of the justification of the United States against all the rest of the nations of the world contributing 33⅓ to 40 percent of the cost of these international conferences. We have got to stop that business. We have got too many problems here at home.

MOTION REJECTED

Senator SPARKMAN. Shall we have a roll call?
Senator MORSE. I want a roll call.
Senator SPARKMAN. All right, call the roll.
Mr. KUHL. Mr. Mansfield?
Senator MANSFIELD. Aye.
Mr. KUHL. Mr. Morse?
Senator MORSE. Aye.
Senator AIKEN. On your substitute?
Senator MORSE. Yes.
Mr. KUHL. Mr. Gore?
Mr. Lausche?
Senator LAUSCHE. No.
Mr. KUHL. Mr. Church?
Senator CHURCH. No.
Mr. KUHL. Mr. Symington?
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Clark?
Senator CLARK. No.
Mr. KUHL. Mr. Pell?
Senator COOPER. No.
Mr. KUHL. Mr. HcCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. Aye.

Mr. KUHL. Mr. Mundt?
Senator MUNDT. Aye.
Mr. KUHL. Mr. Case?
Senator CASE. No.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 7 ayes and 11 nays.
Senator SPARKMAN. The motion is not agreed to.

THE CHURCH MOTION

Now, it reverts to the Church motion which is to restore it to $143 million which was the budget request. Shall we call the roll?
Senator MORSE. No, Mr. Chairman, I move we restore it to the House figure of $131.
Senator CHURCH. May I say on that——
Senator SPARKMAN. Defeat his and that does it.
Senator CHURCH. May I say on that, Mr. Chairman, if we vote the budget figure here, I will move for a reduction in supporting assistance. There are places where further reductions could be made in this bill but I simply don't think it is wise to make reductions in international organizations because we are tied to a formula and where we get very substantial assistance from many foreign countries.
Senator CLARK. This is the kind——
Senator SPARKMAN. Are you ready to vote?
Senator HICKENLOOPER. We are voting on what now?
Senator SPARKMAN. On the Church motion.
Senator HICKENLOOPER. I want to support the House figure of $131 million.
Senator SPARKMAN. All right, a no vote on the Church motion will do that.
Senator MORSE. Parliamentary inquiry. There isn't anything that stops me from moving the House figures.
Senator SPARKMAN. Excepting there is a motion pending.
Senator MORSE. His is for $143 million.
Senator SPARKMAN. But if his is defeated——

A SUBSTITUTE MOTION

Senator MORSE. I know that. I don't have to wait until you defeat that. I am asking for $131.
Senator SPARKMAN. You offer that as a substitute motion?
Senator CLARK. How many substitute motions can you propose?
Senator MORSE. As many as I want to a dollar at a time.
Senator WILLIAMS. If we passed it then he can't offer anything. But we didn't pass it so he can offer it all he wants until we pass it.
Senator MORSE. Sure, I can keep right on offering, a dollar at a time.

Senator SPARKMAN. After one amendment is disposed of, then it opens the way for additional amendments.

Senator WILLIAMS. His amendment is in order.

Senator SPARKMAN. The clerk will call the roll. The motion is on the Morse substitute of $131 million in lieu of $133 million. All right, clerk call the roll.

Mr. KUHL. Mr. Mansfield?

Senator MANSFIELD. Aye.

Mr. KUHL. Mr. Morse?

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore?

Senator MORSE. Aye.

Mr. KUHL. Mr. Lausche?

Senator LAUSCHE. Aye.

Mr. KUHL. Mr. Church?

Senator CHURCH. No.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?

Senator CLARK. No.

Mr. KUHL. Mr. Pell?

Senator COOPER. No.

Senator CHURCH. He gave me his proxy—gave it on international organizations, you go ahead and vote it.

Senator COOPER. I hope we all vote it.

Senator SPARKMAN. He voted no. Shall we count both?

Mr. KUHL. Senator McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. Aye.

Mr. KUHL. Mr. Carlson?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Williams?

Senator WILLIAMS. Aye.

Mr. KUHL. Mr. Mundt?

Senator MUNDT. Aye.

Mr. KUHL. Mr. Case?

Senator CASE. No.

Mr. KUHL. Mr. Cooper?

Senator COOPER. No.

Mr. KUHL. Mr. Fulbright?

Senator MORSE. Aye.

Mr. KUHL. Mr. Sparkman?

Senator SPARKMAN. No.

Senator CASE. Mr. Chairman, before this is announced the Senator from Minnesota is right outside and it is a matter in which he is interested.

Senator HICKENLOOPER. He is not here.

Senator CASE. I think it would be a courteous thing if he were allowed to come in and vote.

Senator HICKENLOOPER. He can come in. I think as a courtesy he is out there if he wants to vote——

Senator LAUSCHE. Maybe he doesn't want to vote.

Senator CHURCH. Let him decide.

Senator SPARKMAN. Announce the vote.

Mr. KUHL. Mr. Chairman, there are 11 ayes and 7 nays.

Senator SPARKMAN. The motion is agreed to and that concludes international organizations.

EARMARKING FOR UNICEF

Mr. HOLT. Mr. Chairman, there is one other item in connection with international organizations that the committee should deal with at this point. I call your attention to page 33 of this print, where you will see that the House has authorized a million dollars for contributions to childrens' fund in 1969 over and above everything else. That million dollars is included in the $131 million figure that appears on the table on page 1 as the House authorization for international organizations, and the committee ought to decide whether it wants to agree to the House action in earmarking an additional million dollars to UNICEF or whether it wants to strike that out and put the million in the general fund?

Senator HICKENLOOPER. That is the million dollars out of the $131 million?

Mr. HOLT. That is correct.

Senator LAUSCHE. That is the old Lausche amendment.

Senator HICKENLOOPER. This does not make it $132 million?

Mr. HOLT. No, sir, it does not. The million is included in the $131 and the executive branch did not ask for it.

Senator MORSE. It was not covered by my motion.

Senator COOPER. What is the problem, whether we should earmark a million.

Senator SPARKMAN. Yes, it is done in the House bill. Shall we approve the House provision?

Senator LAUSCHE. I move the House provision be approved.

Senator SPARKMAN. A motion has been made we approve the House provision earmarking this $1 million out of $131 million for UNICEF.

Those who favor the motion say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Opposed, "no."

[No response.]

Senator SPARKMAN. The "ayes" have it.

THE BIGGEST GRAB BAG

Now, we move to supporting assistance.

Senator CHURCH. Mr. Chairman, may I make a motion on this?

Senator SPARKMAN. Senator Church.

Senator CHURCH. So far we have actually increased with the minor alterations we made in the House, we actually increased the amount of the House bill by a slight amount.

Senator HICKENLOOPER. How much?

Senator CHURCH. By a few hundred thousand dollars. We are a few hundred thousand dollars above the House bill at this point.

Senator HICKENLOOPER. How much did we add for the hospital in Beirut?

Senator CHURCH. For the American school we added $1.6 million.

Senator HICKENLOOPER. I thought it was $2 million.

Senator SPARKMAN. $1,600,000.

Senator HICKENLOOPER. $1,600,000. Then we reduced surveys by $1.25 million, and we made one other reduction in the partners of the Alliance of $13,000, which means that we are slightly above the House bill at this point.

Mr. HOLT. $50,000.

Senator HICKENLOOPER. Put it over $2 million.

Senator CHURCH. Something like a quarter of a million dollars. I think——

Senator COOPER. Local currency we added——

Senator SPARKMAN. No, we accepted their figure.

Senator COOPER. Local currency.

Senator SPARKMAN. Yes.

Mr. HOLT. At this point $50,000 over the House bill.

Senator AIKEN. $60,000.

Mr. HOLT. $50,000.

Senator CHURCH. What I want to do I think supporting assistance is the biggest grab bag in this program, and I would like to see us reduce that figure from $420 million to $400 million.

Senator SPARKMAN. Do you so move?

Senator CHURCH. I do move.

Senator CLARK. Will the Senator yield? What was the administration request?

Senator CHURCH. The amount approved by the House is $420 million. The amount requested this year was $595.

Senator SPARKMAN. Joe, that is given on the first page. His motion is to cut it by how much?

Senator CHURCH. Supporting assistance to $400 million, $120 million.

A PRETTY SMALL CUT

Senator SYMINGTON. Mr. Chairman, before we vote, I would just like to make a couple of observations before we vote. If it is the biggest grab bag that is a pretty small cut. I don't know what the Senator means by the biggest grab bag exactly but I do know that the country is going broke rapidly because the Congress is spending money like drunken sailors all over the place for military matters and foreign matters, and I think the time has come maybe to spend a little money in this country, and if it is the biggest grab bag, I think it ought to be cut more than $20 million.

Senator WILLIAMS. Offer your substitute.

Senator SYMINGTON. I would rather have a more distinguished, more senior, member who understands this problem better than I do, the distinguished Senator from Oregon.

Senator CASE. After the issue is drawn I would like to have the staff just briefly state the justification for the figure.

Senator MORSE. That is my request.

Senator SYMINGTON. That is right, it is going a little too quick for me.

Senator SPARKMAN. All right.

ECONOMIC UNDERPINNING

Mr. HOLT. Supporting assistance is that category of aid which is used for two principal purposes, one of which is to provide economic underpinning for military programs in Vietnam which is the most conspicuous example of this.

Senator SYMINGTON. Doing what?

Mr. HOLT. Provide the economic underpinning for economic programs.

Senator SYMINGTON. What does that mean?

Mr. HOLT. Vietnam is the most conspicuous example of this. Most of this goes into financing commodity imports into Vietnam.

Senator SYMINGTON. Why do we have to do that at all?

Mr. HOLT. Well, the administration says we have to do it.

Senator SYMINGTON. I am not saying we shouldn't do it, but why do we have to do it?

Mr. HOLT. Well, the justification for it without passing on the merits of the justification is that this is how you prevent inflation in Vietnam by putting in goods, commodities, et cetera, to soak up the purchasing power which is generated by military expenditures in Vietnam.

Senator CLARK. May I ask a question, Mr. Chairman.

Pat, am I wrong or does not a good deal of the supporting assistance go to provide the rice for the Vietnamese who are unable to support themselves, to feed themselves because we have defoliated and destroyed their country and they are importing rice where they used to export it?

Senator SYMINGTON. Why isn't it part of the defense budget?

Senator CLARK. Because it is economic assistance.

Mr. HOLT. Well, he is correct. Some of this does go, some of the commodity imports in Vietnam are, for rice and agricultural commodities of that sort.

Senator CLARK. They can't feed themselves.

NATIONS THAT BENEFIT

Senator LAUSCHE. Which nations are the principal beneficiaries of the supporting assistance?

Mr. HOLT. I can give you the whole list.

Senator MORSE. I want the whole list.

Mr. HOLT. The Dominican Republic $20 million. Haiti $2½ million.

Senator SPARKMAN. How much?

Mr. HOLT. $2½ million.

Senator SYMINGTON. Haiti?

Mr. HOLT. Yes, sir.

Senator MUNDT. Haiti?

Mr. HOLT. Yes, sir, this is a malaria eradication program in Haiti.

The Congo $8 million. Korea $25 million. Laos $39 million. Thailand $50 million. Vietnam $480 million.

Senator CASE. What do they break down the $480 million, break it down into, Pat?

Mr. HOLT. The $480 is commodity imports $224 million, war support and relief $46 million, pacification $60 million, national devel-

opment $92 million, technical support $30 million, administrative expenses $9 million, program support in Washington $10 million, non-regional funds $10 million.

Senator LAUSCHE. Is Taiwan a beneficiary?

Mr. HOLT. Yes, sir, Taiwan is—no, it is not.

Senator SPARKMAN. What is the one you named after Laos?

Mr. HOLT. Thailand.

Senator SPARKMAN. How much was it?

Mr. HOLT. $50 million.

Senator MORSE. Any Latin American countries other than the Dominican Republic and Haiti?

Mr. HOLT. The Dominican Republic and Haiti are the only ones on this currently proposed. Panama has received it in the past, but it is not down for any.

Senator LAUSCHE. Will you identify what the aid is to Haiti, which is for malaria?

Dominican Republic——

Senator CLARK. And rats.

Senator LAUSCHE. To the Dominican Republic how is it used?

Mr. HOLT. To the Dominican Republic it is commodity imports, financing their balance of payments deficit which is still a hangover from the civil war of 1965.

Senator MORSE. Pat, any countries in Africa other than the Congo?

Mr. HOLT. I believe that is the only one.

SITUATION IN VIETNAM

Senator SYMINGTON. Mr. Chairman, when I was in the Delta last fall one of our top military people told me that the rice there had to pass three checkpoints, not of the Viet Cong but of the South Vietnamese, where they paid duty at each check point. Then that rice was sent to Cambodia where it was sold by the South Vietnamese back to the Viet Cong at even higher prices. That impressed me because it showed that although we have a great interest in keeping these people from starving in South Vietnam, the South Vietnamese leaders have none at all. Put it this way, let the facts speak for themselves.

Senator AIKEN. Didn't you read in the New York Times the other day that when it is sold back to the Viet Cong the Viet Cong are required to pay for it in American dollars, which is a damn sight better recommendation for the dollar than it is for the State Department.

Senator SYMINGTON. Well, I read the Lederer story in which the head of the Viet Cong expressed his deep gratitude to the American people for giving them the necessary equipment and supplies in order to continue to fight.

Senator AIKEN. They couldn't keep on without it.

Senator SYMINGTON. That was in the Saturday Evening Post. The one fellow who apparently stood the former Secretary of Defense on his ear when he went out there was a little guy who ran the financial aspects of the Vietnamese, South Vietnamese, economy, and to my absolute amazement I found out that the big fight with General Ky was that he refused to have the South Vietnamese treasury buy up South Vietnamese bonds in accordance with the

way that the Federal Reserve in this country buys the bonds to, you might say, promote the velocity of the currency in the country. He just demanded straight dollars.

I say that when you come up here with a program that has $2½ million for Haiti, and everybody knows that is a well run country, and $8 million for the Congo, and everybody knows about our deep and abiding interest in Central Africa, that is all right, I can see that. But then you add $480 million in order to take care of a military expenditure in South Vietnam, and what I don't like about it is this is another way that the Pentagon tries to extricate itself from defense costs, and put it over here, because if it is necessary for us to do anything like what we are doing over there, it is certainly necessary for the soldiers of the South Vietnamese to continue to live, and in order to continue to live, to the best of my knowledge, I read a book about this, you had to eat.

Therefore, I think this program is simply a military expenditure foisted on the foreign aid program. I think if it is necessary to do this in Vietnam to the tune of a half billion dollars, then it ought to be picked up by the Pentagon and included as part of the check of this war.

CUT THE MILITARY BUDGET

Senator CLARK. Mr. Chairman, I am strongly of the view that the way to handle the situation in Vietnam and elsewhere is to cut the military budget. We are spending in the neighborhood of $30 billion a year in Vietnam militarily. What we are talking about here is chicken feed. It is less than half a billion dollars. To cut this now is just going to result in some people starving that should starve. I agree with everything Senator Symington says about maladministration and everything Senator Aiken says about Cum Shau but we are nitpicking in my opinion in a situation where we ought to face right straight up to the military budget and we are going to have a chance to do it next month. I would oppose any cut in this program because I think what we are going to do is just to promote some starvation.

Senator SYMINGTON. I just want to say one thing more and then I am through. Frank, if you will yield to me and then I am done.

THE WILL TO SOLVE THE PROBLEMS OF THE POOR

Before the Senate Armed Services Committee in his farewell address the Secretary of Defense on the record—off the record in executive session said that we could afford another war like this war in that part of the world, we could afford a third war in this hemisphere, and then on the record, it has been printed and published, he said we could do this without stopping in any way the programs of the Great Society, and these are his words, "if we had the will in addition to that we could solve the problems of the poor in all the countries of the world."

Senator CLARK. We don't have the will.

Senator HICKENLOOPER. Who says that?

Senator SYMINGTON. Secretary McNamara, this is printed testimony, and I commented on it and questioned it and printed the answers.

My only point is that we are just kidding ourselves here about where this money is going. I don't think that you ought to do anything in Vietnam except under a military budget, and the Senator from Pennsylvania, for whom I have the greatest respect and affection, has often told me about the problems of poverty in Appalachians, I think we have got some problems in the cities, and we are running out of money. I don't see why the Defense Department comes to this committee, I will admit that today in many people's minds half a billion dollars is chicken feed, but it is not chicken feed to the guy who is working and wondering where he is going to get his money from. It is not chicken feed to the farmer who is getting 3 cents out of a 22 cents loaf of bread, and it is not chicken feed to those people who have just been hit by a new tax that we put on. I would hope that we pass this back to the Department of Defense. This is a military expenditure any way you cut it.

Senator CASE. Mr. Chairman, I don't believe this is very much relief.

Senator LAUSCHE. Hereafter be careful in what type of words you use in describing these items. Never use chicken feed.

Senator WILLIAMS. I agree with you it is an insult to the chicken industry. [Laughter.]

PACIFICATION PROGRAM

Senator LAUSCHE. I want to point out that we authorized for 66 last year $660 million. The requested authorization for this year, submitted by the executive branch is, $595 million. The House cut it to $420 million. Last year we approved $600 million, so the House figure is $180 million below what we approved last year.

Now, you talk about cuts, you have cut it from $595 million down to $420, and you have cut the $600 million which we gave last year down to $420 million. So how much farther can you go?

Senator CHURCH. You can go $20 million more.

Senator SPARKMAN. Senator Cooper.

Senator COOPER. Let me ask a question: Does this deal with the pacification program?

Senator CLARK. $80 million, and it is dead.

Senator MORSE. It is a dead program.

Senator SPARKMAN. The motion is——

Senator MORSE. I am not ready to vote yet.

Senator SPARKMAN. You want to be recognized? Anyone else, any further discussion?

Senator CHURCH. Mr. Chairman, I want to say that this talk about starving people in Vietnam strikes me as being somewhat preposterous because there are lots of people who are being killed in Vietnam, but with the money we are pouring into that country, I don't think that the starvation problem is the serious one. If it is it is because of the squeeze of the money that is going in there in the bank accounts of a lot of fat government officials.

Senator CLARK. Will you yield?

Senator CHURCH. And I don't just think that ought to be the basis for resisting a modest cut of $20 million.

I yield.

PLIGHT OF THE REFUGEES

Senator CLARK. Will you yield? In my judgment having been over there in January there are hundreds of thousands if not millions of refugees who are on the brink of starvation and certainly subject to malnutrition.

Senator CHURCH. If that is true it is because of the kind of corruption that they are facing and not because of the inadequacy of the American supporting assistance program.

Senator CLARK. One reason is because they haven't got enough food. I agree there are all sorts of corruption, sure there are.

Senator CHURCH. Yes.

Senator SPARKMAN. Any further discussion?

Senator MORSE. I want to cover some of these points. The problems are the problems of Thieu-Ky, our committees have gone back there and brought back devasting reports of Thieu-Ky in regard to handling refugees. Food is there to make it available to them if they want to make it available to them. Even Ted Kennedy, in his report, points out that you get there one day and they got blankets and other things distributed and then they get the reports that the moment the committee gets away then they collect them and take them away from the refugees.

What you are doing is supporting shocking corruption among these leaders over there, and I think that, as Frank says, you have cut it down from $660, all this indicates is that the American people more and more are demanding this kind of action, and I have to think if we are responsible to them we ought to cut it further.

MILITARY AID CAMOUFLAGED

But I think Stu Symington put his finger on this. This is supporting money to maintain governments in their budgets and their balance of payments and it is military aid camouflaged.

Joe talks about wanting to cut defense expenditures. If you want to cut them here is one place you cut them. Not as much as I think we have got to cut them but here is a chance to cut into the military budget, although it doesn't carry the label defense. But as Stu says that is what it is behind the scenes.

Now, I think the committee ought to know before it votes, and I think Pat ought to, Carl, if they have got the information, tell us, I would like to know, what the supporting assistance program of other countries is into any of these countries or elsewhere in the world. Let's take the old colonial powers of Great Britain and France and Belgium and Holland and Spain, they are delighted to have us wherever they can in one form or another to pour our money into their old colonies, rather than come to the assistance of them. This is particularly true at our labeled military aid that Stu was talking about. I think you can stand a substantial cut here. I think this is another case in which we are not getting help from other countries who are willing to have us carry the greater burden, and I think that Frank proposes to cut it $20 million, I think it can be cut much, much more than that.

Senator SYMINGTON. Will the Senator yield?

Senator MORSE. Yes.

Senator SYMINGTON. How much do you think we have given to Korea? Don't misunderstand me, Koreans are fine people, but how much do you think in aid in addition to the billions and billions of dollars we have put in that country for military action? I just happened to notice it the other day, and the figure to me is simply fantastic. The foreign aid figure to Korea is $6,986,000,000, just think of that. That little tiny country, $6,986,000,000, and anybody, I have been to Korea many, many time, anybody knows that a very large portion of that money is military expense, and it was one of the reasons we have been able to get away with this half-baked police action in Vietnam, call it a big war, killed 26,000 of our youth is because the expenses, the costs of it, have not been put out and that is the reason I brought it up.

Senator MORSE. I want to make one final point. I think one of our problems in getting this war settled over there is the position of Thieu-Ky and I think you have got it again in the recent Hawaiian meeting, they are going to insist upon determining the terms under which peace is going to be negotiated, which means they are going to continue to insist that they are going to determine how many more American boys are going to be killed over there and I think we have got to get a peace and I think we have got to get a peace that is fair to the South Vietnamese. I always have taken that position.

But I think here is a place where you can make a cut on supporting assistance. I want a figure, I wish we could get a figure that we could agree on, I don't think that Frank's $20 million is enough. I really think you can cut it back to $300 million, that is saving $120 million. But I would like to suggest we try to reach an agreement on not $400 million but $380 million.

THE HOUSE APPROPRIATION

Senator SPARKMAN. You offer that as a substitute?

Senator MORSE. I offer it as a substitute.

Senator SPARKMAN. I believe everybody knows how he wants to vote. Shall we vote? The clerk will call the roll.

Now, the motion is the substitute of Senator Morse's to set the amount at $380 million, was it?

Senator MORSE. That is right.

Senator SPARKMAN. $380 million.

Senator LAUSCHE. May I ask a question before we proceed to vote? I am looking at the statement of figures on page 1. Under the column "authorization" the second column requested fiscal year 2,541,000,000, is that correct?

Mr. HOLT. That is correct.

Senator LAUSCHE. How much did the House grant?

Mr. HOLT. For economic assistance $1 billion——

Senator LAUSCHE. How much?

Mr. HOLT. $1,600,000,000

Senator LAUSCHE. That is $900 million less than was requested.

Now, the House approved for the appropriation for '66 was $1,901,000,000. Finally my question, what is the House's figure on these items that we are now talking about, how much did it authorize?

Mr. HOLT. For supporting assistance?

Senator LAUSCHE. No, the whole column.
Mr. HOLT. The total in the House bill is $1,993,850,000.
Senator SPARKMAN. Including military?
Mr. HOLT. Including military.
Senator LAUSCHE. That is how much less than was approved last year by authorization, that is $700 million less?
Mr. HOLT. It is almost a billion less.
Senator LAUSCHE. Almost a billion. So I don't see how you can keep——
Senator CHURCH. It is not——
Senator WILLIAMS. It is only $700.
Mr. HOLT. I beg your pardon.
Senator CHURCH. It is only $700 million and it is only about $400 million less than was actually appropriated.
Senator SPARKMAN. We vote on the pending motion.
Senator LAUSCHE. I think we ought to stand by the House's figures.
Senator MORSE. I add one final observation. You have $420 million in the House figure, you have $400 million in Frank's figure. I am proposing $380 million, and I think that in conference you will end up with about $400 million. I think that is a pretty reasonable assumption, and it will end up in conference with the figure that Church is proposing and I think you ought to take my $380 and go to conference with it.

VOTE ON THE SUBSTITUTE

Senator SPARKMAN. Call the roll.
Mr. KUHL. Mr. Mansfield?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Morse?
Senator MORSE. Aye.
Mr. KUHL. Mr. Gore?
Senator GORE. Aye.
Mr. KUHL. Mr. Lausche?
Senator LAUSCHE. No.
Mr. KUHL. Mr. Church?
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington?
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd?
Senator SYMINGTON. No.
Mr. KUHL. Mr. Clark?
Senator CLARK. Parliamentary inquiry, Mr. Chairman, what are we voting on?
Senator SPARKMAN. $380 million.
Senator CLARK. No.
Mr. KUHL. Mr. Pell?
Senator PELL. No.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson?

Senator HICKENLOOPER. I will vote Carlson aye on this.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. Aye.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. No.
Mr. KUHL. Mr. Case?
Senator CASE. No.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 7 ayes and 11 nays.
Senator SPARKMAN. The motion is not agreed to.

THE CHURCH MOTION

Now, it reverts to the church motion to set it at——
Senator CHURCH. $400 million.
Senator SPARKMAN. Call the roll.
Senator CASE. Parliamentary inquiry, Mr. Chairman, if this is defeated, Mr. Chairman, then the vote would come on the House passed figure.
Senator SPARKMAN. That is correct. All right.
Mr. KUHL. Mr. Mansfield?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Morse?
Senator MORSE. Aye.
Mr. KUHL. Mr. Gore?
Senator GORE. Aye.
Mr. KUHL. Mr. Lausche?
Senator LAUSCHE. No.
Mr. KUHL. Mr. Church?
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington?
Senator SYMINGTON. Aye.
Senator SPARKMAN. I am sorry, Mansfield would be aye. Will you start again?
Mr. KUHL. Mr. Mansfield?
Senator SPARKMAN. Aye.
Mr. KUHL. Mr. Morse?
Senator MORSE. Aye.
Mr. KUHL. Mr. Gore?
Senator GORE. Aye.
Mr. KUHL. Mr. Lausche?
Senator LAUSCHE. No.
Mr. KUHL. Mr. Church?
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington?
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd?
Senator SPARKMAN. No.
Mr. Clark?

Senator CLARK. No.
Mr. KUHL. Mr. Pell?
Senator PELL. Aye.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. Aye.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. Aye.
Mr. KUHL. Mr. Case?
Senator CASE. No.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright.
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.

Mr. KUHL. On this vote, Mr. Chairman, there are eleven ayes and 7 nays.

Senator SPARKMAN. The motion is agreed to and the amount is set at $400 million, is that right, Frank?

Senator CLARK. Mr. Chairman, I would like the record to note if I thought I would get any votes except my own, I would move to restore the administration figure.

THE CONTINGENCY FUND

Senator SPARKMAN. Next is contingency fund. What do I hear on that?

Senator MORSE. What is this particular contingency fund used for? We have so many contingency funds, I want to know what this one is used for.

Mr. HOLT. This is used to, in effect to, supplement economic assistance in all of the categories of economic assistance——

Senator MORSE. Including supporting assistance?

Mr. HOLT. Including supporting assistance to meet unforeseen developments. In 1968 through June which is almost the whole fiscal year they used $25 million dollars of it of which the biggest item amounting to half was in Indonesia.

Senator CLARK. Mr. Chairman?

Senator SPARKMAN. Senator Clark?

Senator CLARK. I move to restore the amount which we approved last year, which is $50 million. My argument briefly is that this is a very uncertain world. We have to give the President some flexibility and leeway. Indonesia is one area where I am confident one dollar spent is worth a million dollars spent in Vietnam, and I think we ought to give the executive some leeway.

Senator SPARKMAN. Any further discussion?

Senator MUNDT. Mr. Chairman, I oppose that motion because this is one figure which you can handle and we do handle in sup-

plemental, we have two or three or four supplemental bills a year and you can always ask for it if you need it.

Senator LAUSCHE. Mr. Chairman, I offer a substitute that we adopt the House figure of $10 million.

BLIND DISCRETIONARY POWER

Senator MORSE. Mr. Chairman, I would only like to say I want somebody on the committee to point to me at the time the President needed any real emergency fund that he had any difficulty in getting it, it is a matter of almost hours or within a day or two. There is no question about the President being able to get money for a real emergency and it goes right straight back to whether or not you are going to just wash your hands of your checking responsibilities when you give the President a blank check to do what he wants, and here is a case again in which we ought to keep a check, some contingency money, yes, but $10 million is a substantial amount of money for an immediate emergency. It gives him plenty of leeway so he can get up here and ask for more if he can show the need, but he ought to be required to show the need rather than give him this blind discretionary power that you are granting him. I support the Lausche amendment. I hope he won't faint, but I do.

Senator SPARKMAN. The Lausche amendment is to accept the House figure. Further discussion?

Senator PELL. Mr. Chairman, I would like to oppose it simply because no matter—I believe the President should have some leeway, and we should give him some trust and I think he has to be able to move quickly. Sometimes he may want to move privately and I just have always believed at times along with Senator Morse on some of these cuts, but in other cases such as this one I would like to see it raised.

HANDING OUT FUNDS INDISCRIMINATELY

Senator GORE. Mr. Chairman, I would like to express, I like to call the committee's attention to the fact that perhaps the most favorable reaction that the President has had to any foreign visit was the visit to Latin America when this with respect to which this committee denied the fund and the authority, the blank check authority requested.

This, I challenge this whole practice of the head of state of our country making visits and handing out almost indiscriminately millions of dollars at each stop and the contingency fund is used for that purpose. It is good public relations.

Senator MUNDT. That is right.

Senator GORE. I think it isn't bad public relations internationally.

I think there ought to be some contingency fund.

Senator HICKENLOOPER. I just have a flash that came over the wire that will probably set everything right here. Stimulate everybody just beyond words. The State Department called to tell the committee that the Republic of Congo has just signed the Non-Proliferation Treaty. It is wonderful.

Senator CLARK. I will bet that was done with the contingency fund.

Senator HICKENLOOPER. I don't know about that, but I will tell you it will set the world all right today. [Laughter.]

Senator SPARKMAN. Let me ask Senator Lausche, you said in your motion to restore the House funds?

Senator LAUSCHE. No, I say—I substitute the figure of $10 million for his $100 million:

Senator CLARK. $50 million. What we gave them last year.

Senator SPARKMAN. I get it. All right, shall we vote?

Senator AIKEN. What is the vote on?

THE LAUSCHE SUBSTITUTE

Senator SPARKMAN. On Senator Luasche's substitute——

Senator HICKENLOOPER. Last year it was approved at $10 million.

Senator CLARK. No, last year it was approved at $50 million.

Senator LAUSCHE. The authorization?

Senator SYMINGTON. What is the figure?

Senator CHURCH. The House figure $10 million.

Senator CLARK. He wants $10, I asked $50 and they asked $100.

Senator MORSE. They appropriated $10 million last year.

Senator SPARKMAN. The Lausche motion if you are for the House figure of $10 vote for the Lausche amendment. Call the roll.

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. I believe he would vote no on this.

Senator SYMINGTON. If there is any doubt you had better ask him.

Senator SPARKMAN. He left his proxy. Let me say this, he told me to vote his proxy as I saw fit. I believe he would oppose this lower figure.

Senator MORSE. You have the right to vote his proxy but I want to say I don't think you would support it.

Senator CLARK. Gentlemen, the Lausche amendment is going to carry overwhelmingly.

Senator HICKENLOOPER. Let's vote.

Mr. KUHL. Mr. Morse?

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore?

Senator GORE. Aye.

Mr. KUHL. Mr. Lausche?

Senator LAUSCHE. Aye.

Mr. KUHL. Mr. Church?

Senator CHURCH. Aye.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?

Senator CLARK. No.

Mr. KUHL. Mr. Pell?

Mr. PELL. No.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Williams?
Senator WILLIAMS. Aye.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. Aye.
Mr. KUHL. Mr. Case?
Senator CASE. Aye.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 12 ayes and 6 nays.
Senator SPARKMAN. The motion is agreed to and the figure is set at $10 million.

ADMINISTRATIVE EXPENSES

Let's move on now to administrative expenses.
Senator CHURCH. What about administrative expenses, Mr. Chairman, I would like to ask a question about administrative expenses. This program, under the pressure of the war, in the last three or four years has been substantially reduced. We used to be voting out $4 and $5 billion in annual foreign aid programs. It has been cut over the years to about 50 per cent of what it was, but it does not seem to me that the administrative costs of the program reflected this substantial reduction in size in any significant measure at all. We have had highly advertised accounts in the papers that, well, some of the employees around the world, 1,400, were going to be dismissed because of cutbacks, and this has been publicized to give the best possible effect. But when they come in here and ask for administrative money they are still asking for the kind of money they were getting when the program was twice as big.
Senator WILLIAMS. Do you know why?
Senator CHURCH. Why?
Senator WILLIAMS. They have a bill before the committee. Part of it is two or 300 of the higher echelon. They do not need, they want to get rid of, but they hate to just let them go, so there is a bill pending here which was sent down which would, in effect, be giving them a $10,000 bonus encouraging them to submit their voluntary retirement, and the argument used in defense of that is if they do not they will automatically, I suppose, keep them for a couple of years drawing about $18,000, $20,000 a year, and if we pay them $10,000 bonus to get them off the payroll the Government would be many thousands of dollars ahead.
If we take this money away from them somebody would get the courage to say, "we do not need this man," and suspend the job and dismiss them. That bill is before the committee.

EXAMPLE OF KOREA

Senator CHURCH. I had an experience in Korea when I was over there. They were all applauding a very tough trouble shooter we had over in Korea, in the Korean program, and he looked it over and he said the main difficulty with this program is there are twice as many people on the payroll as AID requires, and he said, "I am going to cut back this staff 50 percent."

He insisted on doing it, and he was the authority there.

Senator HICKENLOOPER. Who did that?

Senator CHURCH. This was a trouble shooter for AID four or five years ago in Korea. Everybody was applauding the results. They were saying the program is more efficiently administered today, fewer people are getting in each other's way.

This fellow came over and he actually reduced the staff 50 percent, and they were all talking about it.

I came back to Washington and told the story downtown. The AID Administrator, and so on, said it was a fine accomplishment that they had heard about, and they said, "well, those 50 percent, it is true they were brought back. They are in the corridors around here waiting for a new assignment."

Senator WILLIAMS. That is right.

Senator CHURCH. This was no net reduction in the cost of the program at all.

Senator WILLIAMS. There will not be so long as you give them the money.

NO SIGNIFICANT REDUCTION

Senator SYMINGTON. What was the cost when it was $5 billion; what was the cost, say, five years ago?

Senator SPARKMAN. I do not know.

Senator CHURCH. I have not seen any significant reduction.

Senator HICKENLOOPER. Have you not got comparative costs of five years ago?

Mr. HOLT. Not going back that far, Senator.

Senator WILLIAMS. What do you have?

Senator CHURCH. What figures do you have? I really want to know the figures. It is just my remembrance that this Administrative cost has not gone down significantly.

Senator MORSE. If there ever was a place you can cut, here is the place.

Senator LAUSCHE. The department gives an explanation in support of its figures on page 55.

Senator MUNDT. Mr. Chairman, I certainly think we can cut at least $3 million of it because we have cut, between the House and ourselves, over $100 million on the development loan fund. We have cut substantially on the survey of investment opportunities. We have cut on the supporting assistance. So if you cut that money you can cut at least $3 million off the administrative expense.

Senator CHURCH. I think we can cut this figure, but I would like to know from the staff what the administrative costs have been in recent years.

VARIABLE OVERHEAD

Senator SYMINGTON. Mr. Chairman, I make a suggestion on this. We still have a little time. This is what you would do in business if you were trying to cut costs, as I see it, find out, say, over the last five years what the per cent of administration cost is to the total grant, and work from that basis to say where you cut 50 per cent as much you still need more people, you have got to have more people, you have got to have your fixed overhead, what we are really talking about is variable overhead, and if you would find out what the figures were over the last five years, and how much they have been cut, I think you could proceed, perhaps a bit empirically, but certainly more intelligently with that premise.

Mr. HOLT. Since 1964 the administrative expenses have been right close to $55 million a year.

Senator CHURCH. Then my remembrance is correct.

Senator MUNDT. The thing goes up as the authorization goes down.

Senator HICKENLOOPER. What was the total appropriation in 1964?

Mr. HOLT. The total for economic assistance, which is what we are talking about, was $2 billion in 1965 it was $2.2 billion; in 1966 it was $2 billion; in 1967 it was $2.1 billion.

Senator HICKENLOOPER. About the same as it is now.

Senator CHURCH. It is $1.6 billion.

Senator MUNDT. Mr. Chairman, I move we make the figure $50 million, cut off $3 million.

Senator SPARKMAN. Cut off how much?

Senator MUNDT. $3 million, make it $50 million. That keeps it pretty comparable with the reduction in the amount of work they have to do.

Senator HICKENLOOPER. We have increased these people's pay every time you turn around.

Senator MUNDT. You have, but you have reduced the amount of expense.

Senator SYMINGTON. The figure is $2 billion, what is the comparable——

Mr. HOLT. It is $1.6 billion.

Senator SPARKMAN. You offered $50 million?

Senator CLARK. Wait a minute.

Senator SYMINGTON. If it is $1.6 billion, it would be—it would—it was $54 million, it would be about 2.7 per cent of the figure in the past, and we have cut that $2 billion to what now?

Mr. HOLT. $1.6 billion.

Senator SYMINGTON. I think Karl's figure is very appropriate.

SET FIGURE AT $50 MILLION

Senator SPARKMAN. All right. Shall we vote? Call the roll. The motion is to set it at $50 million in lieu of $53 million.

Senator MUNDT. In view of the fact we have cut it.

Senator SPARKMAN. Call the roll.

Mr. KUHL. Mr. Mansfield.

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Morse.

Senator MORSE. Aye.
Mr. KUHL. Mr. Gore.
Senator MORSE. Aye.
Mr. KUHL. Mr. Lausche.
Senator LAUSCHE. Aye.
Mr. KUHL. Mr. Church.
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington.
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd.
Senator SPARKMAN. No.
Mr. KUHL. Mr. Clark.
Senator CLARK. No.
Mr. KUHL. Mr. Pell.
Senator PELL. Pass.
Mr. KUHL. Mr. McCarthy.
Mr. HICKENLOOPER.
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Aiken.
Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson.
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Williams.
Senator WILLIAMS. Aye.
Mr. KUHL. Mr. Mundt.
Senator MUNDT. Aye.
Mr. KUHL. Mr. Case.
Senator CASE. No.
Mr. KUHL. Mr. Cooper.
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright.
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman.
Senator SPARKMAN. No.
Senator PELL. May I be recorded? Pell, no.
Mr. KUHL. On this vote there are 12 "yeas" and six "nays."
Senator SPARKMAN. The motion is agreed to, and the figure is set at $50 million.
Now we go to the military.

REDUCE AID PERSONNEL

Mr. HOLT. Mr. Chairman, before you leave the administrative expenses, can I call your attention to the House bill on page 55 beginning at line 12 which is in connection with the authorization for administrative expenses where it says AID shall reduce the number of personnel, particularly administrative personnel employed by it in order to conduct operations with a reduced amount of funds authorized for fiscal year 1969 under the amendment made by this subsection; except that such agencies shall not take any action to limit or reduce auditing or training activities of such agency.
The question arises does the committee want to approve that or strike it out or deal with it in conference.
Senator Sparkman. What is the wish of the committee?

Senator LAUSCHE. Mr. Chairman, on page 55 of the administration's explanation they said they needed some money to hire 29 additional auditors, and I think the hiring of auditors is significant.

Senator SPARKMAN. That is taken care of in the last two lines, last three lines, except that such agency shall not take any action to limit or reduce auditing or training activities.

Senator CHURCH. Why do we not accept the House language?

MILITARY ASSISTANCE TO GREECE

Senator PELL. I have an amendment I want to offer, first. I would like to move that we attach, that an amendment be inserted in this portion of the bill reading "No military assistance or defense articles or defense services shall be sold to Greece under this Act, until such time as the President shall have (1) determined that the citizens of Greece have approved a new constitution founded on the principles of democracy, individual liberty and the rule of law and that other appropriate steps have been and are being taken to bring about a return to constitutional government in Greece, and (2) transmitted to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report on such determination giving his reasons therefor."

The reasons are self-evident, and I ask for a vote.

Senator SPARKMAN. All right. Are we ready to vote?

Senator HICKENLOOPER. I just want to say——

Senator PELL. What this would do would be to knock off military assistance to Greece until they have actually approved a constitution, taking the words out of the NATO preamble, "founded on the principles of democracy, individual liberty and the rule of law."

Senator SYMINGTON. Does that not come under military assistance?

Senator PELL. Yes.

Senator SYMINGTON. We are not there.

Senator SPARKMAN. We are not on military assistance.

Senator PELL. Excuse me.

ADOPT THE HOUSE LANGUAGES

Senator SPARKMAN. Is there any objection in the committee to the adoption of the House language?

Senator CLARK. What was the language, Mr. Chairman?

Senator SPARKMAN. The agency administering Part I shall reduce the number of personnel, particularly administrative personnel, employed by it in order to conduct operations with the reduced amount of funds authorized for fiscal year 1969 under the amendment made by this Subsection; except that such agency shall not take any action to limit or reduce auditing or training activities of such agency.

Without objection the language is agreed to.

Now we will move to military assistance.

Senator PELL. I would then offer my amendment.

Senator MORSE. Can I raise a question? I have to go to the White House. When do you expect to adjourn, and when do you expect to reconvene?

Senator SPARKMAN. I hope we can finish this, we are so near.

PAX AMERICANA

Senator SYMINGTON. Mr. Chairman, on this military assistance I think that we have to get into the philosophy of this problem a bit, and I say this with respect to an amendment that has been offered.

The more I study this situation the more it seems to me that the Pax Americana that Secretary Rusk wants to establish around the world—and I say that without criticism, but I think it has two great basic differences from the Pax Britannica and the Pax Britannica of the 19th Century that they operated. They operated their control of the world for a profit.

If you go out and look at Cam Ranh Bay, two and a half billion dollars for one harbor, and whether we win, lose or draw in Vietnam, there is not a thing going to come back to this country from it.

Now, the second big point is that the British were very clever in getting other people to do their fighting while, regardless of whether we consider whether it is not us doing the fighting around this table, we seemed very anxious to do the fighting with our neighbor's children, and that to me is worrisome.

Then the question comes some people in the United States Senate oppose governments because they think they are too conservative. Other people in the Senate oppose governments because they think they are too liberal. It seems to me that it would be a very serious matter.

IN SUPPORT OF THE GREEK GOVERNMENT

I have been to Greece, I have been to Greece twice in the last 18 months, and I am not at all sure that it would be to our advantage to turn down giving aid to the Greek government as it is today. If we turn them down they are going to get it somewhere else. They will either get it from the French or the Swedes or the Soviet Union, and if they want sophisticated equipment—and I did talk to the King whom I know the distinguished Senator from Rhode Island knows far better than I do. All I can say is that all his predictions as to what would happen turned out to be incorrect. I did talk at length with Papadopoulus, and all I can say is that all of his predictions turned out to be correct.

I think we have got to face up to the fact that we are liable to get ourselves into a jam if we are going to do all this fighting around the world, and not have anybody—not support the other people who can do some of the fighting for us.

I must say that I could not support this amendment at this time because I think this Greek government, although it may not be just exactly what we want, it is better to have them running the Government today than it would be to have chaos in Greece.

Senator HICKENLOOPER. As a matter of fact, this government has settled the Cyprus situation which the other government was just throwing into international chaos. I am not necessarily for this government.

Senator SYMINGTON. That is right.

Senator HICKENLOOPER. But I really raise the question who are we to say what is a democratic form of government for any particular people.

PATERNALISM AT ITS WORST

Senator SYMINGTON. Who are we to tell the Greek people how to run the Government, and I think the more we do it the more friends we are losing all over the world, and the next thing you know we are going to be fighting everybody in the world.

Senator MORSE. We have not any right to tell them what their government should be, but we have the right to tell them not to give them money.

Senator MUNDT. I shall oppose the amendment because I do not believe it is fair to any president of any government to decide to have public discussion as to what their constitution ought to be. This is paternalism at its worst, and I think we ought to oppose it.

GREEK GOVERNMENT IS TOTALITARIAN

Senator CLARK. Mr. Chairman, I will support the Pell amendment. I too have been to Greece. I talked no more recently than three days ago with the head of our political section over there in the Embassy. There is no doubt in my mind that the Greek government represents everything that American democracy is opposed to. It is Fascist, it is totalitarian, and they will use these arms to put down their own people and prevent the kind of revolution which would restore some sort of freedom and democracy to Greece. That is where this money is going to go. It is going to go to oppress the Greek people. In my opinion, there is very little chance that the military aid we are going to send over there will be used to support any legitimate objective of NATO.

If they do not use it to put down their own people, and I think they will, they will use it to start a war with Turkey, and that is just about as bad. These people are utterly irresponsible, they do not represent the Greek people in any way. It is a tyranny of the worst sort, and I support the Pell amendment.

THE USE OF TORTURE

Senator PELL. Mr. Chairman, if I might also add a word here, what I have been seeking to do in these past months is to keep a nudge on the Greek government as it is. I think it has had some effect because torture is really fairly well accepted, or it was about eight months ago or a year ago——

Senator HICKENLOOPER. Claiborne, I have looked into that, and I cannot find any real evidence.

Senator CLARK. I looked into it, too, and I think there is evidence for anybody who wants to see it if he looks for it.

Senator HICKENLOOPER. Excuse me.

Senator PELL. I think there was, and it has died down. I think one of the reasons for it was the light of public opinion and public statements about it and public conversations about it, that has meant "Do not torture, get the information, but take your time."

I think what has happened by the actions by the people feeling like I have done has been to reduce the torture.

In addition to that, the words that I have used about government is taken right out of the NATO preamble, and that is why I used that particular phraseology in the amendment, "founded on the

principles of democracy, individual liberty and the rule of law," right in the NATO bill that we used.

Certainly, when Clark Clifford was up before us in open session I asked him the question whether he thought we ought to restore aid to Greece, in spite of the fact they had not restored democracy, and his view is that we should not pay any attention to the form of government that existed, but to pay more attention or emphasis on the military potential of that country.

PUT PRESSURE ON THE GREEK GOVERNMENT

So for these reasons, I wanted to get this amendment in. I realize that it will not pass. I think for reasons of the pressure on the Greek government, I wanted to get this amendment passed. I do not ask for a roll call vote, but a voice vote.

Senator MORSE. I want a roll call vote.

Senator PELL. We will go down and it will not have any effect on the Greeks.

Senator SPARKMAN. Let us call the roll.

Senator CHURCH. Mr. Chairman, before we call the roll, some time back when the Cold War was at its highest, the U.S. and Russia got together to see if they could agree on anything, and the only thing they could agree on was the principle of non-intervention.

The hypocrisy in that, I think, is reflected all the way through this foreign aid program. What this program is is a massive meddling program in which we are trying to organize and run and mold and fashion and influence every government in the world, but we do it in two ways, either by the aid we give or the aid we withhold. One way or the other we are trying to run everybody else's affairs, and I think that is why the AID program has become an instrument of unprecedented meddling in other people's affairs.

Senator MORSE. Will the Senator yield?

Senator CHURCH. But you have got to decide to go one way or the other. You meddle in Greece, you support, sustain and strengthen the present government by additional military assistance, or you withhold military assistance and attempt to exert influence in the opposite way. Either way you are meddling, and I just think that as between the two, I would meddle in the direction of Pell's amendment.

WEAKENING THE CAUSE

Senator SPARKMAN. May I just say this word before we vote? I wish the Senator from Rhode Island would withdraw the amendment. He admits himself it is going to be voted down.

Senator PELL. Right.

Senator SPARKMAN. The word will get out that we considered it, and I think you will be defeating your own purpose. In other words, I think a rejection of this amendment which is, I think, surely to come, will weaken the cause that you are arguing for.

Senator PELL. But I was defeated before, and I think it helped, the fact that it was introduced. I would like to ask the Senator from Oregon if he would not rescind his request for a roll call just for the three votes we are going to get.

Senator MORSE. We may get one.

Senator SYMINGTON. This reads on what we are talking about. May I make a suggestion? We have got a lot of countries in this situation. We have a policy that was developed in the executive branch of the Government. For example, in this military aid program we have got airplanes to Jordan, I believe that is correct. That gives a problem if you do not agree to sell them to Israel, the House—it seems to me just to pick out one country now, I would hope that we could run through and find out, which is always interesting, what we are going to do with the taxpayers' money in this program. I cannot carry it in my head. I do not know where this money is going to go. It is not much, do not misunderstand me. I know now when we get into these programs, it is only $420 million, but I think we ought to, before we just vote on one country I think we ought to, consider where the whole package of it is, because if we did that then I might be influenced on a particular country more than I would be just pulling it out as we start discussing the military sales program.

A COUNTRY-BY-COUNTRY REVIEW

Senator MORSE. Mr. Chairman, Pat tells me that the worksheets show that we are providing $40 million of aid to Greece. I think that is why we ought to vote on this matter.

I agree with Stu, I think we ought to instead of voting herein the next 15 minutes on this, I think this is something that requires a breakdown discussion before this committee on military aid, and I think we ought to go through it country by country, and I do not think you can do it.

Senator SPARKMAN. I suppose we have that before——

Senator PELL. Mr. Chairman, I am going to follow the request of the acting chairman, having sniffed the climate, and rescind my, withdraw my amendment.

Senator SPARKMAN. Thank you.

Senator MORSE. I want the record to show that if the roll call had been called that I and Senator Fulbright would have voted for the motion.

Senator CLARK. So would I.

Senator PELL. So would I.

Senator SPARKMAN. Shall we move to the military assistance? We have a book——

STRIKE $40 MILLION FOR GREECE

Senator MORSE. I am ready to make a motion. I move we strike the $40 million for Greece.

Senator SYMINGTON. Would the Senator postpone that until we go over the others?

Senator MORSE. I would be perfectly willing.

Senator HICKENLOOPER. Where do you find $40 million for Greece in this bill?

Senator MORSE. Pat says it is in the worksheets.

Senator CLARK. Cut $40 million and have in the report it is to go out of Greece.

Mr. HOLT. It is on pages 14 and 15 of this gray book.

Senator LAUSCHE. Are we not back where we started from now?

Senator CLARK. Yes.

Senator MORSE. I would like to make a suggestion, Mr. Chairman, not because I have another engagement, because I think the discussion here shows how important the thing I suggest is, and I think you ought to adjourn and reconvene, and then we calmly go into the matter of military assistance.

Senator SYMINGTON. I second that motion, Mr. Chairman. We have said all along that Iran was out of this situation. I am the chairman of the subcommittee for that part of the world, and I see they are in for $24 million, and I would like to know more about that.

Senator SPARKMAN. All right. Let us do this, let us recess until 10 o'clock tomorrow morning, and in the meantime let me suggest that the Senators study this secret page in the gray book.

RESTORE HOUSE FIGURES

Senator CLARK. Mr. Chairman, could I make a suggestion, which may not be appropriate? At some time I am going to move to restore the figures exclusive of military aid brought in by the House committee for each of the items on page 1, and if we are going to confine our discussion to military aid, maybe it would be a good time to vote on that now. I do not intend to make an extended argument.

Senator SPARKMAN. Make your motion.

Senator MORSE. Let us do that tomorrow morning, too.

Senator CLARK. If you just stay two minutes we can vote on it.

Senator MORSE. No, it is not going to take two minutes. That raises a lot of discussion.

Senator GORE. Let us adjourn.

Senator SPARKMAN. Let us recess until 10 o'clock tomorrow morning.

I would like for us to be able to include in tomorrow's meeting also a vote on military sales, a vote on non-proliferation, and a vote on IDA.

Senator CLARK. You mean the treaty?

SALE OF PLANES TO ISRAEL

Senator CASE. Mr. Chairman, in connection with the military sales. I think that reminds me of the House amendment on the sale of planes to Israel. I would like to have——

Senator SPARKMAN. We will take that up.

Senator CASE. I would like to suggest that we get the information that we have tried to get and make a point of it from the Defense Department as to its recommendations made on this point within the last year or so, and there have been several, I think.

Senator SPARKMAN. Did you get that, the staff?

Mr. HOLT. Yes.

Senator SYMINGTON. The language of the House I thought was very good, personally.

Senator CASE. I am not opposed to it. I just want to find out what the Defense Department's position is.

Senator SYMINGTON. It differs from the Defense Department's position.

Mr. HOLT. Do I understand the staff is to try to get from the Defense Department information on this?

Senator CASE. Yes.

Senator LAUSCHE. On what?

Senator CASE. On what advice it has given on this question of sales to Israel.

Senator HICKENLOOPER. Find out who threw the overalls in Mrs. Murphy's chowder from the time that it passed on the floor and the time it passed this bill.

Senator SYMINGTON. I checked that. They say the bill is right and the record is wrong. I want to know what happened to what we are going to do with Jordan. Is that going to be under sales?

Senator CLARK. Is there going to be a motion to knock out those jets to Israel?

Senator CASE. I do not intend to. I just want to know what the advice of the Defense Department is.

Senator SPARKMAN. I do not know. My guess would be that the prevailing opinion would be to retain them, probably with some change in language.

Senator CLARK. Yes.

Senator SPARKMAN. I want you to understand, I say probably with some change in language. I think, my own opinion is, the Congressional Record version is much better than the bill itself. The bill sent over here directs the President to do it and it directs him to sell 50 to them. The language as proposed on the floor was to authorize them to sell not to exceed 50.

All right. We will adjourn until 10 o'clock tomorrow morning.

[Whereupon, at 12:05 p.m., the hearing in the above-entitled matter was adjourned, to reconvene at 10:00 a.m., Wednesday, July 24, 1969.]

# FOREIGN ASSISTANCE ACT

**Wednesday, July 24, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 10:25 a.m., in room S–116, the Capitol, Senator John J. Sparkman, presiding.

Present: Senators Sparkman, Morse, Lausche, Church, Symington, Clark, Pell, Hickenlooper, Aiken, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

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Senator SPARKMAN. We have nine present and Senator Mundt has been here, so suppose we proceed. We will take up now the military assistance.

What do I hear?

GRANT MILITARY PROGRAM

Senator SYMINGTON. I think we were interested, were we not, where the military assistance was going and why.

Senator SPARKMAN. Yes, you were going to prepare a memorandum for us, weren't you, the staff?

Mr. HOLT. You will find that, a summary of it, on pages 14 and 15 of this gray book.

Senator MORSE. This is in thousands.

Mr. HOLT. Yes, sir.

Mr. MARCY. It should be noted this is just the grant military program.

Senator MORSE. Just the grant?

Mr. MARCY. Yes.

Senator MORSE. Where is the rest?

Mr. HOLT. It is in a separate bill.

Mr. MARCY. Which totals not to exceed——

Mr. HOLT. $296 million.

Senator SYMINGTON. That is the military sales?

Mr. MARCY. Yes.

Senator CHURCH. The grant program as you will notice on pages 14 and 15 provides for a half billion dollar program. A part of that, $80 million, they already have the money for so they ask for $420 million in new money.

Senator HICKENLOOPER. Where do you find that?

Senator CHURCH. You will find that on page 13. This gray book here.

Page 13 gives the total showing the breakdown, $420 million in new money; $10 million in reappropriation; $82 million in recoupments; $9 million in reimbursement making a total of $500 million.

Senator MORSE. It does not include $21.4 million for international headquarters added by Congressional action.

Senator CHURCH. That is right.

Last year we added that in. They have taken that out again.

Senator SPARKMAN. It wasn't agreed to in conference. We took it out.

Senator MORSE. What is this $80 million for?

Senator CHURCH. It was not agreed to in conference.

Senator SPARKMAN. We put it in the bill but it went out in conference.

Senator CHURCH. It went out in conference.

Senator MORSE. What does it mean here, footnote?

Mr. MARCY. That only applies to the——

INTERNATIONAL MILITARY HEADQUARTERS

Mr. HOLT. The item for international military headquarters was included in the bill last year. What went out in conference was the item for infrastructure.

Senator SPARKMAN. You are right, I am sorry.

Mr. HOLT. International military headquarters are again included in the program now presented to the committee for fiscal '68 in the amount of $25 million.

Senator MORSE. But, Pat, they are not in table 1, it is not included in that.

Mr. HOLT. Yes, sir, if you will look on page 15 down near the bottom the line says non-regional total $54,490,000, that includes $25 million for international military headquarters and about $30 million for other items.

Senator AIKEN. What are the recoupments referred to on page 13, amounting to $62 million. I didn't know we every recouped anything.

Mr. HOLT. This, I think, Senator, is largely a matter of deobligations, changing their minds from year to year.

Senator AIKEN. What they allocated before the 1st of July and take back after the 1st of July in order to fool the Congress. They used to do that in agriculture.

FOREIGN POLICY IMPLICATIONS

Senator SYMINGTON. On page 14 you start out with Burma, I personally would have no objection to giving $217,000 to Burma. That sounds like a local police force pistol business. I think we lost Guinea once because we wouldn't even give them pistols. But then you get to China $20,922,000 and we have given China $4,463,000,000, loaned them another $409 million so we have given them and loaned them $4,872,000,000.

If there is any—China is doing very well, Formosa, economically, and if there is any reason for flying jets out there to overlook Red China or something of that character, I think that ought to be, that should be, a military expense, not an expense that comes before

this committee as a foreign military aid. It is strictly part of the Government operation out there.

Senator SPARKMAN. Stu, as you know, that is, in the past that has been, an issue here in this committee. I can remember back 10, 12 years ago we tried to separate it and make the military take it over but for some reason it has always been carried forward as a part of the AID program because there are foreign policy implications in it.

Senator CHURCH. It seems to me that this continuing grant in AID program is not justified, Taiwan being in a good economic situation.

THE EUROPEAN SITUATION

I call your attention to the European situation, two points: You see Europe on the bottom of page 14 has finally been reduced to Portugal and Spain and we are still proposing dribbling aid to both Portugal and Spain.

Senator SYMINGTON. Dribble, some dribble—excuse me, I beg your pardon.

Senator CHURCH. You will remember some years ago, I worked hard, and this committee approved, after the second time around, approved an amendment that finally simply wrote a ban against further grants in aid to rich European countries. At the time that that amendment was passed we were still giving $360 million in grant aid to rich European countries 8 years after we terminated the Marshall Plan, and during the period they were going through unprecedented prosperity.

If we had not done that we would still have under the European item as sure as I am sitting here $100 million program continuing to at least a dozen European countries. This is a self-perpetuating thing and if you look through the 33 countries that are on the list we are dribbling out aid to all these countries largely to continue our presence, retain our MAAG forces and so on, and the amounts themselves reveal that, and I think that unless we are prepared in the Congress to do what we did with Europe and simply begin to force cutbacks on this, the program will perpetuate itself year to year indefinitely.

Senator SYMINGTON. Take it country by country.

Senator CHURCH. I want to say, Mr. Chairman, even this presentation is not the full program because in Southeast Asia, in Thailand and in Vietnam, all of that has been removed from this so we are not seeing the full military grant in aid program presented here, and I think this has got to be cut back further and only if we do it will it ever happen.

Senator MORSE. I agree.

NON-REGIONAL AID

Will somebody tell me, Mr. Chairman, page 10 the non-regional, what is included in non-regional, Pat?

Mr. HOLT. Yes, sir, that is detailed on page 123. The biggest item is international military headquarters $25 million, and the next biggest is administrative expenses, $21 million.

Senator SYMINGTON. What is the international military headquarters, what does that mean?

Mr. HOLT. That is the United States share of costs for the headquarters of NATO, SEATO, CENTO.

Senator CHURCH. $24 million?

Senator SYMINGTON. I just think if you take the first list, Burma, China, Indonesia, Korea, Philippines, and area program on the first page, Burma, I wouldn't object to, just thinking for myself; China I think we have had it, Indonesia I wouldn't object to, it is a small amount and the country is trying to do its best; Korea we have given Korea $7 billion and that must be a military expense. The Philippines are giving us the worse hooking of any country in the world probably. They will not send a single combat soldier to Vietnam, they would not receive General Taylor or Mr. Clifford when he was a private emissary. They don't want any part of this war and according to Mr. Dulles' lawyer, who is a good friend of mine, they are making more money off the war than any other country.

Senator MORSE. Who is this?

Senator SYMINGTON. The Philippines.

AMERICAN FORCES STATIONED ABROAD

Senator MORSE. Can I ask you a question because you are my leader on this. We have another report here in regard to the American forces stationed abroad. That is carried as a defense expenditure, that is not here, so we have to consider that over and above the item we are dealing with now.

Senator SYMINGTON. Wayne, you are so right, because you take Clark Field, it is the biggest economic unit probably in the Philippines and it has a tremendous amount—millions and millions of dollars go into the Philippine economy because of Clark Field. We have our biggest hospital at Clark Field of anywhere in the Far East, I think.

Senator MORSE. It is good for the economy.

Senator SYMINGTON. We are putting tens of millions in their economy and we come up here and cut the American taxpayer for $10 million more in aid. I think it makes sense.

May I say we have 1,263,000 military stationed abroad, I just pick some of the larger ones; 4,064 Cuba, Guantanamo, I assume; 11,626 in Panama; 231,717 in Germany; 3,010 in Greece; 9,761 in Ita1y; 1,693 in the Netherlands; 9,447 in Spain; Ethiopia, 1,861; the Near East and South Asia 13,904, not connected with Vietnam; the Far East 763,464 troops; Taiwan, 8,418; Japan, 37,761; the Philippines, 27,970; islands out there 39,377.

Now, they are not included in this military assistance either. They are in the defense item, but don't forget what those men and in many instances their dependents do to the economies of these areas and still they want this additional money. I agree with Frank and Stu that we ought to make some cuts here. I don't know how much yet.

THE PHILIPPINES

Senator SYMINGTON. I would just like to know why, with all we are doing for the Philippines and they are doing absolutely nothing for us except sending a few coolies into South Vietnam——

Senator AIKEN. Oh, yes, they are, Mr. Symington. A letter came this morning from a serviceman in the Philippines said they were

driving back in a bus to Subic Bay and the rocks came through the windows, beer bottles came through the windows, everything came through the windows, and for a moment he thought he was back in Washington. [Laughter.]

Senator SYMINGTON. I modify my comment.

Senator AIKEN. But don't say the Philippines are not doing anything for us.

Senator HICKENLOOPER. They are making the boys feel at home. [Laughter.]

Senator AIKEN. That is a true story.

THE HOUSE CUT THE APPROPRIATIONS

Senator LAUSCHE. Let's take a look at these figures. They have asked for, last year they approved $510 million authorization. They requested $420 million this year, the House gave them $390 million, page 2.

Senator CHURCH. They appropriated $500 million.

Senator SYMINGTON. I think we ought to look at by country by country.

Senator LAUSCHE. The House cut the request from $420 million to $390 million.

Senator CHURCH. That is about a 6-percent cut.

Senator CLARK. Frank, what do you want to do?

Senator CHURCH. I want to cut $390 to $350.

Senator SYMINGTON. I don't buy that. I may want to cut it more or less, I think the committee owes it to each of these countries, and what it is, and why it is why we should give them foreign military assistance.

Senator Morse is an expert on Central and South America, and I know—Latin America, and whatever he thinks is right is fine with me. I think I know a little about my subcommittee on the Middle East. I know people don't agree with me on Greece, I would be prepared to accept that. I would like to see a vote on it. I am talking about this business. Today you have an editorial in the Washington Post that we need $6 billion for modernizing our airports or the whole air situation will blow up. I think we ought to just put these costs where they belong. If they are defense costs, military costs, they ought to be part of the military budget.

Senator MORSE. One thing I don't like about this is this gives the impression that this is the aid we are providing these countries, and this is a small fraction of the military aid that we are providing. I think that they ought to look to the other program for most of their aid. I think Formosa can't justify $20 million here. Korea can't justify $114 million; Philippines $10 million. I think we ought to make drastic cuts in those three.

Senator CHURCH. That is not the whole figure.

You are looking at just the operating figure, the total figure is much larger.

Senator MORSE. I am talking about the operating.

Senator CHURCH. $219 million for East Asia, without continuing the big ones, Vietnam and Thailand and——

Senator SYMINGTON. That is right, exactly.

PRORATING THE BILL DOWN

Senator SPARKMAN. Let me make this suggestion, it doesn't seem to me that we can do much in handling it country by country except to arrive at a total that we are willing to give or a total that ought to be cut, because any reduction or any increase has to be applied to the total figure rather than country by country, and I wish we could move to some point of suggesting, well, Frank has suggested, what did you suggest cutting?

Senator SYMINGTON. I think prorate it down, you see or you don't make your point.

Senator HICKENLOOPER. The law does not do that. This is a suggested division.

Senator CHURCH. That is right.

Senator HICKENLOOPER. We authorize and appropriate totals.

Senator SPARKMAN. That is right.

Senator HICKENLOOPER. Then it is administratively—the administration is responsible for allocation and these are only suggestions. This is what they suggest they are going to do, but they have resiliency.

Senator SPARKMAN. And they will.

Senator HICKENLOOPER. They will shift.

Senator CHURCH. They do make changes.

Senator HICKENLOOPER. This is what they set out.

Senator SYMINGTON. Why bother to look at these figures?

Senator SPARKMAN. In order to arrive at how much you want to cut the overall figure.

Senator HICKENLOOPER. It gives you an idea of what they are doing in various countries. If you put in specific country dollar amounts then those countries see that in the law and they say "we have a vested right in that much money from the United States." If you don't do that, keep it this way, you don't have to do it that way, but it is this creation of a vested right if you begin to name countries in the law.

Senator AIKEN. We have a bargaining power if we don't put in specific amounts for each country.

Senator SPARKMAN. That is right.

Senator AIKEN. That we wouldn't have otherwise.

Senator CHURCH. One of the things I would like to say is over the years we have sat in committee and speak on this bill, we have had the executive come down and tell us at each time they have trimmed military assistance to the bone and the security interests of the United States required a billion dollars, a billion two, all the figures we have been told over the years, and yet each year they come back adjusting their figures downward and each time they take their stand on the lower figure and each year they say this year this is what the security requires, and I just think we have to force further reductions in this program or it is going to—it will take all the traffic will bear. They will put all the traffic will bear into this program every year.

Senator SPARKMAN. Senator Morse?

TOTAL CUTS

Senator MORSE. Moving from the premise Stu has laid down and I completely agree with him, and Frank has enunciated, we ought to go through this country by country, we can't put the specific cuts in but we can put in the total cuts after considering all the countries, but you are not going to accept my figures but I am going to run through what I have scratched down here which gives you what I think is an intelligent guess on my part and that is all I claim for it, I hope it is intelligent. We will start with China, I think if you take $10 million off of that, $30 with Korea you can certainly take $50 million off the $159.

Senator COOPER. That is that.

Senator SPARKMAN. One hundred?

Senator MORSE. Philippines you certainly can take. $10 off that; Greece $16; Turkey $20; Ethiopia $3; Morocco ½ a million; Tunesia half a million; Portugal at least a half million; the Latin American countries at least $6 million; non-regional at least five which brings up somewhere to around $120 million. I know you are not going to vote for $120 million.

Senator CLARK. Will you yield?

Senator MORSE. I would suggest, and I will yield in a second, I would suggest in view of what the House did $390 million we ought to take $80 million off and go into conference between $300 million and $390 million.

Senator CLARK. Will you yield, Wayne?

Senator MORSE. I am through.

CASE OF INDONESIA.

Senator CLARK. Is there any for Indonesia?

Senator MORSE. Yes.

Senator SYMINGTON. It is in there.

Senator CLARK. I would hate to see that cut.

Senator SYMINGTON. He didn't mention it.

Senator MORSE. I didn't mention it.

Senator SPARKMAN. Here is a practical difficulty, whatever we cut could be felt by Indonesia, and that is in making these shifts that Bourke referred to. If they decide you have the same number of countries you have to lower it.

Senator SYMINGTON. You throw the block on us.

Senator CASE. You can't let the executive have us in a bind.

Senator SPARKMAN. I am arguing the principle of setting figures for each country. But Joe said he would hate to see Indonesia cut any, you can't be certain of that.

Senator MORSE. Of course not, but it is up to the State Department.

Senator CLARK. Can't we by aide memoire indicate——

Senator SPARKMAN. We can by private talks. But again just because of what Bourke said we certainly would not want it to become part of the record.

Senator CASE. I don't even think in the report we ought to name specific countries.

Senator MORSE. I think we ought to cut it down to $300 million and I have included a lot of other places where we could make some savings but it adds up to $300.

Senator CLARK. Actually the State Department ought to move to keep on helping Indonesia because it is a staunch ally.

Senator SPARKMAN. Senator Cooper.

Senator COOPER. The proposal now is to cut the $390 to $300.

Senator MORSE. That is right.

Senator COOPER. I note last year the Congress appropriated $500 million for military aid. This year they ask for $420, and the House has cut it to $390 million. It is $110 million below the appropriation last year.

Senator CHURCH. But they have $80 million in the pot, they are asking for a program of the same size.

Senator COOPER. How much do they have in the pot?

Senator MORSE. $80 million.

Senator CHURCH. It only requires $420 million of new money. They are asking for the same amount.

VIETNAM AND KOREA

Senator COOPER. I would like to speak about the amounts asked for East Asia and, of course, the major portion, the major parts are China, Korea and the Philippines. It comes to my mind, we all talk about Vietnam, what we do with the money if the war in Vietnam is ended, but it is not ended and God knows when it will be ended, but it seems to me we are in a contradiction about our policy in Vietnam and what we are proposing for Korea.

As I understand the Secretary of Defense, now they say we are going to try to arm the South Vietnamese with better equipment so eventually we can get out. I would like to note we have been in Korea for 20 years almost, and we recently had a crisis there, and there is fear we might be engaged in another war there, and I would assume that we would want the Koreans to fight the war if we got into one, but not the United States.

Now, if we cut this military assistance too deeply for Korea are we making our own situation in Korea more difficult because we have an absolute treaty there. Our soldiers are there to fight for it, and I question it very much.

Senator MORSE. John, this doesn't scratch the surface of the aid you are giving to Korea.

Senator COOPER. What is that?

Senator MORSE. This doesn't scratch the surface of the aid you are giving to Korea. This doesn't involve military defense aid we are giving to Korea.

Senator COOPER. What does this——

Senator SYMINGTON. $6,896,000,000 has been given to Korea.

Senator COOPER. That was a long time ago.

Senator SYMINGTON. To little Korea.

FUNDS FOR KOREA

Senator COOPER. What is $159 million for Korea and what would it go for?

Senator SPARKMAN. Did you hear the question?

Mr. HOLT. $159 million for Korea is set forth in some detail on page 37 of that gray book.

SPARKMAN. What page?

Mr. HOLT. 37, Senator.

Senator MORSE. A lot of that stuff, John, ought to come out of the money they get from the Defense Department, not foreign aid.

Senator COOPER. We can't deal with that unless we transfer it.

Senator SYMINGTON. We can deal with it if you deal with it over here. They have got all the obsolete equipment in Germany, and instead of selling it to Iran or Pakistan they might put it into Korea if they need it.

Senator COOPER. On page 37 it indicates that this money goes for military supplies to Korea, for the Korean Army. Are we going to weaken them and if we get into war over there are we going to be fighting their war like we are fighting it in Vietnam?

Senator MORSE. Let them get it from the other budget.

Senator COOPER. What?

Senator MORSE. Let them get it from the other budget.

Senator LAUSCHE. May I point out on this item just mentioned that we have cut out of the Defense Department practically $400 million that was being made available from the Defense Department to these different countries. We abolished the revolving fund which was used to guarantee loans made by the Export-Import Bank. In the hearing on foreign military sales conducted by this committee, the testimony shows that we supplied $1,900,000,000 in 1968. In 1969 we are supplying a limit of $1,530,000,000. The cut is $400 million that the Defense Department can make available.

Now then, when you say transfer it to the Defense Department we already cut the Defense Department's authority by——

Senator SYMINGTON. One half of 1 percent.

Senator LAUSCHE. $400 million.

Senator SYMINGTON. One half of 1 percent.

Senator LAUSCHE. $1,900,000,000 to $1,500,000,000. That is 20 percent in this program.

Senator SPARKMAN. Senator Aiken.

CUT THE HOUSE FIGURE

Senator AIKEN. As a substitute for all previous motions——

Senator SPARKMAN. Nobody has made a motion. They simply made suggestion.

Senator AIKEN. Then they will offer a substitute to mine if I make it first and then where am I. I move we approve the House figure $380 million. This has been cut materially, and probably can be cut some more or will be cut some more in appropriations. So I think it would be very fair——

SPARKMAN. You heard the motion.

Senator HICKENLOOPER. I certainly support that. I think we are dealing with something dangerous here.

Senator CHURCH. Mr. Chairman, I think this has been—I would propose a substitute but Senator Morse wanted a $300 million figure, I suggested $350. This has been cut less than anything else, anything else, in this program. Economic aid, the other aspects of the program, have been cut far more. I know the disposition is to maintain the military at the highest levels apparently, but I am

against that policy, and I would move a substitute of $350 million in place of $390 million.

Senator SPARKMAN. You offer that as a substitute?

Senator CHURCH. I offer that as a substitute.

Senator CLARK. Would you yield, I would hope you would go a bit lower than that because $350 and $390 million, you get into conference and we will have to give the house something and we will end up with $370 million, I think that is too much. I would hope you would make it $325 million.

Senator PELL. There is one salutary point about Senator Church's motion, if we would only change it to cut it $390,940,000 it would carry a message that would be significant, the same amount as you say $40 million. Because it happens by coincidence to be the amount for Greece.

Senator CLARK. Why does it have significance?

Senator PELL. Because it is the same amount——

Senator CHURCH. Senator Morse wanted to press for a lower figure and I hate to exclude him.

WHAT THE APPROPRIATIONS COMMITTEE WILL DO

Senator HICKENLOOPER. Mr. Chairman, I think Senator Aiken has a point. The appropriations are going to do violence to this thing as soon as they get hold of it and if we are interested in cuts then the Appropriations Committee is going to cut it. But if we are interested in publicity, we are shouting for cuts, that is another thing.

Senator CHURCH. Well, that hasn't been borne out by the record in recent years. Last year the amount that was authorized was $510 million and the amount that was appropriated was $500 million. In this area the Appropriations Committee has appropriated practically every dime that has been offered.

Senator HICKENLOOPER. But, Frank, this is cut this year already by the House.

Senator CHURCH. Only $30 million from $420 to $390 million.

Senator HICKENLOOPER. It is a substantial cut.

Senator CHURCH. It is a very small cut comparatively.

Senator COOPER. $110 million below what was appropriated last year.

Senator SYMINGTON. I just look at it this way, they say a public office is a public trust and that certainly involves money.

Senator HICKENLOOPER. So is the security of this country.

Senator SYMINGTON. I know.

BLANKET CUTS DO NOT MEAN MUCH

If we say it is not a public trust, it doesn't make a lot of difference what we do and let's just ask the Appropriations Committee to cut it. I am ready to talk on the Middle East, I am ready to. talk on Southeast Asia because I have been out there a lot and I think it is a farce the way we are spending money out there to give these countries like the Philippines and those countries in this amount, but we know it is military expenses in one case and what we are doing for the economy in the other. On the other hand, if it is the will of the committee to handle it this way it is all right with me here, but I don't think we ought to vote here without tak-

ing it up one by one because it would be the first time we ever did that since I have been on the committee, and I don't think these blanket cuts mean this much. I am in disagreement with my good friend from Rhode Island on Greece and he probably would be protected, the committee would go his way, but I certainly think on some of these we will all agree we shouldn't give this type and character of money.

Senator CHURCH. I think there is no question but what a $40 million cut can be absorbed.

Senator SYMINGTON. We have to do something.

Senator AIKEN. Mr. Chairman, we have cut the President's emergency fund $40 million. I think if we cut this we should restore his emergency fund because we will likely be——

KOREA IS ESSENTIAL

Senator LAUSCHE. Mr. Chairman, a lot has been said about Korea. Korea, according to the evidence, has been subjected to offenses from the North last year in a higher degree than ever since the settlement back in 1953. In my opinion the *Pueblo* was seized with the purpose of precipitating us into a war with Korea. Korea is essential to us, it is essential to our position, in my opinion, in South Vietnam, and I can't subscribe to the argument that help to Korea at this time is not justified. All of the circumstances indicate that Korea is an essential part of our need in Asia. The other answer would be pull out.

Senator HICKENLOOPER. I imagine we got into a war because we pooh-poohed Korea, don't you remember? We eliminated Korea from the perimeter.

Senator SYMINGTON. All I am saying it is a military expenditure and it ought to be in the military budget everybody wants to help Korea.

Senator CHURCH. We are not only talking about Korea.

There are two or three countries, and there is plenty of milk in this thing and always has been.

Senator LAUSCHE. Korea is $159 million.

BIG MILITARY AID PROGRAMS

Senator MORSE. I want to say your economic cuts are only 40 percent and your military cuts are just 10 percent, and here is where you have got your fat. You have got your big defense budget. You just can't go through this list without recognizing there are a lot of savings. Don't forget you have a big military aid program to Latin American, but on top of that they are slipping in $26 million plus with this kind of assistance over your other military aid to Latin America. We are giving entirely too much military aid down there and not enough economic aid.

Senator CHURCH. And they have the grants program up to $23 million in Africa and the only reason it isn't higher is because we imposed a ceiling.

Senator MORSE. That is right.

We are not telling them, Frank, we have to cut it out of Korea. We are saying, some of us are saying, there is a lot of fat in it. What we are saying is total thing $390 million is preposterous. I

think, to speak respectfully, Frank Church's proposal for $40 million is entirely too low.

Senator CLARK. While you were out of the room, if you will yield, I urged him to cut it to $325 million instead of $350 million on the grounds if we go into $350 and the House $390 million maybe we will persuade them to cut it to $325 million.

Senator MORSE. I think it ought to be $300. He says $350 million. I think——

Senator CLARK. Why don't we have a vote on $300 million?

Senator SPARKMAN. The motion is——

Senator MORSE. I move we take $325 million. I would rather agree among us to take $325 million if Frank would go along with $325 million instead of $350 million, then you go to conference between $325 million instead of $390 million.

DEFEAT OF THE MOTION

Senator SPARKMAN. Let me state the situation. Senator Aiken has moved that we accept the House figure of $390 million. Senator Church has offered a substitute that we reduce it to $350 million. Now, can't we vote. The vote will come on the Church proposal first.

Senator CHURCH. Let's leave it at $350 million. It is a modest amount.

Senator CLARK. This certainly leaves me in a bad spot because I certainly don't want it $390 million, I want it less and I will have to vote no.

Senator SPARKMAN. Let's vote on $350 million and if it fails then you know you couldn't get $325 million. All right. Will you call the roll?

Mr. KUHL. Mr. Mansfield?

Senator SPARKMAN. Mr. Mansfield votes no.

Mr. KUHL. Mr. Morse?

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Lausche?

Senator LAUSCHE. No.

Mr. KUHL. Mr. Church?

Senator CHURCH. Aye.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?

Senator CLARK. Aye.

Mr. KUHL. Mr. Pell?

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. No.

Mr. KUHL. Mr. Carlson?

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Williams?
Senator AIKEN. We vote aye. He votes for all cuts.
Mr. KUHL. Mr. Mundt?
Senator HICKENLOOPER. No, I have got his proxy on arms sales, proliferation and IDA. I don't know how he would vote on this.
Mr. KUHL. Mr. Case?
Senator COOPER. I have his proxy to vote not.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 8 ayes and 9 nays.
Senator SPARKMAN. The motion is not agreed to and it reverts to the motion by Senator Aiken to sustain the House figure.

REJECTION OF THE CHURCH SUBSTITUTE

Senator CHURCH. Mr. Chairman, it may make no difference in the vote but I would like to propose a $20 million reduction just for another vote. Cut the reduction in half to $370 million.
Senator SPARKMAN. You offer that as a substitute?
Senator CHURCH. Yes.
Senator SPARKMAN. All right, let's vote, call the roll.
Mr. KUHL. Mr. Mansfield?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Morse?
Senator MORSE. Aye.
Mr. KUHL. Mr. Gore?
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Lausche?
Senator LAUSCHE. No.
Mr. KUHL. Mr. Church?
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington?
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd?
Senator SPARKMAN. No.
Mr. KUHL. Mr. Clark?
Senator MORSE. Aye.
Mr. KUHL. Mr. Pell?
Senator PELL. Aye.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson?
Senator CARLSON. No.
Mr. KUHL. Mr. Williams?
Senator AIKEN. I don't know how he would vote.
Mr. KUHL. Mr. Mundt?
Mr. Case?

Senator CASE. No.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
I would like to say to my friend Bourke if Williams would vote for the heavier cut he would certainly vote to cut, for the lesser cut.
Senator HICKENLOOPER. You cannot rationalize that way. This is a different vote. He votes for cuts.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Mr. KUHL. On this vote, Mr. Chairman, there are 7 ayes and 9 nays.
Senator HICKENLOOPER. I don't believe in voting how I think somebody is going to vote.

PASSAGE OF THE AIKEN MOTION

Senator SPARKMAN. The motion is rejected. Now, it reverts to Senator Aiken's motion to sustain the House figure. Call the roll.
Mr. KUHL. Mr. Mansfield?
Senator SPARKMAN. Yes.
Mr. KUHL. Mr. Morse?
Senator MORSE. No.
Mr. KUHL. Mr. Gore?
Senator SYMINGTON. No.
Mr. KUHL. Mr. Lausche?
Senator LAUSCHE. Aye.
Mr. KUHL. Mr. Church?
Senator CHURCH. No.
Mr. KUHL. Mr. Symington?
Senator SYMINGTON. No.
Mr. KUHL. Mr. Dodd?
Senator SPARKMAN. Aye.
Mr. KUHL. Mr. Clark?
Senator CLARK. No.
Mr. KUHL. Mr. Pell?
Senator PELL. No.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Williams?
Senator HICKENLOOPER. I don't know how he would vote.
Senator AIKEN. I don't know how he would vote on a tie.
Mr. KUHL. Mr. Mundt?
Mr. Case?
Senator CASE. Aye.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No—aye, I beg your pardon, aye.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. No.

Mr. KUHL. Mr. Chairman?

Senator SPARKMAN. Aye.

Mr. KUHL. On this vote, Mr. Chairman, there are 9 ayes and 7 nays.

Senator SPARKMAN. The amendment is agreed to. The motion is agreed to.

AUTHORIZATION

Senator SYMINGTON. Mr. Chairman, I would like the record to show I believe it is a mistake for the committee not to examine this appropriation of the taxpayers money country by country and simply to go along with a cut made by the House.

Senator SPARKMAN. I suggested awhile ago that we could take that up as a means of arriving at what the total overall cut would be. We could not deal with cutting country by country and I think it is logical.

Now, there are some amendments in the bill we need to take up.

Mr. HOLT. Yes, sir, there are some other items——

Senator CLARK. Mr. Chairman——

Mr. HOLT. Concerned with money, and the bulk are not concerned with authorization.

Senator SPARKMAN. Wait a minute, Senator Clark.

Senator CLARK. I would like at an appropriate time to make two separate motions with respect to the authorization. I don't want to rush it. If it can be understood I can make my motion.

Senator SPARKMAN. This can be done any time. My understanding is you want to offer an overall increase. Go ahead, Pat.

INVESTMENT GUARANTEES

Mr. HOLT. I call your attention to pages 14 and 15 of the markup print which is before you. These are the sections dealing with extension of the investment guarantee program. The first item would increase from $8 billion to $9 billion the ceiling on the total face amount of specific risk guarantees that can be outstanding at any one time. These are the guarantees against risks of currency inconvertibility, expropriation or losses from war, insurrection and revolution.

Senator CLARK. Mr. Chairman, I thought we disposed of this three or four days ago.

Mr. HOLT. There was discussion but I don't think it was disposed of.

Senator CLARK. Is anybody moving to cut it?

Senator MORSE. I think we ought to leave it right where it is.

Senator SPARKMAN. How much do we have outstanding now?

Mr. HOLT. $5.1 billion as of March 31, and they are issuing these things at the rate of approximately a billion and a half dollars a year.

Senator SYMINGTON. Why do we need to do it now?

Senator SPARKMAN. There is no urgency.

Senator SYMINGTON. That is right.

Senator SPARKMAN. What is the justification for it.

Senator CLARK. Why do they say they would like to have $9 billion?

Mr. HOLT. They would like to have a considerable cushion over what they have outstanding.

Senator SYMINGTON. Why do they say that?

Mr. HOLT. This is just the way the program has traditionally——

Senator MORSE. I move we leave it at $8 billion.

A CONTINGENT LIABILITY

Senator LAUSCHE. May I ask a question just for information, do we put up a part of it or all of it or what is the technique? We just give them the authority, and it becomes a contingent liability?

Mr. HOLT. It becomes a contingent liability against the Government of the United States. A fee is charged for each guarantee that is issued, and so far the income from fees has exceeded the losses under the program.

Senator SPARKMAN. Can you tell us how much?

Mr. HOLT. It is not by very much but it is a little bit. The accumulated fees have been $50 million, and as of May 31 the net losses were $370,000 and active claims of $5.8 million were outstanding.

Senator SPARKMAN. That is a pretty good balance.

Senator HICKENLOOPER. Wait a minute, what are the active claims?

Mr. HOLT. $5.8 million.

Senator HICKENLOOPER. Well, that is a lot more than $300,000 worth of losses. These active claims are potential losses.

Mr. HOLT. That is correct.

Senator SPARKMAN. But we have $50 million in fees collected and that is the figure he is putting forward.

Senator HICKENLOOPER. I see.

Mr. HOLT. When the Government pays off on a guarantee, the Government gets title to the assets involved and frequently it can recover at least a part of the loss on this.

AMERICAN RESENTMENT

Senator LAUSCHE. I don't, think that the insurance system is set up on an actuarial basis. They are paying 1½ percent per year as premium for the coverage, and if we have $5½ billion outstanding with $50 million in the fund, whether that is actuarially sound I don't know but I doubt it.

Senator MORSE. So do I.

Senator LAUSCHE. Is that correct, 1½ percent a year they pay?

Mr. HOLT. Approximately.

Senator LAUSCHE. There are $50 million in the fund.

Mr. HOLT. Well, the fee income has amounted to $50 million. In addition to that there are reserves of, in the neighborhood of, $2- or $300 million which come from the Treasury notes that Congress authorized them to issue back in the days of the Marshall Plan, and in addition to that there is authority for appropriations to pay these off, if necessary.

Senator MORSE. Mr. Chairman——

Senator LAUSCHE. I don't think there is any immediate need to do this.

Senator MORSE. I don't care how you cut this there will be millions of Americans when they discover you are offering another billion dollars of a guarantee for overseas who are going to deeply resent it because of the troubles they have got right here at home in regard to their own interest rates and their own fiscal policies. I don't think it is justified, I don't think there has been any proof of need, and I don't think you can justify this additional symbolic handout to people abroad.

Senator SPARKMAN. Do we have a motion?

Senator MORSE. I move it stay at $8 billion.

Senator SPARKMAN. Any further discussion?

Senator AIKEN. What is the motion now?

Senator SPARKMAN. To strike out the $9 and let the $8 billion remain. Are you ready for the vote? Those in favor of the motion say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Opposed, "no."

[No response.]

Senator SPARKMAN. The ayes have it.

What is next?

EXTENDED RISK GUARANTEES

Mr. HOLT. The next item, Mr. Chairman, has to do with extended risk guarantees, and this would increase the overall ceiling on extended risk guarantees from $475 million to $625 million.

Senator HICKENLOOPER. Where do you find that?

Mr. HOLT. This is in lines, appearing in line 9 on page 15, Senator.

Senator HICKENLOOPER. I see it.

Mr. HOLT. And you can see how it would change the law over at the bottom of page 14. The overall ceiling on extended risk guarantees would go up from $475 to $625 million. Within that ceiling it would be broken down into sub-ceilings of housing guarantees $160 million, guarantees for credit unions 1½ million, and others $463.5.

Senator SYMINGTON. This is in your $8 billion, $9 billion?

Mr. HOLT. This is a separate aspect of the program and it is in addition to the other figures.

Senator SYMINGTON. What is separate about it?

Mr. HOLT. Well, what is separate about it is that this is a guarantee which can cover any risk. The others are limited to specific risks I mentioned. This covers my risk including just commercial risks.

Senator SYMINGTON. You mean if a man puts a business into a country in order to make a profit and the business goes broke because of inefficient management the taxpayer is supposed to pay up the money, is that right?

Mr. HOLT. That is correct.

Senator CASE. That is included in it?

Senator MORSE. That is George Aiken's point.

Senator HICKENLOOPER. Well, they said it was correct and I disagreed with it. They don't guarantee a profit.

Senator SYMINGTON. I say if the man operates a business and the business goes bankrupt obviously he doesn't want to go into the

things unless he was going to make a profit in it. The reason I asked the question is I went into a country in 1959 where there was a $90 billion investment and after looking at it for a day I said this was the silliest thing I ever saw in my life and one of the fellows in the company said, "It doesn't worry us too much because we have a government guarantee."

Mr. HOLT. I want to point out this particular kind of guarantee is limited to 75 percent of the investment.

BUSINESS INEFFICIENCY

Senator CLARK. Pat, can I ask a question? You responded to Senator Symington by saying if the operation of the business was inefficient and ineffective, that the Government guaranteed it. It is my understanding of this guarantee that while it is generally, it is a general guarantee broader than the one we discussed a moment or two ago, it does not cover the failure of a business due to its own inefficiency, am I wrong in it?

Senator HICKENLOOPER. There is a provision in there.

Mr. HOLT. It covers any loss except a loss arising out of fraud or misconduct.

Senator SYMINGTON. So it does cover inefficiency.

Senator CLARK. Does it cover inefficiency? I am amazed.

Senator HICKENLOOPER. It covers mismanagement.

Senator SPARKMAN. Or misrepresentation.

Senator LAUSCHE. Mr. Chairman, when this matter was before the committee I offered an amendment and it was accepted freeing the Government from liability when the losses resulted from negligence or mismanagement. That was finally knocked out.

Javits succeeded in knocking it out, I believe, on the floor. So that if you look back at what was knocked out, the inference is mandatory that we intended to cover negligent operations of credit unions and housing enterprises.

MONEY COLLECTED IN PREMIUMS

Senator SPARKMAN. How much has been collected in premiums and what are the losses.

Mr. HOLT. With respect to the non-housing guarantees total guarantees have been issued of $85.2 million. A fee is charged of 1¾'s percent per year. As of June 25 one claim had been paid for $111,000.

Senator SPARKMAN. How much money was collected in premiums?

Mr. HOLT. This sheet doesn't show it but if they charge 1¾ percent per year and they have issued $65 million it would approximately be $2 million collected.

Senator PELL. Also if the amount refunded is a percentage, 75 percent of the total, even if they are inefficient nobody likes to lose 25 percent of their money.

Senator HICKENLOOPER. If they don't keep two sets of books, one for themselves, one for his partner and one for the Government.

Senator LAUSCHE. Up to what amount have they obligated themselves now under the present authority?

Mr. HOLT. For non-housing guarantees, $85 million and collected $2 million.

Senator HICKENLOOPER. What is the total liabilities, contingent liability, or liability, let's say.

Mr. HOLT. Well, for non-housing guarantees $85.2 million. For housing guarantees $26 million. They have not issued any guarantees to credit unions.

Senator HICKENLOOPER. How many guarantees have been issued against $475 million or the $315 million, I don't know which.

Mr. HOLT. Well, $85.2 million, plus $28 million, which is——

Senator HICKENLOOPER. Why do they need to step this up then?

Senator MORSE. They don't need it.

Mr. Chairman, I think the discussion shows they have plenty of flexibility with the present amount.

Senator SPARKMAN. Is there a motion?

Senator MORSE. I move they stay with the present language.

Senator SYMINGTON. They would like to get it through before we get into a real economic crisis.

Senator HICKENLOOPER. I can support this and support Frank Lausche's motion, whatever you had in there.

AGREE WITH THE HOUSE INCREASE

Senator SPARKMAN. The motion is not to agree with the House increase and keep it as at present. Shall we vote?

Senator AIKEN. I think, Mr. Chairman, this extra $200 million, is that it, there is a group that is engaged in housing construction in Latin America.

Mr. HOLT. That comes next, Senator.

Senator AIKEN. That is on the next one?

Senator SPARKMAN. That comes next.

Senator HICKENLOOPER. They only issued $113 million worth of guarantees under this provision as against, I don't know which $475 million of authorization or $351 million. Anyway——

Senator SYMINGTON. If they don't have a bigger amount they can't get into the big companies.

Senator MORSE. That is right.

Senator SPARKMAN. Shall we vote on the motion placed by Senator Morse? That is not to grant the increase. Those who favor the motion say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Opposed, "no."

Senator PELL. No.

Senator SPARKMAN. The ayes have it and the motion is agreed to.

DETERMINING NEGLIGENCE

Senator SYMINGTON. I would like to have Senator Hickenlooper agree with what Senator Lausche introduced.

Senator PELL. How do you legislatively determine what negligence is?

Senator HICKENLOOPER. It just buys a good lawsuit for the fellow who claims it. It just puts him on his proof he is not negligent.

Senator SYMINGTON. I had a real experience in Africa on this one.

Senator SPARKMAN. Why don't we take up this next provision, Pat. What is that?

Senator LAUSCHE. Oh, yes, now I recall. The word "misconduct" was substituted for the word "negligence" and in my knowledge of the law, there is a definite imputation to negligence. Misconduct I have never heard of it.

Senator CASE. You are quite right of this when you said you are just buying a lawsuit here. I think we ought to eliminate this kind of a guarantee and just guarantee against specific risks and I think this is wholly unsound.

Senator PELL. Or give a 50 percent guarantee period.

Senator CASE. Or 50 percent against everything.

Senator LAUSCHE. Can somebody draft this?

Senator CLARK. Pat, how long has this provision been in the law?

Mr. HOLT. The extended risk guarantee, it has been in there since about—I don't know, several years, several years.

Senator CLARK. A good long while.

Mr. HOLT. Yes.

It has not been in the law as long as the specific risk.

Senator CASE. You can guarantee against riot, rebellion and that kind of stuff.

Senator SPARKMAN. You would not rule out misrepresentation or fraud.

Senator CASE. I wouldn't guarantee against that in any event whatever.

Senator SPARKMAN. This does not guarantee against that.

Senator CASE. I think this is just putting——

FRAUD OR MISCONDUCT

Senator LAUSCHE. I want to read what is in this bill "that the liability shall not exceed 75 percent of any other investment, provided that guarantees issued under this paragraph (2) shall emphasize economic development projects furthering social progress and the development of small independent business enterprises: Provides further that no payment may be made under this paragraph (2) for any loss of equity investment arising out of fraud or misconduct" is the word they put in, and misconduct, I don't know what it means. There ought to be specific provision that no payment shall be made for neglect in the management and operation of the business.

Senator MORSE. Why don't you use the language——

Senator LAUSCHE. If we are not going to pass this out——

Senator SPARKMAN. We want to pass it out.

Senator LAUSCHE. Today?

Senator SPARKMAN. Yes, propose what you want to now.

Senator MORSE. Put in the language you wish.

Senator SPARKMAN. You can leave misconduct and add the word "or negligence."

Senator LAUSCHE. Or negligence.

Senator PELL. How do you determine business negligence?

Senator COOPER. We have legal standards for negligence.

Senator HICKENLOOPER. It is up to the jury.

Senator LAUSCHE. In Ohio we have it.

Senator MORSE. Make your motion and I will second it.

Senator LAUSCHE. The definition in Ohio is it is the failure to do that act which a normally prudent person would do under similar

circumstance or the commission of an act which a normal person would not do. That is the definition in Ohio.

Senator MORSE. That is more specific than misconduct. Why don't you move it.

Senator LAUSCHE. I move we insert it.

Senator SPARKMAN. All right, you heard the motion.

Any discussion?

Senator CASE. May I add another word, that changing that would not do it because this is adding that for which in both cases the investor is responsible. That is additional qualification.

Senator SPARKMAN. He doesn't disturb that.

Senator MORSE. He doesn't disturb that.

Senator CASE. I don't think it ought to be in there. It should be limited to that for which the investor is responsible.

Senator HICKENLOOPER. It excludes that for which the investor is responsible.

Senator LAUSCHE. If he is not responsible for it, Cliff——

EQUITY INVESTMENTS AND LOAN INVESTMENTS

Mr. HOLT. If I could give you the background for this, Mr. Chairman, there is a distinction here between equity investments and loan investments. With respect to loan investments the exclusion is losses arising out of fraud or misrepresentation for which the investor is responsible. That distinction was made in the Act last year on the representation that banks who make and insurance com-panies who make loan investments are perfectly willing to take the responsibility for their own representations but they are not willing to take the responsibility for representations or misrepresentations which may be made to them by the person to whom they are lending the money in the foreign countries.

Senator SYMINGTON. But I think Senator Case has a point here. Suppose the promoter is responsible?

Senator HICKENLOOPER. Well, the promoter is not guaranteed.

Senator SYMINGTON. Well, he sets it up as a guarantee.

Senator HICKENLOOPER. It is the investor.

Senator SPARKMAN. The guarantee runs to the investor.

Senator CASE. I really think the guarantee of equity investment and in effect the profit you are guaranteeing is just not correct. You get some fast-talking Arab in here selling some American guy who doesn't know anything about this or that and they make a big investment and they——

Senator SYMINGTON. I watch these fellows get out and start these programs in this country and they don't do so bad.

Senator CASE. I am for Lausche.

INSERT "NEGLIGENCE"

Senator SPARKMAN. Frank, state your motion again.

Senator LAUSCHE. Insert the word "negligence."

Senator HICKENLOOPER. You want to put in there for fraud, misconduct and negligence. You have to cut out one "or."

Senator LAUSCHE. Yes.

Senator HICKENLOOPER. "Out of fraud, misconduct or negligence for which the investor is responsible."

Senator LAUSCHE. It ought to be of the investor or his agents or servants.

Senator SPARKMAN. Well, if you put the words "for which he is responsible"——

Senator CASE. That is included, I don't make a point of that.

Senator SPARKMAN. I wouldn't spell that out.

All right, you heard the motion. Those in favor say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Those opposed, "no."

Senator PELL. No.

Mr. HOLT. They apply to, both cases apply to, equity investments as well as other investments.

CUTTING THE GUARANTEE

Senator CLARK. Wait a minute, I thought somebody was moving to cut out this guarantee entirely.

Senator CASE. I would like to do it.

Senator HICKENLOOPER. Cut out the increase, Joe?

Senator CLARK. I would like the record to note on the previous vote I supported the increase made to $9 billion and on this I would support the increase requested by the administration.

Senator PELL. So would I.

Senator SPARKMAN. Now, take up the third proviso.

Mr. HOLT. The next one, the present law limits the authority to issue these extended risk guarantees until June 30, 1970. The House bill would strike out that termination date, thereby in effect making the authority permanent.

Senator CASE. I move we don't agree with the House.

Senator MORSE. Second it.

Senator SYMINGTON. Second it.

Senator HICKENLOOPER. What is this million and substitute $1,500,000.

Mr. HOLT. That is a part of this overall ceiling of—that is part of the overall increase from $475 to $625 million.

Senator HICKENLOOPER. We did not pass that, did we?

Senator CASE. We did not.

Senator SPARKMAN. No, having adopted this other motion it cut that out.

Senator HICKENLOOPER. All right, then you cut it out and it remains $1 million.

Senator MORSE. You have a motion from the Senator from New Jersey.

MAKE THE AUTHORITY PERMANENT

Senator HICKENLOOPER. I am sorry, will you explain this item three again?

Mr. HOLT. Yes, sir.

Item 3 strikes out the limitation in existing law which puts a termination date of June 30, 1970, on the authority to issue extended risk guarantees and the effect of striking out the termination date is to make the authority permanent.

Senator CLARK. But there is still, a ceiling, isn't there?

Mr. HOLT. There is still a ceiling.

Senator HICKENLOOPER. They jumped the ceiling from a million to a million and a half. Why do they do that?

Mr. HOLT. No, we rejected that.

Senator COOPER. This makes the program permanent.

Senator CASE. I move we disagree with the House.

Senator MORSE. Second it.

Senator SPARKMAN. Let me ask you this question, authority, is that authority to make the guarantee and not the length of time in which the guarantees will extend?

Mr. HOLT. This is the authority to make the guarantee and not the length of time.

Senator SPARKMAN. Senator Case has moved we disagree with the House.

Senator SYMINGTON. I second the motion.

Senator MORSE. I second it.

Senator SPARKMAN. Those in favor say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Opposed, "no."

[No response.]

Senator SPARKMAN. The ayes have it.

HOUSING GUARANTEES IN LATIN AMERICA

Mr. HOLT. The next item, Mr. Chairman, is on page 17. This is a separate program for housing guarantees in Latin America. The current ceiling on it is $500 million. The House bill would increase that to $600 million.

Senator CLARK. What did the administration ask for?

Mr. HOLT. The administration asked for no increase at all.

Senator CLARK. Why did the House act, do you know?

Mr. HOLT. Well, I don't like to go behind what the House has done. There are some people in town who are very interested in this program. I might say as a practical matter, I think this is an idle gesture because the balance of payments committee in the Treasury have put a ceiling on what they can issue below what is already in the law.

Senator CLARK. What you are saying this is a lobbyist effort that got it up $100 million and the administration hasn't asked for it?

Senator SPARKMAN. All right.

Do I hear a motion?

Senator MORSE. The motion is we not do it.

Senator SPARKMAN. Those in favor say "aye."

[Chorus of "ayes."]

Senator SPARKMAN. Opposed, "no."

The ayes have it.

THE AIKEN AMENDMENT

Senator MORSE. Back on page 15, I have not heard discussion of the Aiken amendment.

Mr. HOLT. That was agreed to last week.

Senator AIKEN. That was approved the first day of the session. That covers a situation where they set up a corporation called the Back Bay Company with several banks participating and they bought 70 percent of the bank stock in a Korean bank, I believe, and we pay 70 percent of the loss which that bank might sustain,

but you would go on indefinitely. The Korean bank, as I understand it could invest 70 percent in another grandchild.

Senator MORSE. I got it. I agree with you.

Senator SPARKMAN. What is next, Pat?

DEMOCRATIC INSTITUTIONS

Mr. HOLT. The next item is on pages 26 and 27. This involves two amendments which the House added to Title IX of the Act. Title IX deals with the utilization of democratic institutions in development. The first of these items, which appears on lines 6 through 9 of page 27, simply says that in allocating funds for research particular emphasis should be given to research designed to increase understanding of the ways in which development assistance can support democratic, social and political trends in recipient countries.

Senator SYMINGTON. Where do the funds come from?

Mr. HOLT. They come from the general funds of part I of the Act, mainly technical cooperation.

Senator CASE. Have they got specific research programs specific grantees in mind?

Mr. HOLT. They have so far made one specific grant for a specific program. This is a grant of $700,000 to the Federal School of law and Diplomacy.

Senator SPARKMAN. Was this asked for?

Senator CASE. That was the old gent who came down here and talked for the chairman, wasn't it? What was his name.

Senator SYMINGTON. Isn't this sort of over-missionary?

Senator CASE. That hearing on the President powers to declare war.

Senator CLARK. What is the justification for the House action?

Mr. HOLT. Well, the House committee apparently feels very strongly that one of the basic problems involved in U.S. relations with underdeveloped countries is the state of political development in underdeveloped countries, and this title is directed to——

Senator CASE. Boondoggling.

Mr. HOLT. To emphasizing this problem and these particular people who are doing the research hope to learn more about how politics in underdeveloped countries——

Senator CLARK. This certainly indicates that our people over in Greece ought to do some research work.

Senator HICKENLOOPER. Doesn't this mean junket to go to countries and advocate collectivism in countries?

Mr. HOLT. I don't know of any committees that have gone on junkets. This is plainly a directive to AID and the State Department to take underlying political developments into account in the administration.

Senator CLARK. What is wrong with it? We have got enough matters in conflict with the House to go in conference on. This is an innocuous thing.

Senator HICKENLOOPER. I don't think it is. This creates operative contracts with universities.

Senator SPARKMAN. All right. Do we have a motion?

Senator HICKENLOOPER. I move we don't agree.

Senator SYMINGTON. I second the motion. I don't like it.

Senator SPARKMAN. Those in favor of the motion say "aye."
[Chorus of "ayes."]
Senator SPARKMAN. Opposed, "no."
Senator PELL. No.
Senator SPARKMAN. The "ayes" have. it. We don't agree.
All right.

ELIMINATE THE HOUSE AMENDMENT

Mr. HOLT. The second item involving a House amendment to this Title appears as the new subsection (e) beginning in line 12 on page 27.

Senator CLARK. If we knocked out (a) you automatically are going to knock out (e) because (e) just puts the money into training these people in the ways and means of democracy so if you don't want to——

Senator SPARKMAN. The whole thing will be in conference.

Senator HICKENLOOPER. I move we knock that out.

Senator SPARKMAN. A motion has been made that we eliminate this. Those in favor of it say "aye."
[Chorus of "ayes."]
Senator SPARKMAN. Opposed, "no."
[No response.]
Senator SPARKMAN. The ayes have it.
Next, Pat?

MILITARY ASSISTANCE

Mr. HOLT. Well, the next one is on pages 36 and 37. This is the portion dealing with military assistance other than the authorization, and at the bottom of page 37 in subparagraph (3) you find a proviso which is the substance of the Conte-Long amendment which was added to the appropriation bill last year, which says that military assistance funds cannot be used to furnish sophisticated weapons systems such as missiles, jet aircraft, et cetera, to any underdeveloped country other than Greece, Turkey, Iran, Israel, China, Philippines and Korea, unless the President determines otherwise.

Senator SPARKMAN. Do you call Greece and Turkey under-developed?

Senator CLARK. Mr. Chairman, I move we strike Greece from that list.

Senator AIKEN. I suggest we put a period after "country," line 17.

Senator MORSE. What was that, George?

Senator AIKEN. Put a period after the word "country" on line 17.

Senator CLARK. I will accept that.

Senator SPARKMAN. I don't think of any of those countries named there as underdeveloped. Did you make a motion.

Senator CASE. As a substitute for the Senator from Vermont, I move we strike out the words beginning with "other" on 17 through "Korea" on line 19.

Senator SPARKMAN. With a period after "country?"

Senator CLARK. What that means is you can't sell to Israel any jet aircraft for military purposes?

Mr. HOLT. It means you can't use military assistance funds to do it.

Senator HICKENLOOPER. Unless the President finds.

Senator AIKEN. You move to cut out from "other" to "Korea" inclusive?

Senator PELL. I like Senator Aiken's motion.

Senator COOPER. How do you define underdeveloped country?

Senator SPARKMAN. I don't know.

Senator CLARK. I guess that is all right, George.

Senator PELL. Yes, yours is good.

Senator MORSE. I don't know whether it is all right or not. I don't understand it. I don't know what he is doing. Would you give your amendment again, George?

Senator CASE. George's amendment would be——

Senator CLARK. We strike the words "Greece, Turkey, Israel, et cetera——

Senator HICKENLOOPER. Greece and Turkey are in the North Atlantic Alliance, we are cutting those out.

Senator SPARKMAN. Why should they be classed as under-developed?

Senator CLARK. You give the President discretion.

HEARINGS ON ARMS SALES

Senator SPARKMAN. Let me ask Senator Symington, you were active in the hearings on arms sales and studied that. Under that wouldn't arms be available to—what is covered in the military sales program, that separate bill?

Mr. HOLT. That is a separate bill.

Senator SPARKMAN. I know but what countries does it cover?

Mr. HOLT. It covers, it is world wide.

Senator SPARKMAN. Does it cover all of these?

Mr. HOLT. Oh, yes.

Senator SPARKMAN. So under it it could be sold to these countries?

Mr. HOLT. All this says is you can't use military assistance appropriations to do this.

STRIKE OUT "UNDERDEVELOPED"

Senator CASE. Mr. Chairman, I would like to accept an amendment suggested by the Senator from Kentucky to strike out the word "underdeveloped" so that it would apply to all countries and then strike out the listing of countries and——

Senator AIKEN. Any country, that is right.

Senator COOPER. Strike out "underdeveloped" and let it apply to all countries.

Senator AIKEN. And that would give him the opportunity to consider.

Senator HICKENLOOPER. Of course, you are just enlarging this to beat the bank if you do that. I don't object to it too much.

Senator COOPER. I don't know how you determine what is an underdeveloped country. They can say, "well, we are giving aid to these countries which are not underdeveloped."

Senator AIKEN. How about East Kentucky, would that come under this? [Laughter.]

Senator COOPER. That is developed.

Senator CASE. This is only a proviso. It doesn't enlarge it.

THE EFFECT OF A PROVISO

Senator MORSE. Can I ask a stupid question? At least I think it is stupid.

Senator HICKENLOOPER. You may get a stupid answer.

Senator MORSE. Why do you want the proviso at all? Why is the proviso necessary at all?

Senator HICKENLOOPER. I am not so certain it is. I am not so sure it is.

Senator CASE. Because you want the President to come to Congress with specific justification.

Senator HICKENLOOPER. No.

Senator CASE. Yes, you do on all these sophisticated weapons. That would be the effect of the proviso. He would have to report specifically.

Senator AIKEN. I think John's proposal to cut out "underdeveloped" and then other than Greece, Turkey and so forth.

Senator COOPER. I would strike the word "underdeveloped" and everything down to line 13.

Senator AIKEN. He has to have some—after all he is the only President we have got.

Senator CLARK. There is going to be another one next year.

ISRAEL'S LOSS OF PLANES

Senator SYMINGTON. If I may, here, Mr. Chairman, you have the military sales program, you have the grant and loan program, but this covers both, grant, sale or loan, and I think some of these countries are desperately in need of selling weapons to them. For instance, there are only three places in the world, maybe four, where a country, like Israel can buy planes to protect themselves against attack. One is the Soviet Union, one is the United States, and one is France and I think shortly Sweden will be in the business, you might say. They paid France for planes and they will not deliver them now, and the story is they are negotiating with Iraq for oil interests for those planes which have already been paid for. I would be entirely——

Senator HICKENLOOPER. Israel is losing the planes to the Arabs just about as fast as they can, they hijacked one yesterday.

Senator SYMINGTON. That is right, and the significant part of that which a lot of people don't realize is that by far the strongest state militarily today is Algeria, of the radical Arab states, and that is why I hope we can go over these countries because Tunisia, Morocco preventive, Tunisia, Morocco, we want to give 11 F–5s to Morocco because Algeria has 130 jet fighters. It is that kind of thing I thought we might have gone into. But in this case here I wouldn't mind a bit, I would hope the word "sale" would be taken out.

A REPORT FROM THE PRESIDENT

Senator HICKENLOOPER. I have a tendency to be sympathetic to what Senator Morse said about why do you need this proviso at all.

Senator SYMINGTON. Well——

Senator MORSE. Case tells us why.

Senator CASE. We want a report from the President.

Senator SYMINGTON. The big difference here from the Conte-Long proposals which upset the administration lawyers there is a tremendous difference between the word "vital" which is in the Conte-Long and the word "important" for the President to make a decision.

Senator CASE. All I want, we are not trying to limit it, we just want him to report.

Senator CLARK. I am not sure you are right, Cliff, if you were I would go along with you. But as I read this language beginning "provided further" if you put a period after "country" as Hick suggests——

Senator AIKEN. No, we go on.

Senator CASE. We strike "underdeveloped."

Senator SYMINGTON. You have a problem here. What do you want to do?

Senator HICKENLOOPER. It is Cooper who says strike the word "underdeveloped."

Senator COOPER. Just an amendment to what has been proposed strike "underdeveloped" and make this proviso apply to every country.

Senator SPARKMAN. Then you couldn't sell, give or loan to any country except those named?

Senator CLARK. That is my point, Cliff.

Senator COOPER. There is some confusion about under-developed.

Senator AIKEN. It forbids it to any country unless the President determines such grant is important to national security. I don't think any of that is necessary.

Senator COOPER. It gives our purpose.

Senator AIKEN. He has to report why he is giving it.

PRESIDENTIAL DISCRETION

Senator CLARK. Yes, but if you did it the way some of you gentlemen have suggested the President will have no discretion, and Cliff says the reason for——

Senator HICKENLOOPER. He would have complete discretion.

Senator CLARK. Somebody proposed over here to take out that whole "unless" clause and Cliff says keep it in so we will have a report but I say that if you do it the way you want to he won't have any right to do it at all.

Senator HICKENLOOPER. He has complete discretion, unless the President finds.

Senator CLARK. Mr. Chairman, I am so confused——

Senator SPARKMAN. Let me see if I can state it correctly. Senator Cooper has proposed, now, John you follow me on this, to strike out the word "underdeveloped" and then strike out the words "other than Greece, Turkey, Iran, Israel, Republic of China, the Philippines and Korea" so as to make it read, "or a loan basis to any country unless the President makes this determination."

Senator CLARK. That is right.

Senator SYMINGTON. I don't go for that. I don't think——

Senator AIKEN. This end of the table has a lot of confidence in the President.

Senator SYMINGTON. I think you ought to keep the word "underdeveloped" there.

Senator CASE. Stu's point is specifically he doesn't want to have "underdeveloped" out because he wants to be able to still sell to Israel.

Senator CLARK. It is a developed country.

Senator CASE. But he wants the President to be able to sell to Israel without making the specific point that it is important making a report. Well now, the thing is that the President under pressure of the State Department and the Defense Department, which has just sent up a letter which I think you would all be interested in about this issue, may not say it is important under the pressure he says of oil interests.

Senator SYMINGTON. That is right.

You leave the decision in his hands. For example, I think we ought to see troops taken out of Europe because I think it is incredible the way the thing has been going on for over a quarter of a century. We certainly don't want to put ourselves in a position by taking the word "underdeveloped" out but by selling to Germany.

Senator CLARK. But the answer to that is the "unless" clause the President simply has.

Senator SYMINGTON. There might be a difference of opinion in the White House.

Senator PELL. Why not leave "underdeveloped" in there?

Senator SYMINGTON. There might be somebody who said "I won't do it."

Senator CASE. This won't be done unless the President says it is in the national interests.

Senator SPARKMAN. The only objection I have to this, and I may be wrong, I don't conceive of the countries named as being underdeveloped.

Senator CLARK. I don't either.

Senator COOPER. You don't conceive of what?

Senator SPARKMAN. The countries that are named as being underdeveloped. And the only question in my mind is the use of the word "underdeveloped."

THE LAW AS IT CURRENTLY STANDS

Senator CASE. May I ask a question as to the substance of the law as it stands now? Is this foreign assistance limited under the basic law to underdeveloped countries?

Mr. HOLT. Well, in a manner of speaking, Senator, there is a——

Senator CASE. This may be the reason for trying to horse Israel in there in spite of the basic law.

Mr. HOLT. There is a provision with respect to military assistance, and you have to distinguish between assistance and sales. There is a provision with respect to military assistance that says:

> The President shall regularly reduce and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength without undue burden to its economy.

Senator SPARKMAN. I wonder if we couldn't solve it in this way, if we couldn't agree to the Cooper proposal. Then the whole thing

would be in conference and between now and then we can work it out.

Senator SYMINGTON. I think we have to be pretty careful about it. Let me give you a typical illustration.

[Discussion off the record.]

Senator SYMINGTON. I would hope if it was a sale it could be reported to the Foreign Relations Committee or the Congress instead of saying it is important, because if you are going to take the word "underdeveloped" out——

Senator SPARKMAN. I still believe the best plan from a parliamentary situation is to adopt the Cooper amendment and work out a satisfactory solution between now and the Conference.

Senator SYMINGTON. I would certainly not take the word "underdeveloped" out, I really would not. If you keep the word "sale" in, I certainly would not take the word "underdeveloped" out because it really strikes at something that can be very, very serious.

Perhaps you saw Nasser's statement yesterday, in which he said the war with Israel was inevitable, and so forth and so on.

KISS THE MIDDLE EAST GOODBYE

Senator CLARK. Mr. Chairman, I would like to propose a substitute to the Cooper motion which would read as follows:

> Provided further, That none of the funds contained in this paragraph shall be used to furnish sophisticated weapons systems such as missile systems and jet aircraft for military purposes, on grant, sale, or loan basis to any country other than Israel unless the President determines that such a grant, and et cetera.

Senator SPARKMAN. I think that is——

Senator HICKENLOOPER. You might just as well kiss the Middle East good-bye.

Senator SPARKMAN. That is worse than ever because that is pinpointing it.

Senator CLARK. All right, I will withdraw it.

SOPHISTICATED WEAPONS SYSTEMS

Senator SYMINGTON. I would just like to see the word "sale" out.

Senator COOPER. It leaves great confusion as to what is a developed country, and this could remove the qualification, the proviso, as to a number of countries, you could say, the administration could say, Greece is a developed country, Turkey and Israel are developed countries.

Senator SPARKMAN. I think they all are.

Let us vote.

Senator COOPER. I offer my amendment.

Senator SPARKMAN. You are not insisting on yours.

Senator CLARK. No; I withdrew it.

Senator SPARKMAN. On the Cooper motion to strike out the word "underdeveloped" and then the words, "other than Greece, Turkey, Iran, Israel, the Republic of China, the Philippines and Korea."

Senator SYMINGTON. Why do you leave the words in at all?

Senator SPARKMAN. We do not, we strike it out.

Senator SYMINGTON. How does it read?

Senator SYMINGTON. It reads like this:

Provided further, That none of the funds contained in this paragraph shall be used to furnish sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, on a grant, sale, or loan basis to any country unless the President makes his determination.

Senator SYMINGTON. Well then, I will make an amendment to your amendment and suggest we take out the words "sophisticated weapons systems," and just leave the word "weapons" in.

Senator AIKEN. We can strike out the whole paragraph. I do not know what good it does.

Senator SYMINGTON. This worries me a great deal. I do not like this.

Senator SPARKMAN. I have to be on the floor at 12:15. Let us vote, because I have an amendment that is pending.

Senator SYMINGTON. What are we going to vote on?

Senator SPARKMAN. Cooper's amendment.

APPLICABLE TO ALL COUNTRIES

Senator SYMINGTON. What is the Cooper amendment again?

Senator SPARKMAN. All right. It strikes out the word "underdeveloped" and then strikes out the names of the countries.

Senator SYMINGTON. Why? I want to know why he wants to strike out the word "underdeveloped."

Senator AIKEN. Because it makes the bill better.

Senator COOPER. Because there is no list of underdeveloped countries.

Senator SPARKMAN. I think it is because those countries are there described as being underdeveloped.

Senator COOPER. It makes it applicable to all countries.

Senator HICKENLOOPER. We may want to make it applicable to England, Denmark, all these other countries.

Senator SPARKMAN. Let us vote.

Senator SYMINGTON. I do not think we ought to vote on this now, Mr. Chairman. This is a very fundamental point, and I have had as much experience in this field as any members of the committee over the last year on this matter, and before we get into this, the question is, do we want to sell arms to other countries?

Senator CLARK. No.

SELLING ARMS

Senator SYMINGTON. If we do not, then we turn these countries over to the Soviet Union because if a country cannot buy arms from us they are going to buy them somewhere, either that or we lose the business to France and Sweden, which is now in the business, and I do not think that this committee ought to take a position that they do not want to sell any arms to these countries to this extent.

I think the sale of equipment is a normal function for the country to have.

Senator COOPER. This does not prohibit any sales.

Senator SPARKMAN. Let me say on military sales, we would hope to take up at the very next meeting of this committee, military sales are not affected by this except insofar as military assistance funds might be used. This suggests a limitation on military assistance.

Senator SYMINGTON. Then the word "sale" does not apply to a military sale.

Senator SPARKMAN. Not under our separate bill. But as a part of military assistance, it is limited to that.

Senator CLARK. You have $300 million to play with.

Senator COOPER. Under the $390 million.

Senator SPARKMAN. Under this bill and not under the military sales bill which we are going to take up.

Senator SYMINGTON. If it does not apply to the military sales bill, then I have no objection.

Senator SPARKMAN. Let me ask, is that correct?

Mr. HOLT. I do not know.

Senator SPARKMAN. I say it is limited to military assistance funds.

Mr. HOLT. Yes, sir. The proviso begins "None of the funds contained in this paragraph," and the funds are military assistance funds.

Senator CHURCH. Why do you say sales, because the funds contain grant funds.

Mr. HOLT. I did not write the amendment.

Senator SPARKMAN. This is a House amendment.

Mr. HOLT. If I had drafted the amendment to achieve what I think was their purpose, I would not have referred to grant, sale or loan basis. I would just have said, "None of the funds contained in this paragraph shall be used to furnish sophisticated weapons systems."

Senator SYMINGTON. That is it.

Senator CLARK. Why don't you accept that amendment?

Senator SPARKMAN. John Cooper is willing to take that out.

EXPRESSING THE VIEWS OF THE SENATE

Senator MORSE. Let me ask you another question, John. I am more confused now. You are in conference anyway with this in, why don't you strike the whole provision and you still would have in the House bill and we can hammer it out in conference with the House and we would know more about it then. What good does this do to have it in the bill at all?

Senator COOPER. What it does is this: it expresses the view of the Senate of our country and the President should be very chary about supplying sophisticated weapons and jet aircraft to any country, and it ought not to do so and will not do so unless the President determines it is required.

Senator MORSE. John, will you go back with me to page 36.

Senator COOPER. It is $900 million we have agreed upon?

Senator MORSE. Let us go back to page 36, Section 504.

> There is authorized to be appropriated to the President to carry out the purposes of this part not to exceed $510 million available for assistance under this chapter, other than the training in the United States shall not be used to furnish such assistance to more than 40 countries in any fiscal years; provided further.

And then you proceed to really take away what you seek to give in the first part of it. What do you want that proviso clause for anyway?

Senator SPARKMAN. I would be willing to strike it.

Senator COOPER. I would be willing to give my reason. We agreed on $390 million for military assistance, and no part of that money shall be used to provide these types of weapons to any country unless the President determines it is important to national security and reports to the Congress. It is a kind of inhibition against quick and easy decisions to furnish these sophisticated weapons to Chile or to any country.

Senator CHURCH. On a grant basis.

Senator COOPER. Yes.

Senator CHURCH. On a grant basis.

Senator CLARK. I think it helps what you want to do.

Senator MORSE. I think it does.

Senator CLARK. I think it does. Let us vote on the Cooper amendment.

THE COOPER AMENDMENT

Senator SPARKMAN. John, state what your amendment was.

Senator COOPER. "Provided further, That none of the funds contained in this paragraph shall be used to furnish"—what did you suggest there?

Mr. HOLT. "Provided further, That none of the funds contained in this paragraph shall be used to furnish sophisticated weapons systems such as missile systems and jet aircraft for military purposes to any country" or any underdeveloped country, whatever you want.

Senator CLARK. You left it out.

Mr. HOLT. In other words, scratch out "on a grant, sale or loan basis."

Senator MORSE. You have not got "underdeveloped" there.

Senator CLARK. Unless the President, that is the last part.

Senator MORSE. We want "underdeveloped" out.

Mr. HOLT. Take out, "grant, loan or sale basis."

Senator SPARKMAN. Shall we vote on the amendment as modified?

Those in favor say "Aye."

[Whereupon, there was a chorus of "Aye."]

Senator SPARKMAN. Opposed, "No."

[No response.]

Senator SPARKMAN. The amendment is agreed to.

What is next, Pat?

DRAWDOWN AUTHORITY

Mr. HOLT. On page 39, Mr. Chairman, this is the drawdown authority for the Military Assistance Program.

The law for a number of years authorized in any fiscal year a drawdown of stocks from the Department of Defense for military assistance purposes in an amount not to exceed $300 million. The language of the House bill would extend that authority through the fiscal year 1969.

Senator MORSE. Why?

Mr. HOLT. This is what amounts to a contingency fund for the military assistance program. They have not used the authority in 1968. They did use it in 1967 for a number of countries for which they had to divert equipment to Vietnam.

Senator MORSE. The administration did not ask for it.

Mr. HOLT. The administration asked for it.

Senator SPARKMAN. What is the motion?

Senator CLARK. I move we accept the House language.

Senator SPARKMAN. The motion is made that we accept the House language.

Senator MORSE. I do not understand what it means.

Senator SPARKMAN. It is a drawdown we have had in the past.

Senator PELL. What does it mean?

Mr. HOLT. It means if they run out of military appropriations in any emergency they can use up to $300 million from Defense Department stocks, and the Defense Department to be reimbursed by appropriations.

Senator SPARKMAN. The motion is made. Shall we vote?

Those in favor of the House language, say "Aye."

[Whereupon, there was a chorus of "Aye."]

Senator SPARKMAN. Opposed, "No."

Senator MORSE. No.

Senator SPARKMAN. The "Ayes" have it, and it is agreed to.

Next.

A CEILING ON MILITARY AID TO LATIN AMERICA

Mr. HOLT. Next is on pages 40 and 41. This deals with military assistance to Latin America.

The current law puts a ceiling—the current law puts two ceilings—on military assistance to Latin America. One is $55 million in grants, and the other is $75 million in grants, sales, ship loans, and everything else.

The administration proposed, and the House agreed, that the ceiling on grants be reduced from $55 million to $25 million. In the military sales bill, which presumably the committee will get to later, there is a further limitation of $75 million on the overall.

What this does——

Senator CHURCH. Wait a minute, $75 million on sales?

Mr. HOLT. Sales, grants, ship loans, everything.

Senator CHURCH. I see.

Mr. HOLT. The effect of these two provisions taken together would be to reduce the grant component and increase the sales component of U.S. military input into Latin America.

Senator SYMINGTON. Pat, let me ask a very dumb question. My colleague, Senator Morse, knows a lot more about this than I do, but is there any heavy shipment of Soviet sophisticated weapons into Central and South America.

Mr. HOLT. No, sir.

Senator SYMINGTON. If there is not, then it is directly opposite from the Middle East, and directly opposite to Asia. Why do we have to furnish any arms down there? I am not being critical, I am just asking.

Senator MORSE. We should not.

Mr. HOLT. Well, you are asking me to make a value judgment now.

Senator SYMINGTON. That is right.

Mr. HOLT. And it is that there is a legitimate need in three or four countries for internal national security type, military equip-

ment, helicopters, communications equipment, small arms, this kind of thing.

Senator SYMINGTON. Peru does not need supersonic aircraft.

Mr. HOLT. No. I am talking about Guatemala, Colombia, Venezuela. The Venezuelans can afford to buy; the Guatemalans cannot. The Colombians are sort of in between. Those are, so far as I am concerned, the only countries in the area for which——

Senator SYMINGTON. You are saying there is no need for sophisticated weaponry.

Senator CLARK. No.

Mr. HOLT. No, unless you call a helicopter sophisticated.

Senator SYMINGTON. No, it is not sophisticated.

TOTAL AMOUNTS OF MONEY

Senator MORSE. Pat, can I ask a couple questions? I want to know the total amount of money this thing, by way of military sales or grants or loans into Latin America.

Mr. HOLT. Well, this language which is before you would reduce the ceiling on military assistance grants into Latin America from $55 million to $25 million. The language you will come to later in the military sales bill will retain the overall ceiling on grants, sales, everything else, at $75 million.

The effect, therefore, is to reduce the percentage of grants and increase the percentage of sales if you take these two provisions together.

Senator SYMINGTON. If you increase the percentage of sales and you increase the percentage of economic aid, then you just let them buy what they want. If they can buy it, but you are not giving it to them, by increasing the aid you make it possible for them to buy it.

Senator MORSE. Divert other resources to buy it.

Senator SYMINGTON. I am just asking.

Senator MORSE. Does this mean by knocking it down to $25 million and keeping the other at $75 million that you are really authorizing $100 million?

Mr. HOLT. No; no. The other, the $75 million ceiling, applies also to this—this $25 million would be included in the $75 million.

Senator HICKENLOOPER. Is this on page 40?

Mr. HOLT. This is on page 40 and page 41.

REDUCE THE CEILING

Senator CHURCH. So we keep the present ceiling as it now exists on total grants and sales to South America, but within that ceiling we would reduce the allowable grants from $55 million maximum to $25 million.

Senator SYMINGTON. Why don't we reduce the sales, too?

Senator MORSE. I want to reduce the ceiling.

Senator PELL. Reduce the whole thing.

Senator MORSE. The total ceiling. Then you say, Pat, is $75 million?

Mr. HOLT. Yes.

Senator SPARKMAN. Where is this found at?

Mr. HOLT. If you will look at the right-hand column on page 41 there is a staff note in which is set forth the provision, in which

are set forth the provisions, of Section 521(b) of the Foreign Assistance Act, which has the $75 million ceiling in it, and this would be repeated, in substance, in the military sales bill which the administration has proposed.

Senator CLARK. Cut $75 million to $50 million, Wayne.

Senator CASE. $60 million.

Senator CHURCH. Unless I misunderstand, the only thing that is before us in this bill is in the reduction of the grant ceiling from $55 million to $25 million.

Mr. HOLT. That is correct.

Senator CHURCH. I think we ought to do that. When we come to the military sales bill that would be the appropriate time to consider the overall amount.

Senator CLARK. It does not seem so to me. It seems you have got the $75 million ceiling in this Act.

Mr. HOLT. You do. But if you pass the military sales bill, the $75 million ceiling in this Act will be superceded by another $75 million ceiling.

Senator CLARK. We are only dealing with this Act, and am I not right, Pat, that as of the moment, as you just stated to Frank Church, you have a $75 million ceiling for all kinds of transactions dealing with military hardware, which only $25 of can be used for grants; isn't that right?

Mr. HOLT. That is right.

CUT THE $75 MILLION

Senator CLARK. Why don't we cut the $75 million?

Senator CHURCH. You are right.

Senator CLARK. I do not think the military sales bill has anything to do with this.

Senator MORSE. I move we cut the overall from $75 million to $50 million.

Senator SPARKMAN. The motion has been made to cut the overall from $75 million to $50 million.

Senator HICKENLOOPER. I think it is a tragic mistake.

Senator SPARKMAN. The $75 million is in the basic law, the existing law.

Senator HICKENLOOPER. I do not agree.

Senator SPARKMAN. If you limit it to $25 million what difference does it make, the overall?

Senator CLARK. $25 million is just grants; $75 is the ceiling.

Senator SPARKMAN. It is just regional.

Senator CASE. It can be regional. It is for the whole thing.

AN ARMS RACE IN LATIN AMERICA

Senator SYMINGTON. Let me say just one thing about this. This is what I do not want to get caught in. We have given India $6.5 billion of trade, $6,555,000,000. My understanding when I first came to the Senate was because it was a pacific country and did not want to arm, that was one of the big reasons.

I was astounded in 1961 when [John Kenneth] Galbraith was out there, to find that they have got by far the biggest air force in that part of the world. Now, they are buying planes that the Soviets have that are so modern the Soviets have not even allowed the

North Vietnamese to have them, SU–7s, and their entire army is being reorganized by the Soviet Army.

It seems to me we ought to find out what the dangers are down there, and if they want rifles and tanks and helicopters, too, to defend their countries internally, that is one thing. But to start an arms race in Central and South America, I do not want to see that.

Senator HICKENLOOPER. $75 million won't start an arms race, in the first place, and I think, in the second place, I can tell you I think I know what they need the arms for. They certainly need them for internal protection and stability, and I will give you an example. I think Bolivia would have been Communistic today if it had not been for American training and American arms down there in their so-called Ranger outfits, and so on. They are the ones who captured Che Guevara, and it was American training that enabled them to do it. We did not capture him, but they did.

There are several of these other countries that are getting this training inside there, because this infiltration from Cuba is going on with these cadres and infiltrating them.

Senator SYMINGTON. I think it is a good answer.

Senator HICKENLOOPER. That is why I think $75 million is not an extravagance so far as Latin America is concerned. I have talked to several of these people.

Senator CLARK. Let us vote.

THE NEED FOR INTERNAL ORDER

Senator MORSE. May I say, $50 million is more than adequate for what they need for internal order.

Senator CHURCH. I am going to support Wayne Morse in both instances. But one question is, should we, as the administration itself suggests, reduce the grant aspect of the program to $25 million from the present ceiling?

Senator CLARK. We do not need to vote on that. We have already done it.

Senator MORSE. No, we have not.

Senator SPARKMAN. Yes, but that is the House.

Senator CLARK. Nobody has questioned that.

Senator CHURCH. We have these two aspects to consider, reducing the grants to $25 million and the other would be whether we should reduce the overall ceiling.

Senator SPARKMAN. That is the vote before us now.

Senator CHURCH. Let us consider them separately.

Senator MORSE. Do you want me to divide that?

Senator SPARKMAN. Let us vote on the overall one, to reduce the overall $75 million to $50 million.

Those in favor, say "Aye."

[Whereupon, there was a chorus of "Aye."]

Senator SPARKMAN. Opposed, "No."

[Whereupon, there was a chorus of "No."]

Senator SPARKMAN. Do you want a roll call? Let us have a roll call. Clerk, call the roll.

Mr. KUHL. Mr. Mansfield.

Senator SPARKMAN. No—wait a minute. He told me to vote as I pleased.

Senator MORSE. I think you are wrong. Not on Latin-America.

Senator SPARKMAN. I won't vote him. Go ahead.
Mr. KUHL. Mr. Morse.
Senator MORSE. Aye.
Mr. KUHL. Mr. Gore.
Senator MORSE. Aye.
Mr. KUHL. Mr. Lausche.
Senator SPARKMAN. No.
Mr. KUHL. Mr. Church.
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington.
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd.
Senator SPARKMAN. No.
Mr. KUHL. Mr. Clark.
Senator CLARK. Aye.
Mr. KUHL. Mr. Pell.
Senator PELL. Aye.
Mr. KUHL. Mr. McCarthy.
Mr. Hickenlooper.
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken.
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson.
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Williams.
Senator AIKEN. Aye.
Mr. KUHL. Mr. Mundt.
Senator HICKENLOOPER. I don't know how Mundt would vote on this.
Mr. KUHL. Mr. Case.
Senator CASE. No.
Mr. KUHL. Mr. Cooper.
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright.
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman.
Senator SPARKMAN. No.
Mr. KUHL. This vote, Mr. Chairman, there are eight yeas and eight nays.
Senator SPARKMAN. The motion is rejected on a tie vote.

A $25 MILLION LIMITATION

Now, on the $25 million, is there a motion relating to——
Senator CHURCH. I move we adopt $25 million limitation on grants.
Senator SPARKMAN. All those in favor of it, say "Aye."
[Whereupon, there was a chorus of "Aye."]
Senator COOPER. May I ask a foolish question? What is the total available military assistance to Latin America? It is what?
Senator SPARKMAN. $75 million.
Senator COOPER. Under this program?
Mr. HOLT. If you agree with the House language, the total available for grant military assistance to Latin America will be $25 million.

Senator COOPER. And it is now $55 million?

Mr. HOLT. $55 million.

Senator COOPER. I may sound like a big arms man, and I was listening to what Senator Hickenlooper said about the problem we are having. Is this to——

Senator CHURCH. The administration itself has asked for this $25 million.

Senator COOPER. I know, but we are not agreeing to everything the administration is asking for, and you are not either.

Senator CHURCH. That is pretty much what we do here. But in any case they, themselves, feel $25 million is adequate to the grant aspect of the program.

Senator HICKENLOOPER. Did the administration say this $25 million was enough?

Senator CHURCH. That is what I understood.

Senator HICKENLOOPER. Where does it say that?

Mr. Holt. It is in the bill they sent up here.

Senator HICKENLOOPER. If that is all they want——

Senator SPARKMAN. All right, $25 million. Is that agreed to?

Pass on. It is agreed to.

STRENGTHENING PATROL ACTIVITIES

Mr. HOLT. The next item is related to this, Mr. Chairman. It begins on line seven in page 41. It provides it will authorize an additional $10 million over and above the limit you have just set for military assistance to Latin America for purposes of strengthening patrol activities in coastal waters and anti-subversive measures.

Senator CASE. Mr. Chairman, the Senator from Kentucky raised a question with me, is it not an unusual wording in legislation these words, "and of their duly constituted governments"?

Senator MORSE. You do not need it at all. You have military aid running out of their ears in Latin America. They have plenty of funds to cover this. I move it be stricken.

Senator HICKENLOOPER. Where is that?

Senator. SYMINGTON. I think Senator Cooper's suggestion is very well taken, "duly constituted governments."

Senator HICKENLOOPER. What is a "duly constituted government"?

Senator CASE. It sounds like the law is——

Senator COOPER. We cannot protect governments.

CAMOUFLAGE FOR MILITARY AID

Senator MORSE. This is a camouflage, a semantic conceal-ment of $10 million for military aid in Latin America. I move to eliminate it.

Senator SPARKMAN. The whole section?

Senator MORSE. Yes.

Senator HICKENLOOPER. You are getting right down to the guts of what they need this money for. If you take that out——

Senator SPARKMAN. All right.

Senator MORSE. Do you have money for military aid down there now?

Senator HICKENLOOPER. This does not increase it. It says $10 million of the amount can be used.

Mr. Holt. This is $10 million in addition to the ceiling.

Senator MORSE. The administration did not ask for this. This is another way the House is trying to get you to put $10 million more in because they expect the Senate to continue its position of——

Senator CHURCH. I wonder if this adds $10 million?

Senator HICKENLOOPER. I do not think it does.

Senator SYMINGTON. Of the funds made available.

Mr. HOLT. Of the funds made available for use under this part, which are military assistance appropriations in general. It says, "notwithstanding the foregoing provisions of this section," and the foregoing provisions of this section are what limit the grants to $10 million. So this is $10 million in addition to that $25 million. It is not in addition to the total military assistance appropriation.

Senator HICKENLOOPER. I cannot read it that way.

Senator CLARK. I think it is very clear.

Senator COOPER. I certainly hope it is.

Senator SPARKMAN. Shall we vote on it? The Morse motion is to strike out the paragraph.

Those in favor of the motion, say "Aye."

[Whereupon, there was a chorus of "Aye."]

Senator SPARKMAN. Those opposed, "No."

[Whereupon, there was a chorus of "No."]

Senator SPARKMAN. The "Noes" have it.

REJECTION OF THE MOTION

Senator MORSE. Roll call.

Senator SPARKMAN. Call the roll.

Mr. KUHL. Mr. Mansfield.

Senator SPARKMAN. I won't vote him.

Mr. KUHL. I am sorry, Senator, I did not hear you.

Senator SPARKMAN. I won't vote him.

Mr. KUHL. Mr. Morse.

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore.

Senator MORSE. Aye.

Mr. KUHL. Mr. Lausche.

Senator SPARKMAN. No.

Mr. KUHL. Mr. Church.

Senator CHURCH. No.

Mr. KUHL. Mr. Symington.

Senator SYMINGTON. I cannot vote because I don't know whether it means take it out or not. If it means add money, I vote no. If it does not add money I vote aye.

Mr. KUHL. Mr. Dodd.

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark.

Senator CLARK. Aye.

Mr. KUHL. Mr. Pell.

Mr. CLARK. It clearly adds money.

Senator PELL. No.

Mr. KUHL. Mr. McCarthy.

Mr. Hickenlooper.

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Aiken.

Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson.
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Williams.
Mr. MUNDT.
Mr. Case.
Senator CASE. No.
Mr. KUHL. Mr. Cooper.
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright.
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman.
Senator SPARKMAN. No.
Senator SYMINGTON. I will vote Aye, Mr. Chairman.
Senator COOPER. Mr. Chairman, I move to——
Senator SPARKMAN. Wait a minute. What is the vote?
Mr. KUHL. On this vote, Mr. Chairman, there are six yeas and nine nays.
Senator SPARKMAN. The motion is not agreed to.

FREEZING A CONTROVERSIAL ISSUE

Senator COOPER. Mr. Chairman, I move on lines 15 and 16, to strike "and of their duly constituted governments."
Senator SPARKMAN. Any objection?
Senator MORSE. Yes, I object.
Senator HICKENLOOPER. What do they mean by "duly constituted governments"?
Senator MORSE. I think you are making a big mistake in doing what you are doing. You will be in conference on this whole matter without adopting the House language, and when you have that kind of a division in your committee, and you can go to conference, you ought to iron it out in conference. What you are doing is, you are just simply freezing into this bill, I think, a very controversial issue here, something the administration did not even ask for, giving us time to find out between now and the conference what the reaction will be.
Now, you have gotten it in, you can do it, but I will abide by your vote.
Senator COOPER. If we are going to adopt these words, there is no difference in conference.
Senator SPARKMAN. Let us vote one way or the other. The motion is by Senator Cooper to strike out those words. State them again, John.
Senator COOPER. Lines 15 and 16, "and of their duly constituted governments."
Senator SPARKMAN. Wait a minute, what page is that on?
Mr. HOLT. Forty-one.
Senator SPARKMAN. All right. Those in favor, say "Aye."
[Whereupon, there was a chorus of "Aye."]
Senator SPARKMAN. Opposed, "No."
Senator MORSE. No.
Senator SPARKMAN. Do you want a roll call?
Senator MORSE. No.
Senator SPARKMAN. All right. The motion is agreed to.

LEGISLATIVE INTENT

Senator MORSE. I want to read a paragraph into the record because we will be referring to this record in the future, I can assure you. Fascell, who proposed this language on page 41, in explaining this language, said:

> My amendment does however, breach the $25-million limitation on military aid to Latin America, proposed in the bill. This limitation would not apply with respect to the $10 million involved in my amendment.
>
> In other words, if my amendment is adopted, the overall ceiling on military aid to Latin America in fiscal year 1969 would stand at $35 million. However, $10 of the $35 million could be used only for strengthening coastal patrol activities in Latin America.

Senator HICKENLOOPER. I do not know how they read it in here.

Senator MORSE. That is exactly your legislative intent and that is why you should have struck it out and go to conference.

Senator SPARKMAN. I have got to go. We are almost through. How many more are there, Pat?

Mr. HOLT. Not many.

Senator SPARKMAN. Four or five?

Mr. HOLT. Well, there are——

Senator SPARKMAN. Would you rather come back this afternoon or tomorrow morning? Excuse me, Senator Symington.

Senator SYMINGTON. I was going to say, now it is clear it is an addition based on the interpretation.

Senator HICKENLOOPER. I do not think it is clear.

Senator MORSE. That is the intent of the author.

I am going to move to reconsider; I am going to move to reconsider tomorrow.

Senator CASE. It is an additional grant, but it does not increase the $75 million.

Senator SPARKMAN. We will stand in recess until 10:00 o'clock tomorrow morning.

Senator MORSE. I serve notice I am going to move to re-consider, just to make the record.

Senator SPARKMAN. All right, 10:00 tomorrow morning.

[Whereupon, at 12:25 p.m., the committee adjourned, to reconvene at 10:00 a.m., on Thursday, July 25, 1968.]

# FOREIGN ASSISTANCE BILL

**Thursday, July 25, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 10:15 a.m., in room S–116, the Capitol, Senator John J. Sparkman, presiding.

Present: Senators Sparkman, Mansfield, Morse, Gore, Church, Symington, Clark, Pell, Hickenlooper, Aiken, Mundt, Case and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

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A PRETTY STRONG MINORITY

Senator SPARKMAN. I wonder if we can start some discussion. Where did we stop yesterday, Pat?

Mr. HOLT. On page 41, Mr. Chairman.

Senator SPARKMAN. Page 41?

Mr. HOLT. Yes, sir.

Senator MORSE. Mr. Chairman, may I take just a minute? At the end of the meeting yesterday I announced that I was going to move to reconsider the position on total military items and I want to tell why when we get more people here because I would like to get this bill out of here and get it to the floor, and I think we can do it if we can reach some accommodations because we have a pretty strong group in the minority. I just wanted you to know I am going to do that in due course of time this morning.

Senator SPARKMAN. Why don't we start on page 41?

Pat, will you explain what it is?

MILITARY ASSISTANCE TO AFRICA

Mr. HOLT. The next item after the one Senator Morse was talking about begins in line 17 on page 41 and this has to do with the ceiling on military assistance to Africa.

The present law limits military assistance and sales to Africa to $40 million. The House bill, which is also the administration proposal, would put a sub-ceiling of $25 million on grants to Africa.

Senator MORSE. On what, Pat?

Mr. HOLT. On grants, military assistance, to Africa. This should be considered in connection with a companion provision in the military sales bill which is not yet before the committee, which would set a ceiling of $40 million on grants and sales excluding training.

The provision in the present law of $40 million includes training. So the effect of this proposal would be to increase the ceiling, the overall ceiling, in Africa by the amount of training which is $4.6 million. That will be before you in the sales bill. All you have to determine now is whether you want to set the grant ceiling at $25 million or at some other figure. The proposal for fiscal '69 is, for grants is, $23 million and a little more.

Senator SPARKMAN. Well, wait, the request is $23 million.

Mr. HOLT. I beg your pardon, Senator.

Senator SPARKMAN. Did you say the request was for $23 million?

Mr. HOLT. The proposal for fiscal '69 is for $23.7 million in grants.

Senator SPARKMAN. Why did the House set it at $25 million?

Mr. HOLT. Well, the administration proposed a $25 million ceiling, I presume to give them a little leeway.

Senator SPARKMAN. What are your wishes?

Senator MORSE. Pat, when the administration sent up its bill did it have sales in or out?

Mr. HOLT. Well, it has sales out because sales were dealt with in a separate bill which is not now before us.

Senator SPARKMAN. Who puts sales in?

Mr. HOLT. Well, Congress did last year when there was no separate sales bill.

COMMUNICATIONS BASE IN ASMARA

Senator SPARKMAN. What is the administration's rationalization for grants?

Mr. HOLT. The biggest country program in Africa is Ethiopia, which amounts to, it is proposed for $13.3 million, and the rationalization for that is the communications base we have at Asmara.

Senator SPARKMAN. It is what?

Mr. HOLT. It amounts to rent for a communications base we have got in Ethiopia.

Senator HICKENLOOPER. To follow the satellites.

Senator MORSE. Where is the other between $13 million and $25 million proposed to go?

Mr. HOLT. Well the next biggest program is the Tunisia, which is $3.7 million. The rationale for that is that Tunisia is next door, to Algeria. The next biggest program is the Congo which is $2.8 million.

Senator HICKENLOOPER. Where is Wheelus Base is Libya?

Mr. HOLT. Wheelus is in Libya, yes, sir. The Libyan program for '69 is only $602,000, all of it in training.

Senator HICKENLOOPER. Didn't Tunisia hit a big oil field over there?

Senator MANSFIELD. Libya hit a tremendous oil field.

Mr. HOLT. Libya.

Senator HICKENLOOPER. Libya, no I thought Tunisia did too. Maybe not.

Senator SPARKMAN. Anyone have a motion? If not shall we vote to the House proposition?

Senator MANSFIELD. I so move.

Senator SPARKMAN. Is there objection? Without objection the House figure is agreed to. We will move on.

COMMODITY IMPORT PROGRAM

Mr. HOLT. On page 43, there is new language added by the House which has to do with advance certification of supplier eligibility in the commodity import program. This arose really because of some work which was done by the Government Operations Committee, I think it was, the investigation committee of the Senate, which revealed a number of ineligible commodities in the program for the Dominican Republic and I guess elsewhere, and the House language would provide that AID cannot pay for commodities unless the supplier has certified to AID such information as AID may prescribe including but not limited to a description of the commodities supplied and its condition, and on the basis of such information shall have approved such commodities as eligible and suitable for financing under this Act.

Senator SPARKMAN. Nothing wrong with it, is there?

Senator MANSFIELD. Mr. Chairman, as long as AID is doing this why don't we adopt the House amendment to reinforce what the AID people wish?

Senator SPARKMAN. Without objection so ordered.

Mr. HOLT. I should call attention to the fact there that I have had a number of complaints from the business community about this for whatever weight you want to give it.

Senator SPARKMAN. Where do we go next?

GOVERNMENT-OWNED EXCESS PROPERTY

Mr. HOLT. Page 45. This is a House provision having to do with procedures for AID's utilization of government-owned excess property, and it requires that before AID uses such property it must make a written determination that there is need for it in the quantity requested, that the property is suitable for the purpose requested, as to the status and responsibility of the designated end user and his ability to use and maintain the property, and that the residual value, serviceability and value of the property will not reflect unfavorably to the U.S. and justify the packing, crating, transportation and et cetera.

Senator MUNDT. Pat, is that the one that Ernest Gruening proposed?

Mr. HOLT. This is the one that, yes, sir, we have a letter from Senator Gruening strongly endorsing this provision.

Senator HICKENLOOPER. That sounds good this provision and normally I certainly would be for it. I am just wondering about the exceptions to this. We have a lot of so-called abandoned property sold where is, as is, and this would require that we would have to go through every bit of that and make certifications both ways, be responsible for the fact that it was in working condition and so on, and I don't believe we have given away a lot of valuable stuff for nothing.

Mr. HOLT. Well, there are three ways in which AID uses excess property. One of these, which is under section 607 of the Act, AID furnishes property to voluntary agencies which then use it in their own program, and this is where most of the difficulty has arisen. In the other ways, under section 608 AID takes property itself for use in its program, and indeed in one of these procedures, AID ac-

quired it in advance, thinking it will probably be useful, although they don't have any specific use for it in mind at the time they acquire it. This is authorized by law to $5 million in a revolving account.

AID itself has no objection to the application of this House language to the voluntary agencies program. AID does object to the application of it to the other programs where the property is directly used by AID.

Senator MORSE. Mr. Chairman?

Senator SPARKMAN. Senator Morse.

SENATOR GRUENING'S CONCERN

Senator MORSE. I received a letter from Ernest Gruening I would like to read into the record, it will only take me a minute or minute and a half. I think we ought to have it in the record for consideration. He said:

Dear Wayne: In passing the Foreign Assistance bill, the House approved an amendment to Section 607 of the Foreign Assistance Act of 1961, as amended which requires that the Agency for International Development make a written determination that all excess property transferred to foreign countries under Section 607 and 608 meet certain criteria before shipment. Such criteria includes the determination as to (1) the need and suitability of the property to be transferred (2) the responsibility of the recipient and ability to effectively use and maintain the property and (3) the residual value of the excess property which should at least equal the cost of packing, handling, and transportation.

These criteria are in line with the findings and recommendations of the Government Operations Committee report issued on April 10, 1968 entitled "AID's Mismanagement of the Excess Property Program," a copy of which is enclosed for your information.

Since 1960, the Agency for International Development has obtained about $400 million in excess equipment and supplies mainly from Department of Defense stocks overseas and in the United States. The committee report disclosed gross waste and mismanagement of the program. AID acquired large quantities of excess property indiscriminately without making adequate repairs and shipped it to foreign countries which were unable or unwilling to utilize or maintain the equipment properly. Thus, for example, of the 40 vehicles shipped to an agency of the Philippine Government most had not been repaired and were left inoperative for almost two years. In Korea 57 major items of equipment given to a government agency had not been used since receipt and another 70 items could not be located. In Turkey 125 of the 643 excess property items reviewed were not being used and the AID mission had little or no knowledge of the condition of the excess property when it arrived or the use to which it was put after arrival.

I, therefore, urge adoption of the House amendment to section 607 of the Foreign Assistance Act of 1961. A copy of that amendment is attached.

With best wishes, I am

Cordially yours, /s/ Ernest Gruening, U.S.S.

I only ask one question, Mr. Chairman, that we ought to have the staff give an answer to, assuming that there is a prima facie case in support of what Senator Gruening says, what harm, what disadvantage, will there be to adopting the House amendment.

Mr. HOLT. The only difficulty with the House amendment, Senator, is that it refers to government owned excess property made available under section 608. Section 608(a) is the provision of the law which authorizes the advance acquisition of excess property against a probable need for it.

Now, if you are going to say that they can't get it unless they make a written determination in advance that there is a need for it and that it is suitable for the purpose and as to the status and responsibility of the end user, et cetera, you have effectively pre-

cluded the program for the advance acquisition. Maybe you want to do that. But there is an inconsistency between this House provision and what is in the law under Section 608(a).

If you were to strike from the House language the phrase "Section 608, or otherwise" I would see no objection to the amendment or no difficulty with it.

CHANGING OUR MIND

What is wrong in saying we will give it to you if you can show you have the need for it," But if you are going to do as Gruening implies give it to them, they have got no need for it is going to sit there and rot and rust, what is the objective of that? Why should we give them excess property if they don't need it.

Mr. HOLT. Well, all I am saying is that if you adopt this House language you are being inconsistent with what you agreed to some years ago in authorizing the advance acquisition of the property. Maybe you want to change your mind.

Senator MORSE. I think there are many places where weought to be changing our mind in regard to foreign aid and I think this is one of them. I think we ought to say "we are going to help you if you have some need for it." I don't know why we take this property and give advance acquisition when there is no showing they are going to put it to any good use. It is better to keep it in our own possession or give it to somebody else. I move we adopt the House language.

Senator SPARKMAN. Motion has been made we adopt the House language.

DISPOSAL OF PROPERTY

Senator MUNDT. Pat, let me ask you what happens to this property if we don't give it to them?

Mr. HOLT. You mean if AID doesn't use it?

Senator MUNDT. Yes.

Mr. HOLT. Well, it is disposed of under the Federal Property and Administrative Services Act which deals with this question in general.

Senator MORSE. Karl, you will make it available to those who can need it. I think we ought to make it available to those who can show need.

Senator MUNDT. Dispose of it over there to a foreign purchaser.

Mr. HOLT. I am not familiar with all of the provisions of the Federal Property and Administrative Services Act, but it provides, in general, for disposal to states and municipalities and counties and to, I guess, in some cases private purchasers, do you know, Terry?

PREVIOUS LEGAL ACTIONS

Mr. MARCY. One of the points you might want to keep in mind it has been this program which got AID involved in some very nasty legal actions in Belgium and Japan. If you remember this spring, I think four AID officers resigned under fire. Senator Williams was quite interested in the case. It was called the Andresen Case, and in that particular case what was involved was the acquisition of surplus property, mostly Army, military equipment in Eu-

rope which was brought into Brussels for reconditioning, and we made the contract for reconditioning, and that is where a lot of the problems arose.

Senator SPARKMAN. Are you through?

Senator MUNDT. Would this amendment eliminate this kind of thing, Carl?

Mr. MARCY. It could make it much more difficult, that is for sure.

Senator SPARKMAN. What does Section 608 do? What is the relationship between 607 and 608?

Mr. HOLT. Well, 607 deals with voluntary agencies and authorizes the furnishing to them of excess property with AID paying the shipping costs and so on for them to use in their program.

Section 608 deals with the use by AID itself of excess property.

Senator SPARKMAN. I notice AID suggests changing it by striking out that reference to Section 608.

Mr. HOLT. That is correct. Section 608 is the part of the law which provides for the advance acquisition of excess property by AID for future use in its own program.

Senator SPARKMAN. Why would AID be controlled in taking the excess property from its, its own property?

Mr. HOLT. No, from other agencies of the Government.

Senator SPARKMAN. From other agencies of the Government?

AID EXPENDITURES IN VERMONT

Senator AIKEN. Mr. Chairman, I have a rather serious question to ask about this whole matter. I received yesterday from the AID office a listing of the AID expenditures county by county in Vermont amounting to total Vermont sample, whatever that is, $710,838, estimated total of AID payments in the state $1,300,208. I don't understand that. But what I really think should be explained is of the $710,000 which AID allocates to Vermont, $541,000 is for little Lamoille County. Now, the exports of Lemoille County are, to the best of my knowledge are, asbestos, being the largest asbestos producing county in the U.S., and Christmas trees, and what I would like to know, Lemoille gets $541,000 whereas all the other counties of the State receive for their products about $18,000 or $20,000. What I want to know——

Senator HICKENLOOPER. You don't live in Lemoille County?

Senator AIKEN. No, what I want to know, that being the principal asbestos producing county, is AID equipping its personnel with asbestos suits? [Laughter.]

Senator MORSE. No, it should.

Senator AIKEN. I don't understand why I am favored with this list or why I am favored with long distance phone calls telling me how important parts of this bill are, some from out of this country, out of this continent, out of this hemisphere, if you want to go that far, but this doesn't make sense unless the AID personnel are wearing asbestos suits. I can't think of anything else they could spend $500,000 for in this county.

Senator HICKENLOOPER. Are you an undeveloped, under-developed area?

Senator AIKEN. It could be Christmas trees, of course, because that is the other exportable item from the county.

Senator HICKENLOOPER. It isn't Christmas yet.

Senator AIKEN. No, spent from July '67 through April 30, 1968. I hope this isn't some form of lobbying, that is all.

Senator MORSE. Carl Marcy suggests it might have something to do with Santa Claus. [Laughter.]

CLOSING RURAL POST OFFICES

Senator MORSE. Mr. Chairman, I haven't heard anything yet that would cause me to think that the House language isn't appropriate. All it requires is that before AID disposes of surplus property they know that there is a need for it. I don't think—I think that is good husbandry.

Senator SYMINGTON. Mr. Chairman, may I make one observation?

Senator SPARKMAN. Senator Symington.

Senator SYMINGTON. The Senator from Oregon tells me he has to leave town tonight. He is the one who got me interested in IDA.

Senator MORSE. I may cancel.

Senator SYMINGTON. I think of all the programs, that perhaps IDA, a bank that made $1,200,000,000, that has never had a loss yet, so I would hope we could get to IDA before the Senator from Oregon, who has been my leader——

Senator MORSE. I am not going to sacrifice, I will cancel if necessary.

Senator SPARKMAN. I hope we can get to it, too.

Senator AIKEN. Mr. Chairman, get to IDA I hope we get the matter of closing rural post offices decided. Even those showing 30, 40 percent increase in revenue.

Senator CLARK. I have the same problem in Pennsylvania and I don't want to close any no matter how much money it may cost.

Senator MUNDT. Mr. Chairman, why don't we approve this seems, there seems not to be any difficulty.

Senator COOPER. Does this apply to PL 480 commodities?

Senator MORSE. I move we take the House language.

Senator SPARKMAN. Senator Morse made the motion we adopt the House language. Is there any further discussion.

Without objection, so ordered.

A LONG DEBATE IN THE SENATE

Senator MORSE. Mr. Chairman, now we have a quorum here, can I take two or three minutes to make the point I want to make? I would like to have you hear me through.

I am very anxious to cooperate and get this bill out to the floor of the Senate. I am very anxious to get action on it on the floor of the Senate despite my feelings expressed yesterday that I think in the present form that it is we are probably going to have to have long debate in the Senate on the merits. I would like to get it out of the way before we go to the convention.

But I want to say to the majority of the committee that I think you are putting those of us in the minority in a pretty tough position, if you take out of this committee the military aid aspects of this bill frozen in by the use of the House language. I think we ought to be allowed some flexibility, and that is why I announced last night before we adjourned that I was going to move to reconsider the military figure.

I listened to the Senator from Missouri yesterday in regard to the material on pages 14 and 15 of the secret gray book, pointing out on the basis of his experience that he thought that there were substantial cuts that ought to be made on the total amount, we had proposals, as I recall, of cutting it from $390 million to $340 million and $350 and $360 million, we lost by close votes. The majority, I think, by a vote of 9 to 8 froze it in, the same figure as the House at $390 million.

A UNITED FRONT

I would like to make this plea to the committee, I think we ought to go into conference with some difference between the Senate figure and the House figure. I think with the minority in the position that we are in, where we are going to have to make a strenuous fight on the floor of the Senate if we take that figure to the floor of the Senate, that we ought to go to the floor of the Senate with a lesser amount.

The chairman of the committee, Mr. Fulbright, joins those of us in the minority. I think we ought to give as much, present as much, of a united front, although there will still remain differences on the floor, and I would like to suggest this morning——

Senator MANSFIELD. Did you consider a figure of $370?

Senator MORSE. I prefer a figure of $360. That means you will end up with splitting $30 million. That is the best you can hope for in conference, and you may go higher with the House. But there is another, may I say to the Senator from Montana, there is another figure, Bourke and I, who don't agree, I think, on its effect, but I think if you will look at it more closely you can't escape the arithmetic, you are really adding another $10 million to Latin America under the Fascell Amendment, that is clearly the intent, I read what he said on the floor of the House. I have talked to the staff about it, they can reach no other, those I have talked to can reach no other, conclusion that it is $10 million more. You are really dealing with $400 million that is being added by this bill when you take in that $10 million, and I think, Senator, that a $360 million figure is a fair adjustment for you to make.

I would like to take the $360 million figure to conference in view of the $10 million Latin American figure I am talking about, and you end up then with $380 million in conference.

Senator CHURCH. It would mean only about a $10 million cut.

Senator MORSE. If you do this, as far as I am concerned, objection to a time limitation on the foreign aid bill. I think we ought to get the foreign aid bill out of the way in spite of the position that I took yesterday before you go to the convention.

Senator CASE. Let's do it.

Senator MORSE. Mike suggests that I raise it to $365 million. I move we reconsider the action we took on the military items yesterday of $390 and if you agree to reconsider I will then make a proposal of $365 million.

Senator SYMINGTON. Will the Senator yield?

Senator MORSE. Yes.

AN INCENTIVE TO HOSTILITIES

Senator SYMINGTON. I say this with great respect and some experience in the military aspects of this. In my opinion our policies in the Far East, regardless of how you look at it, have been a promotion of the military position and, therefore, an incentive to hostilities over a period of years.

Thinking it over, I think this same thing is true in the Middle East. We did give a lot of arms to Pakistan, we didn't give any to India but we gave such gigantic sums of economic aid to India that we made it possible for them to purchase a tremendous military establishment primarily from the British and they are in the process of doing the same thing today with the Soviet Union.

In the Middle East, which is a different situation and it may be that regardless of the merits of it that we financed a war between, potential war between, Greece and Turkey, just as we actually did, in my opinion, between Pakistan and India, and I am talking strictly from a military standpoint.

What appeals to me about what the Senator from Oregon says is there is one part of the world yet that is relatively an unsophisticated part of the world from the standpoint of weaponry and that is Central and South America, and if we start lending our approval directly or indirectly to financing these countries, we can be developing in South America the serious situation we now face in the Far East and, in my opinion, even more serious situation we now face in the Middle East because of our military aid programs in the past. That also could apply to Europe, at least to some extent where today 6,000 American tanks are up for sale to the highest bidder in Europe.

So I would hope that the committee would give consideration to readjustment of these figures for those generalized reasons.

AGAINST THE ANVIL OF THE HOUSE

Senator SPARKMAN. Senator Morse, did you make a motion?

Senator MORSE. I made a motion to reconsider. I think parliamentarily I have to move that first.

Senator SPARKMAN. Let me say this technically you are not eligible to make a motion to reconsider. However, we agreed in the beginning all decisions would be tentative.

Senator MORSE. That is right.

Senator SPARKMAN. And you can make your motion without reconsiderating.

Senator MORSE. Well, if you take that then my motion will be that we make it $365 million instead of $390 million.

Senator SPARKMAN. Any further discussion?

Senator AIKEN. Have we voted to reconsider?

Senator SPARKMAN. We agreed in the beginning that all decisions were tentative, therefore, we don't have to go through the formality.

Senator HICKENLOOPER. Mr. Chairman, all I will say is we are working this against the anvil of what the House did. We are not working against the anvil of what the administration wants or what they believe is necessary. So we are working against an already reduced budget, that is why I am not for cutting it.

Senator SPARKMAN. Any further discussion? Are you ready for the vote?

Senator Mundt?

MILITARY ASSISTANCE TO KOREA

Senator MUNDT. I would like to find out from you or from the staff, because I can't seem to find it here in these sheets, as I look at these sheets none of this is involved in our armed effort, is that right?

Senator MORSE. That is right.

Senator MUNDT. Arms sales to everybody else.

Senator MORSE. That is right.

Mr. HOLT. The military assistance for Laos, Thailand and Vietnam is funded from the Defense Department appropriations.

Senator MUNDT. Would it have any serious impact on Korea? Here is one place that isn't listed.

Mr. HOLT. Korea, military assistance to Korea, is funded from this appropriation.

Senator MORSE. Furthermore, Karl, may I make clear it is still up to the administration to decide where it shall be taken. We can't, as was pointed out yesterday, specify. Some of us would like to but we can't.

Senator MUNDT. I was going to ask is there any way we can exempt Korea because if it is going to hurt them, they put in 40,000 troops, and I think it would justify the military aid.

Senator SPARKMAN. I think we are in trouble when we try exempting certain countries——

Senator MUNDT. We don't have to go very far. Korea is the only one fighting.

Senator SPARKMAN. In picking out individual countries and saying how much they shall have. I think it has got to remain flexible.

Senator AIKEN. Is that to help the neediest countries? If it is we ought to keep all the money at home.

Senator SPARKMAN. This is not economic. This is military.

DEFEAT OF THE MOTION

Any further discussion? All right, call the roll.

Mr. KUHL. Mr. Mansfield?

Senator MANSFIELD. Aye.

Mr. KUHL. Mr. Morse?

Senator MORSE. Aye.

Mr. KUHL. Mr. Gore?

Senator GORE. Aye.

Mr. KUHL. Mr. Lausche?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Church?

Senator CHURCH. Aye.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark?

Senator CLARK. Aye.

Mr. KUHL. Mr. Pell?

Senator PELL. Aye.
Mr. KUHL. Mr. McCarthy?
Mr. Hickenlooper?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. No.
Mr. KUHL. Mr. Carlson?
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Williams?
Senator AIKEN. Aye.
He would take it all out, as I understand. Williams we vote aye, no question about it.
Mr. KUHL. Mr. Mundt?
Senator MUNDT. No.
Mr. KUHL. Mr. Case?
Senator CASE. No.
Mr. KUHL. Mr. Cooper?
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator MORSE. Aye.
Mr. KUHL. Mr. Chairman?
Senator SPARKMAN. No.
Senator MUNDT. If you exempt Korea I would vote for it.
Mr. KUHL. Mr. Chairman. On this vote it is a tie 9 to 9.
Senator SPARKMAN. The motion loses.
What is next?
Mr. HOLT. The next item, Mr. Chairman, is on page 47.
Senator HICKENLOOPER. We acted on that, didn't we?
Mr. HOLT. No, sir.

RESTRICTIONS ON CUBA

Page 47. This is an amendment which was made on the House Floor which has to do with restricting Cuba, it has to do with restrictions on Cuba, and it says, in effect, that there can be no loans, grants, credits or other assistance under this Act and no sales under P.L. 480 to any developed country which sells or furnishes to Cuba or which permits its ships or aircraft to carry things to Cuba, so long as the Castro regime governs Cuba and continues to export communist subversion to any country of the Western Hemisphere.
So far as we can tell in the staff this has no practical effect because there is no assistance under this Act to any developed country nor are sales made under P.L. 480 to any developed country.
Senator SPARKMAN. What action should we take?
Senator CLARK. Mr. Chairman, I think it is down right silly.
Senator SPARKMAN. Do you move to strike?
Senator CLARK. I move to strike.
Senator COOPER. What did he say?
Senator SPARKMAN. Moves to strike the section.
Any objection? If not it is agreed to.
Next.

WITHHOLDING ECONOMIC ASSISTANCE

Mr. HOLT. On page 49 this is the Conte-Long amendment which was added to the appropriation bill last year directing the President to withhold economic assistance in an amount equivalent to the amount spent for the purchase of sophisticated weapons systems. The only difference between what is in the Appropriation Act and what is in this amendment is to make an exception to it. The Appropriations Act requires a presidential determination that the purchase is vital to the national security and this amendment before you requires a presidential determination only that the purchase is important to the national security.

Senator SPARKMAN. Any motion?

Senator COOPER. We have got the same situation we had yesterday.

Senator SPARKMAN. It changes the word "vital" to "important."

Senator HICKENLOOPER. It is already in the law except that one word.

Senator COOPER. What?

Senator SPARKMAN. Change "vital" to "important."

Senator COOPER. This would mean, suppose a country has considered that its security needs the acquisition of weapons without any reference to our security, this section provides that it must require it to be requisite to our security. Suppose a country felt it was under danger of attack and had to get some weapons, and under this we withhold my economic aid to them unless the President decided it was vital to our security.

Senator SPARKMAN. This changes it to "important."

Senator SYMINGTON. I think it is a very good change.

Senator SPARKMAN. This loosens it up.

PRACTICALLY IMPOSSIBLE TO OPERATE

Senator SYMINGTON. The amendment I had the word was "important," the Conte-Long amendment changed it to "vital."

The people said that "vital" makes it practically impossible to operate, and I would move that the word "important" be accepted.

Senator SPARKMAN. He moves that we change the word "vital" to "important," as the House language does. Any objection?

Senator CLARK. In other words, you move to accept the House language?

Senator SYMINGTON. Because they are reversing themselves. This reverses the Conte-Long Amendment of their own.

Senator COOPER. Yesterday we went through naming the countries, exempting them.

Senator SPARKMAN. Yes.

But this is already in the law naming these countries.

Senator COOPER. Yes, sir, but we moved to strike it yesterday. I move to strike it beginning on line 6 after the word "country."

Senator SPARKMAN. Let's dispose of the Symington motion first. Any objection, if not it is agreed to.

Senator AIKEN. Has this been a highly effective provision of the law?

Mr. HOLT. No, sir, it is not.

Senator SYMINGTON. George, if I may say, the problem was this made it impossible to do things that everybody agreed they wanted to do according to the legal interpretation of the word "vital."

Senator AIKEN. Yes, that is all right, I am for that. But the whole provision itself I was wondering how effective that has been.

Senator SYMINGTON. That I don't know.

Mr. HOLT. The difficulty with this provision, Senator, is it directs the President to withhold economic assistance in an amount equivalent to the amount spent for these things. Now, the difficulty with that is in determining what level of economic assistance you are going to withhold this amount from, because——

Senator CASE. Just double it in the first place and it negates the whole thing.

Mr. HOLT. You really don't know until very late in the game what the level of economic assistance is going to be. It is a very difficult thing, it is a very difficult concept, to administer.

Senator SPARKMAN. Did you make a motion?

Senator COOPER. Yes, sir, we made a similar provision and we struck this language naming countries, and I would move, beginning on line 6, after the word "country" we strike all the language through line 10 and after the word "country."

USING ECONOMIC DEVELOPMENT TO GET WEAPONS

Senator CASE. Strike out "underdeveloped," too, John, make it conform with the action we took yesterday.

Senator SPARKMAN. I don't think you would want to strike "underdeveloped" here because that is what it is aimed at.

Senator COOPER. Yes, we are dealing here with whether they use economic assistance to get weapons.

Senator SPARKMAN. I should think that if we do it it might be well to—I am just thinking off the top of my head, in the report to state that we do not consider these particular countries to be underdeveloped.

Mr. HOLT. Are you sure you want to say Iran is a developed country?

Senator SYMINGTON. They say they are.

Senator SPARKMAN. They are doing mighty well. I wouldn't call them underdeveloped. I would call them developing.

Senator COOPER. My purpose in here is we seem to specify there are certain countries that we approve them to go ahead and acquire sophisticated weapons and we think that is all right.

Senator SYMINGTON. Certainly we want the word "underdeveloped" to stay in this one.

Senator SPARKMAN. They don't like to have themselves called underdeveloped.

Senator AIKEN. I don't want you to refer to Ceylon as an underdeveloped country because you know what their national animal is there?

Senator SPARKMAN. At Ceylon?

Senator AIKEN. That is the elephant. I don't know anybody underdeveloped that uses the elephant as a symbol.

STRIKE "UNDERDEVELOPED"

Mr. HOLT. If I may say so, I don't think it makes any difference whether the word "underdeveloped" is here or not.

Senator COOPER. I won't mind to strike out the word "underdeveloped."

Mr. HOLT. The whole section refers to economic assistance and no economic assistance goes to developed countries.

Senator CASE. I think to make it simple we ought to make it conform to what we did yesterday. Strike it out.

Senator MORSE. I think it should be stricken out.

Senator COOPER. I agree.

Mr. HOLT. To strike out "underdeveloped."

Senator CASE. And the rest of it.

Senator MORSE. I move it be stricken out, the word "underdeveloped."

Senator SPARKMAN. All right.

Senator PELL. And the other words, "Turkey, Greece, Israel," et cetera.

Senator MORSE. As we did yesterday.

Senator SPARKMAN. Make it conform to what we did yesterday. It is agreed to.

Mr. HOLT. You strike "underdeveloped" and you strike "other than Turkey, Greece, Israel" and so forth.

Senator SPARKMAN. That is right.

SENATOR MCCARTHY'S PROXY

Senator MORSE. I want to announce to the committee that Senator McCarthy has given me his proxy and instructions that I should vote him aye in favor of the $365 million figure.

Senator HICKENLOOPER. When did that happen, after the vote?

Senator MORSE. It just came from the telephone.

Senator HICKENLOOPER. We have already voted on it.

Senator MORSE. It is a question of whether or not you want to deny Mr. McCarthy his right to have his vote counted now or whether we go through the procedure of voting again. Certainly it would be in order to vote again if you want to do that.

Senator CASE. Did anybody else not vote? Are we sure about John Williams?

Senator HICKENLOOPER. He voted.

Senator SPARKMAN. Everybody voted in person or by proxy except McCarthy.

Senator MORSE. I have his instructions to vote him aye.

Senator CASE. I wouldn't object but I do think we ought to get specific word from John Williams. I am sure George would feel more comfortable if we had it.

Senator MORSE. I would be glad to have you because I talked to Williams yesterday and he is not for the cuts. He is not for the specific cuts but he says "I am with you for all the cuts."

Senator SPARKMAN. Let's withhold, certainly I believe the committee would agree for McCarthy's proxy to be counted but let's also agree to check John Williams to be certain and then we will be certain on everybody.

Senator CHURCH. Right.

Senator SPARKMAN. All right, we will withhold final action.

ANTAGONISTIC TO A CONFERENCE

Senator MORSE. I would hope some of you, if I may make a final word, some of you would consider reconsidering because I make a plea here to go to the floor of the Senate with some unanimity of strength rather than go for a split on this. I don't know why you fellows are so antagonistic to go to conference.

Senator MANSFIELD. I think, Wayne, the chairman has indicated it would be reinstated.

Senator MORSE. I think we ought to go there and get this bill out of the way.

Senator SPARKMAN. Let's wait and see what the outcome is.

Senator CASE. May I say a word? I don't disagree with unanimity, but I think it ought to apply to economic assistance and I think Joe's thing ought to be involved in the same thing. I am presently for Joe's motion and against yours, that is raising it back to the House Committee in toto. I think it is only fair to consider we should have unanimity on all these matters, and I——

Senator CLARK. I am flattered by what you say, but I don't know what my motion is.

Senator CASE. I thought you were going to make a motion to recommit to go back to the House figure.

Senator CLARK. Yes, I am.

Senator HICKENLOOPER. What?

Senator SPARKMAN. He gave notice before we closed to file such a motion.

Let's wait, it may be settled. As far as unanimity is concerned we know we are not going to have unanimity. We are just going to have to take it to the floor and get a decision.

Now, the next amendment.

SALE OF F–4S TO ISRAEL

Mr. HOLT. The next item, Mr. Chairman, is on page 49 beginning on line 14. This is the provision for the sale of F–4s to Israel.

Senator CLARK. Mr. Chairman, I would move that we accept this language. It looks a little tougher than it is because when you read on down through here, the President is to take such steps as may be necessary as soon as practical, it seems to me to make a negotiated agreement, it seems to me this gives him enough flexibility, I don't see why we have to soften the language.

Senator HICKENLOOPER. It doesn't say he may, it says he shall, this is a mandate.

Senator CLARK. As may be necessary.

Who decides what is necessary.

Senator HICKENLOOPER. He does.

Senator CLARK. He does, sure. So he has got flexibility.

Senator HICKENLOOPER. No, but he must take the steps.

Senator CLARK. He only takes steps——

Senator HICKENLOOPER. I think this is absolutely undefensible legislation in this kind of a bill. Normally we don't mandate the President to do things. Now, the language that was really adopted on the floor of the House was permissive language.

Senator CLARK. Well, this is the floor language we are talking about.

Senator HICKENLOOPER. I know but between what happened on the floor of the House and what they put in the engrossed bill somebody slipped a Mickey Finn in there.

Senator SYMINGTON. They say in the sense of the House it is an error according to the staff who investigated, it is an error in reporting.

Senator SPARKMAN. Even if it isn't we have the right to set our own language.

And I don't believe we ought to have the "shall" in there.

Senator SYMINGTON. In the record it says authorized and requested.

Senator SPARKMAN. I don't believe we ought to use the term "shall."

Senator HICKENLOOPER. I think we ought to knock the whole thing out and see what we do in conference. I tell you we only have one leverage to get that Middle Eastern situation, one big one, and that is the F–4s to Israel.

PHANTOMS TO IRAN

Senator SYMINGTON. Well, you have got this problem now, and you might as well face it and I have been doing it and we had hearings on it. You have got in the military sales bill $296 million, and in there is $100 million to sell 50 Phantoms to Iran. The Israelis want the 50 Phantoms because they think it is necessary to their survival. It is absolutely inconceivable to me that this committee would agree to sell 50 Phantoms to Iran on the same terms that Israel would like to have in the same part of the world, and when I asked Warnke whether he thought Iran was in more danger of invasion than Israel, he is a good man, Assistant Secretary of Defense, we just both began to laugh.

In addition to that you have another one——

Senator HICKENLOOPER. Stu, as we go step by step let's go that way. It is not a mandate to sell them to Iran. This is not a mandate. Let the President sell them to them if he gets the proper deal.

Senator SYMINGTON. Well, that is a point, but I want to make my points on it.

Then, the next thing is this: Hussein, for whom I have admiration and have known for many years, lost his cool and joined with Syria and UAR and among other things shelled Tel Aviv and so forth and was an active—and he also issued orders that I have seen to destroy everybody alive in any of the villages he captured. So, however, he just had to do it because of the radical elements in Jordan.

ATTACK ON THE U.S.S. "LIBERTY"

Senator HICKENLOOPER. Just at that point since we are taking them step by step, the Israelis attacked and killed 37 American boys on an American ship on the high seas when they knew the ship was in there and both the judicial review by Israel and our own Navy review said it was not an accident. And they deliberately attacked that ship.

Senator SYMINGTON. Well, I don't see what that has got to do with Israel and Jordan's position.

Senator HICKENLOOPER. You were talking about Jordan.

Senator SYMINGTON. I know the Israelis apologized and paid money and somebody in the lower echelon made a mistake.

Senator HICKENLOOPER. It is wonderful for the families of the boys who were killed.

Senator SYMINGTON. I beg your pardon?

Senator HICKENLOOPER. I say it is wonderful for the families of the boys who were killed.

Senator SYMINGTON. I am looking at this from the standpoint of my interest in the Middle East as chairman of the subcommittee, and I think it is important to the security of the United States that we have one friend in that part of the world in the Eastern Mediterranean. Some of the things that are going on in Turkey, they are beginning to attack our sailors, they do not like us in the country; the same thing is now true in Lebanon and it seems to me it would be difficult to say that it wouldn't be to our interest to have Israel as a friend.

Let me get back to what I was trying to say about the bill. I am sorry about the *Liberty*. You and I have discussed it many times. It is an unfortunate accident, they have done the best they could to apologize, we have accepted the apology.

FUNDS FOR JORDAN

Now, getting to Jordan, in the military sales bill there is quite a lot of money for Jordan, and the money is for airplanes, as I remember, that is correct, is it not.

Mr. HOLT. In the sales bill?

Mr. BADER. No, Senator, not for the projected program.

Senator SYMINGTON. I know it is $21 million. What is it for?

Mr. BADER. The sales are for miscellaneous repair and spare parts, vehicles.

Senator SYMINGTON. Is it true in the U.S. we are training Jordanian pilots today?

Mr. BADER. Yes, Senator, that is correct.

Senator SYMINGTON. This is getting pretty complicated because Jordan and Israel were fighting each other and this is being done because the State Department has said to Israel "we believe it is in the best interest to maintain Hussein," and the Israelis did not approve it but they have acquiesced, and it seems to me it is a very logical thing for us to furnish these planes for another reason. The Soviet Union has declared its enmity as of now to Israel. In 1948, 20 years ago, when I was in the executive branch, it was a close race as to who would approve Israel the most as a state, ourselves or the Soviets. We did it by a few hours, Gromyko's statements were just as flowery.

Now, you are getting into a situation here where the only other country besides the Soviet Union and the United States that can furnish these planes to Israel is France. For reasons which I don't think we should take too much credit for, because of oil interests and other interests, we suggested that the Israelis not buy our planes, which took the job away from people in our plants, buy them from France, so we designedly gave a great big, hundreds of

millions of dollars of business to France because the Israeli Air Force today is a French Air Force primarily. They have paid de Gaulle for the 50 Mirages, and de Gaulle will not allow them to be delivered to Israel. The story is that he is utilizing these 50 planes, these 50 Mirages, which is just as good a plane as the F–4 or MIG–21 to negotiate an oil deal with Iraq. So he has given the back of his hand to Israel just like he has to Great Britain and to us.

PRESIDENT'S CONSTITUTIONAL AUTHORITY

Senator SPARKMAN. Stu, may I say in that connection, that this letter from Assistant Secretary Warnke—did you see it yesterday?

Senator SYMINGTON. No.

Senator SPARKMAN. It says that "furthermore, first now we are delivering 88 new A–4 Skyhawk attack aircraft to Israel. These will more than make up Israel's war losses and will significantly improve Israel's attack capability. Furthermore, there is a good possibility that Israel will receive the 50 Mirage aircraft she purchased from France, most of which have now been produced."

Now, furthermore, this memorandum regarding the position of the executive branch, of course, they opposed the President being direct, and they say it infringes upon his constitutional authority and responsibility to conduct foreign affairs, but this with reference to the defense needs of Israel.

The defense needs of Israel, particularly for aircraft, are under continuing review at the highest levels, as indicated in the joint communique issued after Prime Minister Eshkol's visit in January 1968. The two leaders have said that any decision will be made "in the light of all relevant factors, including the shipment of military equipment by others to the area.

In the light of the joint position expressed in this communique, the provision would be unnecessary to support Israel's defensive capabilities.

I would not suggest striking the section, but I would suggest changing that "shall."

Senator CASE. To what?

Senator SPARKMAN. In fact, I am not sure under the light of things that he needs this at all, but if you want to put something in I would simply say he is authorized, after negotiations, to do these things, and I wouldn't say at least 50 planes, I would say not more than 50 planes.

Senator COOPER. Mr. Chairman?

Senator SPARKMAN. Senator Cooper.

SUBSONIC PLANES

Senator COOPER. As the new but not the youngest member of this body, I would like to give my view.

First, and I am not going to dwell on this, I think there is a legal point, a constitutional point whether you can direct the President of the United States to negotiate an agreement. You might be able to say it is the sense of the Senate that you should negotiate such an agreement, but I believe almost, I believe we would agree, even a good constitutional lawyer like Senator Morse, you can't make him negotiate an agreement.

But to go beyond that, I am against the whole amendment and I will tell you why. I think as a practical matter, what you suggested there rather has been said by the Secretary of Defense, they have already agreed to provide them 88 planes, evidently they are not as good.

Senator SYMINGTON. They are not pertinent. They are subsonic airplanes.

Senator COOPER. They are not as good.

Senator SYMINGTON. They will not be effective in who is going to control the air which is the guts of the problem.

Senator COOPER. Of course they suggest in here that France will provide them.

Senator SYMINGTON. If the Senator will yield.

Senator COOPER. Yes.

Senator SYMINGTON. The A–4s were purchased by the Israelis from us at the time it was also agreed by the French that they would give them 50 Mirages. So what you do when you give them half of what was agreed you are giving them half of a step-ladder to get to the second floor which is equality on some basis.

NEEDING THE PLANES TO SURVIVE

Now, I want to make this point: There have been a lot of misstatements about this. They believe that they need these planes to survive. If you are going to take our Joint Chiefs of Staff against their Joint Chiefs of Staff, which is interpreted through the State Department, where I have had the worst figures of all, then I think you also ought to compare what they did in their war in six days with what we have done in our war in four years as to who knows what is needed the most.

What you are doing is—the day before yesterday Arabs hijacked an Israeli plane to Algeria, Algeria is the strongest of all the Arab countries in playing footsie with the Soviet Union as well as with de Gaulle, and their planes were on the way to defend the Arab countries or to attack Israel when the war was over.

At the time the war started the ratio of supersonic planes, which is what we are talking about, and I went into this very carefully, in complete detail in the Middle East myself, was one to four. Today the ratio is one to seven of the supersonic planes in favor of the Arabs, 7 Arab supersonic planes for one of Israel.

This may not be the way to do it and I am not going to labor the amendment per se. It seems to me that legally it is the wrong way to do it, but I certainly think if we don't do it that we ought to include the money, if it is decided it is not the way to do it, in the military sales, the least we can do, if we are going to sell 50 Phantoms to Iran, and we don't sell them to Israel, and we also are going to sell equipment to Jordan, I think our situation has gotten absurd.

It was only the day before yesterday, that Nasser now that he has got back the planes and the story is that the Soviets are saying to him "this time keep your mouth shut and act before you start talking." The story also that I got in Greece as well as in the Middle East was that Nasser murdered this so-called best friend of his because the guy said "I told you, you stupid so and so, you should have acted before you talked," and the day before yesterday Nasser

announced that a war with Israel was inevitable, and they were getting ready for it.

So it is inconceivable to me, whether this amendment is right or wrong, that this committee shouldn't provide the money to buy the planes, that they were going to get from the French and for which they have paid, because otherwise there is no place they can get them.

Senator CLARK. Will the Senator yield?

Senator SYMINGTON. The Senator from Kentucky yielded to me.

PRESSURE IN THE UNITED STATES

Senator COOPER. One, I go back to my point, I don't think we can force the President to do that.

Second, at some point in our bill, if you want to provide the money so it is available if needed, I have no objection to that as an individual.

But I think this is wrong to write into a foreign aid bill that you are going to provide military planes to Israel. I think it just exacerbates the situation.

Senator SYMINGTON. What do you mean exacerbates?

Senator COOPER. Well, the problem out there, the trouble out there, we all know this, if the administration is going to gradually and continually make available weapons to them because of the pressure——

Senator SYMINGTON. I don't know it at all.

Senator COOPER. Because of the pressure here in the United States. But I just don't think——

Senator SYMINGTON. Where are your facts to justify that statement?

Senator COOPER. It doesn't belong in the foreign aid bill, in the conduct of affairs to try to adjust these problems in the Middle East are ones for the President.

Senator SPARKMAN. Will you yield to me for a suggestion?

Senator COOPER. Yes, sir.

Senator SPARKMAN. I think we might as well be practical about this thing. We fought these questions out on the floor of the Senate before, and you know good and well the Senate is going to vote it in, and I think it does a great deal more trouble airing it there on the Senate floor than it does having it written into the bill. If it is written into the bill, I dare say there will be no motion to strike it out. I do believe that we can modify it and we ought to modify it so as to take away that direction.

Senator CASE. I would like to join the chairman.

Senator SPARKMAN. Also I think we don't want to pass judgment on how many they are entitled to. I would say not more than 50 if you want to put a limitation on it. If you don't want to put a limitation just leave the numeral out.

Senator Cooper?

Senator COOPER. I don't care if we have a roll call vote but I am going to move to strike it.

A SALE NOT A GIFT

Senator SYMINGTON. Before we have a roll call vote I would hope if we do strike it we would add in the military sales, this is sales

on terms so that it is business, you see, it is not giving the taxpayers money like we do in Pakistan and India and all these other countries that have suckered us for so many years, this is a sale, and I would like to read these figures because there is a lot of talk around this town that their position is much better today than it was before, and here are the facts: In June 1967 Egypt had 120 MIG–21s, that is the best day fighter around, with one exception, the SU–7. Today they have 130. So they have gotten more than they had before.

In June of 1967 they had 65, Syria had 65, today they have got 60.

In June of 1967 Iraq had 32. Today they have got 32. So it is a fair statement to say that with respect to the MIG–21s that the Soviets have now more than replenished what the UAR had before Israel—before the war.

In addition to that the new plane is the SU–7. In June of '67 Egypt had 20, today they have got 60.

Syria had none of this new plane, which has never been allowed in North Vietnam. Today they have got 40. Iraq had none, and today they have got 32.

Senator CASE. What is it for, is it a fighter bomber?

Senator SYMINGTON. Yes, it is a larger plane than the MIG–21 and, therefore, not as good as the MIG, but it is a supersonic airplane in the fighter bomber class. It is a good question.

So that supersonically Egypt at the time of the war had 170, and today they have got 190. Syria at the time of the war had 65 and today they have got 100. Iraq at the time of the war had 32 and today they have got 64.

Now the figure to me which is the interesting figure, and we are talking supersonically that the ratio was 267 for the Arabs at the time of the War and 67 for the Israelis, that is why that had to hit and hit quicker or they would have been promptly destroyed.

Senator MORSE. How many of these SU–7s do they have?

Senator SYMINGTON. The SU–7s they have nothing.

Senator CASE. They are Soviet?

Senator SYMINGTON. Yes, they are Soviet planes.

Today, you see, the ratio, supersonic ratio, and that is the ratio that counts to control the air, the rest of it is relatively unimportant because if you control the air you can move anything and if you don't control the air you can't move anything, today the Arabs have increased their supersonic planes from 267 to 354, and the Israelis' supersonic planes have decreased from 67 to 50. In other words, the ratio was before the war supersonically l to 4, and it is today 1 to 7 against Israel.

Now, if we are not willing to sell this little country, whether it was right or wrong for it to be started is a detail, but I was Secretary of the Air Force when it was started and I was on the National Security Council, and I know we are the ones who started the country, so what we are going to do if we don't on some basis allow them to buy these planes after the French have refused, we are going to underwrite the annihilation of these people. It is just as clear as light and that is my position on it.

Senator SPARKMAN. Senator Church.

OBJECTING TO A MANDATE

Senator CHURCH. Mr. Chairman, I was going to say I agreed with you when you said this matter is going to come out to the floor and if the past is any guide the Senate is going to provide some provision and there will be a lot of debate of a kind that won't be helpful, and in the light of that, I was going to suggest that we convert this to a kind of a sense of Congress statement that the President should take such steps as may be necessary so that we eliminate the constitutional difficulty, and the direction that is now included.

Senator HICKENLOOPER. That is what we have been talking about all the time, I have no objection to that. It is this mandate I am objecting to.

Senator MORSE. I want to say something about this problem which won't be too long. I shall vote for the Symington language if it is put to a vote. I agree with the chairman and Senators Case and Cooper and Church and now apparently Hickenlooper, too, that we ought to consider some modification in language whereby we make it perfectly clear that we think that the money should be available and that the President should make the sales.

The constitutional question, I think, is a very mooted one. I think that the Symington language, in effect, is that the advice we give the administration as to what we think they ought to do with a certain portion of the money set forth in this bill to sell these planes to Israel, but I think you have got to face up to the fact that not only the day before yesterday did Nasser say that war with Israel was inevitable, but this morning's paper says that his troops will not be ready until 1970, but he reaffirms the fact that his intentions is as soon as they are to make the war, and you cannot escape the arithmetic that Senator Symington has just quoted, the air power of the Arabs is being built up and we are a party to building it up. We are not only party to building up the air power of the Arab countries but we are also providing for other military assistance to them. For some reason there seems to be a great reluctance to give any military assistance to Israel. Every time it is proposed you run into opposition to it.

A DEFINITE MORAL OBLIGATION

I think Symington is completely right. I know something about the formation of the State of Israel, as the rest of you do. We have, I think, a very definite moral obligation, I think we have some legal obligations, too, to come to the assistance of Israel, not after she is attacked but to help keep her in a position so she won't be attacked.

The *Liberty* incident has been brought up. I think it is a very unfortunate thing. As Bourke says the money payments don't help the bereaved parents very much. That is true of any case where money damages are collected in civil actions where there is an automobile accident or negligent homicide or what not. But at least it is the only procedure that is available under the circumstances. But the record is also clear that if the messages had been properly delivered to the *Liberty* she wouldn't have been where she was. That our government had recognized that that wasn't the place for the

*Liberty*. That it ran a danger of being provocative and had sent the messages for her to change her course and be elsewhere some way out to the Philippines, as I recall, and then a second time misdirected them and if those messages had been delivered she wouldn't have been where she was. But I think it is ancillary and subordinate to the question that is before us. The question is whether the United States is going to make clear to the people of our country and to Israel that we are not going to let her be annihilated because of a want of arms that we can make available to her.

STRONG ADVICE TO THE PRESIDENT

If you can take Sparkman's proposal, modify the language in some way so that it is pretty strong advice to the President that we think he should sell under the Sales Act these planes, that is all right with me, I will go along with it. But if we can't get that kind of language adopted we have to come to an up or down vote on the Symington language. I am going to vote for the Symington language.

Senator SPARKMAN. Senator Clark?

Senator CASE. Just on one part of the Senator's statement, I want to put in my two cents. I think it is not at all clear that Congress does not have the right to dispose of United States property without regard to the President.

Senator MORSE. I said so.

Senator CASE. I just wanted to underscore the fact that I am not conceding that the President has sole authority.

Senator MORSE. I am not at all.

Senator SPARKMAN. No, I don't think anybody would contend that. Senator Clark?

REVISED LANGUAGE

Senator CLARK. I agree with you and unless you have language, which I will be happy to accept, I have language to suggest.

Senator SPARKMAN. The staff has drafted some and I have passed it on to Senator Church.

Senator CHURCH. I have something to suggest.

Senator CLARK. I have too.

Senator MORSE. Read what you have.

Senator CLARK. I would suggest rewriting subsection (d) starting on line 14 to read as follows; and again this is just a half-baked suggestion:

> The President is requested to take such steps as may be desirable, as soon as practicable, after the date of enactment of this subsection, to negotiate an agreement with the Government of Israel providing for the sale by the United States of such military planes as may be necessary in order to provide Israel

And then follow the language as it now is.

Senator MORSE. Rather than requested, I would say recommended or advised.

Senator CHURCH. May I make another suggestion?

Senator HICKENLOOPER. Mr. Chairman?

Senator SPARKMAN. Let Senator Church.

Senator CHURCH. I think it would be a little stronger and to conform with what has been practice in the past to let the section read:

It is the sense of Congress that the President should take such steps as may be necessary.

Senator CLARK. That is all right.

Senator SPARKMAN. Now, Senator Hickenlooper.

PROBABLY UNCONSTITUTIONAL

Senator HICKENLOOPER. I tried to say earlier that this morning's, in the military sales division, not in this bill, as a matter of fact, it belongs in the military sales proposition, and it is permissive to make these sales if the executive wants to make them, just like we make sales to Jordan or any other country.

My objection is to this mandate that is contained in here. I think it is bad law and probably unconstitutional.

Senator CLARK. We have taken the mandate out.

Senator HICKENLOOPER. I do know the Russians are coming down through that section there, if we let them do it—they have got their eyes on the southern part of Arabia, and on the Red Sea, and I think it is a potential danger that we don't face up to, and——

Senator SYMINGTON. The reason we don't face up to it is because we are spending $2½ million——

Senator HICKENLOOPER. Stu, I didn't interrupt you on your perorations that you have been going through here.

Senator SYMINGTON. Excuse me.

Senator HICKENLOOPER. You have taken up more time than three other people.

Senator SYMINGTON. No, you interrupted me a couple of times by talking about the *Liberty*.

Senator CASE. Mr. Chairman, will you hammer these guys down? Let's have a little order.

Senator HICKENLOOPER. I was talking about the *Liberty* and I will talk about it again in whatever I have to say and I have read the investigation.

Senator GORE. Let's have order.

Senator SPARKMAN. Let's get to this amendment.

Senator HICKENLOOPER. I am trying to.

Mr. Chairman, I want to talk just a minute, if I may. We have all been patient about other people.

Senator SPARKMAN. I know it.

THE ATTACK ON THE LIBERTY WAS NOT AN ACCIDENT

Senator HICKENLOOPER. In their long discussions and all that sort of stuff. I have read the judicial review of Israel itself. If you have read that it indicates that they know it was not an accident, they knew that ship was there, they knew it by name. It was in international waters. Our own review by the Navy said it was not an accident, that is it was not just a blind accident. They knew the ship was there. They deliberately attacked it, after three or four hours surveillance by airplanes and everything else, with the American flag flying on this ship. And we just say if Israel does it it is all right. If Nasser had hit this ship we would have had a cry in this country to go to war with him.

But now I think we ought to put this in the military bill and let them sell, if they believe it is proper to sell, I think it ought to go

in there. It is the mandatory part of this that I think is very, very dangerous, and over in the House, and I have checked on this, they know what passed on the floor of the House and it didn't pass this way on the floor of the House.

Senator SPARKMAN. No, but the language that is proposed here is virtually the same or the language that Joe suggested.

Senator HICKENLOOPER. It was permissive as it was passed on the floor of the House.

Senator CHURCH. I would like to propose some permissive——

Senator PELL. If it was permissive when it passed the House why is it mandatory here?

Senator SPARKMAN. They got it mixed up. Joe Clark's proposal was strictly permissive.

Senator CHURCH. Yes.

Senator HICKENLOOPER. Do you want to hear what passed the House?

Senator PELL. I would like to.

WHAT PASSED THE HOUSE

Senator HICKENLOOPER. Here is what passed the House, on the floor of the House. This is in the Record.

The President is authorized and requested to negotiate an agreement with the Government of Israel for the sale of military planes commonly known as F–4 Phantom jet fighters necessary for the defense of Israel in such numbers as shall be adequate to provide Israel with a deterrent force capable of preventing future Arab aggression by offsetting sophisticated weapons received by the Arab states and to replace losses suffered by Israel in 1967 conflict.

That goes too far. I think that—but that is not a mandate, that is permissive.

Senator SPARKMAN. Would you move to amend that?

Senator HICKENLOOPER. No, because I am not for that.

Senator SPARKMAN. Would you move to strike this?

Senator HICKENLOOPER. And let it go into the military sales bill, whatever they want in there?

Senator SPARKMAN. Senator Pell?

Senator PELL. I am just bothered by this because I don't understand how it can change that way.

Senator HICKENLOOPER. Somebody slipped it in.

Senator PELL. I happen to agree with you.

Senator SYMINGTON. We tried to find out why the change.

Senator SPARKMAN. Let's have a motion.

AN INDUSTRIAL RIVALRY

Senator CHURCH. I will make a motion to put the matter to a test. I would make the motion to change the wording of subsection (d) beginning on line 14 so that the subsection will read as follows:

It is the sense of Congress that the President should take such steps as may be necessary, as soon as practicable after the date of enactment of this subsection, to negotiate an agreement with the Government of Israel providing for the sale by the United States of such number of F–4 Phantom jet fighters as may be deemed necessary to provide Israel with an adequate deterrent force capable of preventing future Arab aggression.

And right on down. This makes it a sense of Congress.

Senator AIKEN. I think you are going to get into a hell of an industrial rivalry fight on the floor of the Senate if you specify the exact kind of plane that is to be furnished.

Senator SYMINGTON. I agree with that. I would like to add, if you want to put anything in here, and I am not wedded to this House business, it is just that you have got to the expression of the House because there has been skullduggery in the situation that will develop some day, that I would like to add to it on the same terms that you are selling planes to other countries.

Senator HICKENLOOPER. Listen, I go for that.

Senator SYMINGTON. I thought you did, you see.

Senator HICKENLOOPER. I have been trying to say it for a half hour.

Senator SYMINGTON. I thought you had just gotten yourself—of course, when you start talking liberty I am for it, and freedom, I thought you got sidetracked on the *Liberty* with which I have agreed with you for months it was a very stupid and dumb thing to do. I think there were some extenuating circumstances.

Senator CHURCH. I think George Aiken has a good point.

Senator AIKEN. Because I think certain members of the Senate are going to take exception.

Senator MORSE. George is completely right; take it out.

Senator AIKEN. I would take the whole thing up in conference as far as that goes and see if we can avoid a floor fight which brings in extenuations that would make hard feelings, that is all.

Senator SPARKMAN. Why don't you modify your language?

DIRECTING THE SALE

Senator CHURCH. I modified it, Mr. Chairman, so it reads as follows:

> It is the sense of Congress that the President should take such steps as may be necessary, as soon as practicable after the date of enactment of this subsection, to negotiate an agreement with the Government of Israel providing for the sale by the United States of such number of military planes as may be deemed necessary to provide Israel with an adequate deterrent force.

Senator SPARKMAN. What is wrong with that?

Senator SYMINGTON. Well, I don't like that because, I will tell you why, there are a lot of experts in this government who do not think that Israel needs these planes, and if Israel is willing to buy the planes on the same terms we are selling them to Iran, for example, I think we just ought to say if we are going to put anything at this point that we will agree to sell planes to Israel, supersonic planes to Israel, that is the word, on the same terms we are selling them to other countries in that part of the world. That is what I would say. Then you have got it.

Senator CHURCH. It is not a question of directing the sale of American property. I don't think you can direct or force the President to do this.

Senator SYMINGTON. I don't think so either.

Senator SPARKMAN. I understand he would keep your language it is the sense of Congress, he would not say shall sell, isn't that right, Stu?

Senator SYMINGTON. Yes, sure.

SELL SUPERSONIC PLANES

Senator SPARKMAN. Keep that language, but simply instead of saying such military planes say supersonic, would that cure it, Stu?

Senator CASE. Even the House language doesn't do what you want.

Senator SYMINGTON. No. But it is better than nothing. If you take the thing out and kick it out then I think you are going to have a lot of trouble in the House because they feel very strongly about it, and some of them have written me about it, others have called me about it. I just think it is terrible when this little country is trying to live, when it paid for these planes to France we don't sell them the planes. I think the administration is in very deep, to me, moral trouble here with respect to all this shenanigans that has been going on about it.

Senator CHURCH. Could we change military planes to supersonic and say as may be necessary.

Senator SYMINGTON. It is the sense of Congress that the administration——

Senator CHURCH. The President shall take such steps.

Senator SYMINGTON. The President should take such steps as are necessary to sell Israel supersonic planes that they desire on the same basis that they are being sold to other countries in the same area.

MUTUAL SECURITY

Senator GORE. Could I suggest a little change "as may appear in our mutual security," "as may appear necessary for our mutual security."

Senator SYMINGTON. Albert, I don't want to labor it and I have great respect for that. There is only one thing that I did not understand. I went over there, I went over the battles, I saw how outnumbered they were when they started the campaign if it hadn't been done with great brilliance they had no chance, they couldn't attack Jordan or Syria until they had completed their attack on Egypt, and if it hadn't gone well they were in deep trouble because Iraq was moving its planes in as was Algeria and so forth.

Now, the people in the State Department, they dominate the Pentagon apparently in this and the Joint Chiefs, too, however, they say that they don't need these planes because the morale is so low in the disorganization.

Well, the Israelis say "we do need it. We are willing to pay for them. We proved that we felt we needed it because we bought them from France" and France has now reneged on the deal, so you see, I hate to leave it up to the decision here. Why not sell them if they think they need them. It is good business for us.

Senator GORE. My only point was, I don't think it is a major one, you say, you frankly agree as may be necessary. As may be necessary for what? I want to say.

Senator SYMINGTON. Israel's security.

Senator GORE. For mutual security.

Senator SYMINGTON. Israel's security.

Senator CHURCH. Listen to this language, I really think it does everything you want to do and it avoids the problems we have been

discussing around the table. I don't think we should tie it to some other country because that just gives them an excuse to say "we didn't sell them. We only sold so many planes to this other country, therefore, we are giving Israel only equal treatment which the language requires."

I would say the best language to accomplish your purpose would be the following:

It is the sense of Congress that the President should take such steps as may be necessary, as soon as practicable after the date of enactment of this subsection, to negotiate an agreement with the Government of Israel providing for the sale by the United States of such number of supersonic planes as may be necessary to provide Israel with an adequate deterrent force.

Senator SYMINGTON. That sounds satisfactory to me.

Senator SPARKMAN. All right.

DETERMINING WHAT IS ADEQUATE

Senator HICKENLOOPER. Mr. Chairman, who is going to determine what is adequate?

Senator CLARK. The President.

Senator HICKENLOOPER. Three times as many planes may not be adequate.

Senator CLARK. The President who is the Commander in Chief.

Senator HICKENLOOPER. It is bad language.

Senator SPARKMAN. This is offered as a motion.

Senator CHURCH. As a motion.

Senator SPARKMAN. To substitute for paragraph (d) of the House language. Are we ready to vote?

Senator COOPER. May I ask a question in the event this is adopted, does this conclude action on this section or would it still be in order to offer other language as a substitute?

Senator SPARKMAN. No, I believe if it is adopted it closes it. I think any perfecting amendment to this section would have to be offered before action is taken on the amendment.

AN AMBIVALENT POSITION

Senator COOPER. I am going to suggest this as a substitute——

Senator SPARKMAN. Yours is a substitute for his?

Senator COOPER. Yes.

Senator SPARKMAN. Okay.

Senator COOPER. It may sound a little theoretical.

Senator SPARKMAN. Listen to this language.

Senator COOPER. I will explain my reason for it. I think we all ought to agree that Israel ought to have enough planes to defend itself. But in the situation that prevails out there, nobody knows whether the planes either one has are for defense or for attack.

Senator SYMINGTON. I know. I spent a week out there, and I think I know, and I spent a lot of time in Cairo.

Senator COOPER. And taking into consideration the statements we have had both from Defense and the State Department, which they say it is not immediately necessary, I do not know how much weight you can give to that, you cannot wait for a war to supply people, but the effect of this is, in my mind, and it seems to say that while in the past we have maintained a kind of position which may be, to use a $4 word, ambivalent, now affirmatively we are

saying we are on the side of Israel and we are going to stick with them. Perhaps if trouble comes that is what our position will be, but I do not know why you have to state it so categorically, because I think this would.

Now, this language, I would just ask for a show of hands on it because I am going to vote against this amendment in any form, but this is my view:

It is the sense of the Congress that the United States shall exert its best offices to secure a halt in the arms race between Israel and the Arab Nations in accord with the declaration of the U.S. and the USSR concerning the world arms race, and that the U.S. should continue to use its best offices to assist in obtaining a settlement of the issue between Israel and the Arab Nations.

It is further sense of the Congress if such a settlement is obtained, the United States may make available to Israel such military equipment as will enable to maintain parity with the Arab Nations, taking into consideration the supply to the Arab Nations by the USSR and other countries.

Senator SYMINGTON. What you are saying is after the Soviet Union has given these planes, not sold them, so that they have a lot more of these supersonic planes than they had before the war started, that you think we should give consideration to negotiating a deal between the Arabs and the Israelis. The Arabs have the planes that have been given to them. So the Israelis, because the French welched, said, "Will you sell them to us," and you are saying, "No, we think they should be negotiated in the interests of peace."

I think it is theoretical.

Senator COOPER. I have given my view.

THE CHURCH AMENDMENT

I withdraw my substitute and I will just vote against the amendment.

Senator SPARKMAN. Are you ready for a vote? The clerk will call the roll on the Church amendment.

Mr. KUHL. Mr. Mansfield.

Senator SPARKMAN. He votes aye.

Senator CASE. Parliamentary inquiry, for the benefit, perhaps, of John, and certainly for me, what is the situation? This is a motion to substitute for the language now in here?

Senator SPARKMAN. That is right.

Senator CASE. We will have to adopt that or——

Senator SPARKMAN. No. If it is adopted, why, that takes precedence.

Senator PELL. Could this language be read once more?

Senator CHURCH. I am offering this language as a substitute.

Senator COOPER., This is a substitute.

Senator SPARKMAN. A complete substitute.

Senator COOPER. If we vote on this we would have to vote to adopt the substitute.

Senator CHURCH. We are voting on the substitute.

Senator COOPER. In the Senate we would be doing that.

Senator SPARKMAN. Okay, fine.

Call the roll.

Mr. KUHL. Mr. Morse.

Senator CHURCH. Aye.

Mr. KUHL. Mr. Gore.

Senator GORE. Aye.
Mr. KUHL. Mr. Lausche.
Senator SPARKMAN. Aye.
Mr. KUHL. Mr. Church.
Senator CHURCH. Aye.
Mr. KUHL. Mr. Symington.
Senator SYMINGTON. Aye.
Mr. KUHL. Mr. Dodd.
Senator SPARKMAN. Aye.
Mr. KUHL. Mr. Clark.
Senator CLARK. Aye.
Mr. KUHL. Mr. Pell.
Senator PELL. No.
Mr. KUHL. Mr. McCarthy.
Mr. HICKENLOOPER.
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Aiken.
Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson.
Senator HICKENLOOPER. No.
Mr. Kuhl. Mr. Williams.
Senator AIKEN. Absent.
Mr. KUHL. Mr. Mundt.
Senator HICKENLOOPER. No, I will vote Williams as against the whole business. He told me so yesterday and I will vote him no.
Mr. KUHL. Mr. Mundt.
Senator HICKENLOOPER. No.
Mr. KUHL. Mr. Case.
Senator CASE. Aye.
Mr. KUHL. Mr. Cooper.
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright.
Mr. Chairman.
Senator SPARKMAN. Aye.
Senator PELL. Mr. Chairman, I vote aye.
Senator SPARKMAN. Pell votes aye.
Senator Morse did not say anything about voting the chairman.
Senator CHURCH. No, he did not say. I do not know how the chairman would vote. I think the chairman would favor this.
Senator SPARKMAN. Let me say this about Senator Lausche. Senator Lausche called me this morning. He did not talk to me personally, but talked to my office, and told me to vote him as I saw fit. He has not specifically told me on anything.
Senator HICKENLOOPER. He was pretty definite on his position on this thing to me yesterday.
Senator SPARKMAN. I will withdraw the Lausche vote.
Senator HICKENLOOPER. Not on this particular proposal but on this part in the bill.
Senator SPARKMAN. Okay.
Senator AIKEN. Mr. Chairman, may I say that I do not think we should have this paragraph in at all, but I think the Church amendment is vastly preferable to what is there.
Senator SPARKMAN. Yes.

Senator HICKENLOOPER. I voted against the Church amendment for one reason and one reason alone, and that is he wants to get them up to what he calls either parity or the ability to defend themselves, and I do not think you can write that into the law. I think it is a bad provision in here.

Senator SPARKMAN. Announce the vote.

Mr. KUHL. Mr. Chairman, on this vote there are 11 yeas and 5 nays and they vote as follows: The yeas are Mr. Mansfield, Mr. Morse, Mr. Gore, Mr. Church, Mr. Symington, Mr. Dodd, Mr. Clark, Mr. Pell, Mr. Aiken, and Mr. Case, and you, Mr. Chairman.

Senator SPARKMAN. All right. The motion is agreed to.

AN ANTI-ISRAEL VOTE

Senator COOPER. In a parliamentary way would it be in order for me to offer my substitute now?

Senator AIKEN. The paragraph to be adopted is the question now.

Senator SPARKMAN. In other words, the vote now is whether to really have anything or to have this paragraph. The motion is on the Church substitute being part of the bill. Those in favor say "Aye."

Senator SYMINGTON. Mr. Chairman, I would like to say something about this before we do it. I would not object to Senator Cooper's idea of striking it except for one reservation. I think it would be considered as an anti-Israel vote, and that is what worries me about this, because—well, you can have your opinion about it and I can have mine, you see.

Senator COOPER. Yes.

Senator SYMINGTON. Because the administration has been dangling these phantoms in front of Israel for a long time for reasons that they know better than I do, primarily the State Department.

In addition to that, the whole question of whether or not de Gaulle will or will not sell, ship the Mirages that Israel has bought and paid for, so they are going to buy and pay for planes twice, they are going to pay for these and they are going to pay for the ones they have not gotten, so that that has been dangled by the State Department as maybe we can change de Gaulle's mind. This is not very pleasant to these people who feel that they can be attacked any day again now, with the replenishing of the planes by the Soviet Union to the Arabs. So that is why I would vote against striking it. That is why I think the Church amendment is a good compromise.

I want to say to my friend, and he is my beloved friend, Bourke Hickenlooper, if I get a little out of order that he will forgive me. I have been around here as long as he has, and I do not mean to be.

He has brought up the *Liberty* with me a good many times, and I think he is right, absolutely right. I would hope or would have hoped that they had court-martialed the fellows who did it. But, on the other hand, it has gone farther. We are not talking about that. We are talking about the annihilation of the nation, the women and children, to drive them into the sea. I have seen the battle orders that Hussein put out himself. That is why there was great bitterness against his getting any armament from us, when he said,

"Leave nothing alive." I have got them home, I brought them back with me. I brought it back from Jordan.

I do not want to see these women and children knifed and bayonetted if they are going to get in there, and I feel that very strongly. So the reason I won't support your amendment is that I think your amendment would imply that we did not agree they should get these planes, and I did not think you meant that.

Senator COOPER. No.

ISRAEL'S DEFENSE NEEDS

Senator SPARKMAN. John, may I say this, and it is really supplementing that, when I read the communique that was issued, it was based upon the defense needs of Israel, particularly for aircraft.

They said they would keep it under continuing review and would make a decision "in light of all relevant factors, including the shipment of military equipment by others to the area."

Now, it seems to me your motion, John, your proposal, is rather sweeping and negates a part of that.

Senator COOPER. Negates what?

Senator SPARKMAN. And it would be taken as unfriendly toward Israel.

Senator COOPER. Well, now, let me respond. I do not know whether I can offer it now, I am sorry I did not go ahead and offer it. My reasons were these: One, here is the United States and the USSR who recently made these sweeping statements that they are going to try to achieve a halt in the arms race. The USSR is proceeding to increase, enlarge the arms race in the Middle East.

Well, it can be said we are only responding to that, but by following we, too, are enlarging.

My thought was that this amendment, if I may get your attention, would have the psychological effect—not psychological, I do not think it would have that much effect on the USSR, but the public opinion effect of saying we meant what we said, what the President said, about the arms race.

Second, as regards a settlement in the Middle East, which effort has been going on since 1946 or 1947, something like that, of course there has been no settlement, but at least we have said always we are continuing to work toward a settlement, and so my amendment would reaffirm that.

Now, what it would do, though, it would—and I would change this language—it is further the sense of the Congress, and this would answer your problem, "that pending such a settlement the U.S. may make available to Israel such military equipment as will enable it to maintain parity with the Arab Nations, taking into consideration the supply of military equipment to the Arab Nations by the USSR and other countries."

I think the three-pronged thing we do, we still say we want the arms race halted; we still say we want a settlement; we say though that pending this we will be free to make available to Israel such equipment as will give parity and thereby maintain a deterrent.

Senator SYMINGTON. Will the Senator yield?

Senator COOPER. Yes.

THE RATIO FAVORS THE ARABS

Senator SYMINGTON. Now, the reason we have done such a shockingly bad job in Vietnam militarily—I am not talking politically—is because of all the rules and regulations that we made against air power, Naval air power, and Air Force air power as well as the sanctuary aspect that we demanded of our troops on the ground, by giving Cambodia and Laos, making them sanctuaries.

Now, the ratio today—you talk parity, the ratio today—is 7 to 1 in favor of the Arabs. They cannot afford any more, so they say, you see, that the Israelis cannot.

If you give them the 50 planes the estimates are that the Arabs, not counting Algeria, will have 354 as against 100. Today it is 354 against 50, so there is no parity in this situation at all.

It was before 260 against—to be sure I get my figures right, because this is the core of this problem—when the Israeli war started, not counting Algeria, the Arabs had 267 to 67 supersonic planes for Israel. Today they have 354, not counting Algeria, to 50.

If you give them, if you sell them, not give them, the 50 planes we are talking about, the ratio is still 3½ to 1 in favor of the Arabs, not counting Algeria.

Senator COOPER. That would enable the United States, if it desired to, to make available such military equipment, pending any settlement, to bring parity.

Senator HICKENLOOPER. If you will yield, you making my case against the Church amendment because he says to enable them to come up to parity, or something, and they cannot do it under that amendment.

Senator SYMINGTON. That is what is true.

Senator HICKENLOOPER. That is what is wrong with the Church amendment, and I voted against it.

STRIKE "PARITY"

Senator COOPER. May I offer this as substitute to this section as amended by the Church amendment?

Senator SYMINGTON. You want to keep the word "parity" in there? You do not want parity.

Senator COOPER. Yes, strike "parity." Just say "Make available military equipment."

Senator SYMINGTON. Yes.

Senator COOPER. I will do that.

Senator CASE. I move the Senator be allowed to offer his amendment.

Senator MORSE. With a gentlemen's agreement we do it as a matter of course.

Senator COOPER. I will offer the amendment.

Senator SYMINGTON. What does the amendment say?

Senator COOPER. I will read it again:

It is the sense of the Congress that the United States should exercise its best offices to secure a halt in the arms race between Israel and the Arab States in accord with the declarations of the U.S. and the USSR concerning the world arms race, and that the U.S. should continue to use its best offices to assist in obtaining a settlement of the issues between Israel and the Arab States, as has been U.S. policy.

It is further the sense of the Congress that pending such a settlement the U.S. may make available to Israel military equipment, taking into consideration the equipment supplied to the Arab States by the USSR and other countries.

Senator CLARK. Will the Senator yield?

Senator COOPER. Yes.

AN ANTI-ISRAEL AMENDMENT

Senator CLARK. Is that intended as a substitute for the Church motion?

Senator COOPER. Yes.

Senator CLARK. I would oppose that motion as a substitute for the Church motion. I would not have any objection to it as a separate section of this bill which dealt with arms control and disarmament, as you phrased it. I think we ought to keep the Church motion as it is.

Senator MORSE. I think it is a substitute, in fact, for the Church amendment.

Senator COOPER. I offer it as an amendment.

Senator SYMINGTON. The Church amendment has already passed. This is an anti-Israel amendment. So if you want to put it in, I do not——

Senator COOPER. I offer it as a substitute to the Church amendment, to this second amendment, the Church amendment.

Senator AIKEN. You offer it as a substitute for paragraph (d).

Senator COOPER. Yes.

Senator MORSE. It is a substitute for the Church amendment we have adopted.

Senator GORE. It is entirely in order.

AN INVITATION TO A FLOOR FIGHT

Senator CASE. Mr. Chairman, I understand John's feeling about this, but I think again, coming back to what John Sparkman did at the beginning, that this would be an open invitation to a raging floor fight which would result in a much worse situation, and that is why I am going to oppose it.

Senator COOPER. That is perfectly all right. I want to express my view.

Senator MORSE. Do you want a roll call vote? It is your amendment.

Senator AIKEN. I think his first paragraph is in order. It is his last paragraph that——

Senator MORSE. Those in favor of the amendment raise their hands.

[There was a showing of hands.]

Senator MORSE. Those opposed raise their hands.

[There was a showing of hands.]

Senator MORSE. The amendment is lost.

What is next?

Can we have a showing of hands on adopting the Church amendment?

[There was a showing of hands.]

Senator MORSE. Those opposed?

[There was a showing of hands.]

Senator MORSE. The Church amendment, as amended, is adopted.

CORRECTING THE RECORD

George, would you give us a report so that we can get the item cleared up, on the Williams' position on the military cut amendment?

Senator AIKEN. He is for it.

Senator MORSE. Then the vote will be 10 to 9, and the amendment will pass.

Senator AIKEN. His secretary called and said Senator Williams is for the cut.

Senator SYMINGTON. Mr. Chairman, I ask unanimous consent that I take out of the record something I said about the oil interests.

Senator HICKENLOOPER. Maybe I had better take Zion out of it, too.

Senator MORSE. The Senator from Iowa and the Senator from Missouri are authorized to correct the record to suit their wishes.

STRENGTHENING MANAGEMENT PRACTICES

Mr. HOLT. The next item is on page 53. This is an amendment dealing with strengthening management practices in AID. It was in the House bill last year, and it was not agreed to in the conference, and the House put it back. It is rather——

Senator CHURCH. What page is this?

Mr. HOLT. 52 and 53, Senator.

This provision was in the House bill last year. It was not agreed to in conference. It is in the House bill again this year, and it directs the President to establish a management system in AID that includes a definition of objectives and programs for foreign aid; the development of quantitative indicators of progress toward these objectives; the orderly consideration of alternative means for accomplishing such objectives; and the adoption of methods for comparing actual results of programs and projects with those anticipated when they were undertaken.

This looks toward cost analysis techniques and automatic data processing in AID.

Senator AIKEN. Why don't we strike it out and have a trading material?

Senator MORSE. I think it is a good idea.

Senator CASE. I am not at all sure but what this is not an appropriate thing.

Senator SPARKMAN. Do you make a motion?

Senator AIKEN. I make a motion.

Senator PELL. I vote against it.

SUPERGRADES IN THE DEFENSE DEPARTMENT

Senator SPARKMAN. With Senator Pell's objection we will vote on the motion and it will be for the motion.

Mr. HOLT. On page 55, Mr. Chairman, at the top of the page there are two more or less technical revisions anticipating the enactment of the Military Sales Act.

The first of these would make it possible for supergrades in the Defense Department, would authorize supergrades in the Defense Department, for the administration of military sales from among those that are now authorized for the administration of military assistance and sales.

Senator MORSE. Why don't we go to conference on that one, too?

Senator AIKEN. Okay.

Senator HICKENLOOPER. What is it now?

Senator SPARKMAN. Is that subsection (d)?

Mr. HOLT. It is (c) on the top of page 65, and you can see how it would affect the existing law.

Senator HICKENLOOPER. Did you say 65?

Mr. HOLT. 55, I am sorry. You can see how it would affect existing law at the top of the first column on page 54.

Senator MORSE. I think we ought to go to conference on it.

Senator SPARKMAN. You move to disagree with the House language?

Senator MORSE. We will probably yield to them in conference, but let us take it to conference.

Senator SPARKMAN. Without objection it is agreed to.

Senator HICKENLOOPER. Don't you think we ought to know what we are voting on before we vote to knock it out?

Senator MORSE. I thought you did.

NOT ADDING NEW PEOPLE

Mr. HOLT. The existing law says they can have eight supergrades to administer military assistance and sales, to administer Part II of the Act, which is military assistance and sales.

In anticipation of approval of separate military sales legislation they want to amend the existing law to say that they can have eight supergrades to carry out Part II or any Act superseding Part II, which would be the separate sales legislation.

Senator AIKEN. They need more supergrades; the more the amount you give them the more supergrades they need.

Senator SPARKMAN. Doesn't this simply provide, in other words, it is in the law already relating to Part II?

Mr. HOLT. That is correct.

Senator SPARKMAN. And the provision is for any Act that might take the place of Part II?

Mr. HOLT. That is correct, and the sales bill—

Senator MORSE. I see. It is not adding new people.

Mr. HOLT. No, sir.

Senator SPARKMAN. Any objection? No? Then let us agree to it. It is simply providing that which is already in the law. Next.

Senator MUNDT. You are adding supergrades?

Mr. HOLT. No, sir.

Senator SPARKMAN. None at all.

Senator MORSE. I thought it added, but he says it does not add.

Senator SPARKMAN. What is next?

Mr. HOLT. The next one is a provision analogous to what you have just acted on, but this has to do with administrative expenses for Part II.

Senator HICKENLOOPER. Where do you find that?

FINISH THE BILL

Senator SYMINGTON. John, I told John Stennis I would be on the floor at a quarter of twelve. Can I ask this: Are you going to meet this afternoon?

Senator SPARKMAN. I do not think we can. I am handling this.

Senator MORSE. We are almost done.

Senator SPARKMAN. We are practically done.

Senator SYMINGTON. Will we meet tomorrow morning?

Senator SPARKMAN. Suppose we settle that question here. We have these other matters. Is it agreeable to meet tomorrow at 10 o'clock, not on this bill, I want to finish this bill?

Senator AIKEN. I won't be here tomorrow.

Senator PELL. Some of us must be at the funeral of Mrs. Price at 10 o'clock.[1]

Senator MORSE. Why don't you vote this bill out today?

Senator SPARKMAN. I want to finish this bill. I am talking about the other three.

Senator SYMINGTON. I know only two, military sales and IDA. What is the other one?

Senator SPARKMAN. Non-Proliferation.

All right. Had you rather wait until Monday; will Monday be agreeable?

Senator AIKEN. I won't be here Monday.

Senator MORSE. Make it Tuesday.

Senator SPARKMAN. Tuesday at 10 o'clock.

Senator HICKENLOOPER. We have not acted on this provision. The staff tells me it is the same as the first one.

Mr. HOLT. It is comparable.

Senator SPARKMAN. Without objection it is acceptable. We will make it Tuesday at 10:00.

Senator MUNDT. You have my proxy on IDA, Senator Symington.

Senator AIKEN. We have to vote out, approve, the bill.

Senator SPARKMAN. What is the next item?

EARMARKING FOR EDUCATION

Mr. HOLT. The next one appears at the bottom of the page, page 57. This is an amendment to PL 480 which has been requested by Senator Ellender in a letter to Senator Sparkman, dated July 10, and in the amendment to PL 480 this year, in the PL 480 bill, language was added earmarking 2 percent of foreign currencies for education.

Senator Ellender says that through an oversight this was not excepted from the provisions of Section 1415 of the Supplemental Appropriations Act, and he would like very much to have that done.

Senator SYMINGTON. John, I give you my proxy.

Mr. HOLT. So they won't have to go through the appropriations process.

Senator SPARKMAN. Is there any objection to this proposal?

Senator MORSE. Is this all right?

Senator SPARKMAN. I think it is. Any objection? Without objection it is agreed to.

---

[1] Margaret Price, vice chair of the Democratic National Committee.

What is next, Pat?

Mr. HOLT. The next one is an amendment proposed by Senator Javits and several others which we will pass out copies of. This is a substitute for a much longer Javits amendment which would have established a Peace for Investment Corporation.

Senator MORSE. Mr. Chairman, can I say this about these amendments, these are amendments that should go through the floor by the authors, and we should not consider them here.

Senator MUNDT. I agree we should not have any.

Senator PELL. As a co-sponsor of the amendment I would like to be recorded in support of it.

Senator MORSE. I will support it on the floor but not here.

Senator SPARKMAN. Senator Clark is out there, tell him to come back.

Senator MORSE. He will never get it here.

Senator SPARKMAN. Then without objection that amendment will not be taken up.

Senator PELL. I would like to be recorded, as a cosponsor of the amendment, strongly for it. If this is the will of the committee I will support it on the floor.

Mr. HOLT. I would presume that this decision of the committee would apply also to the amendment proposed by Senator Scott which appears on page 58?

Senator MORSE. I so move.

Senator SPARKMAN. Without objection so ordered.

Senator PELL. I have one other general motion I want to make, too.

PEACE CORPS ACT

Mr. HOLT. There are two other matters, Mr. Chairman. In the Peace Corps bill which passed the Senate there were a number of technical amendments made reflecting codification of other laws and changing section numbers, and this kind of thing.

Senator SPARKMAN. That is technical?

Mr. HOLT. This is technical.

Senator SPARKMAN. Is there any objection to the staff——

Mr. HOLT. It will be added here to clean up the Peace Corps Act.

Senator SPARKMAN. Without objection that is agreed to.

Senator HICKENLOOPER. There is one you have not acted on here.

SOCIAL SECURITY PAYMENTS

Mr. HOLT. Mr. Chairman, there is one other one. What does the committee wish to do about the amendment proposed the other day by Senators Mundt and Williams with respect to U. S. payments to citizens in foreign countries that have filed settled claims of U.S. nationals?

Senator HICKENLOOPER. I thought we acted on that.

Senator MUNDT. No, we had to rewrite it. We rewrote it.

Senator HICKENLOOPER. Yes, that is right.

Senator MORSE. Senator Hickenlooper raised the other day, Karl, the matter of Social Security payments, that is the only thing.

Senator HICKENLOOPER. That is not involved here.

Senator MORSE. That is not involved here?

Senator HICKENLOOPER. I raised the question the way the amendment was worded the other day, that it would exclude any. They found they had picked up the wrong amendment.

Senator MUNDT. This is claims as adjudicated by the Foreign Claims Settlement Commission.

Senator PELL. This would absolutely reverse what we had done in Czechoslovakia where we said people earning Social Security payments and railroad retirement could receive the money provided they got it at the real rate. They are now getting their money, American citizens, Czech citizens, who put into Social Security, they are now getting their checks at the real rate, and if we passed this it would mean withdrawing this agreement, and I think that is a matter of right. People have worked, put their money into the Social Security and Railroad Retirement pensions, and they should be able to receive that money. This says that they cannot receive the money as individuals if there is a claim unsettled that our country has against theirs.

Senator MUNDT. This does not.

Senator PELL. Yes. Forgive me, Karl.

Senator MUNDT. This says they can get their money provided they are not preventing individual claims over there from being paid. It has nothing to do with any other claims except that which may be owed to an individual over here who has a claim, and the Czech situation, the same kind of claim.

Senator PELL. Forgive me, I would like to ask a technical question of somebody on the staff. Would this not reverse what we have done in Czechoslovakia because we have claims, American nationals have claims, adjudicated by the Claims Commission that have not been paid?

Senator MUNDT. That is right.

Senator PELL. And that is——

Senator MUNDT. And they will be paid unless there are claims which American nationals have over there which they refuse to pay which have been adjudicated by the commission.

Senator PELL. I think it would be very harmful because this is balancing apples and pears. We are. saying, on the one hand, an American man, who has worked all his life, and may go back to Czechoslovakia, where he may have been born, cannot receive his pension because the Czechoslovakian government in 1948 seized American business properties and nationalized them, and we have not yet received a settlement for it, and for that reason, the procedure would go in reverse.

Senator CHURCH. This is really unworkable. You could not even send a check to an employee of an American Embassy in Czechoslovakia under the wording of this if any American national we have—under the commission, it decided it has not been paid by Czechoslovakia.

"ADJUDICATED."

Senator HICKENLOOPER. You have the word "adjudicated" in here, and I am trying to find out what it means.

Senator CHURCH. This means that our commission has determined that money is owing to an American national.

Senator HICKENLOOPER. That is the reason I raised the question on "adjudicated," as to whether or not it means just what you said or whether it means that between our commission or our government and the Czechoslovakian government an agreement has been reached which amounts to an agreed adjudication of that claim. That is what I am talking about here. If it means just the finding of our Claims Commission it would do exactly what you say.

Senator CHURCH. Well, that is what is adjudicated by our Claims Commission means to me as adjudicated by the Foreign Claims Commission of the United States.

Senator HICKENLOOPER. Adjudicated by the other country—I am raising the question. I do not know what it means.

Senator CHURCH. Normally adjudicated means that the commission has agreed.

Senator CLARK. It fouls up all our records in our accommodation with Czechoslovakia which is in view of our interests, against our national interests.

Senator PELL. Wayne, I have another motion I would like to make in general terms. I know it will be defeated, but I would like to make the motion.

Senator MORSE. Set it aside.

A TWO-YEAR BASIS

Senator PELL. I would like to move that the program be put on a two-year basis rather than a one-year basis, and I would so move, and I ask for a vote.

Senator MORSE. Two years instead of one?

Senator CHURCH. This bill?

Senator PELL. Yes, the whole bill. I realize——

Senator MORSE. We are setting it aside temporarily until Karl gets back to the room.

Senator PELL. You do not have to have a roll call.

Senator MORSE. Those in favor of the motion raise their hands.

Senator HICKENLOOPER. The House put it on a one-year basis

Senator PELL. Yes. I want a two-year basis.

Senator MORSE. Those in favor raise their hands. [There was a showing of hands.]

Senator MORSE. Those opposed.

[There was a showing of hands.]

Senator MORSE. The motion is lost.

Now, Karl, we are waiting for you.

RECIPROCAL TREATMENT

Senator MUNDT. Well, this is Williams' amendment, you heard him talk about it, of what happened in the Finance Committee, and as he has explained it and explained it to me by the people I have talked to in the State Department, and this is the language which now has been corrected. This deals only with claims which have been adjudicated by the Foreign Claims Settlement Commission of the United States.

Senator HICKENLOOPER. That is the word right there. What does "adjudicated" mean?

Senator MUNDT. That means we have in this country a number of people who have come over here.

Senator HICKENLOOPER. I understand that.

Senator MUNDT. I am trying to tell you, who have come from a foreign country down over the years, they have claims, some have a little estate in the bank, some have had service in the Army or had some pension from the Government, and some of the countries over there refuse to let our people get their claims, they have to go over there and live. The same reverse situation of what Senator Pell points out we want to make available because there have been a lot of Czechs and other people, Russians and Poles and others who have come over here and had government jobs or got jobs with private concerns, earned a pension and have gone back, that they are entitled to, becausethis treats it on a reciprocal basis. This is what I call an anti-Uncle Sucker Act. Why should we do it for them if they are not going to do it for us?

Senator HICKENLOOPER. We understand that, and we have been through here round and about, but the point is what does "adjudication" mean. If it means solely an ex parte adjudication by our own Claims Settlement Commission without the participation in the agreement of the Czech authorities that is one thing. If it means that we have got to go with the Czech authorities, is we have in many cases, on a lot of these claims, and come to a mutual agreement, that this claim is agreed to.

Senator MORSE. It is quite a different thing.

Senator HICKENLOOPER. Then there is an adjudication where the authority, the adjudicating authority, has technically jurisdiction of both parties and comes to an agreement. In that case I could go for this.

If it is just a question of a unilateral declaration by our people here, Frank is right, you could not pay the embassies.

Senator MORSE. I think, Mr. Chairman, we should vote it down here and let it go to the floor.

Senator HICKENLOOPER. I am sympathetic with it.

Senator MUNDT. I cannot answer the question.

Senator SPARKMAN. Are you ready for the vote? Those in favor of the amendment say "Aye."

[Chorus of "Aye."]

Senator SPARKMAN. Those opposed, "No."]

[Chorus of "No."

Senator SPARKMAN. It is rejected.

Have you made your motion?

AN INCREASE IN THE HOUSE FIGURES

Senator CLARK. I would like to move, Mr. Chairman, with the cosponsorship with Senator Case, that we should report out a bill which would contain the money figures on economic aid which was set forth in the House committee report, and if the members of the committee would turn to——

Senator COOPER. Would that include the Alliance for Progress, Joe?

Senator CLARK. If I could finish, Mr. Chairman, if the members of the committee would turn to page 1 of our committee print, where you see the various items listed, beginning with the Development Loan Fund, and technical cooperation, and Alliance for Progress John, I would move to insert the figures for each of these

items which were in the House Committee recommendation, totaling $1,970,725,000.

I point out that my motion does not envisage any change in the military assistance; that the figures which I am recommending, compare with the administration's request of $2,541,000,000 and the actual amount which the House did authorize was $1,603,000,000.

It is, therefore, an increase in the figures which the House authorized of some $371,000,000.

Senator PELL. Mr. Chairman, I would ask, before voting, for a division, because I agree with Mr. Clark except for the point of supporting assistance, and I would like that voted on separately.

Senator COOPER. What did the House authorize for the DLF?

Senator CLARK. I have the figures here.

Senator COOPER. And the Alliance for Progress?

Senator CLARK. The House authorized for DLF——

Senator COOPER. I mean the committee.

Senator CLARK. The House committee, do you want the committee or the House?

Senator COOPER. The House committee authorized.

Senator CLARK. The House committee authorized $550 million for DLF; the Alliance for Progress it authorized $495 million.

Senator COOPER. Why don't you take those two items?

Senator SPARKMAN. They are not given in the report. We had a leaflet around here.

SETTING EVERYTHING ASIDE

Senator MORSE. Mr. Chairman, can I speak against this amendment for a moment? What the Senator from Pennsylvania is doing—

Senator SPARKMAN. Are you through with your motion?

Senator CLARK. Yes.

Senator SPARKMAN. Senator Morse.

Senator MORSE. I am just dumbfounded by this motion. What you are asking is that all the hours we spent marking up this bill now are going to be set aside by one motion.

Senator SPARKMAN. He gave notice that he would.

Senator CLARK. I gave notice, and I was not given permission to do it in the beginning.

Senator MORSE. I know that.

Senator CLARK. Let us not talk about hours set aside.

Senator MORSE. It would set aside all we have done in the economic matters at one fell swoop here at the 11th hour.

Senator SPARKMAN. All right.

Senator PELL. I ask for a division.

Senator CHURCH. I want to make a substitute motion to the motion that has been offered, to adopt the figures that we have previously agreed to.

Senator SPARKMAN. We do not have to make that. If this fails that stands.

Senator PELL. I ask for a division on the supporting assistance point which I believe I can.

Senator CLARK. Mr. Chairman, as a matter of orderly procedure, couldn't we vote on my motion, and if it fails, as it will, then let

Senator Cooper and Senator Pell and anybody else who wants to horse around with something else? I would like the vote on my motion.

Senator MORSE. He is entitled to it.

Senator PELL. Right. Mine is an amendment to the motion. I am asking for a division.

Senator GORE. He has a right to have a division on the question.

Senator PELL. I just want a separate vote on supporting assistance.

Senator SPARKMAN. Claiborne, you are entitled to your division.

Senator PELL. I want to cut supporting assistance and not the others. I ask for a vote on the supporting assistance figure.

Senator SPARKMAN. You want the House figure to stand on supporting assistance?

Senator PELL. Yes.

Senator AIKEN. Mr. Chairman, as a substitute for the Pell motion I move that we report the bill out with the amounts as they had been decided upon by the committee during the last week.

Senator CHURCH. That was my motion.

Senator SPARKMAN. I think that motion is in order.

Senator CLARK. Mr. Chairman, I have been told—

Senator CHURCH. May I join as a co-sponsor?

Senator MORSE. I think in fairness to Senator Clark, he should have a vote.

Senator CLARK. Mr. Chairman, I have been told for four days as I postpone my motion, that in due course I would be given the courtesy of having it voted up or down. I think I am entitled to it.

Senator SPARKMAN. Senator Aiken has the right to offer it, but I suggest we have a direct vote.

Senator MORSE. Give Clark a vote.

Senator PELL. I ask for a division.

Senator AIKEN. But we were not getting to a vote.

SUPPORTING ASSISTANCE

Senator SPARKMAN. Let us vote on the question of supporting assistance. Senator Pell has asked for a division on that. The effect of it is that he moves that that be cut out of the Clark proposal.

Senator PELL. Exactly.

Senator SPARKMAN. And the figure we have already voted on stands.

Senator PELL. Exactly.

Senator SPARKMAN. Those in favor of that motion say "Aye."

[Chorus of "Aye."]

Senator SPARKMAN. Opposed "No."

[Chorus of "No."]

Senator SPARKMAN. I believe the ayes have it.

Senator AIKEN. What did we do?

Senator SPARKMAN. That figure stands. Now it reverts to the motion of Senator Clark.

Senator CASE. As excised.

Senator CLARK. Parliamentary inquiry.

Senator SPARKMAN. To have the figures he cited with the exception of supporting assistance.

GO BACK TO THE HOUSE FIGURES

Senator CLARK. In other words, so that everybody understands what we are doing, we are now voting whether or not to go back to the House committee figures on each of the items set forth on page 1 except supporting assistance with respect to which we stand as we were.

Senator SPARKMAN. That is right.

Senator CLARK. Let us have a roll call.

Senator SPARKMAN. Call the roll.

Mr. KUHL. Mr. Mansfield.

Senator SPARKMAN No.

Mr. KUHL. Mr. Morse.

Senator MORSE. No.

Mr. KUHL. Mr. Gore.

Senator GORE. No.

Mr. KUHL. Mr. Lausche.

Senator SPARKMAN. No.

Mr. KUHL. Mr. Church.

Senator CHURCH. No.

Mr. KUHL. Mr. Symington.

Senator SYMINGTON. No.

Mr. KUHL. Mr. Dodd.

Senator SPARKMAN. No.

Mr. KUHL. Mr. Clark.

Senator CLARK. Aye.

Mr. KUHL. Mr. Pell.

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy.

Mr. Hickenlooper.

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Aiken.

Senator AIKEN. No.

Mr. KUHL. Mr. Carlson.

Senator HICKENLOOPER. No.

Mr. KUHL. Mr. Williams.

Senator HICKENLOOPER. I think I am going to vote Williams on this—no, that is an increase.

Senator MORSE. No.

Mr. KUHL. Mr. Mundt.

Senator MUNDT. No.

Mr. KUHL. Mr. Case.

Senator CASE. Aye.

Mr. KUHL. Mr. Cooper.

Senator COOPER. No.

Mr. KUHL. Mr. Fulbright.

Senator MORSE. No.

Mr. KUHL. Mr. Chairman.

Senator SPARKMAN. No.

Before you announce the vote let me ask you, did I vote Mansfield, Lausche and Dodd? .

Senator MORSE. Yes, you did.

Mr. KUHL. On this vote, Mr. Chairman, there are 15 nays and 3 yeas.

Senator SPARKMAN. The motion is not agreed to.

Now, a motion to report the bill.

Senator CLARK. Mr. Chairman, Senator Cooper has asked me to make a motion which I do not thoroughly understand, which I would support, but I am going to ask him to make the motion, which I will support.

Senator COOPER. I made the motion and was defeated. Previously I offered an amendment to increase the Development Loan Fund from $350 million to $450 million, and to increase the Alliance for Progress from $420 million to $520 million. It got defeated.

Senator MORSE. It was voted down.

Senator CLARK. Why do it again if it lost?

Senator COOPER. That is what I said, I got defeated.

REPORT THE BILL AS AMENDED

Senator SPARKMAN. Is there a motion to report the bill as amended?

Senator MORSE. Move to report it.

Senator SPARKMAN. Any objection?

Senator MORSE. I think you ought to have a roll call.

Senator SPARKMAN. All right, call the roll.

Mr. KUHL. Mr. Mansfield.

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Morse.

Senator MORSE. No.

Mr. KUHL. Mr. Gore.

Senator GORE. Aye.

Mr. KUHL. Mr. Lausche.

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Church.

Senator CHURCH. No.

Mr. KUHL. Mr. Symington.

Senator SYMINGTON. Thinking. [Laughter.]

Mr. KUHL. Mr. Dodd.

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Clark.

Senator CLARK. Aye.

Mr. KUHL. Mr. Pell.

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy.

Mr. Hickenlooper.

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Aiken.

Senator AIKEN. Aye.

Mr. KUHL. Mr. Carlson.

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Williams.

Senator HICKENLOOPER. I think he would vote no.

Senator AIKEN. I think he would, too. Let us vote him "No."

Senator HICKENLOOPER. Let us vote him "No."

Mr. KUHL. Mr. Mundt.

Senator HICKENLOOPER. He votes aye. He just left here. He left me his proxy.

Mr. KUHL. Mr. Case.

Senator COOPER. I will vote aye for him.
Mr. KUHL. Mr. Cooper.
Senator COOPER. Aye.
Mr. KUHL. Mr. Fulbright.
Senator MORSE. No.
Mr. KUHL. Mr. Chairman.
Senator SPARKMAN. Aye.
Senator SYMINGTON. I vote aye.
Mr. KUHL. On this vote, Mr. Chairman, it is 14 yeas and 4 nays.
Senator SPARKMAN. The bill is reported.
Mr. HOLT. Mr. Chairman, can the staff have permission to make technical corrections and reorder things to put it in a coherent form?
Senator SPARKMAN. I presume there are no objections. So moved. It is agreed to.
Anything else?
All right.
Tuesday at 2 o'clock.
The committee stands adjourned until Tuesday morning at 10:00.
[Thereupon, at 12:35 p.m., an adjournment was taken in the hearing, to reconvene on Tuesday, July 28, 1968, at 10:00 a.m.]

# TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS AND FOREIGN MILITARY SALES BILL

**Tuesday, July 30, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 10:20 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Morse, Symington, Dodd, Clark, Pell, Hickenlooper, Aiken and Case.

Also present: Mr. Marcy, Mr. Holt, Mr. Henderson and Mr. Bader of the committee staff.

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Senator SPARKMAN. Suppose we start. We have 7. Let the committee come to order.

Senator Pell has been here. He just went to the floor, I suppose, to leave his remarks on Bobby Kennedy.[1]

We can move along.

NON-PROLIFERATION TREATY

I want to call up the Non-Proliferation Treaty first. We have had hearings, they have not been printed, have they?

Mr. MARCY. No, sir, but the galleys are prepared.

Senator HICKENLOOPER. Mr. Chairman, we might as well face this at the moment unless we want to spend time talking on it. There are quite a number of us who don't believe we should act on the Non-Proliferation Treaty right now. Maybe after we come back is the proper time, but it should be talked about, it should be examined, and there are a number of rather difficult things to understand. I just—John Cooper called me from the hospital, he is very much concerned about it, on acting on it now in a precipitious manner, and I think it would be precipitious. I don't know what the committee feels about it or how they will act on it. The administration is very anxious to put a feather in its cap or a claimed feather in its cap, but I am not so sure it would be unless we understand what it is all about.

Senator CLARK. Mr. Chairman, it would seem to me that with the many days of hearings we have had and the amount of public

[1] Senator Robert F. Kennedy was shot while campaigning for President and died on June 6, 1968.

discussion raised over a good many months we are in as good a position to act on it now as we will ever be.

Senator SPARKMAN. May I just say to that, Joe, Bill Foster and his crowd spent two or three years on this thing. They examined everything minutely with a magnifying glass, they got their ducks in a row. Now, we are expected to pass it with two or three hearings, and not a great deal of thought. There are quite a few people thinking about this thing, and I think I would vote for it, I mean if it comes to the floor, I mean I think I would vote for it, but I would vote for it, and probably then kick myself like I did on the Test Ban Treaty when I voted for that finally with that Plowshare business in it, and I think that is one of the things——

Senator AIKEN. They have got Plowshare all through it, the Non-Proliferation Treaty.

Senator HICKENLOOPER. So I just don't know. I would hate to act on it with only three or four people here.

Senator SPARKMAN. I would not want to act on it unless we had a quorum present.

Senator HICKENLOOPER. In our hearings we only had four or five people who listened to the hearings. If they want to do it that way, on a matter of as great importance as this treaty is, that is for each individual's conscience and his views, I suppose, or whatever influence the administration can put on him to pass something quickly. But we have been working at this thing for years, and I again repeat, if it is voted out on the floor, I shall vote against voting it out on the floor and I have some proxies against it, against voting it, out on the floor, but if it comes out on the floor I suppose I will have to vote for it. But I would be very uncomfortable.

Senator CASE. Mr. Chairman, may I say just a word?

Senator SPARKMAN. Senator Case.

A VERY SMALL STEP

Senator CASE. I think the importance of the treaty is more in what would happen if we didn't sign it than if we do, and because I think it is a very small step and not necessarily terribly important. On the other hand, to say no might chill the warm feeling that is supposed to be generated now and nobody wants to do that. I think it would be very desirable to have any action by the committee, whether it be postponed until after the recess or what not, taken unanimously, and I think it would be good just to agree to hold it off.

Senator HICKENLOOPER. Cliff, I am not advocating a no vote.

Senator CASE. I know you are not, but I am supporting you on this, Bourke.

Senator AIKEN. They waited a year on the Consular Treaty, over a year.

Senator CASE. I think we ought to try to put it in the proper perspective in our report which to my point of view would not be a highly laudatory, ecstatic document.

Senator HICKENLOOPER. I am in agreement with you that it would be very desirable if the committee could be unanimous, whatever it would be. But there are some members of the committee who are not satisfied in their own minds, it is like walking

in a dark room, they are not yet sure, and if they would be sure it would be better.

PSYCHOLOGICAL EFFECT OF ACTING

Senator AIKEN. What would you think of waiting until we come back in September on this? There is a little light comes through clouds every day. What would that be like, Cliff?

Senator CASE. So much of the stuff we have done in this field, all the way through the multiple, whatever the Kennedy program was, three fingers on the trigger, a lot of words, but not a thing, a lot of words, but no motion. This smells a little bit like it. It would be better if we waited on it.

Senator SPARKMAN. It would be better if we what?

Senator AIKEN. It would be better if we waited until September.

Senator SPARKMAN. Let me say this Proliferation Treaty has been listed on the agenda now for three weeks or four, and Senator Mansfield has spoken to me about it and asked me to take it up first. I know he wants to get it out, and get it over with. I think the matter of our acting is psychological. I don't think so far as any real difference is concerned in the Treaty or its effective date perhaps, I don't think it matters whether we vote now or vote in September.

Senator AIKEN. In September I think.

Senator SPARKMAN. But I do believe there is a psychological value to our leading the procession.

Senator AIKEN. We only have got three months from the time of signing until September, isn't it, and that is not much time.

Senator CLARK. I agree with the chairman. I guess our chairman will be back tomorrow, won't he?

Senator CASE. Was the vote today?

Senator SPARKMAN. Yes.

Senator CLARK. Mr. Chairman, obviously we don't have enough people here to make a decision, particularly in view of the very serious matters that our friends have raised, and they are serious matters and we ought to consider them carefully. I think myself the psychological advantage of acting now on a matter which I cannot personally think is terribly complicated, or terribly complicated and terribly real, but I can understand how others will disagree.

Senator CASE. Or, Joe, terribly important, and I think that is part of the trouble we have. This thing, like everything else Mr. Johnson does, it is blown up to the skies, and I am not, I am really not, being bitter about this, I think I am just stating the fact, and we lose all proportion of things of this sort. This is a very minor thing and it is a little bit odd ball, really.

Senator CLARK. And if you admit it is, Cliff, which I don't——

Senator CASE. Psychologically I agree with you.

Senator CLARK. —important which makes us look pretty darned bad if we hang back.

Senator CASE. I am only suggesting a four week delay.

LET SOME OTHER NATION ACT FIRST

Senator HICKENLOOPER. May I just suggest there, when I said, Joe, if we hang back, I have heard for years and years in this committee a treaty proposed that we must do it first and immediately.

We have got to lead off, we have got to do it. Sometimes I want to see some other country adopt a treaty and then give us a little time to adopt it ourselves because I am not willing to yield to this criticism if we don't adopt the treaty right now we are some kind of strange individuals.

Senator CLARK. Let me say, first, Hick, that I don't think the record shows that we have rushed in where angels fear to tread. On the other hand, I agree with you that the Johnson administration has on occasion pressured us in a way which is not justifiable at all, and they have got this phony public relations sense and I get mad at it, too, but having said all that I still think that in this instance if we really want to move towards a more peaceful world this is one small step which we would be well advised to take promptly.

Senator PELL. Mr. Chairman.

THE PRICE OF DETENTE

Senator SPARKMAN. There is one thought I would like to throw out. I haven't made up my own mind about it, but it would seem very sad that just at the very time, if the Soviets should be taking any kind of military action in Czechoslovakia, that at that very time that they do so we pass this treaty as a sign of a detente. In other words, the price of detente is to sell the Czechs down the river. I think the public impact could be that we have ignored their plight and ignored the moral values involved. I haven't made up my mind whether we should perhaps delay passing this until this Czech situation is resolved or whether we should go ahead and report it out, and I am very interested in the reaction of my colleagues as to their views on it. I think it is a factor in our consideration that should be raised. I am not sure I feel strongly enough on it to vote against reporting it out. My mind is open, but I would be interested in the reactions.

Senator AIKEN. You are dead right, Clay. We shouldn't give a bit more assistance to Czechoslovakia than Russia has given to North Vietnam. I think we ought to stick to that.

Senator SPARKMAN. Russia has given to what?

Senator AIKEN. North Vietnam.

Senator PELL. Except one little difference, North Vietnam is more in their sphere.

Senator AIKEN. I agree with you but with the situation as it is this is a rather valuable influence to hold over them perhaps for a month or two.

CONNECTION WITH CZECHOSLOVAKIA

Senator HICKENLOOPER. Is there any report out of Czechoslovakia?

Senator PELL. There is nothing today. They are supposed to wind up today. I am just wondering, frankly, to let the thing rock for a day and see what is happening.

Senator AIKEN. This would be interpreted if we rushed this through as almost taking the side of Russia, I think, and I don't want to take the side of Russia on this.

Senator CLARK. Mr. Chairman, I must say that argument doesn't make much impact on me. We are dealing with a non-proliferation

treaty and dealing with nuclear weapons which was negotiated with great pain and suffering by the U.N., with some help from Geneva, and we are asking help from everybody to sign it. This treaty is no more in our interest or Russia's or any other country. There is no logical connection between what is going on in Czechoslovakia, which I very much deplore, and this treaty. I think that those of us who would like to support Czechoslovakia would take the floor of the Senate and warn the Russians if they move militarily against Czechoslovakia that is going to be the end of detente with the U.S. in the future, that would be a lot more effective.

Senator AIKEN. But you don't want this to go on the floor and be defeated?

Senator CLARK. I don't want it to go on the floor and be defeated, and I don't think it will be.

Senator AIKEN. I couldn't probably vote for it today, but I think I could come in the fall and I don't think it would go through when some of the ramifications of it are set forth.

Senator CLARK. I just can't see any connection between this and Czechoslovakia, do you?

Senator AIKEN. That Non-Proliferation Treaty obligates us to go into any country of the world that is a signatory and conduct explorations for oil and gas.

Senator CLARK. What has that got to do with Czechoslovakia?

Senator AIKEN. A lot. That is another argument.

Senator Clark. I don't think it is an argument.

LACKING THE VOTE OR A QUORUM

Senator PELL. I am just wondering whether this is the happiest day to pass it.

Senator HICKENLOOPER. We talked about it. I am for passing it right now and taking it up a little later when I am more satisfied with it, and I think Cliff expressed very well the idea that it wouid be the hope that we could all agree on this when we finally are satisfied in our own mind what we should do, and we are not satisfied in our own mind now.

Senator PELL. I may be willing, I just want to hear the thought expressed, I may be willing to report it out today but this is a factor that just bothered me, and I want to get a general reaction.

Senator CLARK. Mr. Chairman, I think it is clear we haven't got the vote.

Senator SPARKMAN. We don't have a quorum, let's put it on that ground.

We have two other matters here.

Senator PELL. Couldn't we meet on Thursday maybe?

Senator SPARKMAN. Well, maybe, but let's not quit now.

Senator AIKEN. Some Thursday we can.

Senator PELL. I think we will see the writing on the wall by that time.

Senator AIKEN. You mean in September?

Senator PELL. No, no, see what happens here.

Senator AIKEN. The day after tomorrow.

Senator SPARKMAN. Let's decide that later. Senator Morse?

FACING REALITY

Senator MORSE. Each one I suppose is in the same situation but, number 1, I think you are going to have a kind of session that is going on on the floor of the Senate this morning where we ought to be there and not have a session. I think it is pretty bad for when we are having eulogies on the floor of the Senate, which I understand is the business of the morning for Robert Kennedy, and for us to be in committee down here.

Number 2, you have this higher education conference with the House, I have got three of my committee members right here who ought to be at that conference. We are trying to get that postponed because of the eulogy situation on the floor.

Number 3, I don't think you have got the ghost of a chance of getting any action on these matters before the conventions. Why don't we face the reality and come back after the conventions and take them up and we can, I think, engage in more reasonable discourse than we can engage in under the pressure at this time. For what it is worth I think we are making a mistake having this hearing today.

Senator CLARK. I just hope, Wayne, for your sake and mine we wouldn't put everything over until September.

Senator MORSE. I don't know how you are going to resolve the problem of today.

Senator CLARK. I said we haven't got the votes and I think that is true.

Senator SPARKMAN. Of course, when this committee meeting was set we knew nothing about the eulogies to Robert Kennedy.

Senator MORSE. I am not criticizing anybody, John. I am just telling you what the plight is.

Senator SPARKMAN. I went by the floor and left my typewritten tribute with Mike.

Senator MORSE. You have people in the gallery with empty seats. I don't think we ought to be here, but we ought to attend them.

LEANING TOWARD THE SOVIETS

Senator SYMINGTON. I would like a chance to talk on this thing. I personally am a little apprehensive about it for only one reason and that is it would look like sort of leaning toward the Soviets with respect to the Czech situation. Except for that I would vote for it this morning.

When you get into military sales I would like to be back, and IDA.

Senator SPARKMAN. That is what I would like to get into right now.

Senator SYMINGTON. Can I go up for five minutes and come back?

Senator CASE. What about IDA, are we all agreed about IDA? I voted for IDA.

Senator HICKENLOOPER. While Stu is gone?

Senator CASE. Does he have a position?

Senator HICKENLOOPER. He has.

Senator SPARKMAN. He has Albert's proxy and Mundt's proxy. But I can overcome those.

Senator PELL. I am for that.

Couldn't we meet Thursday on this?

Senator HICKENLOOPER. There won't be a Corporal's Guard here Thursday.

Senator SPARKMAN. I can understand the things that have been said here about postponing the Non-Proliferation Treaty. I would hate very badly for the report to get out that we did it because of opposition to the treaty. I was going to say I can understand the reason behind the suggestion that we hold over the Non-Proliferation back in September. But I do hope——

Senator PELL. That is not my suggestion. I want to carry it over until Thursday.

Senator CLARK. That is just not practical.

Senator HICKENLOOPER. You will have a lot of opposition.

Senator SPARKMAN. They have stated until September is the reason for it. I would like to get military sales and IDA out of the way.

Senator HICKENLOOPER. I say I am against voting it to the floor now. If it should be voted to the floor and came up for a vote I probably would vote for it. It is not I am trying to fight this thing necessarily, but I am thoroughly unsatisfied in my own mind as to the details of it.

Senator SPARKMAN. Well, I suppose we ought to declare no quorum.

Let's see, when shall we meet again.

FINISHING FOREIGN AID

Mr. MARCY. On the next meeting and that is if we pass the foreign aid bill either today or tomorrow you have to go to conference with the House if you want to finish foreign aid up this session so that means you will have to have a conference on that.

Senator HICKENLOOPER. Finish foreign aid what session?

Mr. MARCY. The authorization

Senator CASE. Before Saturday.

Mr. MARCY. Yes, sir.

Senator SPARKMAN. By Saturday.

Mr. MARCY. Because we think you can dispose of it in a day.

Senator HICKENLOOPER. You have to dispose of it on the floor of the House.

Mr. MARCY. It is all passed.

Senator HICKENLOOPER. I mean the Senate.

Senator SPARKMAN. It is up now.

Senator HICKENLOOPER. Let's see what comes up.

Maybe John Williams is going to talk for two days.

Senator SPARKMAN. He won't if you don't argue back to him.

Senator PELL. Why not have either a conference or meeting.

Senator HICKENLOOPER. We can't have a conference on foreign aid.

Senator SPARKMAN. Why don't we have, try to have, a meeting Thursday morning. If we find we do get it in conference we can change it. Let's set a meeting for 10:00 o'clock Thursday morning.

Mr. MARCY. All right. You can tell the press no quorum today.

Senator SPARKMAN. Okay.

We are going to have to have a meeting on ambassadors and Foreign Service Officers and various and sundry appointments that have been sent out.

[Discussion off the record.]

Senator SPARKMAN. Mr. Forman, we are glad to have you, sir. I understand you are going to give us some elucidation on military sales? Is that right?

**STATEMENT OF BENJAMIN FORMAN, ASSISTANT GENERAL COUNSEL, DEPARTMENT OF DEFENSE**

Mr. FORMAN. I will be glad to try to answer any questions you might have, sir.

Senator SPARKMAN. Senator Hickenlooper, do you have any questions?

Senator HICKENLOOPER. No, Senator Symington.

Senator SYMINGTON. My first question would be, Mr. Chairman, have you seen this book?

Mr. FORMAN. Yes, sir.

Senator SYMINGTON. When you get over here to Iran, you give what has been sold in fiscal years 1962–1967 at the top of the page, page 31, and then you give projected sales for fiscal 1968. Fiscal 1968 to the best of my knowledge is over with now, is that correct?

Mr. FORMAN. That is correct, sir.

Senator SYMINGTON. Then you say illustrative predicted sales for fiscal 1969. What does the word "illustrative" mean?

Mr. FORMAN. In general, as applied to all these countries, the word, "illustrative" means that this is our best estimate of what the countries will probably ask for and what we would probably sell.

Senator SYMINGTON. That is not true because Mr. Warnke testified and we heard you are going to sell $100 million worth of F–4s to Iran.

Mr. FORMAN. This book was prepared, sir, last January and we went to print then so it is out of date in that respect.

Senator SYMINGTON. I see.

This is all you have to offer us on this?

Mr. FORMAN. As of that date.

Senator SYMINGTON. It is dated April 1, 1968. So it wasn't prepared last January.

Mr. FORMAN. Well, it is printed in April, sir——

MISLEADING AND DECEITFUL

Senator SYMINGTON. My only point is it is misleading and deceitful because it does not show what you are planning to sell to Iran.

Let's go to, I just happen to know about two or three of these countries, you go to, Jordan, you plan, unless the figures that were given us recently are wrong, you have sold $16 million to Jordan. That is not the figure that was given us. What are the things that are going to be sold to Jordan? They are airplanes, are they not?

Mr. FORMAN. The airplanes were sold, sir, the F–104s.

Senator SYMINGTON. Well, what do you plan to sell Jordan now because the figure was $21 million, I have a memory on that, and

I don't remember, I don't know where you get $16 million if the figure is $21 million.

Then you have a figure to Israel which is totally incorrect unless the other figures given me in the last two weeks were correct but you are selling Israel $105 million. The figure that was given me was $31 million. Also you covered up the fact the way this is written that you are selling jets to Iran but that you have refused to sell them to Israel. So I don't know what in the name of heaven is the use of bothering with this committee because we just don't seem to be able to get any information that is accurate about any of these things.

Mr. Chairman, that was the reason for it. It happened that I made an effort to understand this, I can quote the figures to you. The figure for Iran was—the total figure was, $296 million of which $100 million was for Iran, $31 million for Israel, $21 million was for Jordan, and there were quite a few countries in Central and South America that were getting, to which we were selling, I think the total was, around $50 million, was it not? So that would be $150 million, it would be $200 million of the $296 million and so we skirted around, so this doesn't mean anything. When you are in business and somebody gives you this kind of stuff you fire them. That is all I wanted to say about it. I think it is unfortunate that we have to spend the taxpayers money on the basis of all this misinformation or that we are asked to spend it.

CONNECTION TO FOREIGN AID BILL

Senator SPARKMAN. Let me ask this question. What connection is there between what is shown here and what is provided for in this bill, and with the military assistance program that is provided for in the foreign aid bill?

Mr. FORMAN. Well, sir, the figures projected in here add up to the amount we are asking for in the way of authorization for appropriations and appropriations and the amount of the ceiling that we are proposing on all transactions including guarantees.

Now, necessarily, as I tried to indicate at the time you do this it is solely illustrative because you don't know precisely what is going to be done. Let's take the case of Israel to which Senator Symington referred. There is an item here of $31 million for credit for major end items, type undetermined. Now, as you know, the Israelis would like to buy the F–4s. This $21 million could be applied to the F–4s. On the other hand, it is possible that F–4s might be sold for cash and the $31 million or some other figure might be used for other items for Israel.

Senator SPARKMAN. Is this $31 million, you say might be sold for cash; does that mean this $31 million could also be credit?

Mr. FORMAN. The $31 million listed here is for credit and, as I point out, it is for credit for a major independent item, type undetermined, and the basic reason for that is that no decision has been made as yet with regard to the F–4s.

Senator SPARKMAN. And that could be applied?

Mr. FORMAN. This could be applied to the F–4s.

Senator SPARKMAN. To the F–4s.

Mr. FORMAN. On the other hand I note——

HAWK MISSILES

Senator SYMINGTON. What are we talking about, the $31 million for Israel?

Mr. FORMAN. Yes.

Senator SYMINGTON. That was applied for the Hawks is what we were told, the Hawk missiles, ground to air missiles. I asked what is the $31 million for Israel and they said it was for Hawk ground to air missiles.

My point is when you sit down——

Senator SPARKMAN. That looks like it is carried under the $70 million.

Senator SYMINGTON. There is no figure of $70 million. It is just a lot of stuff. When you sit down with your board of directors and you say why do you want the money, and a member of the board said, then whoever is handling the business end or responsible to the company he is supposed to give the facts and we don't get any facts on this stuff. So I would say we don't have any sales of any kind whatever until we have somebody come up here and give us exactly—which incidentally, my information comes from the staff. Fortunately, we have got a good staff and they have spent a lot of time and found out exactly what it is that Defense proposes to do, but based on this book that I have been looking at it is exactly opposite to what the Defense Department said they want to do. You can't even run a government this way.

Senator SPARKMAN. Can you at this time give us the exact figures and for what they are to be spent in these programs? Take, for instance, Israel, is it specific now?

Mr. FORMAN. No.

Senator SYMINGTON. It can't be done now.

Mr. FORMAN. It is still an allocation of $31 million.

A BLANK CHECK

Senator SYMINGTON. In other words, what they want us to do is give them a blank check and after we give them a blank check then they are going to do with the money what they want to do. I think what we ought to do is demand of these people they come up here and say "This is the amount of money we want and this is the reason why we want it," and that to me is just common sense. It is exactly, it certainly is, what the Defense Department does in the Armed Services Committee and I don't see why they should get away with this kind of murder before this committee. I just happen to know these figures are not correct and that word "illustrative" is really something.

Senator HICKENLOOPER. I don't think that we, we never have really in the past, specifically and irrevocably earmarked or ordered certain amounts to certain countries simply because they think they have a vested right in that the minute the law comes out.

Now, I think we have always done it this way.

Senator SYMINGTON. Bourke, excuse me, sir, I was given in detail the amount of money involved in these figures.

Senator HICKENLOOPER. Yes, we were given that.

Senator SYMINGTON. This is an executive session and those figures I was given by the staff, and they got it from the Defense Department, are totally different from the figures presented here today.

Senator HICKENLOOPER. I see.

ESTIMATED SALES

Mr. FORMAN. I don't understand the figures. Could they have been the '68 figures?

Senator SYMINGTON. It was $296 million military sales in fiscal 1969.

Senator SPARKMAN. That is what the bill provides for.

Mr. FORMAN. That is correct.

Senator SYMINGTON. That is correct. That is what the bill provides for. What has all this stuff got to do with that. A CPA can't take that $296 million out of there without quite a lot of work so why are we shown that kind of stuff.

Mr. FORMAN. Well, sir, this CPD shows——

Senator SYMINGTON. What does CPD mean?

Mr. FORMAN. Congressional Presentation Document, shows three figures for each country for fiscal year 1969, our estimate of commercial sales, our estimate of government cash sales and our estimate of credit, and we do this country by country and the credits add up to $296 million.

Senator SYMINGTON. Well, you take your figure for Israel and the $296 million was $31 million.

Mr. FORMAN. That is correct, sir.

Senator SYMINGTON. I have studied accounting, you just take this sheet 32 and show me where that $31 million is. That is on page 32.

Mr. FORMAN. This $31 million under credit.

Senator SYMINGTON. Now, you have got $70 million that you are asking for also, is that right?

Mr. FORMAN. No.

That is cash. We are not asking for appropriation for that. That would be paid for in cash by the Israeli government.

NO CEILING ON CASH SALES

Senator SYMINGTON. Do you sell that without any approval from us?

Mr. FORMAN. We sell that under the authority of the provision in the bill which authorizes us to sell for cash. There is no ceiling on cash sales other than in the Latin American and African regions.

Senator SYMINGTON. All right.

Now, you have agreed to sell 50 Phantoms, let's go to page 31. You agreed to sell 50 Phantoms to Iran. Where do you work that out? That would be $100 million. How do you figure that out of the sheet that you have given us here?

You have got some F–4s that are sold 1962–1967.

Mr. FORMAN. Well, sir, what happens is that there are slippage and changes in this. For example, if you look at Iran, as you are, you will note we have Sheridan Shillalegh armored recon-vehicles there for $60 million projected for 1969. In fact because of priority

requirements and availability the Sheridan Shillalegh armored recon. vehicle was moved to the fiscal 1968 program and was included in the $100 million package that we signed with Iran on June 17.

Senator SYMINGTON. Well now, the $100 million package is for $50 Phantoms and the Phantoms cost $2 million apiece. After you get through with that what have you got left to buy Shillaleghs with?

Mr. FORMAN. The Shillaleghs are already covered in the '68 program. There was a switch.

Senator SYMINGTON. Why break it up?

Mr. FORMAN. At the time we did this it was projected that would be done in fiscal 1969.

SALES TO JORDAN

Senator SYMINGTON. All right, now you have Jordan for $16 million and on page 33.

Mr. FORMAN. Of which $14 million is an estimate for credit and $2 million is the estimate for cash.

Senator SYMINGTON. Don't you plan to sell any planes to Jordan at all?

Mr. FORMAN. Not that I am aware of, sir.

Senator SYMINGTON. What happened to the other $50 million here? You see we went through all these hearings with Mr. Kuss and that is why I am getting—that wasn't very long ago, I think you were here then.

Mr. FORMAN. I was here then. I don't remember any figure of $21 million for Jordan.

Senator SYMINGTON. You don't. Well, that was a figure given me by Mr. Marcy. As I understand it you are going to sell some F–5s to Morocco, at least you are asking for them. Let's look on page 56. Where are there any F–5's for Morocco except in the 1962–1967 bracket? I am not saying whether they should or should not be sold. I do think to sell them 10 F–5s. when they have the 130 Mig–21s and say we are doing that to make them equal to Algeria is pretty silly talk. But anyway that is another matter. I am just talking about the figures here.

Mr. FORMAN. All right.

The 10 F–5s are included in the top divided half or third I should say of the 1962–1967 program.

Senator SYMINGTON. Now, we are talking about 1969.

UNDETERMINED AIRCRAFT

Mr. FORMAN. The type is undetermined.

Senator SYMINGTON. Well, how do you mean the type is undetermined? What do you mean by that?

Mr. FORMAN. The type of aircraft as of the time this book was made up is undetermined as to whether or not they——

Senator SYMINGTON. Here we have something, the book was made up on April 1st.

Mr. FORMAN. Printed on April 1st, sir.

Senator SYMINGTON. And here is a statement of April 11th which has an addendum on it that says we should sell them, and I understood this is what we were going to do, some F–5 airplanes. Are

you saying the airplanes that we are suggesting, that you are suggesting, that the Senate approve for the fiscal year 1969 were sold to them in 1962 to 1967?

Mr. FORMAN. No.

What addendum do you have, sir? Is that the presidential determination?

Senator SYMINGTON. Confidential Moroccan request for up to 13 additional F–5 aircraft.

Mr. BADER. It is provided by Mr. Palmer.

Mr. FORMAN. This may have reference to the presidential determination under the Conte-Long amendment authorizing the sale of the aircraft. Let me explain a little further.

Senator SYMINGTON. It says this is a memo to Carl Marcy from Donald Henderson, subject military aid to Morocco. On Friday, March 29, Assistant Secretary of State Joseph Palmer and Deputy Assistant Secretary of Defense for International Security Affairs William Lang, that is your boy, they were over here asking to sell F–5s to Jordan—I mean to Morocco. That is on April 11.

Mr. FORMAN. Yes, those are the same F–5s included in the 1967 program.

Senator SYMINGTON. Why are we talking about them in 1969?

Mr. FORMAN. Because we have it—at the time we hadn't signed the sales contract. We had extended a credit to them for those aircraft in the 1967 program in anticipation that it would be used for F–5s or possibly some other aircraft. The King had asked for F–5s. We had not at that time specifically agreed to the F–5s but we had established a credit.

GETTING THE FACTS

Senator SYMINGTON. Mr. Forman, I went into this thing personally fairly extensively about two weeks and the staff here gave me the figures which totalled $296 million, and I remember just three of the figures well, and there is no possible way to interpret those requests in these figures that have been presented here this morning.

So, Mr. Chairman, what I would do would be to, if I may respectfully suggest, would be to, get Mr. Forman's hard analysis of the situation. He says that the matter was prepared in January, it dated in April, why don't we forget it until we get the facts and then we can decide what we want to do based on the facts and not based on a lot of phoney paper.

Senator SPARKMAN. How do you propose to get those facts?

Senator SYMINGTON. All he has to do is get back and get a memorandum and say "write me up what you want to do with the $296 million," that is what I asked Mr. Marcy to do and he gave it to me in two or three hours.

Mr. MARCY. What are you referring to?

Senator SYMINGTON. The figures and amount of money allocated country by country. Maybe Mr. Holt did it.

Mr. HOLT. No, I didn't do it.

Senator SYMINGTON. But I got it. We got the countries and the money.

Senator SPARKMAN. Do you have that information totaling the $296 million?

Mr. FORMAN. Yes, sir.

Senator SPARKMAN. In the bill?

A LIST BY COUNTRIES

Mr. FORMAN. I will go back to the Pentagon and have another memorandum prepared listing by country the amounts of money projected as created. Did you want also, sir, what the current projection is as to items?

Senator SYMINGTON. Look, you come up for $296 million, and I think if we are going to ask for that especially because we are so short of money that you ought to say what you plan to use the $296 million for from the standpoint of our foreign policy. I think the committee has a right to know that. I know some of those figures. I know Iran was $100 million.

Mr. FORMAN. That is correct.

Senator SYMINGTON. It may have come from Mr. Warnke and in the hearing, as I look back on it, but it certainly came from an authentic source. And I know $31 million was for Israel. I know $21 million was for Jordan. I think $50 million was for some Central and South American countries and I think there were some African countries in there. I don't know the last two, but I do know the first three figures.

Senator SPARKMAN. Why can't we do this, can you give us a memorandum that will show the intended use of the $296 million country by country, and I think you probably would want, and certainly you asked a question that never was answered, and I think by all means we would want it as of this date.

Mr. FORMAN. Yes.

Senator SPARKMAN. I think you make it clear in there that this is a projection.

FIGURES ARE OUT OF DATE

Senator SYMINGTON. For example, here in this confidential memorandum it says that Morocco presently has 11 F–5s. Recommends 13 additional F–5s, that is 24, and yet the figures on page 46 show a total of 10 F–5s.

Senator SPARKMAN. I think we have it pretty definite that these figures are out of date. I have just asked him in this memorandum to give it to us as of this date. And if it is not firmed up—and I presume in most cases, in a good many of the cases, it may not even be firmed up, is that true?

Mr. FORMAN. Well, for all these countries, sir, it is illustrative. Let me take Iran, for example. I mentioned one illustration of where equipment which was originally projected for '69 and got moved to '68 in the agreement we signed in June and also, as you know, we are projecting $100 million for Iran annually as a projection. Now, how we finance—and that would come within the ceiling. Now how you would finance that——

Senator SYMINGTON. $100 million for Iran annually and for how long?

Mr. FORMAN. Well, the projection is this would be for the next five years.

Senator SYMINGTON. That is $500 million all told.

Mr. FORMAN. Yes, sir.

Senator SYMINGTON. In military sales?

Mr. FORMAN. Yes, sir.

This is just a projection. There is no commitment to that effect.

A COMMITMENT ON OUR PART

Senator SYMINGTON. Yes, but this is a commitment on our part if we give you the money, you see. We would like to know what you plan to do with the money.

Mr. FORMAN. Yes, sir, I understand that. But all I am saying is that let's assume that we carry out our estimate with regard to Iran for $100 million, that there will be sales of $100 million to Iran for the fiscal year 1969. What we do with the money depends on what arrangements we are able to make with private banks. Now, it may be that we will have to take $100 million of the $296 and apply that to Iran.

Senator SYMINGTON. But you said that. We have got that testimony somewhere that you are going to do that. The next question is: Do you think that you have a right to come up and get the money from the Congress before you have made your arrangements with the banks?

Mr. FORMAN. Sir, I haven't made myself clear.

Senator SYMINGTON. I am sorry. Maybe I am angry about it.

Mr. FORMAN. Let's assume $100 million of sales to Iran is firm. We are asking the Congress to impose a ceiling of $296 million on all credits and guarantees.

Senator SYMINGTON. To all countries?

Mr. FORMAN. To all countries world-wide.

Senator SYMINGTON. Yes.

Mr. FORMAN. Now, we are also asking for $296 million of NOA in order to finance this——

Senator SYMINGTON. Of what?

Mr. FORMAN. Of appropriations, new obligational authority.

Senator SYMINGTON. Another $296 million.

Mr. FORMAN. No, no. There are two figures, both of which are $296 million. One figure——

Senator SYMINGTON. There is one figure which has two components. I want to be sure I understand it.

A CONTINUATION OF A GUARANTEE

Mr. FORMAN. Let me make this very clear. We are asking for $296 million to be appropriated, specifically asking this committee to authorize the Appropriations Committee to appropriate $296 million.

Senator SYMINGTON. But not $592 million?

Mr. FORMAN. No. We are also asking for continuation of a guarantee authority but limited to private banks. Then we are saying in addition "give us a ceiling of $296 million on the total of credits and guarantees, face amount of guarantees."

Now, let's assume we sign an agreement with Iran for $100 million. Let's say it is for F–4s. How do we finance those F–4s within the ceiling on our program of $296 million?

Senator SYMINGTON. You are only getting $296 million out of the Congress.

Mr. FORMAN. That is correct.

Senator SYMINGTON. How can you finance for any more than $296 million?

Mr. FORMAN. We can't.

PROBLEM WITH THE BANKS

Senator SYMINGTON. All right, then the problem if you get $296 million is your problem with the banks. Our problem is what are you going to do with the $296 million?

Mr. FORMAN. This is the point I am trying to explain, sir. If we can do business with the banks and, let's say, the banks will pick up $25 million of the Iranian $100 million program, if they do that with DoD we would obligate one-fourth of that $25 million against the $296 million you give us, one-fourth being $6¼ million. We would put up $75 million of the appropriations making a total of $81¼ million. The balance of $18¾ million would not be used. It would lapse at the end of the year and be returned to Treasury. So when you say "what are you going to do with the $296 million——

Senator SYMINGTON. What you are telling us is you really don't need $296 million if you can make some favorable deals with the banks?

Mr. FORMAN. If we can make favorable deals with the banks we may not need all of the $296 million in appropriations.

Senator SYMINGTON. Now, you see I am just a country boy but I was in business and I can pay my bills. Why don't you go out and make your deals with the banks based on the representations from the countries before you come up here and ask for money from the Congress?

Mr. FORMAN. Sir, it is a little difficult to make deals with the banks in advance because of the uncertainties of interest rates.

Senator SYMINGTON. Can't you say to the banker "if we can get the money from the Congress will you do so and so," is there anything wrong with that?

Mr. FORMAN. There have been exploratory discussions with the banks but you can't get firm commitments.

AN UNBUSINESSLIKE EXPLANATION

Senator SYMINGTON. I want you to know this. I think this is handled in a most unbusinesslike manner. I don't understand it. I am doing my best to understand it. I have no basic feelings against it. In fact I would like to see some of these sales made but it is not to me, it may be a logical explanation to you, but it is a very unbusinesslike explanation to me.

Mr. FORMAN. Well, if we were to get the full $296 million, sir, and if we are able to get private bank financing of any part of that, this would not result in any increased obligation because the unused money would be returned to the Treasury.

Senator SYMINGTON. Yes, but you see that doesn't help us about that.

Mr. FORMAN. It would have no effect on the budget.

Senator SYMINGTON. Because we are going to get bounced good for putting up money for military sales in at least some places, so if it is not going to be $296 million, then it should be known that

it might not be $296 million. But I never heard about this until this morning.

Mr. FORMAN. I think this is known. This is in the testimony, as I recall, sir, at your hearing. Mr. Kuss was asked about this question, and as to whether or not we could do with a lesser appropriation within the $296 million ceiling, and Mr. Kuss said that his best guess, and strictly a guess, was that possibly he could do this with $200 million. Personally, I think he is being very optimistic because that would mean about $128 million of private financing and I don't think he can get it. Secretary Clifford was asked the same question by the House Foreign Affairs Committee, and he said, well, his estimate would be about $210, $215 million.

Senator SYMINGTON. I want to make this point, whether you can do it or not and come back and say "surprise, surprise, we will give you $100 million back," and that would be a surprise based on my government experience, you have not cleared up with me, and I am certain with other members of the committee, exactly what you plan to do with this money.

SALE OF PLANES TO THE MID-EAST

Now, that is the basic point. What do you plan to buy? For example, let's get down to cases. Here is Iran. I am chairman of the Subcommittee on the Mid-East, South Asia of this committee. You plan to sell 50 Phantom jets to Iran? That is what I was told by Mr. Kuss and everybody else.

Mr. FORMAN. That is correct, sir.

Senator SYMINGTON. And they want to buy them. All right.

Now, the Israelis have been cheated by General de Gaulle, after paying for their 50 Mirage jets General de Gaulle will not deliver them. They want to buy 50 of the same planes on the same terms in the same part of the world. This ought to be very clear to the American people. Why you feel you can sell 50 Phantoms to Iran and why you feel you cannot sell 50 Phantoms to Israel, especially if they are going to have to pay twice for their 50 Phantoms because they already paid de Gaulle and he won't deliver them.

In addition to that you plan to sell airplanes to Jordan. Inasmuch as Jordan joined Nasser and Syria in attacking Israel, if you are going to sell planes to Jordan which you have only done as a result of that smart Battle working it out so that the Israelis accepted the fact that it would be better to have Jordan get the planes from us than it would be to get them from Russia, we as members of this committee have to be in a position to explain why you are selling planes to Iran and selling planes to Jordan, which is an Arab country, both are Moslem countries, but you won't sell planes to Israel on the same terms as you are selling them to the other countries. This has to be known and you can't mask it, and even if you could mask it to the public, which you won't be able to do—I didn't give that story to the Washington Evening Star but somebody else did—the least you can do is come up here and tell the committee what is on your mind and that is not in the presentation today. That is all I have got to say, Mr. Chairman.

Senator SPARKMAN. You give us that memorandum.

Mr. FORMAN. I will give you a memorandum.

Senator SPARKMAN. Could you use the word "projected" instead of "illustrative"?

Mr. FORMAN. Well, it has both words, illustrative, projected.

Senator SPARKMAN. All right. Thank you very much.

Senator SYMINGTON. I don't mean to be short about it, but I thought we were going to get somewhere on this, but you haven't got the facts.

Senator SPARKMAN. I thought we would act on it.

The committee stands adjourned until 10:00 o'clock tomorrow morning.

[Whereupon, at 11:20 a.m., the hearing was recessed, to reconvene Wednesday, July 31, 1968, at 10:00 a.m.]

# BRIEFING ON THE WORLD SITUATION

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**Monday, September 9, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 2:35 p.m., in room S–116, the Capitol, Senator John S. Sparkman presiding.

Present: Senators Sparkman, Mansfield, Morse, Symington, Dodd, Hickenlooper, Carlson, Williams, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, Mr. Lowenstein, and Mr. Tillman of the committee staff.

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Senator SPARKMAN. Let the committee come to order, please.

Mr. Secretary, we are very glad to have you here. This is in executive session. We expect a very good attendance of the committee.

Let me say this: The Secretary will need to leave here not later than five o'clock. Frankly, I hope he leaves earlier than that, but he has a very important engagement at the White House, and will need to leave not later than five o'clock, so we will keep that in mind.

Mr. Secretary, do you want to give us a statement?

## STATEMENT OF HONORABLE DEAN RUSK, SECRETARY OF STATE

Secretary RUSK. Mr. Chairman and gentlemen, thank you very much. Let me say that I understand how busy the schedule of the Senate is and I know that you have some matters on the floor this afternoon. I was very pleased that some of you this morning reached agreement in the conference on foreign aid. I hope that goes through and that the appropriations stage will not significantly diminish the amount of funds involved there.

[Off the record.]

Secretary RUSK. If we do not get over the things that the committee wants to get into this afternoon, I can of course come back at the committee's convenience.

I thought that I might begin by commenting on developments during the recess on two or three matters, and then go straight to the questions and observations and discussions of the committee, first on the Eastern European situation, secondly on the Paris talks, and then one or two other matters in addition.

SITUATION IN CZECHOSLOVAKIA

As far as Czechoslovakia is concerned, the committee will recall that even during 1967 very important things were beginning to happen in Czechoslovakia. In June the intellectuals challenged the Government censorship at the Czechoslovakian Writers Congress. In August the Writers Manifesto was turned up in the West and was published.

In October came student disorders. By January the Central Committee in Czechoslovakia convened and elected Alexander Dubcek as the first Secretary. By April the party had adopted a program assuring among other things freedom of press, religion, assembly, a multi-election slate and rather far-reaching economic reforms.

As this process towards liberalization proceeded in Czechoslovakia, a process which also apparently involved democratization within the Communist Party itself, the pressures from the Soviet Union on Czechoslovakia steadily built up.

In May you remember that Soviet troops were in Czechoslovakia in somewhat small numbers for Warsaw Pact staff maneuvers. But during June, major troop maneuvers of the Warsaw Pact countries occurred, and continued to build up during July.

By July 23 there were massive Soviet maneuvers extending from the Baltic to the Romanian border. Let me say on this that in terms of information, we had, we think, both timely and pretty full information about the military disposition going on in the Eastern European countries, not only from reports that were made public as a means of pressure on Czechoslovakia, by the other side, but from travelers and from more esoteric types of intelligence, so that we were under no illusion but that the Warsaw Pact forces had been increased. There had been some partial mobilization of civilian units in the Soviet Union. Some Soviet units had moved from the Soviet Union into Poland and East Germany in the course of these maneuvers, and they had exercised, on maneuvers that were clearly aimed at Czechoslovakia, that is, their practices were clearly a practice for a move on Czechoslovakia.

MEETING WITH THE SOVIET AMBASSADOR

We ourselves made it very clear to the Russians that we were disturbed about these prospects. In July I called in the Soviet Ambassador and made two points to him very specifically and very directly.

One is that we did not accept at all and did not like the notion that they were building up a myth of Western imperialist pressure or aggression against Czechoslovakia as a pretext for moving their own troops into Czechoslovakia. At the time that point was denied by the Soviet Ambassador.

Secondly, that they should be under no misapprehension that the reaction of the American people and the American Government toward a movement of troops into Czechoslovakia would be very strong and very negative, pointing out to them that from the beginning of our Republic we have had strong feelings about what the people of a country ought to be able to say about what happens in their country.

The idea that the Soviets might have been under any misapprehension on this matter I think is without substance.

Senator SPARKMAN. Mr. Secretary, there is a vote going on upstairs. I think it would be best for us just to recess for a few minutes and we will be right back.

[Recess.]

Senator SPARKMAN. Will you proceed, Mr. Secretary.

NO TACIT AGREEMENT BETWEEN THE U.S. AND U.S.S.R.

Secretary RUSK. I was just at the point of talking with Dobrynin back in July about the serious attitude that we would take if they were to move their troops into Czechoslovakia. I had just commented that we had full information about the buildup of Soviet and other forces along in that region, and knew that they had conducted exercises for the purpose of practicing for such a move.

I would like to emphasize just as strongly as it is possible to do, Mr. Chairman, that the implication that one has heard out of Europe that there was somehow some understanding, tacit or otherwise, between the Soviet Union and the United States about Czechoslovakia is wholey false.

In the first instance, the Soviet Union never at any time took the initiative to speak to us about Czechoslovakia prior to informing us on that Tuesday night that they were moving their troops in.

Secondly, we had spoken to them about Czechoslovakia in exactly the reverse sense before, substantially before they did move their troops in. There is nothing in Yalta that bears upon a sphere of influence doctrine. Yalta included the liberated areas' declaration, which provided for free elections in Eastern Europe under Allied Control Council supervision.

The violation of Yalta by the Soviet Union, plus the lowering of the Iron Curtain across Central Europe under the protection of the Red Army, was the first major move in establishing the blocs that President DeGaulle now talks about.

Senator SPARKMAN. Did you see something in the papers, yesterday was it, that touched on that very thing?

Secretary RUSK. Yes, and the New Statesman has run an article on this point, and there have been other comments on it. I noted that Moscow itself publicly denied the same charge, because they were under pressure from Peking on it.

[Off the record.]

Senator SPARKMAN. Back on the record.

DIVISIONS IN THE COMMUNIST WORLD

Secretary RUSK. I think another comment I should make is that this was in no sense I think an easy decision for the Soviet Union. One of the most serious aspects of it is that they made the decision to move despite formidable costs which were apparent to them if they did move.

For example, the direct effect on a good many bilateral relations between themselves and us and the other members of NATO, deep and lasting enmity on the part of the Czech people, a unanimous and very strong world reaction as reflected at the United Nations and elsewhere.

It is seldom that one has seen an issue on which the world has been so unanimous as on this one.

Major divisions within the Communist world, not just Romania and Yugoslavia, but important Communist parties such as those in France and Italy speaking out in condemnation of this move, and——

Senator Mundt. On that point, other than North Vietnam and the Communist Party of the United States, what other groups?

Secretary RUSK. I think North Vietnam, to a lesser degree North Korea, the Communist Party of the United States, and perhaps three or four others. I will have to check the list. Most of the others outside of those who took part in the invasion have condemned it.

Senator COOPER. Algeria?

Secretary RUSK. Algeria was perhaps neutral, but more or less favorable to the Soviet. They did not condemn it.

Senator COOPER. Red China?

Secretary RUSK. Red China condemned it perhaps for opposite reasons than those that occurred to us.

Senator SPARKMAN. Did France?

Secretary RUSK. France as a government condemned it, yes.

Senator SPARKMAN. How about the party?

Secretary RUSK. The French Communist Party did condemn it although the French Communist Party at the moment seems to be trying to weave its way back towards a position of not a complete break with Moscow and in the process is bringing about a deep split within the Left in France, between the Communists and their allies among the Socialists, who have very strong views about Czechoslovakia.

The formidable thing we have to think about and keep in our minds is that these issues in Czechoslovakia appeared to the Soviet Union to be so fundamental, so grave that they felt they had to go ahead and make this comment, despite these costs that I am referring to, because these costs are formidable. That suggests several possibilities.

One is that there has been a significant reversion towards Stalinism or toward a much more conservative Leninism in the Soviet Union itself.

Another is that events in Czechoslovakia frightened some of the leaders in the Soviet Union.

[Off the record.]

U.S. OBJECTIONS TO SOVIET ACTIONS IN CZECHOSLOVAKIA

Secretary RUSK. When the Soviet Union notified us of their first move when the Ambassador came to see the President, there were three points primarily in their communication. One was that they had been invited to come in by the Czechoslovakia Government; secondly, that there were imperialist machinations against Czechoslovakia that they had to take account of them. It was a security matter; and third, that the move in Czechoslovakia would not affect the state interests of the United States, and they would hope that bilateral relations with the United States could continue to be worked out in a positive way, that they were interested in those bilateral relations.

Well, I was instructed to see Dobrynin immediately, and reject the notion that the Czechs had invited them in. It was perfectly apparent by that time that they had not; secondly, to reject the notion that there were imperialist plots against Czechoslovakia. This was just a myth.

And third, to emphasize that we objected to what they were doing in Czechoslovakia.

We also took note of what they said about our state interests. I mention that because I will come back to it in just a moment with the events of a week later.

SITUATION IN ROMANIA

A week ago Friday we began to get a good many reports, no one of which was in any way conclusive, indicating that the Soviets might well be planning to move on Romania. This had to do with troop movements. It had to do with gossip and comment out of diplomatic circles, our temporary loss of the location of certain Soviet divisions, not by the way on the basis of any information provided to us by the Romanians themselves.

The President and I talked about these, and while we were talking about it, Mr. Dobrynin asked to see me the following day, the President then being in Texas.

Looking back on the earlier scenario, we thought it was possible that Mr. Dobrynin was prepositioning himself to inform us on the following day that they were moving into Romania. So the President asked me to call the Ambassador in that same night, in order to try to anticipate what he might be telling us the next day, while the President himself issued a public warning in Texas and urged the Soviet Union not to unleash the dogs of war, et cetera. You know that statement.

I called in Dobrynin, and referred to these rumors and reports that we had had, told him that if these indicated that the Soviet Union was planning to move on Romania, that we called upon them in the strongest terms not to do so, that any such move would have incalculable effects upon the world situation, called his attention to the use of his expression, "the state interests of the United States," told him that we had a good many vital state interests here and there. Among them was Berlin. If there was any possibility that they might move on or restrict Berlin, that they must understand this would be a development of the gravest importance, and that we could not accept it.

He came back 24 hours later on instructions from his government, and told us that the reports and rumors that we had were wholly without foundation. I asked him if he took that to mean that they were telling us they did not intend to move into Romania.

He said, "Yes, that is my interpretation of what this statement by the Soviet Government means."

BERLIN AND ROMANIA

They added that as far as my question about Berlin was concerned, the same answer applied to Berlin. Now that is worth what it is worth. It seems clear to me that they have told us that they are not moving on Romania or Berlin. That does not guarantee that they will not.

And so we continue to maintain a close watch on the situation, because those developments could be very serious.

Senator SYMINGTON. Mr. Chairman, could I ask one question?

Senator SPARKMAN. Senator Symington.

Senator SYMINGTON. Mr. Secretary, would not moving into a country they already control, like Romania, which in effect is well within their orbit, and their moving against Berlin, which in effect is within our orbit, would not those two matters be totally different?

Secretary RUSK. Well, the situations would be very different on that very point. We do not have a security treaty with Romania, nor do we have with Czechoslovakia. There is one sense in which there are spheres of influence. I do not like that phrase because it suggests that somehow we control Denmark, which we do not.

There is one sense in which there are two blocs. After the Iron Curtain was lowered in Central Europe and the Red Army consolidated its position in Central Europe, we then organized NATO. It is quite clear that military movements across the NATO boundaries, and the NATO boundaries would include West Berlin, that any move, military move across those boundaries would mean war.

Senator SYMINGTON. That is my point.

Secretary RUSK. But we have never attempted to say that that gave us the right to move troops into Denmark to determine its internal politics, nor them the right to move into Czechoslovakia for the same purpose.

So you are quite right, Senator. Those two situations would be quite different. But I think that coming on top of Czechoslovakia a similar move in Romania would blow a good many gaskets here and there. I mean it would just be too much for many countries to take.

REACTION OF YUGOSLAVIA

I do not think that there would be military reaction by other countries, but the fury would mount very fast indeed.

Senator COOPER. Yugoslavia would react?

Secretary RUSK. Yugoslavia would probably not use military action to support Romania. Now when you get to Yugoslavia, and there has been some nervousness about all these forces moving westward and southward in that area, there is a big question about whether, quite apart from security treaties, Yugoslavia would not have to be supported as an alternative to Soviet military power resting on the Adriatic.

Senator Mundt. Do we have a security treaty with Yugoslavia?

Secretary RUSK. No, we do not, but I am thinking now primarily about the attitude of people in Western Europe.

Senator SYMINGTON. Do you mean military sort. I am thinking about arms and all sorts of other possibilities.

Senator MUNDT. Troops?

Secretary RUSK. I think in Western Europe a lot of them would want to think about that.

Senator MUNDT. But not our troops?

Secretary RUSK. We have not any commitment to Yugoslavia to use our forces for the defense of Yugoslavia.

Senator MUNDT. And we do not have any troops?

Secretary RUSK. The Soviet forces at the present time, they still would have to come through Romania or Hungary to get at Yugoslavia, so that we think there is some padding between Yugoslavia and Soviet forces.

I must say to the committee that we do not today see intelligence indicating a build-up of forces by the Soviet Union for an attack on Romania or in any way seem to be aimed at Yugoslavia. But there are enough Soviet forces in position so that they could be good deal from a standing start without the preliminary preparations that were known and accounted for in the case of Czechoslovakia.

EUROPE'S LONG MEMORIES ABOUT CZECHOSLOVAKIA

The effect of the move in Czechoslovakia on Western Europe of course was very severe. This is partly related to the long memories about Czechoslovakia in Europe itself, but also for considerations similar to those we had here in this country. We can expect, I think, a sharp reaction in a good many lesser relationships between the countries of Western Europe and these five who put troops in Czechoslovakia.

I will just comment briefly on two elements.

No one has suggested that the West take military action in support of Czechoslovakia. That is, I have not seen anyone in any government or in any responsible position making any such suggestion either publicly or privately.

Secondly, Western Europe is not disposed to move into trade sanctions. Western Europe's trade with Eastern Europe is on the scale of $8 billion two-way. Our trade with Eastern Europe is some $300 million two-way. In other words, our trade with Eastern Europe is about four percent of that of Western Europe with Eastern Europe.

There is no disposition apparently in Western Europe to impose trade sanctions. Beyond those——

Senator HICKENLOOPER. Does that compare fairly closely to the differential existing before World War II? In other words, the bulk of Eastern Europe's trade was with Western Europe?

Secretary RUSK. That is correct.

ROLE OF OTHER SOVIET BLOC NATIONS

Senator Mundt. May I ask how did the Bulgarians get into this?

Secretary RUSK. Some of them I understand went around by ship to the Soviet Union and some went by air, but the Bulgarian forces there were almost a token force, very small, a very small element.

The Germans, the East Germans had significant forces, but we understand that a couple of their divisions have gone back to Germany.

Senator HICKENLOOPER. No Romanian troops?

Secretary RUSK. No Romanian troops at all. As a matter of fact, the Romanian forces are now on an alert basis because of their concern about Romania itself. And Romania, as you know, gave strong public support to the Czechs during the situation.

Senator Mundt. But there were Hungarian troops?

Secretary RUSK. There were some Hungarian troops.

Senator MUNDT. How do you account for this? Do you think that the Hungarians per se at the Government echelon was filled with revulsion?

Secretary RUSK. My guess is that both in the case of Poland and in the case of Hungary these were decisions taken at the top, which had relatively little support down below. In any event, that they were not decisions that were referred to full plenums of the Party congresses and things of that sort. There has been indication of a good deal of grubbling among ordinary Hungarians and ordinary Poles about this move, and Gomulka, in trying to defend it to his own people, has appeared to be rather defensive about what he said to the Poles about his participation in this affair.

SIGNIFICANCE TO NATO

Now NATO does have to give some thought to what it means to have significant Soviet forces move from the Soviet Union into Central Europe. Important air units took part, for example, and there have been some ground units. There has been a partial mobilization of some of the civilian elements on the Soviet reserve forces. But more particularly to the southward, deployment of Soviet forces into Czechoslovakia along the borders of Bavaria where they have not been before.

We are now studying this in NATO, and are rather glad that the fact that NATO is studying this point is public, because it is just possible that the prospect of additional strengthening of NATO forces, particularly for example by the Germans, could serve as some leverage on the Soviet forces to get some of their forces or all of them out of Czechoslovakia sooner rather than later.

We have no clear indication yet as to what the Soviets meant when they said that their forces are only temporarily in Czechoslovakia.

POSSIBLE SOVIET EVACUATIONS

Senator SPARKMAN. By the way, there is an article in the afternoon paper, the Daily News, that says that Russian troops are supposed to complete the evacuation of Czechoslovakia by October 27.

Secretary RUSK. We heard that report. It is still a wholly unconfirmed report as far as we are concerned. This was a rumor from a Czech source. Now it may be an optimistic Czech.

Senator SPARKMAN. And an underground Czech too, I think.

Secretary RUSK. Yes, someone who might not have really been in the know. I hope it turns out to be true, but I have no basis whatever to lead the committee to think that I feel there is any prospect that this is going to happen that soon.

Senator HICKENLOOPER. Mr. Secretary, may I ask you a question that has been bothering me?

Secretary RUSK. Yes, please.

Senator HICKENLOOPER. I do not know how you want to answer it.

TREATMENT OF DUBCEK

How badly did the Russians beat up Dubcek when they took him to Russia?

Secretary RUSK. We do not have independent information of our own on the treatment of these top Czechs who were taken under detention on the first day. We get some reports indicating that they were manhandled pretty badly, and that Dubcek specifically was beaten to a degree anyhow. He had a bandage on his forehead, and some of those who were around him sort of spread the word that he was manhandled during that period of detention while he was being held and before they called him to Moscow to start negotiating with him.

Although the Soviet military plans had been worked out with precision and they executed them very expertly, I think they made a miscalculation on their political plans, because they seemed to think that there was going to be a group of Czechs in position who would be able to govern Czechoslovakia as the Soviets wanted them to and with the support of the Czech people. This might have been one of those situations where the Soviets were misled by certain individuals in Czechoslovakia, perhaps even by their own ambassador.

But the reaction of the Czech people was really quite extraordinary, particularly when some of you will recall the difference between this situation and the situation in 1948, and the Czech behavior at the time of the Hungarian affair ten years ago.

In 1948 we were trying to find evidence at that time of Czech resistance the Communist coup, because we were considering debating it in the Security Council. And quite frankly, we could not find any. We could not find anything to go on in terms of presenting a case to the Security Council. It was discussed in the Security Council nevertheless.

And during the Hungarian affair you will remember that the Czechs were the most docile of all the Central Europeans in terms of giving any aid and comfort to the Hungarians during that period.

But here is a situation now where it must be apparent to the Russians that they cannot govern the Czech people through a Czech Government that takes the Novotny line lock, stock and barrel, and this opens up the possibilities of some compromises which may save something of the liberalization movement in Czechoslovakia, provided they remove freedom of the press and rededicate themselves to the Warsaw Pact, and things of that sort.

MILITARY IMPLICATIONS

Well, I do not have any conclusions from the NATO countries in terms of the military implications of this. I think we want to take a look at it pretty closely in the weeks ahead.

One or two things have happened of some interest. The Germans clearly are going to increase their defense budget. The Belgians have postponed their plan for the reduction of their forces in Germany. The Dutch apparently are putting off a reduction of their defense expenditure.

The Canadians now have to crank into their own re-examination of NATO forces the implications of the Czech developments, so that those things are already apparent.

THE ATTITUDE OF FRANCE

Senator MUNDT. Is there any indication of any change of heart in France?

Secretary RUSK. President DeGaulle has expressed his displeasure over the move in Czechoslovakia, but has made it quite clear that he blames this on the policy of blocs, namely he blames it sort of jointly on the Soviet Union and the United States. He has made reference to the responsibility of Yalta in this situation, which has been strongly and devastatingly rebutted in Figaro and in Ramon.

He indicated today at his press conference that he intends to pursue the policy of detente. I would like to comment on that a bit.

In our last NATO meeting in Iceland, we had in front of us a report by one of the expert groups about contacts between members of NATO and the countries of Eastern Europe. As I remember that report just in listing the contacts more or less one or two lines per item extended to some 22 typewritten pages.

Now it is already clear that many of those contacts are now being cut back or eliminated. High level visits are off during this period. Cultural exchanges that might lead to incidents on one side or the other are being canceled, and there is a sharp cut-back in the give and take.

RESUMING CONTACT WITH THE SOVIET UNION

Now we have a problem that the Senators on the committee might want to be thinking about, about what this means for us as we look ahead. However disagreeable we find the Czech business and however strongly we may feel about it, I think it is fair to say that the Czechoslovakian matter does not remove other questions from the agenda. It does not solve the problem of offensive-defensive missiles. Vietnam is still there. The Middle East is still there. So we have to think ahead to the matter of whether it is possible, and if so, in what way and when, to resume some sort of contact with the Soviet Union on those matters which require attention, because you gentlemen here in the Congress next year and the year after are going to face formidable problems about the defense structure of the United States and the defense costs of the United States if we cannot get some understanding as to offensive and defensive missiles.

If the Soviet Union at some point could bring itself to play a helpful role in the Vietnam affair, so much the better. The permanent members of the Security Council may be required to play an important role in drawing the Middle East matter to a more satisfactory conclusion.

So I urge upon the committee attention to the point that other problems are not solved just because Czechoslovakia has made everybody properly furious.

NUCLEAR NON-PROLIFERATION TREATY

On the question, Mr. Chairman, of the non-proliferation treaty as it was affected by the Czechoslovakian matter, I will comment if I may just very briefly on that. As we see it, the non-proliferation treaty is not a bilateral treaty with the Soviet Union, that is, that

is not of the essence. Both we and they have nuclear weapons. The idea of non-proliferation applies more specifically to the 115 or 120 governments in the world that do not have nuclear weapons. It is a multilateral treaty which has been worked out over a long period of time with the greatest effort and with massive consultation with governments all over the world, and worked out as being in the national selfish interest of the United States. It is very much in our interest not to have nuclear weapons turn up say as between Israel and the Arab States or between India and Pakistan, or to get into a three-cornered reluctance on the part of Brazil, Argentina and Chile to forego definitely and clearly possible nuclear weapons or nuclear explosions.

So we think it would be unfortunate if a non-proliferation treaty were dealt with simply as a bilateral matter between us and the Soviet Union.

I realize that the Czech matter has complicated that point considerably, and the Senate has the matter in front of it. This committee has the matter in front of it. You will need to give that some very, very careful thought.

As you know, the President has expressed the hope that it could be acted upon during this presentation of the Senate. Perhaps we could be in touch with you somewhat later about this treaty, but I would hope that there would not be an automatic conclusion that because of Czechoslovakia the NPT ought to be killed or postponed indefinitely as a sign of displeasure towards the Soviet Union because they are not the customers of the Soviet Union. They are not the customers of the NPT. We are the primary customers ourselves and it is aimed at all the nonnuclears rather than at the Soviet Union.

I respect the judgment of the Senate on these matters, and I just wanted to leave that thought in front of the chairman of the committee.

Senator SPARKMAN. Senator Mundt.

SIGNING THE TREATY

Senator MUNDT. Has the USSR signed this treaty, and if so, when?

Secretary RUSK. We signed it on the same day.

Senator MUNDT. Have they ratified it?

Secretary RUSK. They have not yet ratified it, no.

Now one thing that is rather interesting. I indicated there were some obvious interruptions in bilateral relations. You would be interested to know that this interruption is not on the initiative of the Soviet Union. The Soviet Union is prepared to go ahead and ratify the astronauts treaty which is before the committee. They are prepared to go ahead on the NPT and on the strategic offensive and defensive missiles talk. They have not canceled on their side any of these cultural exchanges. We canceled the Minnesota band, not the Soviet Union.

Senator MUNDT. What do you mean by——

Secretary RUSK. They seem to be prepared to go ahead.

Senator MUNDT. What do you mean?

Secretary RUSK. They have indicated as far as they are concerned they are prepared to go ahead with these bilateral contacts

with the countries in the West despite Czechoslovakia, you see. It is to their advantage to play it that way.

Senator MUNDT. Relating to the fact that they have not ratified, they could ratify it ahead of us as well as we ahead of them, could they not?

Secretary RUSK. Well, normally they would time their ratification more or less to the timing of the United States ratification. Now in the case of the consulate treaty, they waited a long time.

Senator MUNDT. Is there not something in the protocol of nations that with the consulate treaty we have to do it first or wait for them?

Secretary RUSK. In the case of the signatory powers, you usually have a little ceremony of mutual depository ratifications for the depository powers, and had the Czech matter not come along this is sort of what one would anticipate, you see. They told us the other day they were prepared to ratify the astronauts treaty any time that we are ready. That is before the Senate and we are not ready by some time yet on that one.

Senator COOPER. Will you yield for a moment here?

Senator MUNDT. I am not quite clear whether there is anything in the book of protocol, some understanding that the USA comes ahead in the USSR in the alphabet or something. Do we also have to ratify first?

Secretary RUSK. No, these multilateral treaties can be ratified individually and separately. There is no problem of rule of protocol on that.

Senator MUNDT. If they wanted to?

Secretary RUSK. If they wanted to.

Senator MUNDT. And they might succeed in doing it first, we would be in a little more urgent position if they would ratify it first?

Secretary RUSK. I am sure if that were recommended to them, they probably would do it.

Senator MUNDT. I am willing to wait for them to do it.

Senator COOPER. Will you yield?

Senator MUNDT. Yes.

WHEN THE TREATY GOES INTO EFFECT

Senator COOPER. Just a question on this same point.

Assuming that the Senate ratified this treaty, would it be effective until the treaty was deposited as far as the United States is concerned?

Secretary RUSK. It would not become effective until 40 countries including the nuclear—I think it is 40. The number is in the treaty, until 40 countries including the nuclear countries, signatories, had ratified.

Senator COOPER. But if it was not deposited?

Secretary RUSK. Actually put in a box?

Senator COOPER. It not only requires the ratification of the Senate, but it requires being deposited by the President of the United States?

Secretary RUSK. Yes, actually the Senate approves, expresses its consent. The President actually performs the formal act of ratification. This language sometimes gets confused in public discussion.

You consent to ratification and the President actually ratifies by a formal act of the Executive.

Senator COOPER. To get the precise answer then, it would not be effective until the President deposited it?

Secretary RUSK. That is correct.

A NONNUCLEAR CONFERENCE

Senator HICKENLOOPER. I saw a story, it seems to me, I recall here four or five days ago, or heard that some 80 nonnuclear countries had had sort of an unofficial round-robin agreement that they would not participate.

Secretary RUSK. No. They are having a nonnuclear conference in Geneva now, about 80 of them there. The signatories have now reached about 80 on this treaty. The nuclear powers are present at this meeting in Geneva as observers. They seem to be concentrating there at this conference on the question of whether the nuclear powers should give the nonnuclear powers more assurances and guaranties about nuclear aggression.

Senator HICKENLOOPER. I had forgotten the details of it.

Secretary RUSK. And secondly, to open up more assurances on the matter of exploiting the peaceful use of nuclear energy.

NEGOTIATIONS WITH NORTH VIETNAM

I might just comment very briefly, Mr. Chairman, on the Paris talks. We have tried during these talks thus far to engage the interest of the Hanoi delegation in a considerable number of points. We put before them a variety of points and tried to get their reactions to them. Thus far we have not had any affirmative reaction on any one of them.

I will just mention some of them to give you a flavor of what we are trying to do.

When we raise the question of the restoration of the demilitarized zone, they say that that represents simply an effort to make permanent the division of Vietnam into two countires, that despite what we said about the question of reunification to be determined by the Vietnamese people themselves.

When we try to talk about troop levels they say all Vietnamese have the right to defend their country in any part of their country, so they seem not to want to get into the question of an understanding about troop levels.

When we talk about attacks on the city, despite the fact that Hanoi and Haiphong are not under attack, they say, "Well, you have got armed forces in these cities. Of course they are subject to attack."

When we talk about the structure of later discussions about the details of a peaceful settlement, we of course point out that there should be talks between Hanoi and Saigon, that is, the governments of the two parts of Vietnam. They have been extremely resistant to the idea of talking with the Government in Saigon. And very privately, I can say to the committee that the issue is not whether the views of the NLF can somehow be represented. The issue is whether Hanoi is willing to talk to Saigon on this matter of where you go politically.

Similarly, they have been negative on any steps forward to clean up the Laos situation, and have not even been cooperative with respect to Cambodian neutrality.

Now we have not put to them a single package which we say is the minimum package, take it or leave it, because we have been trying to leave the way open for them to come back with some suggestions and some proposals, perhaps on subjects that we have not ourselves raised at this point, but thus far they have not done that, and simply have said no, and then each time they are inclined to ask, have you got anything new to say.

NO PROGRESS TO REPORT

This matter of the bombing is still the central question on their minds. We have not yet made any headway on the question of what the effect would be or what the result would be if we did in fact stop the bombing. And they have rather indicated to us that the position of the two sides is so far apart on some of these points that I have mentioned that the prospects for agreement on these points are not very good. So that it is not even easy to make assumptions about what might happen in that circumstance.

Now I do think that it is of some importance that we are talking about the actual issues as well as engaging in the usual exchange of polemics when one is in that kind of a situation. Whether the Hanoi delegation or the Government in Hanoi has been waiting to see what happens in our two party conventions or whether they are waiting on what they call their new offensive in South Vietnam is just hard to say.

You should know of course, and I think you could assume, that a good many problems are going on, some not by us at all but by others, and that we think we should know before too long whether there is any possibility of getting matters up for serious discussion. But I cannot, unfortunately, today report any progress.

Finally, Mr. Chairman, before we get to the points that you wish to bring up, I would as of this moment——

Senator MUNDT. Are you leaving the peace talks now?

Secretary RUSK. I can come back to it in a moment.

THE MCNAMARA LINE

Senator MUNDT. I would like to ask one unrelated question which is not really in our bailiwick.

Our country has been spending somewhere between $1 billion and $6 billion, I have forgotten the figure, on the McNamara line, the defense line through the demilitarized zone. Has that become a subject of discussion in Paris?

Secretary RUSK. No.

Senator MUNDT. Is it being carried out?

Secretary RUSK. The line started was started near the coast and it ran inland for a few miles. It is still, some of it is still in position, but for technical reasons General Westmoreland and after him General Abrams have not continued it across, partly because the other fellows sit there just north of the DMZ with heavy artillery, and lob these shells in from a long distance, so that the line is no that much of a line as it was originally contemplated.

Senator MUNDT. Would it be safe to say that it is not a factor either in the peace talks nor in our——

Secretary RUSK. It has not come up in the peace talks.

Yes, it is locally useful, that part of it that is there is locally useful to the fellows who are patrolling that part of the terrain, you see.

Senator SYMINGTON. Might I ask a question, Mr. Chairman, along those lines?

Senator SPARKMAN. Senator Symington.

Senator SYMINGTON. The figure is $1.6 billion. The annual cost is $350 million, and it is just as worthless as we predicted in the Armed Services Committee, many of us, that it would be.

Secretary RUSK. Have they put that much into it? I am surprised to hear that.

Senator SYMINGTON. That is what they have requested for it. I do not think they have got it.

Secretary RUSK. Yes, I think that is correct.

Senator SYMINGTON. But they spent a good deal of money before they let the Senate know that they were in it at all, so that that in itself got to be a problem. That is the reason I know a little about it.

SUSPENSION OF THE BOMBING

Let me ask this question about this bombing. I personally am for the immediate suspension of the bombing, and the reason is this:

When the President said that he would not bomb above the 20th parallel, and somebody suggested that was too high, so then he said he would not bomb above the 19th parallel. We had a map over in the committee that 95 percent of any of the meaningful military targets, and 85 percent of the people lived above the 20th parallel, and we are not bombing above the 19th.

In addition to that, inasmuch as we have announced that we will not go that high, they have established air bases lower down, which makes it possible for the MIGs, which previously did not have the range to operate reasonably close to the DMZ, to operate close to the DMZ.

Under those circumstances, and inasmuch as the Secretary was on record that the bombing was not doing any good, and base on the rules that he had put in about the bombing, I would be inclined to agree with it, inasmuch as there are so few targets to hit where we are bombing. I am not talking about South Vietnam. I am just talking about North Vietnam.

Why is it not a good gesture to throw in the pot, as we are trying apparently sincerely to the best of my knowledge, sincerely to reach an agreement in Paris?

Secretary Rusk. Well, I think that you might want to talk to Mr. Clark Clifford and some of his military colleagues.

Senator SYMINGTON. I have talked to many.

Secretary RUSK. About the question of the bombing and its utility.

Senator SYMINGTON. I have talked to him. I have talked to a lot of them.

Secretary RUSK. There has been a very considerable increase in the secondary explosions caused by this bombing in terms of ammunition.

Senator MUNDT. I cannot hear you.

Secretary RUSK. Secondary explosions, ammunition, POL, that sort of thing on the way down. They still have their artillery across the DMZ that can reach our troops. I Corps. It would almost certainly mean a significant withdrawal from I Corps if there were no response whatever by the other side.

I do not quite understand why we do not look upon the cessation of bombing on four-fifths of North Vietnam as an important first step.

I saw someone the other day, maybe it was Arthur Goldberg, refer to the cessation of all the rest of the bombing as a first step. Well, it would seem to me that the President took a major first step on March 31, to which there has been so far as we can tell no tangible response.

NO SUBSTANTIAL SUCCESS

Senator SYMINGTON. There is no military man that I have talked to but what agrees with Secretary McNamara, who testified before our committee in open hearing that the reason that he wanted the DMZ, et cetera, the Muscle Shoals Dyemarker line that the Senator from South Dakota was talking about was that there had been no—substantial was the word he used—success in preventing arms and equipment from moving into South Vietnam, and therefore, inasmuch as the super doves and others too say let's cut out all the bombing, I join them. I say why do we not cut it all out, because the idea that is being given the American people is that we are really going to work on North Vietnam, and nothing could be farther from the truth as far as that is concerned.

So if we want peace, and in this particular situation why do we not agree that we stop this fictitious bombing, which is what it is. If we are only bombing, as you say, 20 percent, maybe it is still 20 percent but it is less than five percent of the military targets, and therefore we are punishing these people as little as possible, and last week they killed 408 Americans. So why do we not throw that in the pot in order to get this thing rolling?

Secretary RUSK. Senator, if you had some indication that it would get it rolling, I would be interested.

Senator SYMINGTON. Okay. I just thought that we were really trying to get something rolling.

Secretary RUSK. The point is that we have had no indication whatever that that would get it rolling. I do not know myself why, if we stop the bombing without getting anything at all in exchange for it, the other wide would not simply move to the next demand and sit on that.

Senator SYMINGTON. We stopped 95 percent of the bombing. Why not stop 100 percent and get all the benefit of saying in accordance with the wishes of many members of the Senate, et cetera, et cetera, and many millions of Americans, we have stopped the bombing?

Why do we not go ahead and get the whole show instead of putting on a phony show. This is a phony show.

Secretary RUSK. I do not know any military man who has the responsibility for the operations out there who thinks this is a phony show, not one.

Senator SYMINGTON. Do they disagree with the Secretary when he says it has no substantial success?

Secretary RUSK. If those words, if those were the Secretary's words, meaning no significance to the fighting, I think they would all disagree with that. It has not had the success in terms of stopping infiltration. Any foot soldier knows that you cannot stop infiltration.

Senator SYMINGTON. I will tell you exactly the words, "no significant results." That is verbatim.

Secretary RUSK. Well, I would suppose—I saw a little report the other day, I forget now the time period, I think it was about six weeks—4800 secondary explosions from the bombing. Now those secondary explosions represent ammunition or something else. I would suppose that it is much better to knock those out before they get to you than to wait until they get to you.

SENDING MORE TROOPS TO EUROPE

Senator SYMINGTON. I am not saying that they do not do something, you know, just like they may be a pimple on the side of the privates, the North Vietnamese. Unfortunately, I am also on the other committee, and we have ten and two-thirds divisions around Vietnam. We have five in Europe and we have two in Korea, and if you add those up, there is very little left to protect the United States, and it is all very well for us to be upset about what is going on in Europe, but I sure think we have enough of a war on our hands now rather than getting in any others, and I am just wondering if there has been any thought about taking some of the troops out of Vietnam and putting them in Europe. We did not seem to want to take the troops out of Europe to put them in Vietnam. Would it now be possible?

We have now I would say about 700,000 men in Vietnam. That counts the air in Thailand and the fleet on the coast.

Secretary RUSK. The question in Europe is not so much what would be required there to meet an onslaught from the Soviet forces. It is not our judgment that these Soviet forces are moving to deliver an onslaught against NATO. But what is important as a matter of prudence along the frontier, to be sure that the other side knows that they will run into resistance if they should make such a miscalculation pending the resolution of the question of nuclear matters through the hot line and other means.

I would suppose that these troops that we have in Korea, Southeast Asia, Europe are themselves defending the United States, because we have declared more than once that these areas are vital to the security of the United States, and we do have enough forces here in this country to take care of the problems in this hemisphere or the internal needs of the United States with respect to law and order here.

Senator SYMINGTON. You think we do?

Secretary RUSK. So I am informed by those who have the responsibility. We seem to have very substantial forces here, when you in-

clude the National Guard and all the other elements that might be available.

Senator SYMINGTON. There are ten different National Guards in ten different states I understand are now suing, I know it is quite a few, I think the words is ten, that they not be forced to be called up to fight for their country under certain circumstances.

Secretary RUSK. These are different units, not ten divisions.

Senator SYMINGTON. That is right, so I am not sure you can count on those.

THE NEXT MOVE IS UP TO HANOI

My only point for bringing the matter up is that right here at the table we have several Senators who have been arguing for many months, if not years, to stop the bombing. Now inasmuch as we have stopped the bombing over 95 percent already, why not throw the rest in the kitty? That might even satisfy these Senators.

And then at the same time it might also be something that would make public—we have talked a lot about world opinion in Czechoslovakia. Maybe world opinion would say now the U.S. is really being sincere in wanting peace out there, because it is costing us a hell of a lot of lives the way we have been operating.

Senator SPARKMAN. Senator Mundt.

Senator MUNDT. Mr. Chairman, just so——

Senator SYMINGTON. Could I get an answer to that first?

Senator MUNDT. Sure.

Secretary RUSK. I do not believe that there is any government anywhere in the world that takes the rest of the bombing as a test of our intentions on this matter, our good faith. About two-thirds of the governments of the world hope that we get a good result in Vietnam. There are about 20 to 25 that are actively opposed to what we are doing. Most of these are the Communist countries, and President DeGaulle and Algeria and certain others. Another 20 or so of them just hope that they never hear about Vietnam, just hope that it will go away.

Just after March 31 there was a general reaction around the world that the next move is up to Hanoi. Now they are getting the benefits today of tactics that we have seen a lot of since 1945, and that is they just sit tight and say no long enough these pressures will again build up on us to move again, because people obviously and quite naturally are worried about the gap between the two sides.

I do not know any government that is challenging our good faith simply because we continue to bomb the one-fifth of North Vietnam, but more importantly, Senator, I do not know a single government in the world that can tell us what the results will be if we can, and I must say, we have discussed this both publicly and privately in this committee at a considerable length over time, I do not see what incentive Hanoi would have to make peace if they were there completely safe, untroubled, unbothered, not a bomb or a shell falling on them, while they send their infiltrators and their arms into Laos and into Thailand and into South Vietnam, at whatever rate they want to for the next 50 years. I do not know what the incentive for peace would be in that regard.

Senator SYMINGTON. I want to yield to my friend from South Dakota, but you can see the obvious answer.

THE STOPPING POINT

Secretary RUSK. If I could add one further point——

Senator SYMINGTON. If we are going to fight, fight.

Secretary RUSK. I do not quite know where people are going to stand. I can remember three years ago when the cry was let's have negotiations without preconditions, so we said okay, we will have negotiations without preconditions.

Then it was said, let's stop the bombing and have a cease fire. U Thant said that. So we said okay, stopping the bombing gives us this problem. What about a cease fire? Will you sit down and arrange a cease fire? Hanoi said no.

We move from point to point. March 31 many, many people thought that that was a very constructive step to take. But now many people say you have to take the next one.

All right, now suppose we stop all the bombing. What is the next step? To get rid of the Government in South Vietnam? To withdraw from I Corps? To stop the bombing in Laos? I do not know where there is any stopping point on this until there is a complete abandonment of Southeast Asia.

I would be glad to hear individually from anybody who would sketch out where they feel the stopping point to this process ought to be. I mean where is there a position on which to stand, because this has been rather a moving target for us for the last three or four years.

OPPOSED TO APPEASEMENT

Senator MUNDT. Well, I simply wanted to say along the lines brought up by Senator Symington, I want the Secretary to be sure to know that while there may be a number of Senators around this table who favor unconditional stopping of the bombing, there are Senators around this table who are not different from the Democratic Convention in Chicago, you have them on both sides and you have them on both sides of this committee at least, I have felt that it would be suicidal for us to continue to try to appease the negotiators at Paris by yielding here and yielding there and yielding some place else without getting a quid pro quo.

I do not know how you ever get a legitimate solution to the problem of stopping the war without, as you have very properly put it, providing some additional inducement on the other side of the table. That means in terms of laymen we have to punish them a little bit. If they constantly find themselves relieved of pressures of war, they can string this out for a good long while.

This is why I have both consistently and persistently differed with the administration's policy in terms of East-West trade, because I think this is one place we can enhance the punishment. But I feel the same way about bombing.

I do not know, Stu and I are talking to different military people. I sit down on the Appropriations Subcommittee of Defense and they come to my office all the time, I call them occasionally. They do not tell me, Stu, that this is just an exercise of futility, this bombing. They tell me more or less what Dean apparently indicates

they tell him, and that is that we would increase our casualties and be in a much weaker position militarily if we stopped more bombing without a quid pro quo. If we get a quid pro quo, fine, but just to stop it it seems to me weakens our position and jeopardizes the lives of the kids who are over there, and I honestly believe it tremendously softens the pressure that we can apply at Paris, because if we back away, and if we negotiate and one side continues to retreat, all you have to do is exercise patience and finally they capitulate and I do not think we want to capitulate.

I want the Secretary to know that there is some division of opinion on the committee. It is not unanimous.

Secretary RUSK. Mr. Chairman, may I add one or two brief comments to this, perhaps off the tape if I may.

[Off the record.]

Senator SPARKMAN. Senator Cooper.

DETERMINING IF THEY MEAN WHAT THEY SAY

Senator COOPER. I do not wish to continue this argument which has been going on now for two or three years.

The only point I have tried to make at times is this: Our government is pursuing a negotiated peace, and of course if we should stop all bombing and there is no acceptance of that, nothing happens, the situation might be entirely different as to what we will do. But my argument has been that as long as this has been their demand and we have gone this far, as Senator Symington says, why not do it all and see if there is any response. That is the only way I believe we are going to find out if there is any response.

Secretary RUSK. For how long, Senator, would you do this?

Senator COOPER. That would be left to the judgment of the President of the United States.

But the point I have tried to make is simply to do it would be a method of determining for all time whether or not they mean what they continue to say, and that is all.

ROLE OF CHINA AND THE SOVIET UNION

Senator CARLSON. Mr. Chairman, right on that, we are trying to deal, it seems to me, with Hanoi. But after all, Mr. Secretary, is Hanoi in a position to deal with us without getting the approval of the Soviet Union? Is that not where it is, or Red China?

Secretary RUSK. I think myself, and on this I have changed my view in the last two years, I think the situation has changed somewhat, I suspect that Hanoi is sufficiently in suspense or positioned between Peking and Moscow so that Hanoi is in a position to make pretty much its own decisions on these matters at the present time.

You mentioned Moscow.

[Off the record.]

Senator MORSE. Mr. Chairman, can I raise another point?

Senator SPARKMAN. Senator Morse.

RUMORS ABOUT THE PUEBLO

Senator MORSE. I think it has been very helpful to have the Secretary iterate the administration's position on the bombing. I con-

tinue to agree with Senator Symington and Senator Cooper, but I want to turn to another matter very quickly.

It would help us, Mr. Secretary, if you would give us some information about the *Pueblo* situation.

Secretary RUSK. Yes.

Senator MORSE. We are getting a lot of rumors that they are about to release these men, and I am simply saying I do not know.

Secretary RUSK. I am glad you mentioned that. I did want to comment very briefly on that. We were curious about these rumors because they seemed to have come from Communist sources.

The Communist leader in Japan, for example. Then they were picked up and repeated in one or two of the South Korean papers. We also knew that the North Korean caretakers were sprucing up Panmunjom this past weekend. We had no information ourselves that would confirm or give any credence to these rumors. Nevertheless we were ready for anything this morning when their celebration opened up.

Thus far—would you just call Mr. Reed's office and ask if they have anything further on the *Pueblo*—thus far we have nothing to confirm it at all. Their speeches have been highly polemic in character. We are having a meeting with them tomorrow in Panmunjom. It is possible something will happen there, but I just want to emphasize we have nothing ourselves that would give any substance to these.

Now I am glad, although it is small comfort, a small but important comfort, I am glad that there have been such propaganda pictures, press conferences by the crew and things of that sort to indicate that these fellows are still alive and in reasonably good shape, and we have some reason to hope that they are being cared for, and that they are not being tried and executed, and things of that sort. But there is nothing on the official channels indicating that there is about to be a break on this.

We have gone to great lengths to make it easy for them to turn these fellows back. Thus far no take. I would hope myself that they would understand that they have just about milked this for all that is in it, and decide to go ahead and get the matter off the agenda.

Senator WILLIAMS. Has there been any discussion of ransom?

Secretary RUSK. They have not raised the question of ransom and we have not offered ransom. This matter, it is not easy for a government to pay ransom. In the case of the Cubans, that was done theoretically on a private basis.

Senator Morse. CBS last night in Los Angeles called me and said that they were advised, they thought reliably, that the State Department was about to send a letter admitting that the ship was in national waters. I said I have not the slightest information about that, and I have no comment to make on it. The State Department has not notified us as to that. But that is the kind of rumor.

[Off the record.]

Senator SPARKMAN. Senator Case.

NATO FORCES ON THE CZECH BORDER

Senator CASE. I do not think that you mentioned it while I was here, Mr. Secretary, but what about the permanence of those two

or three East bloc divisions on the West German border of Czechoslovakia? Are they going to be permanent?

Secretary RUSK. There are now about 15 Soviet divisions in Czechoslovakia. Formidable additional forces along the border of Bavaria. If they remain there permanently, then there is a problem about disposing at least some more, not equivalent forces but some more NATO forces along the Bavarian border as a matter of prudence.

We are trying to signal to the Russians that we are in NATO to talk about this. We hope to spur them to get some of those forces out of there, if not all of them.

We get conflicting reports about whether some of the Soviet forces will remain permanently as a part of the Warsaw Pact garrison in Czechoslovakia along that western front tier or whether they will all be withdrawn.

Before you came in, we were talking about a rumor coming out of a Czech source that all of the forces would be withdrawn by the end of October. We have nothing to confirm that at all, nothing at all.

CAPTURE OF AMERICAN SAILORS

Senator HICKENLOOPER. What about this boat on the Mekong River that Sihanouk captured? Does he still have it? [1]

Secretary RUSK. He still has it, and the men. Eugene Black is going to see Sihanouk shortly. There have been some hints that maybe that can be resolved.

Senator HICKENLOOPER. He wanted a bulldozer for each man?

Secretary RUSK. He wanted a bulldozer for each man. We have given him, as I figure it, over the years about $30 million per man if we figure out our total historical aid to Cambodia.

Senator SPARKMAN. Mr. Secretary, I would like to ask you a question, really three questions in one for you to deal with very briefly.

One is the situation in Guatemala. Another one is the Biafra situation, and another is the situation in the Near East.

Senator SYMINGTON. Where is the third?

Senator SPARKMAN. The Near East.

DEATH OF THE U.S. AMBASSADOR TO GUATEMALA

Secretary RUSK. First on Guatemala, this action against our very fine ambassador, we very much appreciate the statements made in the Congress about him, apparently was in retaliation for the seizure by the Government down there of one of the key leaders of the terrorist forces there. Apparently they had planned to kidnap him and try to swap him for this terrorist leader.[2]

He elected to try to escape. He ran rather than be kidnapped, and they shot him while he was trying to get away.

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[1] On July 17, 1968, the Cambodian navy seized an American patrol boat on the Mekong River, and held prisoner the eleven Americans and one South Vietnamese on board. Prince Norodom Sihanouk demanded a tractor or bulldozer in return for each captive, but later amended that to request that the United States cease bombing Cambodian villages on the Vietnamese border. After 156 days in captivity, the Americans were released on December 20, 1968.

[2] On August 28, 1968 U.S. ambassador to Guatemala John Gordon Mein was killed while resisting a terrorist attempt to kidnap him en route to the embassy.

The Guatemalans have been entirely cooperative in trying to run down the culprits here. They have offered rewards. They have identified they think three individuals who were directly involved. And they are doing everything they can to apprehend the criminals.

We anticipate the possibility of some additional violence there. We had two of our military staff there killed two years ago, you will remember. But it is a part of the—this is the first time in history that an American Ambassador has been assassinated. We had a counsel general killed in Jerusalem about 20 years ago, but it is the first time one of our ambassadors has been killed under these circumstances.

So it is a reflection of the problem of a terrorist gang which was trying to ransom some of their own people.

As far as Biafra is concerned——

Senator SPARKMAN. May I ask you just one question about Guatemala?

Secretary RUSK. Yes.

STABILITY OF THE GUATEMALAN GOVERNMENT

Senator SPARKMAN. Is the Government pretty solidly in control of the country?

Secretary RUSK. We think so. There is always a problem. There is a sort of feud going on between the extreme right and the extreme left, so that there are killings of one sort or another from time to time, but there have been a number of these terrorist acts by the Castroite brand of Communist in Guatemala.

It was last January, not two years ago, that they machine-gunned the head of a military group as retribution for the killing of some of their own people by the Guatemalan security forces.

We have some reason to think that both the extreme left and the extreme right are trying to provoke a military take-over in the country, each one thinking that they would gain something by it. But on the whole, President Luz Mendez has been able to keep the Government together and get on with some of this reform program if not all of it.

Recent elections indicate the Government is pretty popular there in the country, and the armed forces seem thus far to be loyal to the Government.

SITUATION IN PERU

While we are in Latin America, I Just might report to Senator Hickenlooper, I hope he will be glad to know that the IPC [International Petroleum Company] problem has been settled in Peru in a way that was apparently mutually satisfactory to both sides. That has been a long-standing bother with us, and is a little rosette for the Hickenlooper amendment along the way.

Senator Mundt. You used the word "terrorists." Are you talking about Communist groups?

Secretary RUSK. We are talking about the Guatemalan Communist Party itself, which is under strong Castroite influence.

RELIEF TO BIAFRA

Now on Biafra, the problem there is, has been that unless we are prepared to mount a major military operation and enforce our will there against opposition from both sides, that we are depending upon working out arrangements between both sides to permit these relief supplies to get in. Quite frankly, it is a little hard for us to be more concerned about the starving Ibos than Colonel Odumegwu, the head of the Ibos, and this question of how to get the supplies in has been a matter of manipulation and spying between the two sides based partly upon military factors and partly upon political factors.

The agreement that was worked out about four days ago to open up an airlift during the daytime as well as the nighttime into Biafra broke down because, in selecting the airstrip, the Biafrans identified or designated an airstrip which was in a position where it would in effect neutralize advancing federal forces, and the federal forces were unwilling to use an airstrip which the Biafrans were using for arms supply, because the federal forces wanted to be in a position to bomb and machinegun the airstrip that was being used for arms supply.

About 50 tons a day are getting in by air at night. There is progress being made on the overland route. And as the federal forces advance, of course you get access to more and more of these pitifully disadvantaged people. And an international effort is going along on that side.

I do want to underline to the committee that the problem is not availability of food and medicine. It is stockpiled nearby, and it could get in very fast if a way were found to get it to the people who are directly needing it most. It appears now that Biafra is three-fifths occupied by federal forces. The part that remains is about two-fifths.

My guess is the prospect is that the final solution will come in effect by military means, even though we will be I think getting more and mere stuff in by various arrangements worked out by the International Committee of the Red Cross.

Senator MUNDT. That leads to this question: What does our intelligence show?

As I read in the papers, the Biafrans have lost the war though there is a delay in capitulation. Is that right?

Secretary RUSK. I would think the military betting would be that the Biafrans have lost the war. There may be guerrilla action yet for a time. It is not just a question of the Ibos. It was all muxed up with minority tribal groups within Biafra, non-Ibo, who had problems with the Ibos as well as with the federal forces, but it is a very, very mixed-up situation.

We would feel there has been a great set-back in Africa if a political organization should be reduced to the tribal basis. It would means hundreds of tiny principalities throughout the continent, chaos, violence and no order whatever in the entire continent.

HURTING THE CONCEPT OF AIR POWER

Senator SYMINGTON. Mr. Chairman, I have to leave shortly. There is just one point I would like to make if I may, if the Sec-

retary will be good enough to reply to my good friend from South Dakota with respect to this business of the bombing.

You talk to people in the Appropriations Committee. So do I. I am on the Appropriations Committee on military matters. I am talking about people in the field. I think I have been to Vietnam at least as much as anybody else.

In December 1965, I was with a major general and I said to him, "You seem depressed tonight" at dinner. He said "You would be depressed if you were sending these kids out to hit targets that they knew that you knew were worthless, sending them out to die."

He proved his point by a few weeks later quietly resigning from the military establishment.

Less than a year ago I was on a carrier, and I said, "You do not want to hear any speech." It was raining so they could not fly. "Have you any questions?"

One question was, "Why do you, some of your colleagues, have more interest in preventing casualties in North Vietnam than they do in my life or casualties of Americans in South Vietnam?"

I thought it was a pretty good question. I came back and asked it of some of the people who had been talking about stopping the bombing. I was interested in that.

And so my escort officer, who was a Navy man, he happened to have been the former skipper of this particular carrier, and I said, "What did he mean about my life?"

He said, "The regulations that he is allowed to go in to hit that bridge, because of where the people live around the bridge, are such that, (a) he has much less chance of destroying the bridge, and (b) it is much more danger to his life than if he could pick his angle of approach."

Now under this type and character of circumstance, and because it is hurting the whole concept of air power, which could be very serious in my opinion from the standpoint of much more serious parts of the world, and because also we have so much of our military, whether you like it or not, power is still a part of diplomacy, because we are so tied down there, I would much rather do anything to get out of there than to continue what I think, based on my opinion, is strictly a charade, when it comes to effective bombing. So I will interpret it to you this way if I may.

In my opinion if we had hit the meaningful military targets up there, we might have lost 50 people last week. We lost 408. If we abandon it we might lose 500. It is the relativity of it, plus the way that the war is being controlled from Washington, and this is the purpose and the reason for my position in the matter.

Senator MUNDT. May I say, Stu, that when you put it that way, you and I are in 100 percent agreement.

Senator SYMINGTON. That is what I figured.

Senator Mundt. And if we were not engaged in peace negotiations, I would look at it differently from what I think must be the psychological impact of our yielding item by item and inch by inch during negotiations without getting a quid pro quo. I am afraid we will yield ourselves entirely out of position.

Senator SYMINGTON. Just one thing more.

VIETNAM'S DRAIN ON AMERICAN MILITARY POWER

I predicted when I came back in October that this thing was going to blow in other parts of the world. I was wrong. It was the *Pueblo* and it was Europe.

I thought the first blow would probably be the Middle East, but it still could be a blow. What worries me is, I know how many divisions we have and I know where they are, and I know what condition they are in, not only ours but the ones in Europe. I went over and sat down for days in Germany to find out. And these people are realists. They know what our power is, regardless of all the propaganda we put out. And we have so much of our power in the Southeast Asia picture with Vietnam that in my opinion we do not cut much ice, unless we want to talk about nuclear weapons, and then that is a different deal entirely.

Thank you.

Senator SPARKMAN. Now do you want to give us just a brief word on the Near East? We will not keep you much longer.

Secretary RUSK. We are still back——

Senator COOPER. Mr. Secretary, excuse me, I have to go to a dinner.

REOPENING THE SUEZ CANAL

Secretary RUSK. The Jarring mission is still alive and still working.[1] I think there has been a little headway made on the purely procedural side. I think that the Israelis have not now excluded the possibility of some indirect contacts on their side, and the Arabs have not excluded the possibility of direct contacts on their side.

As far as substance is concerned, the problem still is how to get going on those points where agreement could be found, without being able to complete the entire package, because at the end of the day there are some problems like refugees and the final disposition of Jerusalem, and the reopening of the Suez Canal to Israeli flagships is going to be extremely troublesome to work out.

The Security Council met until late last night over an artillery duel across the Suez Canal, which this time apparently was started by the Arabs. Whether this will lead to Israeli retaliation we do not know yet.

Israelis have asked for a Security Council meeting this afternoon to take up Egyptian raids across the Suez, including the kidnapping of some Israeli soldiers and the return of those Israelis back to Egypt.

We are still working at it pretty hard behind the scenes, but when we get to points of substance, on the Arab side you get the general reaction that "My government could not stand. Our people would be too furious if we were to do X or Y," and on the Israeli side they refer to the problems they have in their own cabinet, in their own government, when you ask them to consider taking an important step from their direction. So it is still a pretty hard situation.

We would be I think somewhat surprised if there were a resumption of any large scale military action, but the continual ter-

[1] Dr. Gunnar V. Jarring was the U.N. peace envoy to the Middle East.

rorist activity, met from time to time by substantial Israeli retaliation, keeps the situation on edge.

Now we are in touch with the other permanent members of the Security Council. I think it is possible that, even mixed with the Czechoslovakian business, that the Soviets might join with ourselves, the British and the French to try to find some way to help the Jarring Mission to take some additional steps, but I cannot report any significant progress on that particular point.

RUSSIAN FLEET IN THE INDIAN OCEAN

Senator HICKENLOOPER. What significance do you attach to the increasing activity of the Russian Fleet in the Indian Ocean, the Persian Gulf, and down in there?

Secretary RUSK. I think the importance of it, Senator, is more on the political side than it is on the military side. They would find great difficulty in fighting these fleets, those naval elements in the Mediterranean or, more particularly, down in the Persian Gulf-Indian Ocean side.

Nevertheless, it is a political presence, and can be exploited by them in that direction, and we are concerned about it.

Senator HICKENLOOPER. Where is their Near East base as far as the Indian Ocean is concerned, Yemen?

Secretary RUSK. It would be perhaps the Yemen, yes, but it is not much of a base. I mean they just are not in a position to support fighting units out in that part of the world, and as far as the Mediterranean is concerned, with NATO air power along the entire northern coast of the Mediterranean, and with the 6th Fleet, their fleet in the Mediterranean, from a strictly military point of view, is almost as exposed as our forces are in Berlin.

Senator SPARKMAN. Anything else?

Thank you, Mr. Secretary.

Secretary RUSK. Thank you very much, gentlemen.

[Whereupon, at 4:15 p.m., the committee adjourned.]

# MINUTES

**Tuesday, September 10, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met in executive session at 10:45 a.m., in room S–116, the Capitol.

Present: Senators Sparkman, Mansfield, Gore, Lauche, Case, and Cooper.

The committee was unable to establish a quorum but conducted a short general discussion on unfinished committee business.

For a record of the proceedings, see the official transcript.

[The committee adjourned at 11:15 a.m.]

# BRIEFING ON THE BIAFRAN SITUATION

[EDITOR'S NOTE.—Biafra seceded from the Federation of Nigeria in 1967 and claimed the status of an independent republic until 1970 when its leader, Lt. Col. Chukumeka Odumegwu Ojukwu, fled the country. Military combat and economic sanctions that caused widespread starvation resulted in the death of an estimated one million Biafrans.]

**Wednesday, September 11, 1968**

U.S. SENATE,
SUBCOMMITTEE ON AFRICAN AFFAIRS OF THE FOREIGN RELATIONS COMMITTEE,
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:00 a.m., in room S–116, the Capitol, Senator Eugene J. McCarthy presiding.

Present: Senators McCarthy, Gore, and Hickenlooper.

Also present: Mr. Marcy, Mr. Kuhl, and Hr. Henderson of the committee staff.

Senator MCCARTHY. The Subcommittee on African Affairs of the Foreign Relations Committee this morning is meeting to receive testimony from the executive branch on the situation in Biafra. The chief witness from the Department of State is Assistant Secretary Joseph Palmer.

We expect to examine the background to the secession of Biafra from the Federation of Nigeria, the course of the ensuing civil war, the drastic plight of the victims of the fighting, and all possible means of promoting any alleviation of a dreadful situation. It is our hope that the testimony not only will illuminate the problem of famine relief, but also will deal with the basic issue of a political settlement in the area.

In the course of this session I believe members should keep in mind the question of whether or not further hearings open to the public would be desirable and possibly productive. In any event, we might want to issue the record of today's hearing as a public document after giving the State Department an opportunity to suggest deletions of sensitive material.

Mr. Palmer, we are glad to have you here and we appreciate your coming.

**STATEMENT OF HONORABLE JOSEPH PALMER, ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS; ACCOMPANIED BY ROBERT SMITH, DESK OFFICER FOR NIGERIA, DEPARTMENT OF STATE; AND STEVE TRIPP, DISASTER COORDINATOR, AID**

Mr. PALMER. Thank you very much, Mr. Chairman.

Mr. Chairman, I do have a statement which I have prepared since this is a very complex problem and I thought it would be well if I prepared a statement and, with your permission, I would like to go through with it.

Senator MCCARTHY. All right.

Mr. PALMER. Mr. Chairman, I appear before you today at a time of trial of a tragedy for a nation, for a continent and for humanity. The civil war in Nigeria is daily resulting in a mounting death rate, not only on the battlefields, but in towns, villages, and the countryside on both sides of the combat lines. Millions of innocent victims of the conflict—old men, women and children—are in need. And many are dying of starvation while a concerned world opinion agonizingly watches an inadequate flow of assistance to the needy.

How have these tragic events come to pass? Where has the United States stood with respect to them? What is being done about them? And what more can be done?

I shall shortly come to the answers to these very pertinent and urgent questions. But since the answers cannot be found only in the events in Nigeria itself, let me first try to put these problems in a wider African perspective.

THE PROCESS OF DECOLONIZATION

A glance at the map of Africa reveals the widespread proliferation of political entities. The process of decolonization—most of it in the past 10 years—has already resulted in 41 independent states on the continent and its off-shore islands. And the eventual number may run upwards of 45. It is necessary to recall that these boundaries were not drawn in Africa by Africans for African reasons. They were delineated in Europe by Europeans for European reasons—commercial, strategic, prestige, etc. For the most part, they ignored a host of ethnic, religious and economic considerations which might have resulted in more rational political units.

The colonial system produced other subsidiary problems for independent Africa. Lines of communication, for example, were developed primarily to evacuate produce to the sea and to tie Africa to Europe. There was little emphasis on the lateral communications which would tie Africans to Africans and lay the framework for future nationbuilding and cooperation among nations. Even more importantly, the institutional framework was lacking during most of the colonial period for hastening the process of extending group understanding. The political structures were authoritarian and nonparticipatory and generally followed a philosophy of divide and rule. It is true that, late in the colonial period, the effort was made to reverse these policies and brief periods of self-government preceded independence in almost all cases. But the institutions that emerged in most cases were fragile—too European in their inspiration to meet the needs and aspirations of an African culture and society.

In outlining these points, I do not intend in any way to detract from some of the positive benefits that derived from the colonial period. But what I do not intend in any way to detract from some of the positive benefits that derived from the colonial period. But what I do suggest is that the colonial system tended to isolate Africa from a process of natural political change—African change—for many generations.

THE AFRICAN REACTION

How have the Africans reacted to the situation they have inherited?

First, they have taken a strong position against territorial change by force or subversion. The principle is enshrined in the charter of the Organization of African Unity and constitutes a recognition that any violent change in the political boundaries of independent Africa can open up Pandora's box for the rest of the continent.

Secondly, the nations of Africa have, for the most part, taken a similarly strong stand against secession. They feel that they must start from a premise that the various ethnic groups—numbering some 2,000—can reconcile their differences within the present national boundaries of Africa and build towards a national identity. Otherwise, they feel, a process may be started which may affect any of them and may hopelessly fractionalize their continent. It is for this reason that all but four of the 40 members of the OAU have refused to recognize the secession of Biafra.

Thirdly, the nations of Africa feel a strong compulsion to develop their institutions—and their constitutional arrangements—in a manner that reflects African values and African imperatives. Central to this effort is a goal of national conciliation and consensus within an African framework.

In the world of today we hear a great deal about the values of dialogue and of participation in the solution of problems by those most directly affected. No area of the world has developed these very valid concepts of reasoned communication and self-involvement to a higher extent than the Africans have. They may use different words to describe the process-palaver instead of dialogue, indaba instead of town meeting—but the psychology and the human objectives remain the same. It is in this spirit that Africa is trying to solve its own problems and that prompts the current efforts of the OAU to solve the Nigerian problem in an African framework.

What we are talking about, Mr. Chairman, is in the first instance a problem for Nigerians but one that is inseparable from the problems of Africa. Beyond this there are, of course, the Commonwealth and United Nations dimensions. But we have not, Mr. Chairman, at any point regarded this as a unilateral American problem. I say this with the utmost of concern and compassion for good and valued friends on both sides. The United States by itself cannot expect to solve this agonizing and complex problem. We can be, and we should be, a voice of conscience—a strong one indeed—working with and through others in an international effort to save lives and to prevent human tragedy. This is what we have tried—and continue to try—to do.

ORIGINS OF THE TRAGEDY

Mr. Chairman, let me go back to the questions which I posed and which I assume are on the minds of this committee.

First, how did these tragic events come to pass? Like most human tragedies, there is no absolute right and no absolute wrong, no pristine truth and no unqualified error, no white hats and no black hats, no reliable statistics, no valid balances on a scale of equity or justice. There is emotion, power, suffering, grievance—and reality and some degree of reason.

Britain had the choice before independence of dividing Nigeria into its three principal ethnic groups—Ibo, Yoruba and Hausa-Fulani—into three separate states—or of retaining them as one. The principal proponents of unity at the time were the Ibos, then led by Dr. Nnamdi Azikiwe—American educated, a great African and subsequently the first President of Nigeria—who recognized all of the values of economies of scale and larger political entities. The more traditional Hausa-Fulani North was doubtful, mistrustful at the time, and strongly inclined to think in terms of partition. But in 1955 a great Northern leader—Sir Abubakar Tafawa Balewa—came to the United States as Minister of Transport of the Northern Region Government to study the Mississippi transport system which has so much relevance to the transportation problems of the Niger and the Benue. When he returned to the U.S. in 1960 as Prime Minister of an independent Nigeria, Sir Abubakar spoke before the National Press Club here in our nation's capital. At that time he told his audience that after his earlier visit to the United States and after seeing what we had done in building a nation of people of diverse cultural, ethnic and religious backgrounds and of diverse geographic conditions, he became convinced Nigeria could do the same. He had therefore sent Dr. Azikiwe a telegram from New York just before his departure saying that in the past he had not thought that one Nigeria would work but that on the basis of what he had seen and heard in this country, he was convinced that one Nigeria was possible, and that from that time forward he would be at one with him in working towards that objective.

THE REALITY OF NIGERIA

Mr. Chairman, we all know that there are great gaps between high intentions and hopes, and the realities of situations. For more than five years, Nigeria showed promise of realizing its potential as the largest and one of the richest countries in Africa. The country was governed by a process of consensus, which, however, had its weaknesses. Decisions tended to be at the lowest common denominator. Sectionalism was at best latent and at worst rose to the surface as it did over the census in 1962 and 1963. Corruption gave another dimension to Nigeria's problem.

To the outside observer, Nigeria during these years gave the appearance of a parliamentary democracy. There was at the center a government and an opposition. Yet closer examination revealed that the Government was an alliance between tribally based parties in the East and North on the one hand and a tribally based opposition party in the West on the other hand. Subsequently, this marriage of convenience was to give way to an alliance between the

North and a doubtfully valid government in the West against the East. The weakness in both situations was the degree of alienation involved in the virtual exclusion of large sections of the country from participation in the process of government. Principles, issues and national interests tended to be subordinated to local imperatives in specific situations.

From the beginning, this already complicated situation was compounded by the positions of the minority tribal elements—principally the Ibibios and Efiks (about 3.6 million) and Ijaws (about 1 million) in the East and Mid-west and the Tivs (1.6 million), Kanuri (2.3 million), and other large minority elements in the North.

CULTURAL DIFFERENCES AMONG NIGERIANS

Senator MCCARTHY. What is the cultural difference among those people, is it just geographic?

Mr. PALMER. It is geographic, there are different language groups, there are approximately 250 different tribal elements in Nigeria, Mr. Chairman.

Senator GORE. Mr. Chairman, may I interject to say that I had the pleasure of visiting in Nigeria when the Secretary was our distinguished Ambassador there, and he was a distinguished Ambassador, and performed great and notable service. It was very fortunate for me that a man of his stature was there at the time of my visit when I was chairman of this subcommittee. In connection with the question which the chairman has just asked, I must say that I was utterly unprepared when going to Africa to face the preponderant, the overwhelming influence of tribalism throughout that continent, and this seemed to me to be particularly true in Nigeria. So when you talk about what is the ideological difference, what is the ethnic difference, what is the geographic or political difference you really come down to a tribal distinction, is this not true?

Mr. PALMER. It is in large measure tribal, yes. I think a great deal of progress has been made not only in Nigeria, but in other African contexts as well, in subordinating this to a wider interest. This is the same sort of problem, I would say, in some respects that perhaps Europe had during some of its early days of nationbuilding, during the period of deudalism, this again was a problem and still has lingered in some contexts. In Belgium, for example, the differences still linger.

Senator GORE. And are very real.

Mr. PALMER. And we still hear of separatist movements in Wales and even in Cornwall.

Senator MCCARTHY. Scotland, yes.

MINORITY ELEMENTS

Mr. PALMER. So that these are stubborn problems, and all Africans recognize them as being very stubborn problems. This is why they feel that the answer does not lie in a series of secessions and so forth. But try to retain the bias that the effort must be toward national unity. But it is a difficult process. The task of building any nation is a difficult problem.

Mr. Chairman, these minority elements, of substantial strength in and of themselves, were resistant to the efforts of the regionally based parties to try to dominate their regions. Thus, during the early periods of comparatively free national politicking in Nigeria, the Ibibios, Efiks, and Ijaws of the East tended not to throw their lot with the Ibo-based party in that region, but rather to support the Western-based Action Group. A similar situation pertained with respect to the Middle Belt and Kanuri populations of the North.

And yet, despite these centrifugal tendencies, the urge to surmount regional interests and to construct a national consensus persisted.

The existing instrument for achieving a national consensus of all these adverse groups was destroyed on January 15, 1966, by a small group of officers—mostly Ibos—who assassinated Sir Abubakar, the Prime Minister of Nigeria. The Premiers of Western and Northern Nigeria were also murdered at the same time.

MOTIVATION OF THE REBELS

The rebels, of course, had their own reasons for acting as they did. They were dissatisfied with the pace of modernization. Decisions were few and far between. Corruption was widespread. And as already indicated, important elements of the population were excluded from participation in the decision making process. But even at this point, elements in the army, including Ibos, recognized that events had been carried too far and that the country could be torn apart unless corrective action were taken at once. They therefore stepped in to reassert legality and to try to redress the damage that had been done to the national fabric.

But the effort was too weak and too late. The new government, led by General Ironsi (an Ibo), was not strong enough to punish the leaders of the original coup, despite strong demands to that effect from the North. Nor was it strong enough to extinguish the long fuse of revenge which led to the tragic communal outbreaks in the North and resulted in the slaughter of thousands of civilian Ibo citizens who lived in that region.

Mr. Chairman, we have here all the elements of the classic Greek tragedy—the combination of mistakes, misunderstandings and wrongs that create such emotion, bitterness and alienation as to lead to the darkest of suspicions, ascribed motives and unthinking deeds.

The assassination of General Ironsi, the slaughter of thousands of Ibos in the rest of Nigeria and the flight of well over a million Ibos to their homeland all served eventually to convince some 8 million Ibos that their only hope of survival was in asserting their sovereignty, hopefully in association with some 4 million of the minority tribes that stood between them and the sea, including the rich oil bearing areas of the Niger Delta. This final decision to secede came on May 30, 1967, and followed a series of fruitless efforts to compromise differences in a way that would keep the country together.

But if the decision to secede unified the Ibos, it had no less impact on the rest of Nigeria which felt strongly that any concession of the right of secession would irreparably splinter the entire na-

tion. And, as already indicated, the decision ran headlong into some deeply held—and strongly articulated—concerns on the part of the rest of Africa.

THE U.S. POSITION

Where has the United States stood with respect to these events and what is being done about them? For the reasons outlined at the beginning of this statement, we have continued our recognition of the Federal Government and the unity of Nigeria. At the same time, we have also sought to use our influence to encourage a peaceful resolution of the problems which have divided the parties. Thus, in the period before secession, we urged both sides to negotiate their differences. When negotiations broke down, we counseled against secession through our Consul in Enugu and Ambassador Mathews flew to that city to try to dissuade Colonel Ojukwu from this course. We also used our influence in both Lagos and Enugu to try to forestall a resort to force of arms. We tried to keep our lines of communications open to both sides, and, in fact, kept open our Consulate in Enugu for approximately five months after secession, until security conditions necessitated our closing it after the evacuation of the great bulk of American citizens in the region. Although our advice to negotiate was not taken, we persisted in our efforts, and, following the outbreak of hostilities on July 6, 1967, we continued to urge both sides to return to the negotiating table.

ARMS SUPPLIES

Four days after the outbreak of hostilities, we announced our decision that the U.S. would not sell or otherwise supply arms and ammunition to either side. We did so out of a desire to avoid any risk of deepening the conflict. Moreover we hoped that by taking such a self-restraining position, the Soviets would be encouraged to do likewise. Unfortunately these hopes were not realized and in August, the Soviet Union agreed to sell the Nigerian Government military equipment, including advanced type aircraft. On August 21, the U.S. issued a strongly worded statement deploring this Soviet decision.

Neither the U.S. nor the Soviet Union had been traditional suppliers of arms to the Nigerian armed forces. The British government, on the other hand, is the former metropole and has historically trained and equipped the Nigerian forces, including the sale of arms and ammunition. Many of Nigeria's officers have been trained at Sandhurst. The U.K. took the position that to refuse to continue its sale of arms to a Commonwealth member facing armed rebellion would have amounted in fact to a pro-rebel action. They also felt strongly that such action would have reduced western influence with the Nigerians and results in an increase in that of the Soviets. The British government has therefore continued to supply essentially the same kind of equipment it had traditionally supplied.

From the beginning of the crisis, we have also been in close and frequent touch with African and other nations to try to find ways and means of bringing the hostilities to an end and to promote a negotiated settlement. These efforts were not facilitated by the initial strong position of the Federal government that this was an in-

ternal Nigerian conflict which Nigerians themselves must resolve and that discouraged all outside efforts—Africans and other—to intervene. Nor were our efforts facilitated by the similarly strong position of the Biafran Government that its sovereignty was not negotiable and the fact that it spoke at that time from a position of relative military strength. Nevertheless, we and others persisted and we were encouraged when in September 1967 the Heads of State of the OAU set up a Consultative Committee composed of Ethiopia, Ghana, Congo (K), Niger, the Cameroon and Liberia with a mandate to try to resolve the conflict within the framework of one Nigeria. This decision by the OAU was accepted by the Federal Government and the committee finally met in Lagos in November. At that time, General Ankrah of Ghana was given a mandate to try to bring the two sides together. Unfortunately, he was not successful and for some time the OAU Committee was inactive despite a number of efforts to stimulate it to new initiatives.

A NEGOTIATED SETTLEMENT

Meanwhile, the Commonwealth Secretariat in London—the permanent international secretariat that serves the Commonwealth—became active in trying to promote a negotiation settlement. The U.S. also supported this initiative. Preliminary negotiations in London in May of this year resulted in the agreement of both of the parties to negotiate and formal substantive discussions were held in Kampala, Uganda under the chairmanship of President Obote at the end of May. Again unfortunately, these conversations resulted in a deadlock, with the Federal government taking a strong position that a peaceful settlement was only possible if Biafra would renounce its secession and Biafra taking the stand that its sovereignty was not negotiable. With the failure of these talks, the OAU Consultative Committee reactivated itself and tried again at Niamey, Niger. President Diori once more encountered the same hard attitudes on both sides and the decision was finally made to adjourn the talks to Addis Ababa where further efforts would be made. For the past five weeks, the Emperor of Ethiopia has similarly sought to bring the two parties to an agreement but the fundamental issues that divide them are still so far reaching that no effective results have yet emerged with respect to either a political settlement or humanitarian assistance. The talks have now been adjourned while the Emperor reports to the African Heads of State who will assemble at Algiers on September 13 regarding his efforts.

I think that it should be said, Mr. Chairman, that during the course of the negotiations at Kampala, Niamey and Addis Ababa, a number of significant concessions have been made by the Federal government in an effort to reach an agreement within the framework of one Nigeria. It has made proposals for an international observer force to participate in overseeing the re-integration of what remains of Biafra into the Nigerian state, for a qualified amnesty, for an Ibo police force to undertake a large part of the security responsibility in the Ibo heartland during and after the period of re-integration, for recruitment of Ibos into the Nigerian army, and for an Ibo Military Governor and Ibo members of his Executive Council. However, these proposals have not commended themselves to the Biafrans who continue to insist on their sovereignty; nor have

the Biafrans, to the best of our knowledge, made any significant concessions on their side that might result in a narrowing of the negotiating gap.

In addition, the Federal government recently invited the U.N., the OAU, the UK, Canada, Sweden and Poland to provide members for an international observer group at the front to satisfy themselves that Federal forces behave with discipline and restraint.

FORCING THE BIAFRANS BACK

Meanwhile, the military campaign, which had been largely in abeyance while the political phase of the negotiations continued, has been resumed in the face of the continued negotiating deadlock, with the preponderant strength on the Federal side beginning to tell more and more. Militarily, as the map I have before me indicates, Federal forces are forcing the Biafrans back on almost all fronts. The non-Ibo minority areas of the East were taken first and now Federal troops are pushing into the heart of lboland. The Biafrans have resisted stubbornly and the end of the conflict cannot yet be predicted with any degree of accuracy.

As the world—and, more importantly, the innocent victims on both sides—are so painfully aware, the continuance of the struggle in the absence of any agreement on humanitarian assistance is creating ever increasing suffering. As disease and famine have mounted, we have appealed to the parties to set aside the political issues of the war in the interests of reaching an urgent humanitarian agreement which would permit the starving to be fed. We have strongly supported—both diplomatically and with material assistance—the efforts of the ICRC to bring relief to the suffering civilians. As the committee is aware, the primary role of the ICRC derives from the 1949 Geneva Conventions for the Protection of War Victims, to which Nigeria is a party, and from the committee's traditional humanitarian role. On August 4, 1967, the ICRC announced that "Since the beginning of the conflict the ICRC received assurances from the two parties that the provisions of the Convention would be applied."

NEED FOR RELIEF

An urgent need for relief exists on both sides. The ICRC therefore needs the understanding and cooperation of both parties if it is to carry out its impartial humanitarian mission on both sides of the conflict. Here again, the deep suspicions and fears of both parties to the conflict have thus far frustrated the efforts of the ICRC and the OAU, supported by the U.S. and many other nations, to reach an effective agreement which would permit an organized, steady flow of relief supplies to the afflicted areas. Generally speaking, despite safeguards that the ICRC or OAU may have proposed, the Biafrans have opposed the surface corridors the Federal government favors for fear that the food would be poisoned or that the Federal government would take military advantage of any such arrangements.

The Federal government, for its part, has been generally opposed to mercy air corridors; which Biafra favors, because of concern that they will be infiltrated during daylight hours—as they now are at night—by clandestine air shipments into Biafra, that should be

arms shipments into Biafra or otherwise give a military advantage to the Biafrans. This Federal position was recently modified through an agreement reached by Dr. Lindt, the ICRC Commissioner for Nigeria, and General Gowon on September 3, but the Biafran authorities have refused to accept shipments through the airstrip in Biafra which General Gowon designated and he has refused to accept the Nigerian choice. Meanwhile the ICRC is stepping up its night flights and, although substantially increased supplies are getting into Biafran-held territory, they are still inadequate and the airstrips themselves are becoming increasingly vulnerable to military attack. These two considerations combine to underline the importance of opening up surface corridors, an effort which we are strongly pressing.

In the meantime, the build-up of substantial relief supplies continues. Large quantities of foodstuffs have been accumulated both in Federal territory and in the offshore islands. The U.S. government, the largest donor, has contributed a total of almost $9 million to this effort in cash and surplus food commodities; private American voluntary organizations have added another $2.7 million. Ambassador C. Robert Moore, Deputy Assistant Secretary of State for African Affairs, recently headed a U.S. delegation to Geneva for urgent consultations with the ICRC and other organizations concerned with relief. The ICRC shares our concern and our awareness of the gravity and magnitude of the problem and is taking vigorous steps to meet it.

President Johnson in a message to Emperor Haile Selassie on August 5 described the relief of starving civilian populations as among the basic obligations of common humanity. He pledged our continuing readiness to help in the humanitarian task of providing and moving supplies to the needy and urged the earliest possible agreement to permit that to happen.

Mr. Chairman, I now come to the question of what more can be done in this tragic situation. First of all, let me emphasize that the OAU remains seized of the Nigerian problem both in its political and humanitarian dimensions.

RELIEF AGENCIES

Senator HICKENLOOPER. May I interrupt just a minute, this alphabetically ICRC and OAU, what are they?

Mr. PALMER. The International Committee of the Red Cross, Senator, and the Organization of African Unity.

Senator HICKENLOOPER. African Unity. They throw these alphabetical initials in here, and I don't understand them all.

Mr. PALMER. I am sorry about that, Senator.

Senator HICKENLOOPER. You are not the only one. That is the International Committee of the Red Cross?

Mr. PALMER. International Committee of the Red Cross in Geneva, headquarters in Geneva.

Senator HICKENLOOPER. Thank you.

Mr. PALMER. First of all, let me emphasize that the OAU, the Organization of African Unity—both aspects of the problem are slated to be considered at the African Heads of State meeting in Algiers beginning this Friday. We continue to believe that we should await the outcome of this meeting and assess at that time what further

steps may be indicated. In this connection, I think that we should draw a distinction—to the extent that one is possible—between the political and the humanitarian aspects of the problem. Certainly the political aspects of the problem are, for the reasons I indicated at the beginning of this statement, a legitimate concern of the OAU. Not only does Chapter VIII of the U.N. Charter encourage the pacific settlement of local disputes through regional organizations, but the provisions of Article 2(7)—the domestic jurisdiction clause —complicate the consideration of the political aspects of the problem in the U.N.

The humanitarian aspects of the problem, however, are a legitimate cause for concern not only for Africa but for the entire world. Should the meeting at Algiers fail to give any promise of an early solution to the need for humanitarian relief, the possibility of a move in the U.N. should certainly receive strong and urgent consideration and we have this possibility very actively under study. The success of any such move in the U.N. will depend largely on the Africans who thus far have supported the Federal government of Nigeria in its opposition to U.N. consideration of the matter. In the event OAU and ICRC efforts with the parties continue to be unsuccessful, U.N. consideration of the humanitarian—as distinct from the political—aspects may very well come before the U.N. General Assembly and we are already quietly but actively consulting with key governments about this contingency.

OPENING SURFACE CORRIDORS

Beyond this, Mr. Chairman, I wish to emphasize once again the urgent necessity of opening up surface corridors. Much attention has been focused on air corridors—and rightly so—as a contribution to the solution of the problem. But the quantities of supplies required and the built-in physical limitations of ferrying food by air into landing strips that are only converted stretches of road are so great that airlifts alone cannot begin to meet the needs even under ideal conditions, which we obviously do not have. As I indicated earlier, the Federal government has agreed to land routes and we are now pressing some plans for activating them which I shall be glad to discuss with the committee.

Mr. Chairman, I apologize for the amount of time I have taken with this initial statement, but I was most anxious to try to give the committee a comprehensive picture of the magnitude and the complexity of these agonizing problems. I am ready for your questions.

DIFFERENCES BETWEEN IBOS AND OTHER TRIBES

Senator MCCARTHY. Mr. Palmer, are the Ibos particularly different from the other tribes in Nigeria in cultural level, education and intelligence?

Mr. PALMER. Mr. Chairman, I don't think they are any different from the point of view of intelligence. I think almost all peoples have the same level of intelligence.

Senator MCCARTHY. Yes.

What about culture and education?

Mr. PALMER. They have traditionally had a social organization that has been essentially a democratic one.

Senator MCCARTHY. What is the historic reason for that? Is it something they developed themselves?

Mr. PALMER. Yes, they never had the tradition of strong chieftaincies or anything of this kind. There was a tradition of group decisions within Iboland, and a very strong sense of social responsibility. An extended family system is strong everywhere in Africa and it is particularly strong in Iboland. An Ibo, no matter wherever he is all over the world, remains a strong and active member of that particular family. It is a form of a clan, I would say, and this is very, strong in their traditions, too.

They have a very high degree of risk-taking which they have developed through this cultural, through this cultural heritage so they are a very active risk-taking hard-working people.

PARTICIPATION IN THE GOVERNMENT

Senator MCCARTHY. When they were a stronger force in the Government, did they allow more participation, was there more satisfaction on the part of the other tribes or did they pretty well dominate it?

Mr. PALMER. When they participated in the Government, I would say that it became a mixture of the two, of the authoritarian traditional North with the more modernizing influences and more democratically oriented influences of the East. The government became sort of an amalgam of the two.

Senator MCCARTHY. What caused it to swing away from that kind of participation or balance to what seems to be the situation now, if it did, I mean, if there is a real protest on the part of the Ibos that they are really excluded?

Mr. PALMER. Well, as I say, I think it was essentially, there are essentially tribal elements, tribal clashes that resulted in this situation. The assassination in the first instance of the Hausa-Fulani Prime Minister of the Federation, and of the Premiere of Northern Nigeria by a group of young officers who were primarily Ibos and who were trying to force the pace of change beyond what it had been, obviously set in motion a lot of emotional considerations that finally resulted in retaliation against Ibos that were living in Northern Nigeria. It was the tribal influence that resulted in this situation.

RELIGIOUS ELEMENT

A lot of people say it is religious. I frankly don't think it is religious. General Gowon, who is the present head of the present military government, is not a Moslem although he comes from the North, he comes from another one of these small minority tribes in the North. He is a Christian.

Senator HICKENLOOPER. Didn't President de Gaulle indicate that France was leaning toward Biafra because they were Christian?

Mr. PALMER. Yes—well, he indicated they were leaning toward them, I am not sure he said because they were Christian, did he, Bob?

Senator HICKENLOOPER. I think he said it stemmed in part because they were Christian.

Mr. PALMER. Well, he has put it, he has based his case primarily on what he regards as this being the right of self-determination.

Senator HICKENLOOPER. Well, of course, Christians are scattered all through that country, aren't they?

Mr. PALMER. Yes, they are, yes.

Senator HICKENLOOPER. I mean it sounds to me like sort of a specious argument.

Mr. PALMER. Yes.

Senator HICKENLOOPER. It is probably unjustified in the light of modern thinking on liberality of thought and all that sort of thing.

Mr. PALMER. I think it is more tribal in this regard, Senator.

Senator HICKENLOOPER. Excuse me.

Senator MCCARTHY. Go ahead.

Senator HICKENLOOPER. No. I had another question here, if you are through.

ORGANIZATION OF AFRICAN UNITY

Senator MCCARTHY. I was going to say, what is the relationship of the Organization of African Unity in this case to the U.N. in contrast with what it was at the time of the Congo?

Mr. PALMER. Well, the Organization of African Unity was not in being.

Senator MCCARTHY. Wasn't in existence at the time?

Mr. PALMER. No.

Senator MCCARTHY. There was no Organization of African Unity in existence at that time?

Mr. PALMER. No, there was not.

Senator MCCARTHY. So you had no problem of an Organization of African States?

Mr. PALMER. The OAU, this is its fifth anniversary this year.

Senator MCCARTHY. There is no formal obligation, is there for the U.N. to respect the formal organization, is there?

Mr. PALMER. No. But there is in Chapter VIII of the Charter.

Senator MCCARTHY. Yes. The way we——

Mr. PALMER. A bias in this direction.

Senator MCCARTHY. The OAS and so on?

Mr. PALMER. No, it could still exercise jurisdiction.

Senator MCCARTHY. To move in?

Mr. PALMER. Yes. But I think there you run into a parliamentary problem and that is that you would have to have the votes of the Africans to do this and I think the Africans who have 40 votes in the organization would feel that they would not want to do this until they had exhausted their own possibilities, and they might carry a number of the other developing countries with them on an issue of that kind.

AFRICAN RECOGNITION OF BIAFRA

Senator MCCARTHY. What is the position of the Africans, there are some, what are their, four states that have recognized Biafra? Which four are they?

Mr. PALMER. Tanzania, Zambia, Gabon and the Ivory Coast.

Senator MCCARTHY. Is there any special reason why they would recognize the separatist movement?

Mr. PALMER. I think that the initial recognition, Mr. Chairman, was Tanzania's. I think Tanzania had several reasons for doing it. First of all there was a natural sympathy for the Ibo people. They

were concerned about the slaughter that was going on, but I think beyond that they were reacting against what the Nigerian position was at the time, that this was essentially a Nigerian problem and nobody else's business. So I think Nyerere felt the only way really to internationalize this, to Africanize this, was to go ahead and to recognize Biafra and this would clearly present a problem that the OAU would have to deal with.

His relations with Zambia are very close. They tend to think alike in the great many matters, and I think Kaunda's recognition followed along rather naturally.

With respect to Gabon, this was the first of the French speaking areas to recognize. Again I think it was partly a question of natural sympathy for the Ibos in this situation, feeling that maybe they could strengthen them by this recognition, and this was then followed by the Ivory Coast. Now, to what extent France applied in this on the Francophile side is a matter of speculation.

Senator MCCARTHY. There weren't any similar political problems in these countries? It was rather an independent separatist kind of judgment.

Mr. PALMER. That is right.

There are no similar political problems in these countries. Tribalism is not a very active factor in Tanzania. It is something of a factor with Kaunda, in Zambia.

AN UNDESIRABLE PRECEDENT

Senator MCCARTHY. What about the other African states, their position is you have got to hold Nigeria together, is that it, unity—is it for the sake of unity or is there more involved in that?

Mr. PALMER. I think it is primarily on the principle involved. They are very concerned that this would set an undesirable precedent that might affect them all, and similarly, I think they are concerned about Nigeria itself, because if the East breaks out, the West may try to break out, and with 250 tribal units and the busiest country in Africa, it could present a very—well chaos.

Senator MCCARTHY. What would happen if it did split into three, four parts, would it make much difference?

Mr. PALMER. Then you have got the problem, I think, Senator, of these minorities that I talk about which are not necessarily at one with the dominant tribes in the areas in which we live.

THE MINORITIES IN THE EAST

I think I can best underline this point by talking about the minorities here in the East.

Senator HICKENLOOPER. Is there any way you can hold that map from the top this way just a little?

Mr. PALMER. This is the area that originally comprised Biafra, this black line around here. This area here is the Ibo area. Down here you have Ijaws, here Ibibios and Efiks and some other minority tribes.

Now, these minority tribes down here in this area, as I indicated before, when you had fairly free voting in Nigeria they did not vote with the Ibos, they voted with the Ibibios over here in Western Nigeria and there is a long tradition, again going back into the past, of disagreement, lack of cohesion with the Ibo population here. So

that consequently even if you—even if Iboland were successful in asserting its independence, you would have a land-locked country unless they were successful by other means of taking back over those minority areas, and that is where all the oil is.

Senator MCCARTHY. In Iboland or in the other?

Mr. PALMER. The oil is not in Iboland.

U.S. NEUTRALITY

Senator MCCARTHY. I was going to ask about the arms supply. Are the British and Russians both supplying arms to Nigeria?

Mr. PALMER. Yes, sir.

Senator MCCARTHY. Why do we maintain neutrality on it? The U.S. has taken no action, the Organization of African Unity says they are supporting the Nigerian Government. We take a position between that.

Mr. PALMER. There are several reasons we have done this.

Senator MCCARTHY. It seems to me we ought to be either helping Nigeria or helping the Biafrans. I don't quite see the point of the neutrality here when the other nations are not neutral.

Mr. PALMER. Well, I think I can explain the reasons, Mr. Chairman.

Back at the period that hostilities broke out we were using our influence in every way that we possibly could to try to get a negotiated settlement. At that particular time the Biafrans had succeeded in getting some arms from the Czechs and from the Poles. The Soviets had not committed themselves one way or the other. Radio Moscow at that time had called the Ibos the progressive element in Nigeria, and we were concerned (a) if we gave arms to the Federal government at this time, that we would risk deepening the conflict and (b) we were concerned that we might wind up with a situation in which the Russians were supplying the Biafrans and we were supplying the Federal government and you would then begin to get a Cold War dimension on the problem.

We have never been traditional suppliers of arms. We did sell the Nigerians in 1963 or '64, '64, 24 106 millimeter recoilless rifles. But that was the only arms sale that we had ever made to Nigeria. We have been trying in any event, Mr. Chairman, our best to keep down the level of arms in Africa.

So we felt under all of these circumstances that it was far better for us not to supply any arms in this situation. The British had a responsibility with respect to arms, and we hoped that the Soviets would stay out of the business, too. But they didn't. They saw an opportunity and they switched. It has not made any practical difference to the Federal government. The Federal government understands the reasons we have done what we did.

We had also hoped that it would continue to give us some influence with the Biafrans in a way that might help, be helpful at some future time, in bringing about a reconciliation. It has not helped this way, but this was essentially the rationale.

BRITISH SPONSORSHIP OF NIGERIAN GOVERNMENT

Senator MCCARTHY. Did the British and the Russians feel they were helping the Organization of African Unity?

Mr. PALMER. No.

Senator MCCARTHY. The British were traditional——

Mr. PALMER. The British are traditional and the British felt to have refused to furnish arms under these circumstances would have been a pro-rebel move.

Senator HICKENLOOPER. Well, excuse me, didn't the British feel sort of a sponsorship for the integrity of the boundaries of Nigeria as they had turned them loose?

Mr. PALMER. Oh, yes.

Senator HICKENLOOPER. And they felt that in supporting the so-called central Nigerian government they were merely supporting an organization which they had sponsored and set up there or approved?

Mr. PALMER. Yes.

Senator HICKENLOOPER. And the Biafrans were rebels against that?

Mr. PALMER. That is right.

Senator HICKENLOOPER. Is that it?

SWITCH IN RUSSIAN POSITION

Mr. PALMER. And to have denied arms—the Russians never give any explanation, they just go ahead and do it.

Senator HICKENLOOPER. They support any revolting group against any organized society where they can stir up trouble.

Mr. PALMER. No, but here they have switched over, they are supporting the Federal government.

Senator HICKENLOOPER. Now?

Mr. PALMER. Now. They switched.

Senator HICKENLOOPER. They did get the Czech stuff here in Biafra originally?

Mr. PALMER. They did originally but now that stopped. And the Czechs also switched and began to supply the Federal Government but then a few months ago the Czechs cut it off. The Soviets have not.

Senator GORE. The Soviets have not?

Mr. PALMER. No. But it is a rather academic problem now because Nigeria already has very substantial amounts of arms.

Senator MCCARTHY. Who is supplying the Biafrans?

Mr. PALMER. Well, the Biafrans after what they got through Poland and Czechoslovakia then began to buy on the international arms market in Europe, and that has continued, it has come in primarily through the Portuguese, but there are now some indications that it is coming in through Gabon as well. This, of course, a lot of the problem, Mr. Chairman, with respect to the humanitarian assistance is that these clandestine arms shipments come in at night, and this is what makes the Federal Government so nervous about mercy flights.

BIAFRAN FUNDING

Senator MCCARTHY. What are they using for money?

Mr. PALMER. The Biafrans?

Senator MCCARTHY. Yes.

Mr. PALMER. Well, they had quite a bit of currency, Nigerian currency, to begin with.

Senator MCCARTHY. How do they control that though if it is Nigerian currency?

Mr. PALMER. Well, for a long time they could just utilize it until the Nigerian government finally switched itself got itself geared up to change its currency. Toward the end they were selling them at tremendous discounts, getting very, very little, only a few shillings for the pound. They also took a lot of currency notes when they burst at one point into the Mid-West area of Nigeria and took the money in the Mid-West territory before they went back again.

A large number of these citizens have had holdings overseas, they have mobilized these and used them, and we think there is little doubt that they probably have been bankrolled to a considerable degree by commercial firms who may be——

Senator MCCARTHY. Is this oil?

Mr. PALMER. Yes.

Senator MCCARTHY.Who is in the oil business there?

Mr. PALMER. What?

Senator MCCARTHY. What big companies are in oil in Nigeria?

Mr. PALMER. The biggest one is Shell BP which is the most advanced in terms of developing its concessions. Then of the American companies Gulf is there, American Overseas.

Senator HICKENLOOPER. Who is behind American Overseas, is that a consortium of some kind?

Mr. PALMER. Do you know who is behind it, Bob? I think it is Standard Oil.

Senator MCCARTHY. Yes.

Senator HICKENLOOPER. There are a lot of Standard Oil Companies in the U.S., which one? New Jersey? Indiana? California?

Mr. PALMER. We would have to supply that for the record. There are a lot of them. In addition to that there is the Great Basins Oil Company of Los Angeles, Mobil Oil, Gulf, Phillips, Tennessee, and Union. In addition to that ENI is in there, the Italian Oil Company; the French State Petroleum Company, and I guess, that is all. Here is a map on the oil areas.

DEALING WITH THE FAMINE

Senator MCCARTHY. Well, the only other question I have to ask you is with respect to the famine situation, Mr. Palmer.What can be done? You state you have to get trucks in unless you use helicopters. You don't have enough helicopters to supply and you couldn't get them in anyway. But what can be done about the famine situation?

Mr. PALMER. It is very, very difficult to do anything in the absence of an agreement between the two sides because you have got a very, very active war going on involving a hundred thousand troops on both sides, very active fighting.

Senator HICKENLOOPER. Where did these people get food before they had automobiles and airplanes?

Mr. PALMER. Well, there is a fair amount of food being produced within the area. The great problem, Senator, is that it is not the proper type of food. It is not a high protein food.

Senator HICKENLOOPER. It is the same food they had for 3,000 years.

Mr. PALMER. Yes, but they supplemented it, you see, by bringing protein in. Meat, stock fish were the traditional items that were brought in.

Senator MCCARTHY. These things can't be moved now and, of course, you have got a lot of refugees.

Mr. PALMER. Yes, you have got a lot of refugees. You have about 8 million people left in that area, an area of only 5,000 square miles. We think one of the principal answers to this is to open up land corridors, Senator.

Now, the obstacle to this has been (a) the charge, the Biafran charge, that the food would be poisoned, and this is not as ridiculous as it sounds. Food would not be poisoned, the International Red Cross obviously could assure it wouldn't, but here you have got an anthropological problem because there is a very widespread belief not only among the Ibos but among other people in Africa that if you die under unusual circumstances your enemy in some way or other has found a way to poison you. We have no doubt too there may have been instances in which powdered milk was badly prepared or given under circumstances in which it should not have been given because in advanced stages of starvation where the body has dehydrated it can cause diarrhea and that sets further dehydration into effect and people could have died because of badly prepared dried milk. This is one of the big objections to an air drop, and that is if you just scattered things like this all over without the proper controls in their distribution you may cause a lot more deaths.

OPENING LAND CORRIDORS

We think one of the things that has to be done here, and we have been talking to the International Red Cross, is to try to force the pace on opening up land corridors.

The Federal government has said it is willing to do this, and we think the thing for the Red Cross to do and what we are trying to press them to do at the present time is to load this stuff in trucks and start it down the pike with some firm understandings from the Federal government that we will withdraw to a certain area and present this stuff as close to the Biafran line as they can then get and say "here it is," and we believe if this were done there would be a good chance that the Biafrans would then say "all right, we will take it."

Senator MCCARTHY. Well, this starvation isn't it one of the principal instruments by which the Nigerians hope to defeat the Ibos? It is primarily a military thing.

Mr. PALMER. No, I don't think that this has proven to be the case, Senator. I think there are also some indications on the other side that the Biafran authorities may be using this as a unifying measure, too. I think the Nigerian concerns, run primarily to the fact that on the air missions they do not want to risk a situation in which arms may be able to infiltrate flights.

Now, they are, not talking about arms on Red Cross planes. They are talking about if they don't have control over their skies some sort of an arrangement such as the one they finally agreed to work out with respect to this one air strip, arms will come in.

U.S. AND THE RED CROSS

Senator MCCARTHY. Does the Red Cross accept this and are they content with this explanation of what we are doing by way of trying to assist them in the food distribution effort or are they unhappy with it?

Mr. PALMER. With us?

Senator MCCARTHY. Yes.

Mr. PALMER. Oh, I think they are very happy with what we have done and they are just as frustrated about the diplomatic aspects of the problem as we are, Senator. I think they feel we have given them very, very full support. We have not only made all these materials available, all this food and everything, but we have given them $1.1 million for their expenses, which means that the aircraft for aircraft charter costs and for the payment of personnel and so forth, and they have quite a major effort which Mr. Tripp here can tell you more about if you would like him to.

Senator MCCARTHY. What about statements like this, now do you call him, Adekunle: "I want to see no Red Cross, no caritas, no World Council of Churches, no Pope, no missionary and no U.N. delegation. I want to prevent even one Ibo having even one thing to eat before their capitulation."

Mr. PALMER. Yes, Adekunle has made some very unfortunate statements. He is a gung ho general. What happens is that a lot of people come in and start talking to him or at least this is his explanation and get him riled up and he has a tendency to exaggerate, as general officers sometimes do. He is a colonel, by the way, we shouldn't call him a general, and those statements, Mr. Chairman, are not borne out by things that have been said in Lagos and, in fact, the Red Cross is still working in his area and other relief organizations are working in his area. But he has a terrible facility for putting his foot in his mouth in a very unhelpful way.

SUPPORT FOR NIGERIAN UNITY

Senator MCCARTHY. Could I ask whether our policy is to support the unity of Nigeria or are we simply standing by the British and the Organization of African Unity?

Mr. PALMER. Our policy is to support the unity of Nigeria and what we believe to be the merits of the case, Mr. Chairman. An important factor in this, I think, is the position and the stand that is taken by the Organization of African Unity. This is a valid input into our thinking, but our position is taken by what we conceive to be the best American interests involved.

Senator MCCARTHY. Any questions?

GREAT POWER INTERVENTION IN AFRICA

Senator HICKENLOOPER. I just have a couple of questions.

On page 10 of your statement down at the bottom when you were discussing the fact that, in that last paragraph, "four days after the outbreak of hostilities, we announced our decision that the U.S. would not sell or otherwise supply arms or ammunition to either side, we did so out of a desire to avoid any risk of deepening conflict." This is the rather astonishing statement "moreover we hoped

that by taking such a self-restraining position the Soviets would be encouraged to do likewise." What in history has ever encouraged us to think that the Soviets would ever be nice if we are nice about anything? That is the thing that I have objected to so many times, we go on that philosophy so often on these things if we are just nice people the Soviets would be nice people. All of history is they don't do it that way.

Mr. PALMER. No, I think, Senator, the statement is somewhat shorthand the one thing the Africans don't like, generally speaking, is great power intervention in their continent. They were all very disturbed about this at the time, and we hope that that might be something of a restraining influence on the Soviets. If it did not restrain them we hoped, and I think this has proven to be the case, that it would not be a popular move on their part in the rest of Africa. In fact there has been a great deal of criticism of the Soviets for the position that they have taken in supplying arms.

Senator HICKENLOOPER. Well, they have been criticized all over every place in Africa and every place and it just runs off like water off a duck's back. I don't think they are moved by it in the slightest degree. But I mean for us to take a position, or I mean announce a policy if we refrain from doing something that the Soviets in humility or gratitude or some other emotion would refrain from doing the same thing.

Mr. PALMER. We didn't think it would be from humility and gratitude, we hoped it would be logic.

Senator HICKENLOOPER. Well, logic is what they say is good for the Soviets, and I believe it has been so well established that I have just hoped for a long time we don't continue to follow that so-called rationale or reasoning, I don't know.

JUSTIFICATION FOR UN ACTION

You say there is justification for the U.N. to move in on this internal affairs?

Mr. PALMER. I said on the humanitarian side.

Senator HICKENLOOPER. Well, that is up to the Red Cross, I mean, the Red Cross is a broad humanitarian——

Mr. PALMER. No, I am not talking about in any operating sense. I am talking about trying to bring as a forum here for trying to bring world opinion to bear on getting some arrangements that would permit the International Red Cross to operate in there on an orderly and an organized basis. That is the sort of thing that we have in mind. We are not talking about a Congo operation or anything of this kind, Senator.

Senator HICKENLOOPER. Well, it is a whole lot the same thing as the Congo operation, isn't it? That was an internal affair?

Mr. PALMER. Yes, but that involved the use of force and so forth. We are not talking about that.

DISTINCTION BETWEEN NIGERIA AND THE CONGO

Senator HICKENLOOPER. Well, this is force being used in Nigeria. I am not unsympathetic with trying to settle this thing, that is not it, but I am trying to get the logic of why we dip into one country on, under certain excuses and refuse to do it in another country or

why we refuse to do it in one count and do it in another country under similar circumstances.

Mr. PALMER. You mean the difference between the Congo and——

Senator HICKENLOOPER. I don't think there is much difference between the Congo and this. The Congo was an internal revolt.

Mr. PALMER. Well, there were a lot of external influences in it at the time.

Senator HICKENLOOPER. And yet we——

Mr. PALMER. There were a lot of external influences in the Congo at that time that are not present in this one.

Senator HICKENLOOPER. In other words in the Congo you had the Katanga area which is the rich mineral area of the Congo, which wanted to secede and here you have the oil rich area.

Mr. PALMER. Yes, but you had——

Senator HICKENLOOPER. Biafra which wants to secede.

Mr. PALMER. Yes, but I think there were several differences. The first one was that it was obviously beyond the capacity of the central government of the Congo to deal with at that time.

Senator HICKENLOOPER. Well, does that give us an excuse for going in? I am really trying to follow the terms of the United Nations Charter and program.

Mr. PALMER. Yes, I think——

Senator HICKENLOOPER. If we want to do it bilaterally that is a different thing.

Mr. PALMER. Yes. But the Congolese government at that time wanted to keep the integrity of its country the same way that Nigeria wants to keep the integrity of its country. It did not have the means of doing so at that time. And that was the reason for the U.N. intervention.

COMPARISON TO VIETNAM

Senator HICKENLOOPER. Of course, the U.N. isn't intervening in South Vietnam. It is the United States that is intervening in South Vietnam under the guise of maintaining the integrity of the country. I just don't follow the logic of these varied explanations on different countries as to why we take part in them when they are not really threatening the peace of the world.

Mr. PALMER. Well, I think all the situations are different.

Senator MCCARTHY. It is still a great principle. You had better not press Vietnam too far.

Senator HICKENLOOPER. Well, I am utterly confused most of the time, and I am thoroughly in a state—well, I get into a state in my confusion, and now you, Gene, you are thoroughly——

Senator MCCARTHY. I have a simple solution to all these problems. [Laughter.]

Senator HICKENLOOPER. I haven't solved them.

Senator MCCARTHY. Mr. Palmer, are the reports of starvation,——

Senator HICKENLOOPER. May I just finish this?

Don't misunderstand me, I want to send food in there, I want, I don't want to see people starve and all that sort of thing.

Mr. PALMER. I understand.

Senator HICKENLOOPER. But some reasons for interference don't quite square.

REPORTS ON STARVATION

Senator MCCARTHY. Reports on conditions of starvation, the Friendly report and the Garrison report, do you have a report which sustains that?

Mr. PALMER. This is one of the great problems we have, Mr. Chairman, which is why I said in the beginning in my statement there are no reliable statistics. The Red Cross has never given authoritative estimate as to what they regard the dimensions of the problem to be. They just felt they were not in a position to give one. Now, recently they very much stepped up the number of workers they have in Biafra and it should be possible, I assume, sometime pretty soon to get some reliable figures out of it. We have done some extrapolations ourselves, these very much horseback opinions. We can't really vouch for them, but I think our projections indicate that there may be as many as two and three quarter million people in Biafra held areas and 750,000 people in Nigerian held areas, for a total of 3½ million people, who may be affected during the next 10 month period. This is probably going to require about 150,000 tons of food. But we have no reliable figures on deaths, no reliable figures on the number of people involved. Dr. Lindt's answer to this question was we just can't think of these terms, we have to think in terms of the first million and then move on from there to the next X number of millions whatever it may be.

WILLING TO DIE BEFORE SURRENDER

Senator MCCARTHY. How do you evaluate Ojukwu's statement that they are prepared to die, have everybody die, if need be before they would surrender?

Mr. PALMER. I don't think that everyone will die before they surrender. I think that this becomes a unifying theme for them, which is not to say that they don't have very strongly held views. I don't think really the facts of the matter whether they are in Biafra all going to be killed or not, I don't think they are. I think the fact of the matter is that many of them have convinced themselves that they are going to be killed, and this then becomes a very stubborn psychological problem.

Senator MCCARTHY. That was the implication of Secretary Rusk's statement on Monday, I think, when he said it was difficult for us to be concerned if their leaders weren't concerned about how many of them die, and I don't quite see why we should be concerned but I don't want to press that point. The question I am interested in if this is really the disposition of the Ibo leaders that we let it happen, there is nothing we can do about it.

Mr. PALMER. It is very difficult for me to understand, Mr. Chairman, why they will not allow the International Committee of the Red Cross to bring in food overland in circumstances of this kind.

Senator MCCARTHY. What could we do, say we decided things have gone so far that we thought Biafra should be independent, what could we do? Could we stop the British from supplying arms?

Mr. PALMER. Well, I find it difficult to conceive of circumstances in which we would take that decision, Mr. Chairman, unless there

were a very active and well-proven move here to commit genocide which we do not see at the present time. If that were the case I don't think we would have to use any persuasion on the British. I think they would probably stop the supply under those circumstances, too. I don't think either one of us think this is the case now or that it is likely to be the case. This is not to say, Mr. Chairman, that there won't be lot of people who lost their lives, that there won't be excesses, there will be, there are in every armed conflict. I don't think there is any intent for a systematic external nation of the people.

Senator MCCARTHY. Do you have any more questions?

A HIGHLY CONFUSING SITUATION

Senator HICKENLOOPER. No, I don't think we have any more questions. I think it is a highly confusing situation. We have turned all these people loose in Africa, I mean the countries that were supervising them, but I did want to ask one thing: For a good many years under colonial rule, and I am not advocating colonial rule, that is not it, but I am just trying to objectively look at this thing, for so many years under colonial rule they had comparative peace and quiet, these African countries. They suddenly get independence and there isn't a single one of them that I know of that has got a stable economy, a stable political base. They are having revolutions and assassinations and all this, that and the other thing.

Mr. PALMER. Well, I think the answer to that, Senator, is that they were kept in line during those years by a considerable measure of force and by an authoritarian system.

Senator HICKENLOOPER. They are under authoritarian systems now, aren't they?

Mr. PALMER. Yes, they have had, in some cases they are, but the more authoritarian ones, I think, have yielded to less repressive ones. Certainly this has been the case in Ghana, I would say, and I don't think it is quite true either there were not troubles in those days.

Senator HICKENLOOPER. They had troubles, yes, but generally speaking the thing was pretty well held down in those countries.

Mr. PALMER. Well, Algeria, for example, had a large war against the French. Both Libyans and the Ethiopians resisted colonial powers pretty strongly. You had the Mau Mau in Kenya, and almost all of them had constant dissidence going on. I think a lot of the difference, Senator, was that we didn't have TV and modern communications to the extent that we do. A lot of this that did go on people simply didn't know about because there wasn't the access to the information that there is now. Now everything that breaks out is on everybody's TV screen the next morning and with early bird instantaneously.

Senator HICKENLOOPER. Yes.

Senator MCCARTHY. It is different now.

Senator HICKENLOOPER. I don't have any more questions.

Mr. PALMER. Mr. Chairman, could I say that this statement that I have was intended to be given in executive session. There is not very much of it I would want changed if it were to be released publicly but there are one or two things.

Senator MCCARTHY. I was going to ask, if you could make those few changes and releasing it would satisfy the press on this, and we will adjourn the meeting and probably we may hold some additional meetings.

Senator HICKENLOOPER. I just want to say, Mr. Palmer, I carefully refrained from getting into a quarrel with him on Rhodesia.

Senator MCCARTHY. Thank you.

Mr. PALMER. I appreciated that, Mr. Chairman.

[Whereupon, at 11:30 a.m., the hearing was adjourned.]

# COMMITTEE BUSINESS

**Wednesday, September 11, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 4:00 p.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senator Sparkman, Mansfield, Morse, Gore, Symington, Dodd, Clark, Pell, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, and Mr. Bader of the committee staff.

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Senator COOPER. If we have a vote here and it is by a skimpy vote present, and I say I will vote for it, which I will, and I don't know who else will and maybe all of you will, I don't know, but suppose I am the only one, then this will be taken, and you can say "well, these fellows are not for it, but that won't affect the position before the country that they are all against it, and then it becomes a party matter and then it is picked up in Europe that part of the Senate is for it and part of it strongly opposing it.

My own thought is this, if we could get them here for an informal discussion to find out really what everybody's feeling is about it then we will know where we stand and perhaps we can resolve it.

Senator CLARK. John, if I can interrupt, I just got word——

Senator COOPER. I am through.

Senator CLARK. I just got word that the only absentee who might come is Dodd.

Senator COOPER. Who?

Senator CLARK. Dodd, and he has said that he has some education meeting so it is dubious that he can be here.

Dodd would make 8. They can't find Lausche. Morse would make 9, and I don't know, John, but I think in view of my problem with which you are familiar I will have to go and I hope you are not hurt.

Senator SPARKMAN. I suggest we stay until 4:30.

Senator CLARK. I am 100 percent for the Treaty but I have a very important political meeting in Pittsburgh.

TEST BAN TREATY

Senator SYMINGTON. I want to make a couple of observations on this. The Treaty which had to do with the so-called Test Ban Treaty which was before the Armed Services Committee, and after a good deal of cogitation, I voted for the Test Ban Treaty although

the committee voted against it. Later the majority of the committee, later, the Senate passed the Test Ban Treaty.

Senator SPARKMAN. You mean the Armed Services?

Senator SYMINGTON. Right.

The subcommittee voted against it, and the full committee voted against it, but the Senate went with the minority.

Now, since that time I must say a couple of time in discussions I have been worried about whether or not it was a mistake, that Treaty, from the standpoint of testing weapons. We are having quite a time making any of these things work with all this money that we appropriated. We have gone gadget crazy, we tried three times to make the Minuteman go a mile and it hasn't gone once yet and it is supposed to go 5,000 miles and hit the target. So I am getting pretty worried about that aspect of that Treaty.

REMOVE SOME TROOPS FROM EUROPE

Now, what worries me as much as anything else as everybody knows is the way we are throwing the money around. One of the things I wanted to do was to get the troops out of, get some of the troops out of, Europe, because it seems to me ridiculous—there is not a military man alive who knows anything about it if you get him and really stick the knife up to his belly regardless of his chain of command obligations, won't admit that NATO is a farce today from the standpoint of being really effective on a conventional defense basis. In my case, that I know, because I have tested it out in recent days and weeks.

Now, if you are going to say "well, we don't want to take the troops out of Europe and we want to continue this absurd war where we don't hit anything that means anything" and all this kind of business, I don't see why, because of crisis you feel we can't stop spending some of this money, that that does not apply at least to some extent to this Treaty, because if we are going to—you know, as I said the other day, the President says don't unleash the dogs of war. I just signed the 770th death letter of the kids in Missouri. So I think you have got to look at this thing as a package a little bit. Either we are going to accept the fact that we have—here we are knocking the hell out of a country 10,000 miles away for a lot of this theoretical thought about this international communist conspiracy and raising hell with the Soviets who are moving to protect something directly on their borders that they thought they controlled anyway.

You have got a lot of problems in this, and I think there is some packaging to be done in our thinking on this. I am not going to just do part of it. A lot of countries haven't signed this Treaty and I understand some of them never will, and I think one of the great problems in American foreign policy today is there is so much form and so little substance, and if the Treaty doesn't mean anything, I know what does mean something is the way we are kicking this money around.

SPASTIC FOREIGN POLICY

Claiborne Pell comes back from Czechoslovakia and says to me that the Czechs want to see us take our troops out of Europe because they think we have stimulated the Russians to be aggressive.

He also told me the name of a newspaperman whom we all respect who told him he got the same story in Poland.

Senator PELL. That was before the Russians went in.

Senator SYMINGTON. I know, but it is all part of it. You can't say today this and tomorrow that, that is the trouble with this spastic foreign policy. It vibrates here and there without any long range approach to it.

I must say I wouldn't object at all, I have seen some stuff being put out about the Treaty, and Albert knows of my respect for him not only in this field but in all fields, but I think we have got to package this stuff a little bit. Just what is our relationship going to be with the Soviet Union, and that is tied up pretty tight in this Treaty.

Mr. Chairman, that is all I have to say.

Senator SPARKMAN. Anyone else?

Senator GORE. Wayne is on the way.

ESTABLISHING A QUORUM

Senator MANSFIELD. But you won't have a quorum. I go back to what John Sherman Cooper said, I think there is something to it, and I would suggest, and I do this, sir, a little shame-facedly, that we have another meeting tomorrow or Friday for the purpose of discussing this and possibly voting on this measure in the hope that some Republicans will show up. My guess would be perhaps Friday.

Senator PELL. One other thought I just toss out as an idea, the less attention that is directed to it, and bearing out what John Cooper said, where it is important that it not be a party matter, could there not be now some discussion in this period and then have the routine meeting of the committee occurring Tuesday, that gets less attention directed to it than this periodic meeting where the press all hovers around, and do it Tuesday?

Senator COOPER. What would you think of my suggestion which has been now, I think, approved by Senator Pell, that the chairman, with the aid of the Majority Leader and the ranking member of the Republicans, can get a group together for an informal discussion first without a vote so we can discuss it to see what the positions are, and then after that call a meeting to vote.

Senator DODD. when do you suggest doing that?

Senator COOPER. There would be no excuse then for no—

Senator GORE. John, let me suggest we have had a regular meeting scheduled yesterday morning for the unfinished business and there was ample notice to the Senate that there would be consideration of this Treaty. I am not criticizing anyone but I think three of us turned up.

Senator MANSFIELD. Six.

Senator GORE. Six.

Senator DODD. We had the Fortas matter in the Judiciary Committee.[1]

Senator GORE. I am not criticizing anyone but just replying to John.

[1] Republicans had requested that the Senate Judiciary Committee reopen hearings on the nomination of Abe Fortas to be Chief Justice of the Supreme Court.

Then Senator Sparkman scheduled a meeting at, for this afternoon with specific notice that there would be a vote, that is a possible vote. Then there was objection to meeting while the Senate was in session. Then the chairman sent out notices that we would meet after the Senate concluded its session today. So here we are lacking one for a quorum.

NOT A PARTISAN ISSUE

Now, like you, Senator Cooper, I do not want to see this as partisan issue. It is not, and should not be, because 99 of us endorsed the resolution only in 1966 urging the President to seek a non-proliferation treaty. We have one. Eighty nations in the world have signed it, and now we are about to decline to ratify it.

Senator COOPER. That is the point of my suggestion, Senator Gore, that rather than continue to have meetings where you don't get a quorum, which in itself indicates to the country that there is opposition to it and strong enough opposition that people stay away, and tend to create the doubt about the Treaty, my idea was that if we could get an informal meeting and discuss it it might help resolve this matter and bring it to a meeting where we had as many people here as are in Washington and will likely get a vote on it.

Senator SPARKMAN. Let me say this, I think you may be overlooking something, we have not had one meeting, we have had a half dozen different meetings on which this was scheduled as a piece of business. I think, I feel—John, I don't feel that the informal meeting for discussion—I will be perfectly glad to attend any meeting just for discussion and to have discussion but I am afraid we are not going to get much attendance there.

Senator COOPER. We should try it once.

Senator SPARKMAN. All right.

AIMING FOR A FINAL VOTE

Suppose we try that then either tomorrow or Friday, and then set a meeting for a final vote on Tuesday.

Senator GORE. Let's try it tomorrow, and then a final meeting Tuesday.

Senator DODD. Tuesday was set at 10:00 a.m., to vote on Justice Fortas in the Judiciary Committee.

Senator MANSFIELD. You can shuttle back and forth though, tomorrow.

Senator DODD. I will do my best.

Senator MANSFIELD. I think you will have Aiken here, you will have Church, I think, we will still be on the gun bill. How about Joe Clark, Albert?

Senator GORE. I don't know. I think he will be here.

Senator SPARKMAN. I think he indicated.

Senator MORSE. I will be here Tuesday.

Senator SYMINGTON. This has gotten to be a problem in this sense, I missed three votes up until today and I didn't leave the Senate until 4:30 the day I missed those votes.

I can't go on just hitting the votes instead of hitting the state. Yesterday I was away because Muskie's first trip was to Missouri

so I was with him in Missouri.[2] I missed the vote this afternoon because I had to be in the Pentagon. It is going to be like that. But the trouble on this is, somebody said IDA might come up today. You take military sales, it is going to be a problem to turn these into the things we have got to do now unless we can set a long-term time. I can't be here after 4:00 o'clock on Friday and I can't be here Monday. I have been here all the time.

Senator SPARKMAN. But you can be here Tuesday?

Senator MORSE. I can be here Tuesday.

Senator SPARKMAN. I think that is the important day and on every notice we send out we list the three things.

Senator MORSE. I am handling this education conference.

Senator MANSFIELD. We understand that. Tom has to go to a meeting on Fortas.

Senator SPARKMAN. Tom, if we meet at 10:00 o'clock and your committee votes at 10:00, you will vote at 10:00.

Senator DODD. We will have one hour.

Senator SPARKMAN. You won't be here Friday, will you?

Senator COOPER. Yes, I will be here Friday. I am going home that night.

Senator GORE. There will be more people here tomorrow than Friday. Church will be here tomorrow.

Senator SPARKMAN. Let's set it tomorrow morning at 10:00 o'clock.

Senator MANSFIELD. You won't get George Aiken here tomorrow morning until 4:00 o'clock. George is a sort of a weather vane, a good solid man to have around.

Senator SPARKMAN. Let's meet Friday morning. We will meet Friday morning at 10:00 o'clock.

Senator GORE. But set a definite record meeting at 10:00 o'clock Tuesday.

Senator MANSFIELD. John, will you get notice to your Republican friends?

THE NON-PROLIFERATION TREATY VOTE

Mr. MARCY. In other words, Friday morning to discuss the Non-Proliferation Treaty? Do you want to include IDA and the military sales?

Senator MANSFIELD. Why don't you say the Non-Proliferation Treaty and other matters.

Senator GORE. But no votes.

Mr. MARCY. And you want votes on the other issues on Tuesday? Tuesday only the Non-Proliferation Treaty vote, is that correct?

Senator SPARKMAN. Well, I don't know.

Senator SYMINGTON. No voting on Friday.

Mr. MARCY. No, I am talking about Tuesday.

Senator SPARKMAN. Tuesday we will put all three matters in there.

SELLING JETS TO ISRAEL

Senator SYMINGTON. I would like to leave, if I may take one minute on this situation with respect to—and this is not nec-

[2] Maine Senator Edmund Muskie was the Democratic candidate for Vice President.

essarily a partisan issue, but I notice that Nixon says, he named 50 Phantom jets should be sold to Israel, right on the front page of the New York Times.

Senator MANSFIELD. Not only that but we ought to tip the balance in Israel's favor.

Senator SYMINGTON. Yes. Now, for many, many months I have been in favor of selling those planes to Israel as the chairman of the subcommittee but we can't get the answer out of the administration. In the military sales bill there are 50 phantom jets to be sold to Iran, and Israel has already bought them from de Gaulle but he won't ship them. He is welching on the deal, and the story he is negotiating with Iraq for the sale of the planes Israel has already paid for. There are only three countries in the world, tomorrow Sweden will be the fourth. It is Russia, France and the U.S. that have this type and character of planes, so it seems to me we have no right to agree to sell Iran 50 of these planes when on exactly the same terms the Israelis are willing to buy on the same terms as we sell Iran.

I asked this attractive able fellow [Paul] Warnke "which country do you think is most in danger of getting into invasion trouble, Iran or Israel?" And he got to laughing in committee, you remember. It is this type and character of thing that I would like to be here and get a discussion on before we make a decision on it. That is the kind of thing I think we ought to discuss a little bit before we vote, don't you?

Senator MANSFIELD. Yes.

Senator SPARKMAN. Well, you know we modified the language in the foreign aid bill on the sale of planes to Israel. We did not name phantom jets for the simple reason that there are more advanced planes. We said we provided for sale of sophisticated planes.

Senator SYMINGTON. Unfortunately we have no more advanced plane.

Senator SPARKMAN. Supersonic plane.

Senator SYMINGTON. I know the situation.

Senator SPARKMAN. This would cover the most advanced planes.

[Whereupon, at 4:40 p.m., the hearing was adjourned, to reconvene Friday, September 13, 1968, at 10:00 a.m.]

# COMMITTEE BUSINESS

**Friday, September 13, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 10:05 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Symington, Clark, Hickenlooper, Aiken, Mundt, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

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Senator SPARKMAN. Let the record show that the committee met in executive session for an informal discussion of the items on the agenda.

UNITED STATES SENATE

COMMITTEE ON FOREIGN RELATIONS

AGENDA

**Friday, September 13, 1968**

**10:00 a.m.—Room S–116, The Capitol**

1. The Non-Proliferation Treaty (Ex. H, 90–2)
2. S. 3378, providing for a U.S. contribution of $480 million to the International Development Association.
3. H.R. 15681, authorizing a $296 million military sales program.

Senator SPARKMAN. The committee is adjourned.

[Whereupon, at 10:50 a.m., the committee adjourned.]

# TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

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**Tuesday, September 17, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:15 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Mansfield, Morse, Gore, Lausche, Church, Symington, Clark, Pell, Hickenlooper, Aiken, Carlson, Williams, Mundt, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, and Mr. Bader of the committee staff.

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Senator SPARKMAN. Now, counting Senator Morse who has been in here and who is subject to call right here in the Capitol we have a quorum present, and if there is no objection I would like for us to proceed.

AN ECONOMIC TREATY

Senator GORE. Mr. Chairman, I move that the Non-Proliferation Treaty be favorably reported to the Senate.

Senator CLARK. Second the motion.

Senator AIKEN. Mr. Chairman, I would like to comment on it.

Senator SPARKMAN. Yes, sir.

Senator AIKEN. I would like to show you that this is not a political treaty at all. It is an economic treaty. The evidence which has come before the Joint Committee on Atomic Energy clearly indicates that. You will find from a statement of Glenn Seaborg of this last July where he says:

> I would like to comment on Article V of the Treaty. The article specifically commits us to take appropriate measures to make available the benefits which could be obtained from peaceful nuclear explosions. The importance of this obligation is underscored by the fact the U.S. has full intentions to be one of the principal suppliers of such explosion services. We plan to demonstrate these intentions by a series of steps.

Then, just two or three more here on the 15th, Honorable Gerald Tape, Commissioner of the Atomic Energy Commission:

> As you know Article V of the Treaty now being considered by the Senate specifies that nuclear weapons states shall make available potential benefits of peaceful nuclear explosions to the non-nuclear weapons states party to the Treaty.

Then let's see, where was I, page 19; then on page 19:

"The Treaty," under Tape's testimony, "The Treaty, as I mentioned earlier, explicitly calls for the nuclear weapons parties to make available the potential benefits of nuclear explosions, for peaceful purposes to the non-nuclear weapons states parties to the Treaty."

And on page 21, it said, I just have a quote here:

This also puts us in a better position to fulfill the obligations of the U.S. under Article V of the Non-Proliferation Treaty. Enactment of such legislation emphasizes the seriousness with which the U.S. views its obligations under that Treaty and will be in keeping with President Johnson's statements before the United Nation's General Assembly that we shall, make available to the non-nuclear treaty partners without delay and under the Treaty provisions the benefits of such explosion.

Just two more here, we have a whole book of it, but it depends on whether you want to reach a vote fast.

Senator HICKENLOOPER. What is the hurry?

OIL EXPLORATION

Senator AIKEN. Again with Commissioner Tape I said, "I had been a little disturbed at this conversation. You mean you are going to furnish the means for oil companies to conduct explorations development programs for foreign countries, do you mean that?"

Dr. Tape says:

Senator Aiken, if I could rephrase it, perhaps doctor the question in the following way, we are talking about making available to various companies, they may be oil companies, gas companies and so on, either in foreign countries or in our own country these nuclear explosion device services which would assist them, for example, in the stimulation of a gas field to produce more gas than they might otherwise have been able to recover from that field.

And then he goes on:

The Non-Proliferation Treaty provides that this type of service shall be made available to other countries under certain conditions of the Treaty, and so on.

In that context I am saying that this service could be made available.

Senator AIKEN. It shall be made available.

Dr. TAPE. It shall be made available.

Coming to the last one here regarding the costs, Dr. Tape said:

As indicated by the chairman, the Treaty language refers to our making available these benefits to the parties.

A BILLION DOLLAR SUBSIDY

This is a positive commitment, and further than that we are committed not to charge anything for it so long as it is in the nature of research. If it becomes, if they make a finding of practical value, then they can charge for it, otherwise they are required to go into any country which is, except a nuclear country which is, a signatory to the treaty and we conduct the explorations with atomic power without cost to the recipient country, and either they can, the recipient country can, ask either in the name of a domestic, which is unlikely, or foreign corporation, which is very likely, so we are absolutely committing ourselves.

Now, the State Department has tried to talk the Atomic Energy Commission out of this position but the Atomic Energy Commission hasn't been talked out of it so far.

So I think the people, every time we get a telegram they only refer to that part of the non-proliferation part of the Treaty which I would be delighted to support any time. But we may be commit-

ting ourselves to a billion dollar subsidy here because so long as this is carried on in the name of research we have to do the work and can make no charge for it. And we can go to any of the 80-odd countries that are signatories, I don't know, is Cuba one of them?

Mr. BADER. No, sir.

Senator AIKEN. Cuba is not.

Mr. BADER. That is correct.

Senator AIKEN. But Indonesia and Iran are expected to ask us.

Mr. BADER. Senator, most of the communist countries are signatories to the Treaty.

Senator AIKEN. They are signatories. We would not have to go into Albania but Bulgaria, any of the communist countries, we would have to go in to do the work for them if it was on an exploratory research basis and we could make no charge for it.

DEBATE THE TREATY ON THE FLOOR

Senator SYMINGTON. May I respectfully ask a question of you in complete sincerity? I am not sure whether I want to go for this treaty but I am sure that I would like to see it cleared by this committee and so that it could be debated in full on the floor on the points such as you have brought up, otherwise you can't win.

Senator AIKEN. I am not objecting to that, but I think the treaty will get hell beat out of it if it comes to the floor for a vote.

Senator SYMINGTON. I think that would be the right thing to do.

Senator AIKEN. I have not read a tenth part of the evidence here, I just wanted to save time.

Senator SYMINGTON. I just want to say that the fact I would vote to move it out of committee would not mean that I would necessarily vote for it out on the floor, but I think if we hold it in committee we would be criticized. If we leave it open if it does get the hell beat out of it on the floor at least it will be discussed before all of the people.

Senator AIKEN. I can support the treaty. But I am skeptical on Article V. I may be for that because the time may have come when we should abandon government to government foreign aid and rely upon our corporations doing business in foreign countries, and many of them have done more good than government to government aid already. I don't say that applies to all of them because some of them, they are human, too, but certainly the public should know what this provides, and when we have had testimony from the State Department they just slid over Article V and said nothing about it. They did, I believe, testify before the Atomic Energy Committee but they ignored Article V but came out for the other parts of it which I am all for.

Senator GORE. Mr. Chairman, I would like to make a statement.

Senator SPARKMAN. Senator Gore.

PEACEFUL USES OF ATOMIC ENERGY

Senator GORE. I don't want to hold up the vote in any respects since the Senate meets at 11:00 but I would like to take a minute to reply to my friend and esteemed colleague with whom I serve on the Joint Atomic Energy Committee.

The committee will recall, Mr. Chairman, that we asked, we invited, the Joint Committee on Atomic Energy to sit with this committee.

Senator SPARKMAN. The Senate members.

Senator GORE. That is right. And the Joint Committee has not raised questions in this regard.

Now, I would like briefly to comment on the substance of the points which Senator Aiken raises.

The United States and the other, along with the other, nuclear powers, are asking non-nuclear powers in the world to forego the possibility of possession of nuclear weapons. They, in turn, have asked the nuclear powers to make available the technology of peaceful uses of atomic energy.

Senator AIKEN. Will you yield? We are required to do the work, too, yes.

Senator GORE. Well, Senator, a non-nuclear power is simply incapable of doing the work with nuclear devices. What we are, in essence, doing here is agreeing to make available the technology of peaceful uses of atomic energy in exchange for non-proliferation of nuclear weapons. I think it is a good bargain. It is one which 99 Senators endorsed in the Pastore Resolution, so without taking the time of the committee, I think, Senator, you have got substance to your point, it deserves debate, but it was heard, it was considered, and the members of the Joint Committee did not raise questions about it, I mean didn't object to it.

BILLS TO IMPLEMENT THE TREATY

Senator AIKEN. What about the two bills, the two bills to implement this Article V, have they been reported out yet? I didn't know that they had.

Senator GORE. Not of which I am aware.

Senator AIKEN. We just got page proofs of the testimony of the hearings held in July.

I might also add that under Article V for the nuclear states which are signatories to the Treaty we are only required to give whatever information we have regarding the possibilities of plowshare and other experimental work. The State Department tells me that why they are in such a hurry is that Italy and West Germany and several other countries, important countries, Israel, I believe, have not yet signed it and they want us to hurry up and approve it to encourage those countries to also approve it, but this does require us to go into any communist country which is a signatory to the Treaty, and which is not a nuclear power itself, and do for them what we are doing in an experimental way for the domestic corporations here at home.

So I think the public ought to know this and the public does not know it, and when they send out, say, "wire your Senator, write your Senator, to support the Non-Proliferation Treaty," they fail to tell them one darned thing about Article V, which, as I say, could amount to a multi-billion dollar subsidy to foreign countries, foreign corporations, including all those in the communist signatory nations. So it is a lot more serious. It isn't just a case of stopping the passing around of atomic weapons, like that, it is a very serious matter and should be brought up in its true light, I think.

Senator SPARKMAN. Senator Dodd.

Senator DODD. I wanted to inquire, I wanted to ask a question out of turn, is it proper to do so?

Senator SPARKMAN. Go right ahead.

CZECHOSLOVAKIAN INVASION

Senator DODD. I wanted to ask Senator Gore, I assume this question was raised, but I was not present. On this part of the preamble that requires the, it says that the states would refrain from using force against the territorial integrity or political independence of any state, this, I understand, was signed by the Soviet Union and by us and subsequently ratified. Doesn't this constitute a breach of the contract already, having invaded Czechoslovakia and having interfered with their political independence, how can we ratify an agreement which in its preamble bars this sort of conduct? It is a contractual matter. If I were entering into a contract with you and the preamble set forth contain commitments, and I broke such commitments, I would doubt that you would feel that you were bound by the agreement. That bothers me and I wonder how we answer that. It is a breach. By the way, we have construed the preamble of our Constitution to be a part of the Constitution, and I think that is a sound principle of law, that the preamble is part of the document or contract.

You are a very good lawyer, and I don't know how you get around that.

Senator COOPER. Excuse me, would you rephrase that question? I can't hear.

Senator CASE. A little louder.

Senator DODD. What I said, John, on the top of page 2 in the preamble the language reads:

> Recalling that, in accordance with the Charter of the United Nations, States must refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the Purposes of the United Nations, and that the establishment and maintenance of international peace and security are to be promoted with the least diversion for armaments of the world's human and economic resources.

My question, was this: From a lawyer's standpoint, and even from a layman's standpoint, this language is part of the agreement which already has been breached by the Soviet Union. How can we advise that we ratify an already breached contract? This sticks in my throat, and I have been thinking about it a good deal. I haven't raised it because I have been unable to get here. I don't know the answer to it.

It seems to me that this would be a compelling reason for saying to the Soviet Union, "Until you abandon or withdraw from the occupation of Czechoslovakia and interference with its political independence, obviously you can't expect us and likely no one else to enter into an agreement."

PURE POWER PLAYS

Senator CASE. Would the Senator yield? I wonder if we are not really in that same state that the English were in, say, back in the time of Richard the Second, and the Henrys and whatnot in which they made great speeches to each other about the devine right of

kings and the legitimacy of their authority, and all the time they were operating pure power plays, and this wasn't a bad thing probably because they kept talking about this until they finally persuaded themselves that it was a fact, and to a degree largely it became a fact, and so maybe this is what we are doing here, Tom.

Senator DODD. I don't think I get your point.

Senator CASE. My point is this: That, of course, we do not live up to the fine statements in the United Nations or anything else that was said under stress, but nevertheless it is probably a good idea to keep saying it, it is a good thing to do this, and that if we are being hypocritical here we have always been hypocritical and it has probably served a useful purpose, that is all I am saying. It is not a cynical point of view.

Senator DODD. I understand your view.

A VIOLATION OF THE TREATY

Senator HICKENLOOPER. May I read something here? I want to read what the Italian Foreign Minister, Signor Giuseppe Medici said to the Chamber of Deputies on August 29, 1968, I am not going to read the whole speech but I will read a pertinent, paragraph, referring to this very point that Senator Dodd is talking about. He said to the Chamber of Deputies as follows:

> The occupation of Czechoslovakia constitutes also an open violation of the Warsaw Pact itself which, in its fourth preambular paragraph, places upon its members the obligation to observe the independence and the sovereignty of states as well as the principles of non-interference in their internal affairs. The occupation of Czechoslovakia furthermore constitutes a violation of numerous international documents solemnly signed by the Soviet Union, in particular the international agreements which Czechoslovakia had concluded bilaterally with each of the five invading countries. These agreements also provided for the mutual obligation to refrain from interfering in the internal affairs of the other country.

And this conclusionery sentence:

> I should also like to recall that the invasion of Czechoslovakia is in open conflict with the fundamental principles of the Treaty on Non-Proliferation of nuclear weapons.

Senator DODD. That is just my point.

Senator HICKENLOOPER. He prefaces this with other invasions of rights by the Soviet Union and ends up on this very point.

Senator SPARKMAN. Senator Cooper wants to say something.

Senator COOPER. To this point that Senator Dodd raised, during the hearings I asked some representative of the Government what they considered to be the effect of the preamble. Of course, they said it was not an operative part of the Treaty. It was an expression of purpose, and I asked if that could be considered a breach of the treaty if for example, we didn't proceed to control nuclear weapons, and they said, no, but I think what has happened, and Senator Hickenlooper is correct, that since Czechoslovakia has been invaded, a great many countries are asking the same question, whether or not you can believe any promise or declaration of the Soviet Union.

Senator DODD. Besides, Senator Cooper, I take it as a sound principle of law, which we certainly have applied in our own country with respect to our own Constitution that the preamble is a part of the document and it has been stated more than once.

Senator SPARKMAN. Tom, may I suggest this, I think I know this to be correct, that legislation which is passed with a preamble drops the preamble when it becomes a matter of permanent record in the office of the Secretary of State.

Senator DODD. I think that is correct.

Senator SPARKMAN. I don't know whether that is true with a treaty or not but I am rather of the opinion that it is because a preamble is not an effective part or an operating part.

Senator LAUSCHE. Mr. Chairman, may I ask Senator Hickenlooper a question?

Senator DODD. May I just say one thing? I just want to say to Senator Gore my whole disposition is to vote for reporting this, and I want to say I have tried to on the floor more than once and I would like to see it done and I think it is a good thing that ought to be done, but this, I may be too sticky about it, but I am thinking of the public generally, and it is an obvious thing, I don't know how you can get over it in the preamble by saying we are going to ratify an already breached treaty and I think that is what is going to be said.

BREACH IN THE WARSAW PACT

Senator LAUSCHE. The question I wanted to put was what is the breach of the Warsaw Pact or this Treaty?

Senator DODD. It is in the preamble.

Senator SPARKMAN. It is in both of them.

Senator HICKENLOOPER. The Warsaw Pact contains covenants, I haven't got it before me, but it contains covenants, that, each of the Warsaw Pact countries that, they will respect the territorial integrity and the sovereignty of each of the other countries. That is the Warsaw Pact in broad brush.

But I want to put out one other thing for this discussion, I want to point out one other thing, the Euratom countries have not signed this yet.

Senator DODD. This still doesn't get to my problem, that right in this Treaty is this statement that the parties, the states, will refrain from interferring with the political, territorial integrity or the political, independence of any state, and they have already done it, and I say it is a breach of contract already, and I don't——

Senator MUNDT. In this treaty, Tom?

Senator DODD. In this treaty, it is in the preamble which I believe is part of the treaty.

Senator MUNDT. What page?

Senator DODD. Page 2, top of the page, the paragraph starting "recalling that." I just don't' think we can avoid it without some adequate—Senator Case's solution I don't think it is cynical.

VIOLATING THE TREATY BEFORE RATIFICATION

Senator LAUSCHE. Russia has signed it already.

Senator DODD. Yes, and we are in the posture we have signed it, as I understand it, with a suggested ratification.

Senator HICKENLOOPER. Russia hasn't gone through the ratification process, they have signed it the same as we signed it.

Senator DODD. That is correct and they violated it after signing it, and before ratification.

Senator CASE. Maybe, Tom, the answer is in accordance with the Charter of the U.N. there is a qualification upon the commitment not to invade or to threaten and, therefore, it isn't an absolute commitment in this treaty or even if the preamble be a part of the agreement itself, that there shall not be an invasion, if it is the kind of an invasion that the United Nations' Charter sanctions, and in that connection, you have to take into account all of the business of the Charter including the right of veto of the great powers which, in effect, gives a sanction to any action a great power may want to take.

Senator AIKEN. Mr. Chairman, may I add here that it is my understanding that Russia was putting pressure on, shall we call it, negotiating with our State Department relative to the approval of this Non-Proliferation Treaty just shortly before she invaded Czechoslovakia, and she was hoping that we would get this approved before the Czech invasion took place.

Senator SPARKMAN. Senator Pell.

U.S. POLICY IN VIETNAM

Senator PELL. Mr. Chairman, obviously I was the last fellow in Czechoslovakia—no, Senator Mansfield was.

Senator MANSFIELD. We both were.

Senator PELL. We were both there. But when it was discussed last time, I was amongst those who thought we shouldn't report it out because of the imminence of the Soviet move.

Since then I think I was incorrect, and I think that this is more important and more widespread and we hope it would be reported out.

In specific reply to Senator Dodd's point about the use of force, it is what is food for the goose is food for the gander, and we ourselves violate territorial integrity as we do in dropping bombs in North Vietnam. They are violating it, too, and I think if we start pointing fingers though back and forth, it can be an unproductive exercise.

COMMUNIST NATIONS UNLIKELY TO ASK FOR U.S. HELP

And also with regard to Senator Aiken's point, it would seem to me that it is very unlikely that a communist country would ask us to invite plowshare when they would probably ask the Soviet Union.

Senator AIKEN. They would not. Some of those countries hate Russia. For that reason I wouldn't mind helping them in our part.

Senator PELL. But if it is a question of industrial espionage.

Senator AIKEN. But Poland could insist we come in there and do this work and save Russia the cost. All we have to do with Russia is turn over to her the full information we have learned.

Senator PELL. That is right.

But it does not say we have to provide the research and development free, we don't have to do it.

Senator AIKEN. The interpretation of the Atomic Energy Commission is that we are required to, it is a commitment on our part, and the State Department have been trying to talk the Atomic Energy Commission out of their position.

Senator HICKENLOOPER. Research is free.

Senator PELL. Yes, but doesn't it mean past research and not particularly research for that particular project?

Senator COOPER. Continuing research.

Senator AIKEN. Whatever and whenever it happens.

PROXY VOTES

Senator MORSE. May I interrupt for a statement? I am chairman of the Senate conferees on the educational bill. I have got one member of the committee who has already left me, but I have to get back there. I am leaving with you my proxy to vote for the Non-Proliferation Treaty, and I am leaving my proxy with Marcy to vote against IDA and to vote against all facets of military sales, and vote against the bill finally if we get to it. If I am needed call me out of conference.

Senator SPARKMAN. Thank you.

Senator DODD. I might say we have a vote on Mr. Justice Fortas.

Senator SPARKMAN. Yes, I know that.

Senator Gore wants to say something.

Senator GORE. I will be glad to refrain from a reply if you want to vote while—we are here.

Senator DODD. I would like to hear Senator Gore.

Senator COOPER. Mr. Chairman, I wouldn't want to get ahead of all the others, I am the lowest ranking man of this committee, and if you want to say anything——

Senator SPARKMAN We haven't been going around the table.

Senator MANSFIELD. Let me say this, too, that all committees have permission to meet during the session of the Senate today.

Senator DODD. But we have a vote in Judiciary.

Senator SPARKMAN. Senator Gore.

THE UNITED NATIONS CHARTER

Senator GORE. To reply to Senator Dodd's question, I certainly don't want to be legalistic, I am not too qualified so to be. I would, however, like to suggest that the preamble, the part of the preamble on the top of 2, page 2, is but a restatement of the United Nations Charter. I read it from the United Nations Charter.

> All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the purpose of the United Nations.

Now, there is a question as to whether a restatement, a recalling of the treaty obligations contained in the United Nations, is in fact a contractual obligation in the new treaty. However, if it were it would not add anything new to what is in the United Nations. Unquestionably in my mind, although the Soviets would maintain they were invited into Czechoslovakia, there was debate in the Security Council on the question, in my own mind they violated the United Nations Charter, but as Senator Pell says, they are not alone in that.

We might examine our own intervention in the Dominican Republic which some people may think was not only a violation of the United Nations Charter but also the treaty——

Senator CHURCH. 34.

Senator GORE. 34. So we are called upon here to restate, to ratify a treaty which restates, the provision in the United Nations Charter, thus neither adding to nor taking from the existing treaty obligations, both of the United States and the other signatories to the United Nations.

THE CONSEQUENCE OF FAILURE

Now, with respect to the subject matter, I wish to suggest that only yesterday Japan postponed consideration of signing the treaty.

I spent a good portion of 10 years as representing this committee on this and related subjects. I think that very grave questions were raised about the nuclear weapons test agreement, I entertained grave questions. I finally concluded to support the committee. I now look back upon it as one of the great achievements of our time, the stoppage of contamination of atmosphere to which all would agree.

In my humble opinion the conclusion of this treaty will be a step maybe of equal importance. The question is what would be the consequence of failure for the United States to ratify. We saw yesterday Japan postponing because of our indecision.

Gentlemen, the powers we need to sign this are not Guinea, not Uganda, but the powers with the potentiality of making and possessing nuclear weapons.

We have most of the small powers. Someone said that amounts to nothing. In a way I guess that is right. But in another way, it amounts to a great deal because it shows the momentum, the mobilization of world public opinion about the danger of a nuclear holocaust. This momentum is very important in attaining the adherence to this treaty of Japan, Israel, Italy, West Germany, and I would not like to lose that momentum. This is a field in which the United States has led. It was first proposed by the late Secretary Dulles in 1957. President Eisenhower stated in presenting his proposal on the Nuclear Weapons Test Treaty his ultimate objective was to curtail the proliferation of nuclear weapons to one power after another thus endangering the world with an outbreak of nuclear warfare. Then President Kennedy. And in all of these instances through three administrations Senator Hickenlooper and I have had the pleasure and honor of being in Geneva from time-to-time, working in all instances except when Ambassador Harriman represented us for a short time, with distinguished members of the Republican Party. Never once was there a suggestion of partisanship and certainly I make no suggestion now.

But here has been a national goal to stop the atmospheric tests of nuclear weapons and to stop the spread of nuclear weapon to more and more powers.

The United States has been the leader in both fields. We have now finally, after 4½ years, approved a treaty with Great Britain and Russia, and it has now been signed by 80 nations. Some of the nations we need most to sign it are considering doing so.

I would not like to see hestitation, doubt on the part of the United States slow this whole momentum and thus maybe deprive the world and the United States of this very great deterrence to the spread of nuclear weapons.

Senator DODD. Excuse me, I have to go to vote.

Senator SPARKMAN. Do you want us to notify you?

Senator DODD. If I can get back I will vote, otherwise I left my proxy with Lausche.

Senator SPARKMAN. Senator Cooper wants to speak on this matter.

RAISING QUESTIONS ABOUT THE TREATY

Senator COOPER. I didn't want to speak on this matter before my seniors on this committee, but if it is appropriate I would like to speak for two or three minutes.

I want to say before the Czechoslovakian invasion I had believed that on the merits it was in the interest of the United States to sign and ratify this Treaty, because I believe that the halt in proliferation of weapons is important to the security of the United States and to other countries and, of course, it is important to Russia, too, otherwise they wouldn't sign it because Russia wouldn't sign any agreement if it didn't believe it was important to its interests.

I think we would agree that it has been the invasion of Czechoslovakia that has raised questions about the treaty, about the purposes of the Soviet Union, and about questions which would relate to the security of the United States and, on the whole, I think it is a good thing because it has directed a stronger and more comprehensive study of the treaty.

I must say, even with all of this, I can't find any grounds upon the merits to oppose the treaty. But I do want to raise three questions which I don't know whether we could consider them at length at this meeting, but if it is voted out, in the debate and perhaps even in an understanding.

One does go to the security of the United States in this respect: We do have our weapons, nuclear weapons, deployed on NATO territory. If the United States should withdraw its forces from Europe or if NATO should be broken up, then I would assume we would withdraw our nuclear weapons.

Now, that is, their position there is, an added deterrent to an attack upon Europe or upon us. That may seem far-fetched but it is not. We have 8 or 9,000 nuclear weapons in NATO, reported with NATO.

I raise this question, Article I does not prohibit in terms of our deployment of nuclear weapons on the soil of another country if we control those weapons. I have inquired from the administration if the Soviet union objected to our deployment of those weapons on NATO soil, and the answer was to me they said nothing.

My question was: Is there a possibility after this Treaty is ratified and comes into force would the Soviet Union then charge that our weapons in NATO, on NATO soil, particularly in Germany, were a breach of the Treaty because they were so closely allied with those countries they could say at any point "You could turn control over to them."

I was told that this question had not been considered, not discussed, and they did not believe the Soviet Union would do that but they could not say they wouldn't.

What I would hope would be that if this treaty comes on the floor in debate there would be some understanding at least on the part

of the Congress that we consider that our deployment of weapons nuclear weapons, in our control not be considered in any way a breach of the treaty and to be our right. That is my first point.

LEGISLATIVE HISTORY

Senator CASE. Would the Senator yield just there? Would it not be possible to establish this as a part of our legislative history in colloquy with the chairman? I take it, I have a couple of questions of this sort, too, that I wouldn't want to make a formal statement in the report about it, but I think there are things of this sort I take it the chairman would be willing to assure, on that matter to assure, the Senator from Kentucky.

Senator COOPER. I have not finished yet.

Senator SPARKMAN. As I recall, we had some specific testimony bearing on this, not necessarily upon what Russia might consider, but upon our right to maintain these weapons in NATO territory.

Senator COOPER. May I say I inquired, there is no understanding I was told there was no understanding.

Senator SPARKMAN. Yes.

Senator COOPER. There was no understanding between the U.S. and the Soviet Union that this did not constitute any breach of the treaty. Article I in terms says it doesn't but I was told flatly there is no understanding, so I would think if this gets out on the floor either through legislative interpretation or even a statement of the Senate——

Senator HICKENLOOPER. Article I of the treaty, of this treaty says it. doesn't?

Senator COOPER. No. It just says, it talks about control. You know, as long as they are under control in terms we can say it is not a violation.

My second thing——

Senator MUNDT. Would the Senator yield on that point?

Senator Cooper. Yes.

NO RIGHT TO DECEIVE THE PEOPLE

Senator MUNDT. You raise a question which had not occurred to me, but one who has sat in as many NATO meetings as you have I think it goes to a very vital point.

Senator COOPER. It goes to our security.

Senator MUNDT. Right. And if it does I certainly don't think that any of us are naive enough to believe that a statement by our chairman, great and strong though he is, on the floor of the United States Senate is going to have one damn bit of effect on what the Russian do. If there is a point we ought to put it in the form of either a committee report or a reservation or codicil or something which is meaningful. Above everything we don't want to deceive our people. John Sparkman saying that or Bill Fulbright saying it or four or five people in the colloquy saying it isn't going to have any effect on Russia and we know it, and we have no right to deceive the people.

Senator SPARKMAN. May I interject this? I said there was some testimony, Senator Aiken asked this question of general Wheeler:

Is there anything in the treaty which would prohibit the U.S. from maintaining nuclear weapons in any other country so long as they were owned and controlled by our own government?

General WHEELER. No, sir.

And that would apply to Russia in the same manner?

That is correct, sir.

I think those are all the questions for you, General Wheeler.

I think perhaps it was brought up again, but I am not sure.

PROTECT OURSELVES BY INTERPRETATION

Senator COOPER. Can I finish on this and then I will quit: One, I repeat what I have said, I inquired and it is correct that witnesses said this for the administration, but I inquired if in the discussions with the Russians if there was any understanding on this and their answer to that was "no."

So what I am saying is that to protect ourselves that in some way by interpretation or understanding that we would protect our own security in this respect.

Now, I will go quickly.

Senator LAUSCHE. May I ask this question with reference to Article I?

Senator COOPER. Yes.

Senator LAUSCHE. What words, if any, in Article I cause you to have the fear that this may prevent it, and I have read it?

Senator COOPER. There is nothing at all in the words.

Senator LAUSCHE. Well, it says "transfer control over such weapons or explosive devices directly or indirectly." What does indirectly mean?

Senator COOPER. I have said that as far as the text of Article I there is nothing in that which would prohibit the United States from placing our weapons on the soil of another country as long as we maintain control. But because we do have these weapons in NATO, I had thought perhaps it had been discussed in the negotiation between the U.S. and the Soviet Union, and I was told it had not. So I would think that whatever the administration thinks about it, if we believe that at least until NATO is dissolved or until there is some kind of control on nuclear weapons it is important that we keep our weapons there, I think we ought in some way to make it clear, that is my first point.

INDIRECT CONTROL

Senator HICKENLOOPER. At that point, may I suggest this, General Wheeler and the military have undoubtedly, I remember this statement have undoubtedly studied this, but I can't get it clear in my mind or I can't agree necessarily in my mind. Article I says:

Each nuclear state party to the treaty undertakes not to transfer to any recipient whatsoever nuclear weapons or other nuclear explosive devices or control over such explosive or indirectly.

Now that is the language. We agree not to do that directly or indirectly. That means NATO and everybody else. But I submit that a lot of argument can be made that when a nation says that "you shall not use atomic weapons from our territory without our consent" that that is indirect control, maybe direct control over it and we agree not to transfer them there.

Senator COOPER. All I am saying is it ought to be clear, that is what I am arguing.

My second point goes to peaceful uses.

Senator GORE. Before you go to that, as I understand, Senator Cooper, you raise no question about the language of Article I? What you really, it seems to me, are suggesting that in the consideration the legislative intent be made explicit.

Senator COOPER. That we have got a right to keep our weapons in NATO as long as they are under our control.

Senator GORE. The chairman can handle that.

Senator COOPER. I am going to argue that on the floor.

PEACEFUL USES OF NUCLEAR POWER

The second point I make goes to peaceful uses of nuclear weapons and this bears on something that Senator Aiken said.

Under this treaty we are bound to provide equipment, materials and technical information to any country that signs and ratifies the treaty. We are not bound to provide them to any other country.

Senator AIKEN. Except Russia.

Senator COOPER. Yes, we are bound to give our information to a nuclear country.

Senator AIKEN. Give them the information?

Senator COOPER. And it is also provided that before the United States can give this assistance to a country, that that country must come into agreement with the International Agency on Safeguards. I think that is correct.

Now——

Senator HICKENLOOPER. Including Euratom?

Senator COOPER. Yes, including Euratom.

Senator SPARKMAN. John, may I throw in——

Senator COOPER. If you will let me finish, it will take a minute and I will make my point.

Senator SPARKMAN. I just want to mention the testimony that they might want to read.

Senator COOPER. So that means that we cannot give any kind of assistance either for peaceful uses or for atomic explosions, nuclear explosions unless that country has come into agreement with the International Agency on Safeguards, and those safeguards don't have to be uniform. They can be tough for some countries and light for another, and that is reasonable. These countries that have not signed are our chief allies, ratified, rather, Euratom, Japan, and others. In Euratom, as I understand it, Luxembourg, Belgium and the Netherlands have signed but they haven't ratified.

I wrote Mr. Seaborg and asked him a number of questions, and he wrote me that even though these three countries had signed that they had all agreed, Euratom had agreed, they would not ratify this treaty until they had come into agreement on safeguards.

Then in talking it over with the administration, I went over there and talked with some of them, I asked have there been any discussions between Euratom and the International Agency about safeguards, and I was told, no. So that if they do not come into agreement, then we could not furnish any, under this treaty we could not furnish any, equipment for the peaceful use, peaceful de-

velopment of atomic energy and, of course, we couldn't explode, any nuclear, make any nuclear, explosions in any of these countries.

ARBITRARY STANDARDS

The question I asked these people was: Suppose that the Euratom countries believing that they have, or might believe that they have, imposed upon them such strict safeguards that invade their sovereignty and so forth, and I am sure they will impose them on Germany, you know darned well they are going to impose the strictest safeguards on Germany, what would be our position then even though their demands were not right and arbitrary?

Well, I was told, "Well, I think the United States could go ahead and furnish them anyway." You know we would go ahead and supply them with equipment anyway. That, of course, would be a breach of the Treaty.

So I think at least that ought to be discussed because if that situation should arise where IAEA, and we don't control it, imposed on Euratom, particularly Germany such arbitrary standards that they couldn't come into agreement we would be in position of having under the Treaty to supply every communist country and couldn't even supply our own allies. The answer could be, well, they ought to sign, but if they feel their interests are invaded they might not want to sign.

HELPING OTHER COUNTRIES

Then my third question, and I will quit then, goes to this declaration that Goldberg made at the U.N. and Foster made before the ENDC. I read the other day in this ENDC meeting at Geneva which is now going on that these countries are beginning to ask because of what happened to Czechoslovakia "How are we going to be protected against a threat of nuclear aggression, that you can't disassociate what Russia has done with its nuclear power," and Iran, the representative of Iran, stated, he read what Rusk had said and he said, of course, the declaration doesn't mean a thing. I don't think it does either. I don't think it ought to. I don't think we are under the duty to go to the help of every country in the world in this field, but I would think that ought to be explored, and we would all be—we ought to say we are not going to help every other country in the world unless they come here to Congress, too.

Senator CASE. I agree with that fully and I made a point of that in the hearings and I think the report also ought to so state.

Senator LAUSCHE. John, a question.

Senator COOPER. Yes.

Senator LAUSCHE. From what language in the safeguard articles could you conclude that they can make non-uniform rules that will not be equally applicable to all of the nations?

Senator COOPER. I asked Seaborg that question, and he said no, they wouldn't be uniform and, of course, it is logical. You wouldn't have a safeguard for Botswana that you would have for——

Senator SPARKMAN. Lower Slobovia.

Senator COOPER. I sent these questions to him and he says the same thing.

Senator LAUSCHE. Why would they not be uniform in application? Would they prepare different safeguards for different nations?

Senator COOPER. Seaborg said so, yes.

SAFEGUARDS SHOULD BE NEUTRAL

Senator CASE. Wouldn't it be true, if the Senator would yield, on your second point, John, that the U.S. would not violate this treaty if, as suggested here, we went ahead and supplied potential benefits to Germany, even though an agreement, an arrangement with the Atomic Energy Commission had not been made?

Senator COOPER. The treaty prohibits us from supplying any assistance even for peaceful purposes unless the parties have come into agreement on safeguards. I think Albert would agree with that.

Senator CASE. I am not sure that it would.

Senator GORE. This is a question which has to do not directly with this treaty but with the International Atomic Energy Agency of which our country is a member.

Senator LAUSCHE. It would seem to me that these nations which were just mentioned by Senator Cooper are probably afraid that if different safeguards may be provided applicable to different nations that their security would be endangered because of the inadequacy of the safeguards which have been adopted?

Now, you said they were afraid of Germany?

Senator COOPER. Yes.

Senator LAUSCHE. Doesn't that demonstrate that the safeguards ought to be uniform with respect to all nations?

Senator COOPER. This is his answer, at least I wrote him, "It is correct is it not," and this is based upon a question I asked him at the hearing and he said it did not have to be uniform "is it correct or not that safeguards will not necessarily have to be uniform and stricter safeguards may be imposed on some non-nuclear weapons states than on others?" He answered "it is a matter of IAEA policy that safeguards procedures applied in any context are uniform for comparable situations."

NON-NUCLEAR SIGNATORY STATES

Senator AIKEN. May I add, Mr. Chairman, under this treaty, according to the testimony I got Panama could ask Russia to come in or Nicaragua or any of these countries, could ask the Russians to come in, and under the treaty Russia would be obligated to do so. I say that what they have said regarding any non-nuclear signatory state requesting the United States to come in and carry on work or explorations would also apply to Russia, the other nuclear state, and any country in Latin America, Panama, Colombia, anywhere, could ask the Russians to come in and conduct these exploratory or constructive explosions and Russia would be obligated to under the Treaty. They couldn't come into the United States, however. I asked that question, could Russia come into Texas and the answer is no, because we are another nuclear state.

Senator MUNDT. How about Cuba?

Senator AIKEN. They could go into Cuba, no question about it. Not, only go into Cuba but they are obligated to go into Cuba if Cuba were a signatory.

Senator SPARKMAN. Cuba is not a signatory.

Senator AIKEN. Cuba is not a signatory, Poland and East Germany could require us.

Senator CASE. But, Mr. Chairman, they could all do this now.

Senator AIKEN. Yes of course, it could. So could we if Cuba asked us.

Senator SPARKMAN. If we were involved in the operations and, of course, when this thing gets to operating there are going to have to be rules worked out.

INDIVIDUALLY NEGOTIATED

Now, I noticed what Dr. Seaborg said in answer to John's question, John Cooper. John said:

> In the agreement on safeguards it would not be required, would it, as set of safeguards for one country which would have to conform to all countries." And he said, No, these would be individually negotiated, but one can imagine as a matter of practicality that in the cases of a number of a number of similar countries there would be a number of similar countries there would be a sort of form agreement that would be applicable, but there have to be a number of those to cover individual categories of the countries.

Now, it seems to me that is a practical matter of operation and many of these things we have been talking about would have to be worked out when the treaty goes into effect and the operating mechanism is set up.

Now, with reference to the thing we were talking about a while ago about NATO, Secretary Rusk on page 5 of the testimony discussed that in the last paragraph on that page, and on page 21 he answered a question of Senator Hickenlooper's on that. It is the top paragraph on page 21, if you, will refer to the hearings, I won't take time to read it, two fairly long paragraphs, one in each place.

But, it seems to me, you have gone about as far as you could go in a formal treaty in deciding upon these things.

THE FINAL PLUNGE

Gentlemen, I wonder if we can't bring it to a vote?

Senator HICKENLOOPER. Well, maybe a lot of people have something to discuss about it.

Senator SPARKMAN. Well, that is the reason I am asking.

Senator CASE. I think we ought to have one meeting on a report because there are many things we ought to consider.

Senator GORE. I think that is a good suggestion.

Senator CASE. With that understanding I am ready to vote.

Senator AIKEN. I think some of these things ought to be agreed to and arrangements made before we take the final plunge. I just can't see there is much danger in waiting 4 or 5 months as there is in going ahead now.

Senator MUNDT. John, how many countries have actually ratified it?

Senator SPARKMAN. I don't know.

Mr. BADER. One, Senator.

Senator AIKEN. Ireland.

Mr. BADER. Yes.

Senator SPARKMAN. With most countries ratification is not the complicated business it is with us. They can ratify almost at will with most countries.

Senator MUNDT. That being true why haven't they ratified?

Senator SPARKMAN. Probably waiting on the U.S.

Mr. Bader. Ireland ratified July 1, 1968.

Senator COOPER. Euratom countries.

SENATOR RUSSELL'S POSITION ON THE TREATY

Senator MUNDT. Mr. Chairman, I really think that we would better serve the cause of peace and mutual understanding by not rushing into this thing madly if only one country has ratified it. I am suppose to be over here where Stu just left. The last thing Dick Russell said to me, he said, "You are going——" when I left, I told him I would be over here if he needed me, and I told him where I was going and he said, "I hope you can get those people to delay this ratification." I said, "Give me a reason." He said, "I happen to be one who has favored this Treaty but," he said, "I just don't see how we are going to maintain any semblance of world leadership in view of this Czechoslovakian thing if at this time we move out at the head of the parade to press the hand of Russia in ratification."

Now, I share that view.

I think there are two good reasons why we have got to delay. I am not interested in whether Johnson wants it now or Nixon wants it after a while, it doesn't make any difference to me, because I was prepared to vote for ratification until this Czechoslovakian thing occurred and until I got into a little deeper study of the Treaty. I did not pursue the conception of Ireland, which is not a great nuclear power, that we were supposed to go out and lead this parade, and nobody else has ratified this, except Ireland.

NON-NUCLEAR NATIONS' MEETING IN GENEVA

The first reason is, there is now going on in Geneva and will go on for at least another 30 or 60 days this meeting of the non-nuclear group of some 90 nations. They are meeting there because they are concerned about this nuclear problem and concerned about this treaty. I don't know, and nobody around this table knows, and nobody in the State Department knows what they are finally going to come up with, but I would kind of like to get the counsel and the results of that 90 member conference before we move in because we are in the uniquely happy position now, may I say, which we are not ordinarily in when it comes to a treaty, of being able, if we want, to put some reservations on it, some interpretations on it, or any way that you want to do it without gumming up the works because except for Ireland nobody else has ratified it so they don't have to go back and do it all over. Usually four or five other people have ratified and the other countries that have ratified it say "You can't put on an amendment or reservation or you will mix the whole thing up.

Senator GORE. Karl, will you yield there?

Senator MUNDT. Yes.

U.S. IS LEADING THE NUCLEAR PARADE

Senator GORE. I wish to suggest for your consideration that this is a parade which the United States has led ab initio. We led in the making of nuclear weapons, in the use of nuclear weapons, in the Baruch Plan, and in the weapons tests, atmospheric weapons tests agreement. We have led in this.

Senator MUNDT. You are right.

Senator GORE. And the parade is waiting on us. Either we lead or there will not be a Non-Proliferation Agreement.

Senator MUNDT. All right, I am perfectly willing to lead again at the appropriate time when we have the understanding, and we don't have to rely on the utterly nonsensical procedure of trying to bind Russia and the world by some understanding we work out in a colloquy on the floor of the Senate.

Senator SYMINGTON. Would you yield to me for a question?

Senator MUNDT. Yes.

Senator SYMINGTON. And I say this with the greatest sincerity. I am very much impressed with some things you have said. I was in the meeting earlier today before going over; to Appropriations and very much impressed with some of the things Senator Aiken said. This is a matter that involves all citizens of this country and just about everywhere. Wouldn't it be a good idea to pass it here so that it can be thrashed out on the floor? I think George said. it would take a good beating on the floor, and I am inclined to agree with him, and I am not at all sure I would vote for it on the floor, but I am just wondering if we don't put ourselves in a delicate position, I say this with great sincerity, by ratifying it without a quid pro quo on Czechoslovakia.

Senator MUNDT. I think it is a good idea that it should go to the floor. But it seems to me the optimum for us, the responsible thing is not for us to say yes or no or ratify or not ratify in this committee, and get it up for all the world to see in this very heated situation in which the world finds itself, and I think that then when we vote it down it is going to do much more to discourage the kind of ultimate result we all want than if we bring it out a little later here when we are agreed and can come in with a unanimous report is what I am getting at.

THE TREATY WILL LOSE ON THE FLOOR

Senator AIKEN. Will you yield? It will lose on the floor by the votes of some of us who are for it once the understanding had been reached and interpretations had been made as to what it does.

Now, I don't object to exploring for oil in Indonesia and Iran, although I raised that point, and the people don't know about that.

But I do think that there are so many things here that we just don't—the public don't—know about them. They have been slid over. The State Department testifying before our Atomic Energy Committee just ignored Article V, ignored it completely, and I think it is important that we know just what we are doing. But I am just as much for the principle of non-proliferation as I ever was.

Senator CLARK. I haven't had a chance to say anything yet. I will wait my turn.

Senator MUNDT. I thought you wanted me to yield for a question.

A MATTER OF TIMING

I just have two points. First, I think we are involved here not in the question of whether we favor a Non-Proliferation Treaty or even taking the leadership. But it is a matter of timing, and a matter of making doggone sure we know what we are doing in what is a rather monumental decision, because there is merit, and I think there is in some of the points John made and I think they should be ironed out.

I just don't believe that making treaties with countries that are as irritable as some of them are who are going to sign this on the basis that everything will be all right. I would like to spell it out.

So the first reason is because we have got this conference going on and I don't think we can, right in the middle of it we can, say "Go ahead and confirm," but this is what it is going to be, this is what Uncle Sam has said it would be.

The other one is Czechoslovakia, the second point is Czechoslovakia and that, I think, is tremendously serious. There isn't anything we can do about it but we all resent it. There isn't anybody around this table who would say sent the Army in there, do a bombing in there or have an economic boycott or something. But not being able to do anything except express our disappointment is something quite different, it seems to me, if our reaching out so speedily now and precipitously now and grasping the hand of Russia in a treaty which the Czechs are going to believe and the captive countries are going to believe indicates that Uncle Sam talks one way but acts another way because we have gone out now while the tears are still on the cheeks of the aggrieved over there, and said "You have got our sympathy but we are doing business in the same old manner with Russia just as we did before," when it has been pointed out she violated her own treaty at least with the Warsaw Pact countries and the preamble of this one, but marching her armies in after she had signed it, and I just don't think that the kind of debate you are going to have on the floor of the Senate necessarily that you bring it up and the kind of discussion and the type of result is such that we, as responsible members of the Foreign Relations Committee, should act now when a few months later when this thing has begun to resolve itself and we understand the picture and we understand more clearly what we are doing, I think then we can get together on a treaty, perhaps without all the acrimonious debate.

Senator CLARK. Mr. Chairman.

Senator SPARKMAN. Senator Clark.

A SPLIT IN THE COMMITTEE

Senator CLARK. It appears to me that there is a considerable split in this committee as to whether the treaty should be reported out or not. I support Senator Gore. I would like an opportunity to vote. Those who don't want the treaty reported out will have an equal opportunity to vote but I think not to face up to the matter after the long hearings, after elaborate discussion is really not worthy of this committee.

For myself, I have listened to the arguments made by everyone this morning and I see no occasion to change my mind that this committee has an obligation to vote on this Treaty.

I support the President and the Vice President, the Secretary of State. I can see no relevance to the Czechoslovakian situation. To me what took place there was folly on the part of the Russians, an outrageous act of violence, violation of international treaties and everything, but I don't see that it has a single thing to do on whether this treaty is in the best interests of the United States or not. I don't think we talk one way and act another. I think ever since the beginning we have concluded this was, a non-proliferation treaty was, in the interests of the U.S.

I just hope we would vote, Mr. Chairman. Those who disagree can vote "no." We don't have to bring this treaty up on the floor, the Majority Leader will make up his mind in consultation with the administration whether to bring it this year or next. I think we have obligation to vote and I want to vote this treaty out.

Senator HICKENLOOPER. Mr. Chairman.

Senator SPARKMAN. Senator Hickenlooper.

A DISSERVICE TO THIS TREATY

Senator HICKENLOOPER. The argument Senator Clark has just used is the lobbying argument of the administration. They have used it on me for a month and that is vote it out on the floor and then we will leave it up to the leadership to say whether we would bring it up or not. I think that would be doing a disservice to this treaty which I hope at this moment is not repudiated but I think it is the wrong time to vote it out. I think it is much better to stay in the committee dormant for a while and subject to further examination, further thought, and a further shakedown in the world situation so we know what is going on.

I am not disposed, I am not in a position, to vote against this treaty at this time. I am not in a position to vote for it. If you want to bring it up to a vote I am going to pass. I am not going to say vote it out or keep it in at this time, because, as I say, the idea of this treaty in the long run is very good. I think it has not been perhaps as meticulously arranged or contrived as it could have been.

On the other hand, they have been at this for five years and we are expected to act in two or three months, and we are criticized because we don't act on a matter that has taken perhaps five years for its development in one way or another, and I said sometime ago in this committee that—and that was during the period when we thought we were going to have to come back after the elections——

Senator PELL. We still do.

Senator HICKENLOOPER. We still do. [Laughter.]

I don't know where you get that idea. Well, anyway, I won't make any comment on that. But anyway, I said I saw no reason why we couldn't act on this after the elections, after this thing had settled down or why we, I shouldn't use "we," but why the Senate couldn't act on it after the 1st of January.

The country is disturbed about the Russian attitude. Here the Russian bear has buried his teeth viciously in the last few weeks and, as has been pointed out repeatedly, it violated the Warsaw

Pact Treaty, it violated the U.N. Treaty and it violated this treaty before it has really gone into effect, and I had hoped that we could hold it in this committee, not destroy it in this committee, but hold it in this committee, and I don't think it would be destroying it holding it in this committee. I believe it would be the course of wisdom and prudence for the committee to give it a little more thought and consideration.

Now, many points have been brought up here in this discussion today that weren't necessarily brought out fully in the hearings. They were touched on in the hearings, but it puts a little difference complexion on them if we discuss them with some freedom here in this committee.

CONFIDENTIALITY OF EXECUTIVE SESSIONS

Another thing I do want to say in passing, Bill Foster was in my office yesterday and apparently somebody rushed over and told him exactly what went on in the last meeting we had here in this committee about attitudes, and it makes one a little—I like Bill Foster, he is an old friend of mine, but he was in my office yesterday and apparently somebody has rushed over and told him in some way exactly what went on in this committee the last time we had an executive meeting regarding this, because he recited practically, he was a little off base, I had to correct him on two or three things, but he knew right then and there, you know, and I just wonder how freely you can talk in an executive meeting in this committee.

Senator WILLIAMS. The NBC has it bugged.

Senator HICKENLOOPER. I don't know whether they have it or not. But I have just hoped that we wouldn't rush this. The Chinese are a nuclear power. The French haven't gone into this thing at all, and I think we ought to give it a little more consideration than we have, and I don't see that anything is harmed. The world will go on, it has been going on for a good many centuries in millenia, and it will go on, you know, whether we, sign this Treaty right now or sign it or okay it in January or February, along in there some place, and I don't care much whether Lyndon Johnson gets credit for the final accomplishment of this treaty or somebody else gets credit for it. It is not really the important thing to me.

If we come back after the elections, I think we can have a better idea as to how the country feels about it. I am afraid there is enough opposition and fear and concern about this treaty on the floor that its passage would be endangered, and I think that would be the worst thing that could happen, to defeat this thing on the floor of the Senate.

Senator AIKEN. Will you yield?

Senator HICKENLOOPER. Yes.

Senator AIKEN. In order to do away with one of the possibilities which you just raised, I move that if and when this treaty is adopted that it be called the LBJ Treaty and there would be no more argument over who would get credit for it. [Laughter.]

Senator CLARK. Mr. Chairman, I suggest that motion is out of order and Senator Gore has a pending motion.

CZECHOSLOVAKIA AND THE DOMINICAN REPUBLIC

Senator LAUSCHE. Mr. Chairman, the discussion of Russia's invasion of Czechoslovakia has gone on at a considerable length here today. I think that at least it can be said that each one of us has been concerned about the impact of that invasion upon the judgment that we ought to finally form with respect to the recommendation that we will make.

The preamble, as has been pointed out, of the treaty, reaffirms a declaration of the different nations that the sovereignty of states will be respected.

The argument is made that we have invaded the Dominican Republic. I can't stand silently by and give approval to that statement by my silence. American lives were in danger in the Dominican Republic. The lives of other people within that state were likewise in danger. We went down there to evacuate those citizens who were faced with personal danger. We did evacuate some, but that was the reason why we did enter the Dominican Republic.

Mr. Ball, at the United Nations, I think, very clearly pointed out the justification for our going into the Dominican Republic. To argue that the Czechoslovak situation invasion by Russia is parallel to our entry into the Dominican Republic I have to reject with all the vigor that I have.

There was a brutal, unjustified invasion of Czechoslovakia. The Czechoslovaks each day are protesting about what happened. Russia is still in Czechoslovakia. It is in Czechoslovakia in violation of its commitment in the United Nations and in violation of the declaration contained in this Non-Proliferation Treaty.

Are we going to tell the Czechoslovak people in this critical hour that at least by implication in the approval of the Treaty we look with indifference upon what Russia did?

I stated at the hearings that I favored the treaty, I still favor it, but I think it would be a serious mistake to look with lightness upon what Russia did, and proceed at this hour to adopt a treaty on the floor of the Senate.

I concur with the words of Senator Hickenlooper that there is no pressure for an immediate adoption of this treaty.

The government of the United States as now constituted can still go on urging Israel and India and Japan and Germany to sign it. What is there to stop them from signing it or using their influence to achieve that objective? None.

Now, I don't know how many of you listened to Ball in his presentation of the United States position in the United Nations. He did a very effective job, one of the most effective jobs that I have heard done in that United Nations.

The United Nations condemned Russia. Russia, of course,—it asks for a removal of the troops. Russia vetoes the action of the United Nations. In my judgment we ought not to speed in the disposition of this treaty. We ought to let Russia know that we do not subscribe to what it did. We condemn it, and in a measure we will be condemning it by a delaying of this action.

Senator CLARK. So let's vote, Mr Chairman.

AN OBLIGATION TO VOTE

Senator SYMINGTON. I would like to ask a question here, Mr. Chairman, if I may.

Senator SPARKMAN. Senator Symington.

Senator SYMINGTON. What worries me, my reason for voting for this treaty as I said earlier this morning is I said I think this is a matter that all Americans should understand. I think it would be a mistake if the Senator from Pennsylvania is right, to vote the treaty out with the understanding it wasn't to be taken up this year. I don't follow that "this year."

Senator CLARK. Will the Senator yield?

Senator SYMINGTON. I didn't say it shouldn't be taken up this year. I hope it will be. What I said was that the leadership would have the privilege of counting noses and determining what the count was. If it saw fit, I think that this committee has an obligation to vote one way or the other. If you don't want to vote the Treaty out vote no. Let's just don't filibuster until the end of the morning hour.

Senator CASE. We have the right to meet.

Senator HICKENLOOPER. The committee can meet all day, we have the right to meet.

Senator SYMINGTON. Do you know, Albert, whether the leadership is planning to bring it up this year?

Senator GORE. I don't know.

Senator SYMINGTON. I would like to find out about it.

Senator SPARKMAN. I don't think he can tell you, Stu.

Senator SYMINGTON. I am on the Policy Committee and I think maybe I can get it moved to take it up on the floor but I don't see why, I am sympathetic with George Aiken's position, if we are not going to take it up this year, if we are not going to thrash it out this year——

Senator SPARKMAN. My belief is that it is his intention to take it up.

Senator SYMINGTON. I am going to ask him.

FILIBUSTER AGAINST FORTAS NOMINATION

Senator GORE. It is a question of time there. I understand he has announced that the Fortas nomination would be brought up next week, and there is a question of time as to how long that will be and when the Congress is going to recess.

Senator SYMINGTON. Is he going to take it up on the basis of taking the filibuster if there is one behind him?

Senator GORE. I don't know.

Senator SPARKMAN. Wait a minute, Stu. I suppose he would not want to hold up the filibuster for the consideration of the treaty. But there is no reason in the world why he shouldn't. We would be exercising under the executive calendar rather than under the legislative calendar. Well, that would be, too, Fortas would be the executive also.

Senator SYMINGTON. Let me just ask him. To me it is a pretty important point. It gives a wrong impression perhaps.

Senator SPARKMAN. Stu, will you come right back and bring him with you?

Senator SYMINGTON. Right.

SMOTHERED IN COMMITTEE

Senator CASE. I think Stu has got a pretty good point. It is well to have this with all its perfections and imperfections and fears and hopes and everything else discussed openly on the floor rather than smothered, as it would seem to be, in committee. I don't think——

Senator AIKEN. I didn't smother it, it has been smothered in the country——

Senator CASE. It has been.

Senator AIKEN. Article V has been completely obliterated as far as the public goes.

Senator CASE. I agree with you and I think we would do more harm probably to smother it than we would to have it defeated on the floor after full discussion.

Senator AIKEN. I can't go with that because I think if you get some understandings in the proper interpretations you can get the two-thirds vote on the floor but without them I think it would be killed.

Senator HICKENLOOPER. Cliff, I don't consider it smothered if you hold it in the committee because maybe in two or three months you may want to vote it out so it is not smothered, it is not killed. But if you defeat it on the floor you certainty have given it a mortal blow.

CLARIFY SOME POINTS

Senator SPARKMAN. George, I think it is the will of the committee if it is voted out that before it is reported, before the report is actually written, this committee hold another meeting and certainly clear up some of the points in the report.

Senator AIKEN. That was the point I was going to raise, John. It is entirely possible that within the next two or three weeks some of these points could be cleared up but as they are now and as far as reaching an agreement you had better reach an agreement between the Atomic Energy Commission and the State Department, to start with, that would be a good beginner, as to what the meaning is.

Senator SPARKMAN. We can certainly work on it and then incorporate it into a report what our understanding is.

Senator AIKEN. As long as the non-proliferation point goes I would be for it.

Senator LAUSCHE. Parliamentarily as distinguished from a reservation would there be an ability to clear up this point of John's that our government shall have the right to place offensive weapons in the countries of our allies?

Senator AIKEN. Frank, may I point out that the Atomic Energy Committee now has two bills before it which are implementing legislation, but I don't see how those bills can be acted upon right now, but we might put the restrictions in them. I don't know. I haven't had a chance to study them because we had the hearings just the last thing before we went home for the spectulaculars which were held in August—Well, maybe not so spectacular in Miami.

CONTACTING THE CONCERNED AGENCIES

Senator SPARKMAN. Frank, my idea would be to contact the ones concerned, that would be the State Department, the military the Atomic Energy Commission, on any and all of these points, get their views, get them to give us a letter stating those views and then in writing our report we could clearly state what our understanding of those things are.

Senator LAUSCHE. My question is if you could not attach it to the treaty as a memorandum.

Senator SPARKMAN. It could be. But the difficulty with that is if we start attaching it might set a pattern for other countries to attach something to the treaty. I think if we put it in the report and make it clear it becomes a part of the history of the ratification of the treaty.

Senator AIKEN. I would get the testimony from these people before. Couldn't we have a day on that?

Senator SPARKMAN. Before we put the report out.

Senator AIKEN. No, before we vote it out.

Senator LAUSCHE. Yes, that is what I mean, that is what I am talking about.

Senator GORE. Mr. Chairman, while we are waiting or are we waiting—

Senator LAUSCHE. I will be back in a minute.

Senator GORE. We have a quorum here now.

Senator SPARKMAN. We are waiting for Stu Symington. He carried the message to Garcia.

Senator CARLSON. Mr. Chairman, I was not here when we started. Is there a motion pending?

Senator SPARKMAN. Yes, Senator Gore made a motion to report it favorably.

AN INOPPORTUNE TIME

Senator CARLSON. Before we vote on it I want to make a short statement. I think this is probably the most inopportune time to report this, and I don't like to vote against reporting. As a matter of fact, if the roll is called I feel I will have to vote to report it, but I do think the timing is bad. You can't go out in the country now, and I have been out in the country and I just got back last night, this Treaty is not a Treaty of 100 nations. It is a treaty between the U.S. and the Soviet Union. That is all the people understand, and this Czechoslovakian thing, whether you regard it with any great thought, is having an effect out on the people.

Personally, I don't think there is any great hurry about this treaty. I went through this consular convention, we had to have it, and it was with great pressure from the administration and the State Department and I supported it and I got more heat on that vote than any vote I have cast, and they haven't established a consular city yet. As a matter of fact, Bill Foster told me the other day they are not going to.

Here we are again, we are being pressured, in my opinion, to bring this treaty up at a time when we ought to take another look at it.

Senator AIKEN. Pressure from Moscow?

Senator CARLSON. There is no doubt about it we are being pressured and it is most untimely, and if I vote for this treaty I want this record to show I have great doubts about it on the floor.

Senator SPARKMAN. Of course the consular treaty, the part that is most beneficial to the U.S., is in effect.

Senator CARLSON. But it has established no cities though.

POSITION OF OTHER SENATORS

Senator SPARKMAN. It has not but that is what most people thought of, but it is not necessarily the most important part.

By the way, in that connection I was rather impressed with the statement that Harry Byrd made. He was very strongly opposed to the consular treaty but he came out with a very strong and quite logical statement in support of this treaty and supporting it now. He said in his opinion that the Czechoslovakian situation, as deplorable as it is, should not beallowed to stand in the way.

Senator CLARK. Who said this, John?

Senator SPARKMAN. Harry Byrd, Senator Byrd.

By the way, we have a letter from Senator Anderson, very strongly supporting the Treaty and urging that it be reported out now. If there, is no objection, I will submit it for the record.

U.S. SENATE,
COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES,
*Washington, DC, September 16, 1968.*

Hon. J.W. Fulbright,
*Chairman, Senate Foreign Relations Committee,*
*U.S. Senate.*

DEAR MR. CHAIRMAN:

Two years ago Congress commended the President's "serious efforts to negotiate international agreements limiting the spread of nuclear weapons." I was one of the 55 cosponsors of the Pastore resolution which received unanimous support in the Senate.

Today members of the committee are faced with a difficult decision regarding the future of the Treaty on the Non-Proliferation of Nuclear Weapons. As one who has long been identified with atomic energy matters—both on the peaceful uses of the atom and in the area of weapons development—I would like to make my views known.

The invasion of Czechoslovakia by the Russians is an inexcusable act on the part of a major nuclear power. The Soviet action, however, has not affected the essential worth of the Treaty. What is in question is the wisdom of ratification at this time. After considerable soul searching, I can only affirm my previous stand. Implementation of the Treaty's objectives is not only desirable now; it is necessary.

I do not ask you to agree with my views. However, I do strongly suggest that this highly influential agreement be removed from Presidential politics. The fate of the Treaty should not be decided by one man or even several men. It is the responsibility of the Senate to ratify or not to ratify, and each member should have the opportunity to vote his conviction.

Seventy-seven non-nuclear nations, in addition to the nuclear powers—the United States, Britain and Russia—have signed the non-proliferation Treaty. Of the seven nations most able to become nuclear powers, only India has indicated it will not be a party to the Treaty. Canada became a signatory on July 23 and Sweden on August 19, and West Germany, Italy, Switzerland and Japan are expected to follow at a future date.

The U.S. Arms Control and Disarmament Agency tells me that none of the other nations has conveyed to them any desire to have their signatures removed from the Treaty since the Czechoslovakian invasion.

I submit that the United States has an obligation to carry forth the pledge which we asked these nations to make. It is my hope the committee will report the Treaty to the Senate where we may all vote on it.

Sincerely yours,

CLINTON P. ANDERSON

A FORMAL RESERVATION

Senator GORE. Why don't we vote and everybody can record himself by 12:00?

Senator CLARK. I have a very important education conference which has been going on since 10:00. I don't want to walk out on this.

Senator CASE. Mr. Chairman, may I get some idea of the committee's understanding? John for instance might offer a reservation, I might miss, would a vote now preclude offering a reservation?

Senator CLARK. My understanding is anybody who votes to report the treaty out has a perfect right to oppose the whole thing.

Senator CASE. On the floor.

Senator SPARKMAN. He means a formal reservation. Yes, I think it would. I think the reservation would have to be submitted first.

Senator GORE. By amendment?

Senator COOPER. I don't agree. We have had, I remember on Margaret Smith she offered an understanding to the consular treaty and nobody raised an objection.

Of course, Congress has a right, anybody has a right.

Senator SPARKMAN. Of course, the reservation has the right to be offered on the floor. I meant in committee.

Senator Case. I meant committee.

Senator SPARKMAN. If in voting it out you do give intention you are going to offer a reservation you can do that.

THE OUTER SPACE TREATY

Senator COOPER. May I say this? This is the last thing I am going to say, may I say I think I raised these questions and examined into them because we have got the record of the past. We have been arguing over that Tonkin Bay Resolution for how many years now, four years, and it is evident that many questions weren't looked into.

Secondly on the outer space treaty, and there wasn't a month after that or six weeks or two months, that Russia announced that she had this FOBS and, in my judgment, it is a violation of the spirit anyway, and the administration must have known something about that. They didn't tell anybody when that was being considered, and I think, my own judgment is, whatever they say, that we have the right to protect this country.

Senator CLARK. Here we are, Mr. Chairman, let's vote. Here is the end of the morning hour.

Senator SPARKMAN. Are we ready for a vote?

BRINGING THE TREATY TO THE FLOOR

Senator SYMINGTON. I would like to present my point again and I apologize for being a little tardy but the Majority Leader was not on the floor or his office so I found him at another committee, and I just thought to me it would be important. As I said earlier this morning, I might vote against the treaty after it was discussed on the floor, but I would like to see it out of committee. But if there was no chance to discuss it on the floor that might change my position. I wanted to ask the Majority Leader, who is the ranking

member of this committee, if he was going to bring it up on the floor. May I ask him that?

Senator SPARKMAN. Yes.

Senator MANSFIELD. Mr. Chairman, if the treaty is reported out, and I hope it is, it would be my intention to try to bring it up on the floor unless the committee instructed me otherwise. If the committee ties any inhibitions to it then I feel I am subject to the wishes of the committee. That is about it in brief.

Senator CLARK. Let's vote.

Senator GORE. Call the roll.

A MOTION TO TABLE

Senator HICKENLOOPER. Just a minute. I have a motion I wanted to make. I didn't hear what you said.

Senator SPARKMAN. He said it was his intention to call it up unless the committee decided otherwise.

Senator HICKENLOOPER. There is a considerable amount of confusion and divergence of opinion on this treaty which is a very important thing, and we are, as was pointed out here a moment ago, we have been, pressured into two or three treaties with unsatisfactory provisions in them after we got looking at them and because one of the members on this side has asked me to do it, I will make a motion to table the motion of Senator Gore.

Senator CLARK Call the roll.

Senator SPARKMAN. All right. Clerk, will you call the roll?

Mr. KUHL. Mr. Mansfield?

Senator MANSFIELD.No.

Mr. KUHL. Mr. Morse.

Senator SPARKMAN. No.

Senator HICKENLOOPER. Are you voting proxies?

Senator SPARKMAN. Yes.

Mr. KUHL. Mr. Gore?

Senator GORE. No.

Mr. KUHL. Mr. Lausche?

Mr. Church?

Senator GORE. No.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. No.

Mr. KUHL. Mr. Dodd?

Senator SPARKMAN. Wait a minute, I think you have Dodd's proxy.

Mr. MARCY. He left his proxy with Lausche.

Senator MANSFIELD. Somebody ought to go up and get Lausche now.

Senator CASE. I think we ought to agree that he vote.

Senator GORE. Both he and Dodd.

Mr. KUHL. Mr. Clark?

Senator CLARK. No.

Mr. KUHL. Mr. Pell?

Senator PELL. No.

Mr. KUHL. Mr. McCarthy?

Mr. Hickenlooper?

Senator HICKENLOOPER. Aye.

Mr. KUHL. Mr. Aiken?

Senator AIKEN. Aye.
Mr. KUHL. Mr. Carlson?
Senator CARLSON. Aye.
Mr. KUHL. Mr. Williams?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Mundt?
Senator HICKENLOOPER. Aye.
Mr. KUHL. Mr. Case?
Senator CASE. No.
Mr. KUHL. Mr. Cooper.
Senator COOPER. No.
Mr. KUHL. Mr. Fulbright?
Senator SPARKMAN. I have his proxy. No.
Mr. KUHL. Mr. Sparkman?
Senator SPARKMAN. No.
Let me say I have Senator McCarthy's proxy also and I vote him no.
Mr. KUHL. On this vote, Mr. Chairman, there are five ayes, and 12 nays.
Senator CASE. I think the two absentees ought to be allowed to vote, Lausche and Dodd.
Senator CLARK. That wouldn't affect the vote.
Senator SYMINGTON. I agree with Senator Case.
Senator SPARKMAN. Without objection they will be allowed to be recorded. But the motion is defeated.
Now, the motion recurs on the Gore motion which is to report it favorably to the floor of the Senate.

DAMAGING INTERNATIONAL EFFECTS

Senator AIKEN. Mr. Chairman, may I say one more word having given my warning and the probable effect on international affairs and the coming election and so on and so forth, I am willing to let this treaty go out with the understanding it will be available for full discussion but I don't want anyone to think I am in favor of reporting it out. Frequently I vote to let bills go out that I disagree with. I think this is a most inopportune time and will have very damaging international and domestic effects.
Senator SPARKMAN. Let me say, for the benefit of Senators Mansfield and anyone else who may not have been here at the time, it is agreed that if we report it the written report will not be submitted immediately but we will have another meeting of the committee to go over the report because there are certain things in it that we want or certain things we want in it to clear up the situation.
Now, do I understand that Senator Case reserves the right to over a reservation?
Senator CASE. My understanding is we all have the right.
Senator SPARKMAN. You do but I mean to the treaty itself?
Senator COOPER. You mean in this committee?
Senator CASE. Not in the committee, on the floor.
Senator SPARKMAN. I see. I understand.
Senator Lausche, how do you vote?
Senator LAUSCHE. I vote to table; Dodd, table.
Senator SPARKMAN. All right.

Senator AIKEN. Mr. Chairman, it is understood this Treaty will not appear on the calendar until the report is made?

Senator SPARKMAN. Correct.

Senator AIKEN. All right.

Senator CASE. I think this report business is very important and it might affect my feeling on the floor.

Senator SPARKMAN. We will have a meeting just as soon as we can.

Senator COOPER. I addressed a series of questions to Secretary of State Rusk and Mr. Seaborg and I would like to have them included in the record.

Senator SPARKMAN. That will be done without objection.

SPECIFIC ANSWERS FROM THE AGENCIES

Senator MANSFIELD. Mr. Chairman, I think that in view of the questions raised by Senator Aiken, that we ought to have specific answers to these questions by both the Atomic Energy Commission and the State Department.

Senator AIKEN. Before the report.

Senator SPARKMAN. And the military. We provided that that would be done.

All right, the clerk will call the roll.

Senator LAUSCHE. You haven't called the roll?

Senator SPARKMAN. We have on a motion to table. Now it reverts to the Gore motion.

Senator HICKENLOOPER. The result was what?

Senator SPARKMAN. 12 to 7.

Senator LAUSCHE. Mr. Chairman, I move that the reporting of the bill be postponed until there has been reached an agreement on what the report will show concerning the issues that were in dispute.

Senator SPARKMAN. That is what I just said. That it would not be until we have another committee meeting to clear up these points in the report. That has been agreed to.

Senator GORE. Let's vote.

Senator SPARKMAN. All right. Clerk will call the roll.

Mr. KUHL. Mr. Mansfield?

Senator MANSFIELD. Aye.

Mr. KUHL. Mr. Morse?

Senator SPARKMAN. Aye.

Mr. KUHL. Mr. Gore?

Senator GORE. Aye.

Mr. KUHL. Mr. Lausche?

Senator LAUSCHE. I pass.

Mr. KUHL. Mr. Church?

Senator GORE. Aye.

Mr. KUHL. Mr. Symington?

Senator SYMINGTON. Aye.

Mr. KUHL. Mr. Dodd?

Mr. Clark?

Senator CLARK. Aye.

Mr. KUHL. Mr. Pell?

Senator PELL. Aye.

Mr. KUHL. Mr. McCarthy?

Senator SPARKMAN. Aye.
Mr. KUHL. Mr. Hickenlooper?
Senator HICKENLOOPER. I pass.
Mr. KUHL. Mr. Aiken?
Senator AIKEN. Pass.
Mr. KUHL. Mr. Carlson?
Senator CARLSON. Aye.
Mr. KUHL. Mr. Williams?
Senator HICKENLOOPER. Pass.
Mr. KUHL. Mr. Mundt?
Senator HICKENLOOPER. I would ask that Mundt be contacted if he can be on this.
Mr. KUHL. Mr. Case?
Senator CASE. Aye.
Mr. KUHL. Mr. Cooper?
Senator COOPER. Aye.
Mr. KUHL. Mr. Fulbright?
Senator SPARKMAN. Aye.
Mr. KUHL. Mr. Sparkman?
Senator SPARKMAN. Aye.

POLL THE ABSENTEES

Senator LAUSCHE. You had better contact Tom Dodd about it.
Senator SPARKMAN. Is it agreeable that they can be contacted and recorded?
Mr. MARCY. Poll all absentees.
Senator CASE. I think that is only fair.
Senator MANSFIELD. For the time being put him with you on a pass basis, for the time being.
Senator SPARKMAN. Then we can have him reported for the record.
Senator LAUSCHE. May I for the record show I am in favor of this thing but believe this is the inappropriate time to act upon it because of the condition that prevails in Czechoslovakia?
Senator SPARKMAN. Announce the vote.
Senator COOPER. I think we ought to ask these people to give them and opportunity to express themselves before it gets out to the press. For example, they might want to vote no or yes.
Senator GORE. Let's just take a minute and call these people.
Senator AIKEN. Let me say that I think the State Department and Atomic Energy Commission are pretty much on record now that the staff can get their positions out of the testimony which has been given before the two committees. There is apparently quite a difference of opinion between those two agencies, although it may not show up in the testimony.
Senator SPARKMAN. It may be well to submit questions such as those proposed by John Cooper to all three of the agencies and let them answer at the same time.

A CLEAR UNDERSTANDING

Senator COOPER. I have no doubt that they will give answers which in their view satisfy these questions. But the point I made is because I was told in these two specific questions one dealing with the deployment of our weapons in NATO and second in the

agreement with Euratom and the IAEA that they were not settled in their negotiations with Russia, and that if they are doubtful, whatever the administration says, that I would think that the Senate in some way should express its view, that is my position, whatever they say. The deployment of those weapons is essential to the security of the United States. I think we have some duty to have a clear understanding that they are permitted under this Treaty and whatever Russia says that we maintain that right.

Senator CASE. I think it goes too to the question of a transfer of atomic weapons to a European community if we should want to do it at some time, a successor to NATO.

Senator AIKEN. I think NATO can cancel out any approval given by one of their members, can't they, under this? If Belgium wanted to sign up, NATO could veto it.

Senator CASE. I think they could. But it is a tricky business.

Senator HICKENLOOPER. It is a violation of the treaty if we give it to them.

Senator CASE. It would be a violation of the treaty unless we put it in there.

Senator HICKENLOOPER. I don't think a reservation would have any effect.

Senator CASE. I honestly don't know what the effect of a reservation is. Does it cancel the treaty?

Senator HICKENLOOPER. Theoretically the reservation has to be submitted to all the other signatory powers because it fundamentally changes the treaty. An understanding doesn't necessarily have to be or an interpretation necessarily have to be submitted.

Senator COOPER. It is my belief that an understanding would be the proper method.

Senator MANSFIELD. I would think so.

Senator CLARK. Mr. Chairman, can we go now?

A VOTE ON IDA

Senator SPARKMAN. I wonder if we might possibly get to a vote on IDA?

Senator SYMINGTON. I certainly, Mr. Chairman, don't think we ought to vote on IDA, Senator Morse is not here.

Senator LAUSCHE. Lausche, no, and Dodd, no.

Mr. KUHL. Mr. Chairman, then on this vote there are 13 ayes, two nays, and four members passed. The members passing were Senators Hickenlooper, Aiken, Williams and Mundt.

Senator HICKENLOOPER. Be sure and report that to Drew Pearson, will you?

Senator CLARK. Together with all the conversation that took place this morning.

Senator MANSFIELD. I hope it does not get out of this committee.

Senator PELL. It has to.

Mr. MARCY. Mr. Chairman, as a matter of precedent——

Senator SPARKMAN. We have a rule on that.

Mr. MARCY. Whenever the press asks for a vote on any of these things the chairman's practice has been to tell what the vote was and who.

Senator MANSFIELD. You have to follow procedure but do it from here but not from——

Senator HICKENLOOPER. I haven't any objection.

Senator CLARK. We have an obligation to publish it. This secret stuff and smoke-filled room, we ought not have it in this committee.

AN EXPLANATION FOR THE VOTE

Senator LAUSCHE. If a statement is going to be made, I do think that the explanation given about the vote, that is I favor the treaty but I think this is an inappropriate time to pass it in view of the condition.

Senator HICKENLOOPER. I will say that the reason I passed is that I don't want to be recorded as being opposed to this treaty. I merely think it is the wrong time to do it.

Senator SPARKMAN. Frank, your vote on the motion to table indicated that. That is the basis upon which that motion was made.

Senator LAUSCHE. Well, but——

Senator SPARKMAN. You didn't have to vote no here on that.

Senator MANSFIELD. I think Frank may have had the idea we were voting on the treaty when you came in.

Senator LAUSCHE. No, no, I am in favor of the treaty but I think that this is not the appropriate time to act on it.

Senator MANSFIELD. Why don't you and Tom Dodd pass instead of voting no?

Senator LAUSCHE. No, Tom feels he should vote no and I am going to go along with it.

Mr. KUHL. Mr. Chairman, Senator Mundt votes no instead of passing, and so the vote should be 12 ayes and three nays. Three members passed.

Senator SPARKMAN. Shall we try to take up something else or not?

Senator CASE. Since we are waiting for Morse, I just want to suggest, sir, that you indicate there were reservations in people's minds that may be raised; not reservations, don't use that word.

Senator SPARKMAN. Understandings.

Senator CASE. Understandings that may be proposed.

COMMITTEES HAVE THE RIGHT TO MEET

Senator MANSFIELD. May I say that all committees have the right to meet during the session of the Senate today if anybody wants to come back this afternoon.

Senator SPARKMAN. Is there any desire to meet this afternoon? [Cries of "no."]

Senator SPARKMAN. Can we meet tomorrow? [Cries of "no."]

Senator SPARKMAN. How about this afternoon? We are here. Do you have any real objection to meeting this afternoon?

Senator SYMINGTON. I do. Because I have dates all afternoon.

Senator SPARKMAN. Do you really have objection to meeting tomorrow morning?

Senator CASE. Mr. Chairman, I move that we report IDA favorably.

Senator CLARK. Second the motion.

Senator SYMINGTON. We can't do that now unless we have Senator Morse here, I don't think.

Senator SPARKMAN. Senator Morse left and left his proxy.

Senator SYMINGTON. We ought to discuss it in considerable detail before we vote.

Senator MANSFIELD. Mr. Chairman, I move we stand in recess until 10:00 o'clock tomorrow morning.

Senator SYMINGTON. Second the motion.

Senator MANSFIELD. And that we meet then.

Senator SPARKMAN. Without objection it is agreed to 10:00 tomorrow morning.

[Whereupon, at 12:10 p.m., the hearing was recessed, to reconvene Wednesday, September 18, 1968, at 10:00 a.m.]

# PROVIDING FOR A U.S. CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

[EDITOR'S NOTE.—In public session, beginning at 10:20 a.m., the committee first heard from Leonard C. Meeker, Legal Advisor, Department of State, accompanied by Byron E. Harding, Associate General Counsel, Government Services Administration, and Harold Pace, Assistant Chief of Protocol, Department of States, who testified on H.R. 16175, the Chancery Bill.]

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**Wednesday, September 18, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 11:00 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Mansfield, Gore, Lausche, Church, Symington, Dodd, Pell, Hickenlooper, Aiken, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

CONVEYANCE OF PROPERTY TO THE OAS

Senator LAUSCHE. I didn't ask any questions but on this 8 acre site is it to be conveyed in fee without any reversionary clause in it? Is it to be conveyed to OAS?

Senator SPARKMAN. Yes.

Senator HICKENLOOPER. My understanding is it is to be conveyed in fee simple and they, in turn, convey property to us.

Senator SPARKMAN. This building down on 19th and Constitution?

Senator HICKENLOOPER. There is an exchange. I don't know how they will value it.

Senator COOPER. Not the Pan American building.

Mr. KUHL. That is involved.

Senator HICKENLOOPER. It is a pretty building. It has palm trees in it and green parrots.

Senator SPARKMAN. Is there any objection to our reporting this bill out?

Well, if there is no objection. It will be reported favorably.

STATUS OF REFUGEES

Mr. MARCY. We have scheduled a hearing for tomorrow, for pending nominations, and Friday, and a number of items of which I think two perhaps the committee, I don't know whether you want to talk about them or not, but they are two fairly, they can be controversial. One is a protocol relating to refugees and the other is

this astronaut assistance return agreement both of which have been received very recently and the question really is whether this should he handled in sort of a routine kind of way, which is the way we would be doing it, or whether we ought to set aside separate times or whether we ought to put them over. At the moment we would just be receiving executive branch testimony.

Senator SPARKMAN. Well, has anyone in opposition asked to testify?

Mr. MARCY. No. Many people have asked to testify on behalf of this status of refugee protocol.

Senator SPARKMAN. But no opposition.

Mr. MARCY. Well, I wouldn't say that. It has only been here since the 1st of August, and the provisions are pretty broad.

Senator SPARKMAN. Six weeks?

Mr. MARCY. Yes, but you weren't here in session.

Senator SPARKMAN. That is right, we weren't.

Mr. MARCY. As it is now we are scheduled to go ahead with it and just received executive branch testimony. Let's do that and see what the reaction is.

Senator SPARKMAN. Why don't we play it by ear. If we have any opposition then we can have a hearing.

THE IDA'S CASH BALANCE

Senator HICKENLOOPER. May I ask a question here apropo of Senator Symington's vigorous position as compared to the statement here on the staff memorandum, in the staff memorandum on page 2? Under the heading "current proposal" it says:

"Within the next few months resources available to the IDA will have become exhausted, partly because it has taken over a year and a half to negotiate a second replenishment on the part of the Part I countries."

Now, Symington says they have $1,200,000,000 in the bank.

Senator SPARKMAN. Let me read you something on that. This was as of March 31, 1968 apparently, the bank's cash balance is at present $1,300,000,000 which is only about half the amount owed by the bank in form of undisbursed loan commitments. The cash balance is approximately equal to the amount of gross disbursement expected by the Bank in the next 12 months.

The Bank has a substantial portfolio of investments in U.S. Government securities. These represent funds that are already committed on loans and are awaiting disbursement. Therefore, if any such funds were to be transferred to IDA they would have to be replaced by the Bank's borrowing of additional funds.

Senator HICKENLOOPER. Well, I see, that answers my question.

Senator SPARKMAN. It seems to me that gives an answer.

Senator GORE. If the bank is making all this money why shouldn't it borrow instead of the U.S. Treasury that is not making any.

Senator SPARKMAN. It can't borrow from the U.S. Treasury.

Senator GORE. I didn't say from the Treasury.

Senator SPARKMAN. U.S. Treasury.

Senator GORE. Instead of the U.S. Treasury borrowing more.

SOFT LOANS

Senator HICKENLOOPER. IDA wants this money for soft loans.

Senator GORE. I am against soft loans.

Senator HICKENLOOPER. I am for soft loans as against a giveaway.

Senator GORE. I don't know what the distinctions is.

Senator HICKENLOOPER. Well, there is a due date on soft loans, and there isn't anything on a giveaway.

Senator LAUSCHE. Isn't IDA mainly a soft loan window?

Senator HICKENLOOPER. No, not necessarily. They have two windows.

Senator GORE. This money is for soft loans though.

Senator HICKENLOOPER. I think so.

Senator SPARKMAN. Frank, you make 12 who have been here.

Senator CHURCH. Mr. Chairman, I have got a conference on with the House that I am presently chairing.

Senator SPARKMAN. Where are you sitting, where is the conference?

Senator CHURCH. It is up in the Atomic Energy Room. I am in that predicament. We have to get the bill out by noon.

Senator SPARKMAN. Wow, you are in a predicament.

Senator CHURCH. I am.

Senator HICKENLOOPER. Well, you have 43 minutes?

Senator GORE. What bill is this?

Senator CHURCH. This is the National Wild and Scenic Rivers.

REPLENISHMENTS

Senator LAUSCHE. May I ask some questions of the experts here. The original fund was one billion.

Mr. HENDERSON. That is right, sir.

Senator LAUSCHE. Which included $776 million in currencies which could be used for lending as received in equal installments over the five years. The second installment was $776 million, is that right?

Mr. HENDERSON. No, sir, the first installment came out to $776 million for convertible currencies that could be used freely.

Senator LAUSCHE. Yes.

Mr. HENDERSON. The first replenishment as it is called is for $750,000,000. Now, this only came from the 18 Part I, that is developed, countries. They didn't ask for Part II or under-developed countries to put up any money for this first replenishment. So there is $776,000,000 in the original subscriptions that is useable. $750 million in useable currency is in the first replenishment.

Senator LAUSCHE. Yes.

Mr. HENDERSON. Now, in the second one they are asking $1.2 billion together of which the United States would put up $480 million.

Senator Lausche. Which one are we in now, in the second one?

Mr. HENDERSON. This is the second replenishment.

Senator LAUSCHE. That is this other resources for lending derived from——

Mr. HENDERSON. Bank transfers from their net earnings.

Senator LAUSCHE. How, by way of a loan?

Mr. HENDERSON. Yes, sir. It is turned over as a loan to the IDA.

FUNDS HAVE BEEN ALLOCATED

Senator COOPER. While we are waiting can I ask two or three questions on this? It really—is it correct that all of the money that has been appropriated by the Congress and presumably to be paid by some other country plus about $210 million which has been provided to it by the World Bank is all obligated except $60 million, is that correct?

Mr. HENDERSON. Even less than $60 million now, I think they are down to about $7 million.

Senator COOPER. So all this money which has been obligated has not been made available to countries?

Senator SPARKMAN. But it has been committed.

Senator HICKENLOOPER. I think there is always a question as to what obligated and committed means, whether it is just a gleam in the bureaucrat's eye.

Senator COOPER. My next question is regarding the one Senator Symington raised. Is it correct that the World Bank has reserves in cash, can that money be used for soft loans?

Mr. HENDERSON. No, sir.

Under the existing arrangements the World Bank has two reserves. One is the regular reserve which absorbs about $290 million. That is set up under the articles of agreement and cannot be touched, so out of the $1.1 something billion of reserves, both regular and supplemental, you have to really take out almost $ 300 million. That should not be and can't be considered as transferable in any way.

Senator HICKENLOOPER. What do you mean it can't be used?

Mr. HENDERSON. Sir, that is the standard reserve which under the articles of agreement must be retained to maintain a certain liquidity of the Bank. The other is the central reserve amounting to about $890 million, that is what we have been talking about. This committee has made several initiations to try to get the World Bank to release some of these funds. The World Bank has said this is required, they must keep these funds, and they are willing to make transfers but only out of net earnings on an annual basis each year, leaving those reserves untouched.

Senator COOPER. It also says that all of that reserve, with the exception of $221 million in cash, has already been loaned.

Mr. HENDERSON. That supplemental reserve, they have used, I think, over $500 million of the $890 million as plowing back into the operations of the World Bank instead of going on to the money markets to borrow to make new bond flotations. They have done this in large measure because of the objections of the United States on balance of payments grounds to new flotations of bonds in the U.S. market, and this is the basic reason they have been doing that.

However, of course, they can do that, they can, in effect, borrow on the market whereas the IDA cannot.

FREE MONEY

Senator CASE. And this does not reduce the item on the ledger, that is to say accumulated income or whatever you call it does it, it is still there in the form of——

Mr. HENDERSON. That is right.

Senator CASE [continuing]. Of loans and——

Mr. HENDERSON. Yes, it is free money. It is still an obligation that is counted as a part of the supplemental reserve. Of course, they would not be immediately callable.

Senator COOPER. Then it would not be correct, in response to the statement made by Senator Symington, the World Bank has no funds available other than small amounts it has put in for IDA, is that correct?

Mr. HENDERSON. Yes, sir, given the attitudes of the World Bank. The executive directors have considered this several times and the executive directors have refused to make funds available from the existing supplemental reserves. What they have done each of the past four years they have transferred out of new net earnings on an annual basis each year they have met to consider what portion of the annual net earnings should go into the supplemental reserves and what amount of money could be available for transfer to IDA, in effect a loan to IDA. Over a four year period they have transferred $210 million. They have done it in $50 million, one installment of $50 million, two installments of $75 million. Last year they felt they could only afford to turn over $10 million. The Executive Directors met, I think, within a month of this date, and they agreed to turn over in this coming year $75 million more. This has not been ratified by the governors of the Bank. They will meet, of course, at the end of this month and presumably will ratify that so that will lift to a total of $285 million the amount that will have been transferred from the World Bank to IDA for IDA lending operations.

OBLIGATED BUT NOT DISBURSED

Senator COOPER. One other question and I will close: Now the minority views of the House said that while it is correct that there is no money available except a small amount for new obligations, they argue that there is $500 million available which has not yet been disbursed.

Mr. HENDERSON. It has not yet been disbursed.

Senator COOPER. But obligated.

Mr. HENDERSON. Well, according to the IDA it has been obligated and committed.

Senator COOPER. It has been obligated?

Mr. HENDERSON. Well, the latest figures we have through the end of 1967, the amount, the credits made have totaled about $1.7 billion and of that figure $1.2 billion have actually been disbursed.

Senator COOPER. So it has been obligated?

Mr. HENDERSON. That is what they are talking about, that money has been obligated.

Senator CASE. What Senator Hickenlooper cast aspersion on the use of the word "obligated." What is your understanding?

Mr. HENDERSON. Actually I signed a loan commitment.

Senator CASE. I see, not just a plan?

Senator SPARKMAN. Not yet disbursed?

Senator CASE. I just wonder if that satisfied the Senator?

Senator HICKENLOOPER. I am very seldom satisfied.

THE BANK'S LIQUIDITY

Senator LAUSCHE. Henderson, this bulletin, I suppose issued by the World Bank, July 11, it states that:

> As of March 31, 1968, total net earnings of the Bank was $1,286,000,000. Of these accumulated funds, $1,160,000,000 had been allocated to two forms of reserves. The special reserve, currently $291 million, kept in liquid form is required by the articles of agreement for the protection of the Bank's bond holders in case of default. The supplemental reserve of $869 million formed out of retained earnings is, in effect, an addition to the Bank's equity which gives further strength to Bank's borrowing power. It should be emphasized that the whole supplemental reserve has been committed on loans to member countries.

Now, this last sentence, I can't reconcile the last two sentences: One, where it says that the supplemental reserve gives them further borrowing power, and the second sentence which says that the whole supplemental reserve has been committed on loans to member countries.

Mr. HENDERSON. Yes, sir.

Well, the point is that although this entire supplemental reserve is kept on the books as a reserve for the bondholders' confidence factor, in fact the money has been reloaned. So that it is not liquid, it is not immediately callable.

Senator LAUSCHE. It is not liquid but where is the liquid money that the World Bank has now?

Mr. HENDERSON. Well, they talk in terms of cash balance of $1.3 billion and, as I say, this is only about half the amount owed by the Bank in the form of undisbursed loan commitments.

Senator GORE. Is this on interest or is it deposited in some bank?

Mr. HENDERSON. Well, the special reserve, the $291 million, is in, largely in, the form of government securities. A number of them are in the U.S.

Senator GORE. It says in bonds.

Mr. HENDERSON. The form of securities, their definition of liquidity is that they can cash them. But they are held in securities.

Senator SPARKMAN. Well, listen, gentlemen, it is apparent we are not going to get 10 bodies here for a vote.

Let me just say this, we have announced meetings for tomorrow at 10:00, and Friday at 10:00, for hearing three different nominations and other pending items. There are several things, you have been given a list of them, so let's—how about setting this meeting for next Tuesday?

Senator HICKENLOOPER. I frankly favor both IDA and military sales and I think we ought to act on them.

Senator SPARKMAN. I do, too.

So let's have it Tuesday at 10:00. Is there any objection to that?

[Whereupon, at 11:30 a.m., the hearing was adjourned, to reconvene Tuesday, September 24, 1968.]

# TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

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**Monday, September 23, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:10 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Aiken, Mundt, and Cooper.

Also present: Mr. Marcy and Mr. Bader of the committee staff.

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Senator SPARKMAN. All right, Senator Mundt.

Senator MUNDT. We ask unanimous consent, up until midnight Thursday, for members of the committee to file minority views or individual views, should they so desire.

Senator SPARKMAN. We so agree.

[Whereupon, there was a short discussion off the record.]

Senator SPARKMAN. We will adjourn the meeting. I assumed, if anybody had been interested in making any other changes, they would have been here or submitted them in writing.

I think this change on the oil and gas is very good.

The meeting is adjourned.

[Whereupon, at 10:55 a.m., the committee adjourned.]

# NOMINATIONS AND TREATIES

**Tuesday, September 24, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 9:15 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman Mansfield, Gore, Lausche, Symington, Clark, Pell, Aiken, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

Senator SPARKMAN. I wonder if we might just come to order, and we can do some talking.

And let me call your attention to the agenda, which we will make a part of the record at this point.

**September 24, 1968**

## United States Senate
## COMMITTEE ON FOREIGN RELATIONS
## AGENDA

**Tuesday, September 24, 1968**
**10:00 a.m.—Room S–116—The Capitol**

## EXECUTIVE

*Nominations*

1. William G. Bowdler, to be Ambassador to El Salvador.
2. Angier Biddle Duke, to be Ambassador to Denmark.
3. Arthur W. Hummel, to be Ambassador to the Union of Burma.
4. Leo J. Sheridan, to be Ambassador to Ireland.
5. Parker T. Hart, to be an Assistant of State vice Lucius D. Battle.
6. The following-named persons to be representatives of the United States of America to the 23d session of the General Assembly of the United Nations:

George W. Ball, of New York, William C. Foster, of the District of Columbia, John Sherman Cooper, U.S. Senator from the State of Kentucky, Stuart Symington, U.S. Senator from the State of Missouri.

The following-named persons to be alternate representatives of the United States of America to the 23d session of the General Assembly of the United Nations:

William B. Buffum, of Maryland, Louis Stulberg, of New York, Mrs. Harvey Picker, of New York.

7. The following-named persons to be representatives of the United States of America to the 15th session of the General Conference of the United Nations Educational, Scientific, and Cultural Organizations:

William Benton, of Connecticut, Alvin Christian Eurich, of Colorado, Katie Scofield Louchheim, of the District of Columbia, James H. McCrocklin, of Texas, Frederick Seitz, of Illinois.

The following-named persons to be alternate representatives of the United States of America to the 15th session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization: Robert H.B. Wade, of Maryland,

Marietta Moody Brooks, of Texas, Elizabeth Ann Brown, of Oregon, Morton Keller, of Massachusetts, George E. Taylor, of Washington.

8. The following to be members of the U.S. Advisory Commission on International Educational and Cultural Affairs: Wayland P. Moody, of Texas, Arnold M. Picker, of New York, Thomas E. Robinson, of New Jersey.

*Treaties*

1. Convention establishing a Customs Cooperation Council, received May 20, 1968 (Ex.G, 90–2)
2. Astronaut Assistance and Return Agreement, received July 15, 1968 (Ex.J., 90–2)
3. Convention on Transit Trade of Land-Locked States, received July 12, 1968 (Ex.I, 90–2)
4. Partial Revision of the Geneva Radio Regulations, received May 17, 1968 (Ex.F, 90–2)
5. Convention on the Recognition and Enforcement of Foreign Arbitral Awards, received April 25, 1968 (Ex.E, 90–2)
6. Protocol relating to the status of refugees, received August 1, 1968 (Ex.K, 90–2)

Senator SPARKMAN. Stu, have you got your agenda before you?

Senator SYMINGTON. Yes.

Senator SPARKMAN. Albert, have you got the agenda? It is in your case there.

Senator GORE. I haven't turned to it yet.

Senator SPARKMAN. Claiborne, you got yours.

Senator PELL. Yes.

AMBASSADOR NOMINATIONS

Senator SPARKMAN. We have four nominations of ambassadors. All of them are career people with the exception of No. 4. He is non-career. And then Parker T. Hart, who is a career man to succeed Lucius Battle. Then we got the delegates to the U.N. General Assembly and delegates to–delegates and alternates, and delegates and alternates to UNESCO, and we got delegates to the U.S. Advisory Commission on International Education and Cultural Affairs.

Then we got six different conventions. We had hearings on these conventions last week. There was no opposition testimony. And I asked each witness if he knew of any opposition, if they had any expressed or knew of any at all, and in no instance was there any opposition.

I think we could proceed with those, and we can check with other members later, certainly with someone on the minority side to make certain that it's agreeable.

Is that okay?

Senator SYMINGTON. Mr. Chairman, may I ask you a couple questions?

Senator SPARKMAN. Yes.

Senator SYMINGTON. Who is Mr. Sheridan?

Senator SPARKMAN. He's from Illinois. He's been quite prominent in business. He's strongly recommended by Everett Dirksen, who presented him to the committee and with very strong words of praise, and who stayed with him throughout his testimony.

Senator SYMINGTON. He's been before the committee?

Senator SPARKMAN. Yes.

Senator SYMINGTON. And has Mr. Hart been before the committee?

Senator SPARKMAN. We didn't have Mr. Hart. It is customary on these long career people, I believe, not to have them come.

Mr. MARCY. He is Ambassador to Turkey.

Senator SYMINGTON. I understand.

Senator SPARKMAN. He was away at the time.

I said customary not to have them appear before us. I mean if they are out of the country.

THE SITUATION IN THE MIDDLE EAST

Senator SYMINGTON. Does anybody know what his attitude is—off the record, please.

[Discussion off the record.]

Senator SYMINGTON. Back on the record.

I won't press the point, but I think the situation in the. Middle East is now in a state where this is a very important position, and I would hope to have some of his philosophy developed to the committee before he is confirmed. I would not block it, try to block it. I do think he ought to give us some thoughts about it.

And if there's anything in the record that the staff knew about, I think that might be of assistance.

Senator SPARKMAN. Carl, do you know what posts he has held, any of you?

Mr. MARCY. Yes. He has held—most of his positions have been in the Arab world, and he was Deputy Assistant Secretary for Far Eastern Affairs at one point.

Senator SPARKMAN. Far East or Near East?

Mr. MARCY. Near East. I beg your pardon.

I think another point to keep in mind is that if there were any very strong objections from either side in this case, we probably would have heard of them by now, although actually his nomination has been before the committee for only a week or ten days.

Senator SYMINGTON. We did have Mr. Battle up and go into this extensively with him?

Mr. MARCY. That's right.

I think I could add one other thing, and that is that normally it takes between four and six weeks for a man to get moved physically, with the goodbyes, and he has to pay all of his calls, and so on.

I talked with Mr. Macomber about this, and they don't anticipate that he will be on the job here until early December—I mean Hart.

SALE OF SUPERSONIC PLANES TO ISRAEL

Senator SYMINGTON. Well, I won't press the point, Mr. Chairman, but I do feel it's been most unfortunate that the ratio now, the best estimates I can get, is seven to one of the supersonic planes against Israel, and the ratio is going up in favor of the Arab countries. And if it continues this way and these sales from us continue to be dangled in front of the nose of these people without any affirmative action, it could get to be a very serious situation. And Senator Mansfield pointed out on the floor yesterday in a colloquy he was good enough to pick up after I made some remarks about it that the USSR and the United States are the two basic power positions in the Middle East when the chips are down, us with our fleet, them with their fleet and their heavy air support of the countries running all the way through to Algeria. And if we do confirm Mr. Hart this morning, I would like to just pass and not object to it and hope

that the committee would have him in for us as soon as mutually convenient to him and the committee.

Senator SPARKMAN. I think that would—yes, Senator Pell.

DEPARTURE OF THE ASSISTANT SECRETARY

Senator PELL. Somewhat along the same lines, I was just curious, why is Assistant Secretary Battle leaving?

Senator SYMINGTON. I think I can answer that. He just can't afford to stay.

Senator SPARKMAN. He's going into private life.

Senator PELL. Since this is a political job, I was just wondering why—since the new President, whoever he is, will play a very real role, have a very real responsibility here, I was wondering why the job wasn't left vacant until January 1, why the Assistant Secretary couldn't fill it, whoever the new President is.

Senator SPARKMAN. I can't answer that question.

Mr. MARCY. The Deputy is a man named Mr. Handley, who is not one of the more outstanding——

Senator PELL. I thought Rockwell was Deputy.

Mr. MARCY. I believe it's Mr. Handley.

Senator SYMINGTON. Stewart Rockwell is tops in my book.

Senator PELL. I think he's Deputy.

I may be wrong on that. I was just curious.

The other point I wanted to make was one more of a comment.

I wanted to strongly support the nomination of Angie Duke. I can think of no more qualified man.

A HOLD ON ALL NOMINATIONS

Senator MANSFIELD. Off the record.

[Discussion off the record.]

Senator MANSFIELD. I think I should say, gentlemen, that the Republicans have put a hold on all nominations on the executive call. I think it's in relation to Fortas in some shape, manner that I don't know. But I do think that I ought to talk to the Republicans to try and get our delegates to the United Nations Assembly, if possible, confirmed, because they were supposed to be in operation yesterday. And until they are confirmed, they have no status.

Senator SPARKMAN. Can't draw pay.

Senator MANSFIELD. But I would like to move the nomination, to approve these nominations at this time, and, also, the treaties, aside from Legislation 1 and 2, which I understand are all noncontroversial.

Senator GORE. Seconded.

Senator MANSFIELD. With the exception of Mr. Hart.

Senator SYMINGTON. Thank you.

Senator SPARKMAN. Without objection, it's agreed to.

[Whereupon, at 9:25 a.m., the committee proceeded to other business.]

# PROVIDING FOR A U.S. CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

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**Tuesday, September 24, 1968**

U.S. SENATE,
COMMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 9:25 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Mansfield, Gore, Lausche, Symington, Clark, Pell, Aiken, Case, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader, of the committee staff.

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Senator SPARKMAN. Now, that takes care of everything except legislation, doesn't it?

Senator LAUSCHE. Was there any objection to us meeting this morning made on the floor?

Senator MANSFIELD. Their was an objection indicated. That's why we are meeting at 9:00.

Senator LAUSCHE. Well, then it means you will not be taking up the military sales?

Senator SPARKMAN. Well, I hope to.

Senator MANSFIELD. Only between now and about 10:15.

Senator SPARKMAN. We have got about an hour yet.

Do you have a morning hour?

Senator MANSFIELD. Till 10:15.

Senator SPARKMAN. We've got 50 minutes.

Senator PELL. We would report out either, if there is no objection? .

INCREASING DEMANDS ON AMERICA'S RESOURCES

Senator SYMINGTON. Well, I would have an amendment to either that I think would bear a little a little discussion, perspicacity and intelligence of my colleagues, I am sure they would be very interested in my amendment.

Senator GORE. And I have a few if Stu's doesn't suffice.

Senator SYMINGTON. Mr. Chairman, would you be interested in a little discussion on this matter?

Senator SPARKMAN. Yes, sir.

Senator SYMINGTON. I saw the head of the World Bank the other evening and asked him to send me a letter, which he's done. And

I thought, if it's convenient, we ought to—I'd like to first read a statement that I got up on IDA and then discuss the letter.

Last May, when Secretary Fowler appeared before the Foreign Relations Committee in support of this increased United States contribution to International Development Association, so called IDA, I stated that, in view of the increasing demands on our nation's resources, particularly in Vietnam and for vital programs here at home, I felt the World Bank should replenish its soft-loan window—IDA—from its own accumulated reserves, rather than seek additional funds from the member countries.

Since then, the Congress has voted a bill to raise taxes and reduce expenditures; and in that connection, I feel even more strongly that it is unfair to burden the American taxpayer with additional commitments that would appear unnecessary at this time, and for those reasons, I oppose this request for funds for IDA.

World Bank has approximately $1.2 billion in reserves; and in that the officers and directors of that Bank and its soft-loan window are one and the same, it would seem quite logical that the Bank would put a portion of its earnings into replenishing IDA. The Bank has recognized their obligation to contribute to developments in the community which may not necessarily realize a high economic return but are of social benefit. By the same token, it would seem the World Bank—a successful financial institution—had an interest in supporting development in the international community of the same nature through IDA.

RESERVES IN EXCESS OF REQUIREMENTS

In addition to the current $1.2 billion in reserves—and this, to me, is a fascinating point—it is interesting to note that the World Bank has an annual rate of net earnings of about $170 million and callable capital of $20 billion.

At the time of the hearings noted above, Secretary Fowler testified that the Bank's reserves are necessary to maintain a solid financial position on which the Bank can continue to borrow in private markets. Moreover, it has been pointed out that the Bank cannot legally transfer funds from the Supplemental Reserve Against Losses on Loans and Guarantees to IDA unless such funds are found to be in excess of the Bank's requirements.

I might add that the—this is theory. I believe that these reserves are in excess of the Bank's requirements and would point out it would appear the security for the future sale of World Bank bonds is the callable capital—$20 billion. It's never been called—not the liquid holdings which could be utilized to make soft loans through IDA.

Secretary Fowler further testified that the existence of these reserves would mean the Bank would have to borrow less in the United States and elsewhere to finance its current level of operations.

In this connection, it is interesting to note that, although the World Bank has yet to actually commit a portion of its Fiscal 1968 net income to IDA—the transfer of $75 million has been recommended to the Board of Governors by the Executive Directors—it was announced only last week that the Bank was quoting an-

other $250 million worth of bonds in the United States market; this in spite of our current negative balance of payments position.

And I may add to that, Mr. Chairman, that they can only do that with the approval, permission of the Secretary of the Treasury under the law.

And for a long time he said he was not going to allow them to do it, because if you can get a security with this kind of capital banking at an interest rate of 6¾ percent return, you can be sure that some businessman in Tennessee or Ohio is not going to get money he might otherwise have gotten because the guarantee is so much better behind this, behind this particular bond, unless he pays considerably more interest, as was pointed out by the Senator of Tennessee for the loan in question.

For many years, the United States has been the prime market for the floating of World Bank bonds. Since its inception the World Bank has funded more than $2.4 billion of its $3.3 billion debt—almost 75 percent—in United States dollars, even though this is money that goes to these countries around the world.

These bonds, with such a sound guarantee and high rate of return, attract United States capital that is currently needed in other markets such as housing which do not have as good a rate of return.

For those reasons, I have an amendment that I will discuss in a minute.

RESPONSE FROM THE WORLD BANK

Now in order to be very fair about it I would like to read a letter that I got at my request from the Office of the President of the Bank, but after reading the letter it in no sense changes my position.

The letter says:

Mr. McNamara has asked me to send a note to you on the question which he discussed with you, namely possible World Bank transfers to IDA from its accumulated reserves. I will try to summarize the salient points:

This comes from the economic adviser to the President, Mr. Irving S. Friedman.

He says:

The Reserves of the World Bank as of June 30, 1968, totalled approximately $1,160,000,000, excluding the allocation of $94 million made in August 1968 from net income for Fiscal 1968. (For handy reference I am appending the Memorandum Relating to Financial Statements of the Bank including the Balance Sheet as of June 30, 1968.) Of this amount, however, as of June 30, 1968, about $291 million consisted of the Special Reserve. The Special Reserves are the amounts of commissions set aside pursuant to the Articles of Agreement (Article IV, Section 6) which are to be held in liquid form and to be used only for the purpose of meeting liabilities of the Bank on its borrowings and guarantees. Thus, unless one assumes an amendment to the Articles of Agreement, the Special Reserve cannot be regarded as available for other uses, e.g., Bank transfers to IDA. Moreover, it would seem prudent for the Bank to have such a Special Reserve. Such a Reserve makes it that much more unlikely that the countries which are members of the Bank and have provided the subscribed capital will be called upon to make available portions of the uncalled capital to meet Bank liabilities. Commissions are not charged on new Bank loans and virtually all new net income is allocated to the IDA or to the Supplemental Reserve against losses on loans and guarantees and from currency devaluation.

That is a rather tricky observation because so little is allocated to IDA or has been and so much is allocated to supplemental reserve "this supplemental reserve" which would be used for IDA amounts to something less, he says, than $870 million as of June 30, 1968. It is over $900 million now and let's assume he is correct and that you could not use the special reserves you still have got this very large supplemental reserve. Then he goes on:

Annual transfers have been made to the IDA since 1964 with the permission of the Board of Governors of the Bank. Pitifully small against earnings, however.

These transfers to IDA from net income have been regarded as alternatives to the distribution of dividends. $75 million of net income earned in fiscal 1968 is expected to be transferred shortly by action of the Bank's Board of Governors. $10 million was transferred last year and the Bank earns each year $170 million.

In considering possible transfers from the Bank's Supplemental Reserve to the IDA, it is useful to bear in mind that the World Bank has essentially three sources of money to conduct its business, aside from the repayment of its loans: (a) suscribed capital; (b) borrowings; and (c) net income from its operations.

Which as I mentioned is $170 million a year.

The subscribed capital of the Bank amounts to about $22.9 billion." That is the subscribed capital. That is the reserves behind this Bank.

"However only 10 percent or about $2.3 billion has been called," that is been put in use and called from the subscribers.

The remainder is only to be called by the Bank when required to meet obligations of the Bank created by borrowing or guaranteeing loans. Of the amount of capital which has been called, all of the useable funds—about $1.8 billion—have been employed in lending operations.

Again I want to point out therefore, you have got over $20 billion you can utilize if you want to call it and utilize it in IDA as against taking another bite out of the American taxpayer.

EFFECT ON BALANCE OF PAYMENTS

Senator GORE. Wasn't it pledged for the purpose of being used?

Senator SYMINGTON. I would think so otherwise why would they make the subscription?

Senator GORE. In other words, if they call this it does not hurt our balance of payments and if we put it up it does.

Senator SYMINGTON. That is exactly right.

Currencies and notes amounting to nearly $500 million of the called capital subscriptions are not presently used because they are in restricted local currencies.

RECALL PART OF THE SUBSCRIPTION

Senator LAUSCHE. May I ask you a question? What would be the difference of the position of the U.S. whether they would have to respond to a recall of a part of its subscription as distinguished from subscribing in the manner recommended in the bill we have pending before us?

Senator SYMINGTON. It is a good question because if the money was called then it would be put out on loans at 6¾ percent, whereas if it is just dished out in 50 years, no repayment of principal for 10 years, no interest rate, then it is just——

Senator LAUSCHE. I see, it is the use of the money that would be different?

Senator SYMINGTON [continuing]. That is right.

Senator LAUSCHE. In the one instance it would be hard loans. In the second instance it would be soft loans.

Senator SYMINGTON. That is right.

Senator LAUSCHE. All right.

Senator GORE. Well, this business of saying that the principal will not be repaid for 10 years is misleading because actually after 10 years it is repaid at the rate of one percent per year and that is not even decent interest, so this is as near a complete grant as you can come by while still calling it a loan.

Senator SYMINGTON. I agree.

Senator GORE. No interest at all.

BANK'S NEED FOR A HEAVY SURPLUS IS UNEXPLAINED

Senator SYMINGTON. I might state:

It is expected that about $100 million will be released for the Bank's use in the next five years. Therefore, capital subscriptions are no longer a significant source of money for additional Bank operations.

Well, the answer to that would be why not? In the first place they are floating another $250 million nearly all of which they plan to sell in New York which I thought was an agreement they were not going to do, which the Treasury Department has authority to forbid them to do and, in the second place, they still have $20 billion they can call.

As for the borrowings of the Bank, the Bank has successfully increased its efforts to borrow from private capital markets in Europe as well as the United States.

It is certainly not shown it in the last quarter of a billion they have put out at 6¾ percent. It is practically all coming from New York and they so state.

However, because of the uncertainties in capital markets everywhere and the need to get permission from the members concerned, the Bank must maintain a substantial marginliquidity.

Gentlemen, I have been on the executive committee of a good many banks and I can't imagine any bank with as much behind it and as much liquidity as the World Bank.

Transfers from the Supplemental Reserve to IDA would result in a corresponding reduction in the Bank's cash and securities which, in turn, would further increase the Bank's need to borrow when the Bank already has need for substantial borrowings for the Bank's purposes.

All of that, of course, precludes using any of the $20 billion that can be called.And it says, nobody knows yet why they need this heavy surplus, that has never been explained.

As for net income, it is already established policy to transfer a substantial portion of the Bank's net annual income to IDA and I expect this policy to be continued in the future.

Well, a substantial portion is $10 million, that is what it did last year and it is making $170 million a year. I think the gentleman who wrote this letter just didn't think we knew anything about what was going on.

Senator CASE. When was that dated, Stu?

Senator SYMINGTON. The date was September 23.

Senator GORE. How come this man writes instead of McNamara himself?

Senator SYMINGTON. Well, I asked to get it, and he says he is economic adviser to the President.

IRREVOCABLE LOANS

Senator LAUSCHE. With respect to the Supplemental Reserves of $870 million, how much of that has been committed to un-revocable loans?

Senator SYMINGTON. None, to the best of my knowledge, none. You see you have got your Special Reserve which is about $300 million.

Senator LAUSCHE. I thought we had a memorandum here——

Senator SYMINGTON. That could be admitted.

Senator CASE. They did tell us again yesterday, Stu, because they were up before the Appropriations Committee, that practically all of it had been used not only with the consent but encouragement of our government to avoid the necessity for having additional borrowing in the American market so that in fact this money does not in fact exist except in the form of loans made to members in the largest part.

Senator SYMINGTON. I do know they have some surplus.

Senator CASE. Well, on the items in the balance sheet, that the money isn't there.

Senator LAUSCHE. I thought we had a memorandum from the Bank that the $870 million is completely—it is committed twice above $870 million.

Senator SYMINGTON. You see, in the first place I don't think he is correct and, in the second place, they have over $20 billion they haven't called from the subscribers and, in the third place, in the last week, up at First Boston they have added another quarter of a billion dollars of hard money in the form of bonds.

Senator CASE. Can individuals buy those things?

Senator SYMINGTON. I think they can. I think they can. I know there is a market in these bonds and that people buy and sell them to make a profit.

Senator CASE. About 6.4 something.

Senator SYMINGTON. 6.75, I think is the new loan.

Senator LAUSCHE. Here is a statement——

Senator SYMINGTON. Can I just continue with this, Frank, I am almost done.

Senator LAUSCHE.. All right.

UNDISBURSED COMMITMENT FIGURES

Senator SYMINGTON. Then the letter goes on, I want to be sure it is all in the record:

> Moreover, the retained earnings now in the Supplemental Reserve are fully employed for business purposes by the World Bank. The undisbursed commitments on the loans extended by the World Bank amounted to about $2,371,000,000 or nearly three times the volume of Supplemental Reserves as of June 30, 1968. Legally, we cannot transfer to IDA such Supplemental Reserves unless they were first found to be in excess of the Bank's requirements.

If that is true how can they subscribe anything to IDA which they have been doing now under the pressure of this committee, in my opinion. He just said they had done $10 million this year and planned 75, I think it was, next year, and also again I say that

they haven't utilized nearly all of the callable capital that they have got, namely this two billion dollars. It hasn't been touched. It would be most difficult to take this view in light of the undisbursed commitment figures. Moreover, the funded debt of the Bank amounts to about $3.3 billion or nearly three times total reserves.

Large private corporations and banks frequently follow the policy of retaining about 50 percent of net income. These people up until recently were retaining a hundred percent of net income.

In this way they are better able to cope with changes in capital market conditions without impairing the efficiency of their operations. For quite similar reasons the Bank needs a substantial reserve of retained earnings. Well, I agree with them. If they want to have $100 million or $200 million or maybe $500 million in retained earnings that is one thing. Why they need $1,200,000,000 is what we were arguing about last year, nobody has shown why they do.

It is impossible to say how much of the AAA standing of the World Bank's bonds is related to this practice, but it is likely that any reduction in supplemental reserves to make contributions to IDA would impair the credit standing which is essential for the Bank's success.

So far as that last statement is concerned, I would just make a comment there of our late friend, Senator Kerr:

"I thought I had seen or heard everything and I have been to the Dallas Fair twice." If this isn't the finest bond that you could buy.

NATIONS GETTING FUNDS FROM THE BANK

I would just like to run through some of the, very briefly, some of the people who have been getting money in the Bank. You have got our old friend Iran in here, the Republic of Gabon, the Republic of the Ivory Coast, Mexico, Australia, Thailand, and these agreements that they have signed with Malaysia, and it seems to me, Mr. Chairman, that as any other good bank does, it—usually some of its income in order to develop its position in a community, in this case the community is the world, and for that reason I would like to offer for consideration an amendment which would run as follows:

None of the funds appropriated herein shall be released by the Treasury until such time as the Board of Governors of the World Bank agree to transfer a portion of their reserves or net earnings to IDA on the basis of the same amount released by the Treasury in any one given year, the United States Treasury's portion not to exceed the amount herein appropriated for a period of three years, nor to exceed in any one fiscal year the amount herein stipulated.

Senator CASE. What does that mean?

Senator SYMINGTON. Well, that means for every dollar that we put up for the—this is just an effort to have something to talk about.

Senator CASE. Yes.

Senator SYMINGTON. Every dollar we agree to be given away the IDA in the form of taxpayers' money that they give it away in form of unneeded surplus.

Senator CLARK. Will you yield?

Senator SYMINGTON. Yes.

EARNINGS FROM THE RESERVE SURPLUS

Senator CLARK. I came in late and I have been looking at our staff memorandum which on page 2 I read this sentence:

"Within the next few months resources available to the IDA will have become exhausted, partly because it has taken over a year and a half to negotiate a second replenishment on the part of the Part I countries." I take it you don't agree with this?

Senator SYMINGTON. No, I don't. I would put it this way. What I think we are doing, some of us are considering, is not to put more money in this 50 year, no repayment of principal for 10, no interest, and in a soft loan window and, therefore, if we don't put more money in it is exhausted.

Senator CASE. Isn't the problem, the thing you are really addressing yourself to, not mechanics about those soft loans or grants should be continued. It really isn't that at all.

Senator SYMINGTON. I would rather rephrase it, Cliff, and I say this with complete sincerity after doing my very best to understand it. For some reason, there has never been any action or apparently desire of the World Bank to utilize any of the very heavy earnings that it makes every year averaging $170 million for this soft loan window, and people that I talk to who are good bankers say there is no need for them to begin to carry any such reserve surplus out of earnings as they do.

Senator CASE. I think the money that is available would be available if it were an ordinary operation and could prudently be used for this purpose.

Senator SYMINGTON. Yes.

Senator CASE. I think that makes sense and I think we should keep pressure on them. I don't know whether this goes too far or not, and I don't—I am troubled by the apparent argument that you boys keep making back and forth to each other that we can't have a new courthouse in Podunk but we can give money away. That isn't the same thing as talking about the sound operations of the World Bank.

BANK IS INSULATED AGAINST FAILURE

Senator SYMINGTON. Can I go back this way: First, this money is all loaned out of the country. I first got interested in it because of the serious and critical balance of payments problems we face. If they could clean it up by some new method in the IMF that is another matter. That so far has not been proved.

With that premise, therefore, I thought IDA understanding that the Treasury Department was not going to let the World Bank market its bonds in the New York market, because at 6¾ percent, the $20 billion callable reserve, no thinking person is going to put something in housing in St. Louis or Newark, if he can get this kind of a bond at 6¾ percent. He is going to pay a lot more, probably too much to make it a worthwhile business deal.

At one point the Treasury refused to let them do it. Now they are letting them do it. Just this week or last week they are floating a quarter of a billion more. That is one aspect of it.

The other aspect is that they can use, they have got this heavy reserve, and they in no way have convinced me that they have to have this amount of their earnings.

You take, we hear a lot of criticism of big corporations. I know one large corporation that has put 80 percent of its earnings back into trying to find some commercial outlet for its work.

This Bank is completely insulated against failure, it is actually backed by the United States and most of the other developed countries of the world, and yet it never puts any of its earnings back into the soft loan approach, and it is the only bank I ever heard of that didn't.

Senator CASE. Well, it hasn't up until recently, but recently it did.

Senator SYMINGTON. Recently. It put about $200 million, $10 million in the last year.

Senator SPARKMAN. Then putting $75 million out of an expected earning of $170 million.

Senator SYMINGTON. This year. They say they will this year.

BANK GOVERNORS DETERMINE WHAT IS SAFE

Senator SPARKMAN. It seems to me if they maintain that they are doing quite well and, may I say frankly, the way I interpret your amendment you would probably require them to do a great deal more than that.

Senator SYMINGTON. That is right.

Senator SPARKMAN. And I don't think it would be safe. I think they are the ones, I think the governors of the Bank are the ones, to determine what is a safe and sound operation.

Senator SYMINGTON. I would agree with you if it was their money they were using, but they are not, it is yours and mine.

Senator SPARKMAN. Well——

Senator SYMINGTON. They are getting big salaries out of it.

Senator SPARKMAN. And a hundred and some other countries.

As to this soft loan, here is the prospectus of the Bank and it makes this statement.

> In order to cooperate with the President's balance of payments program the Bank intends to invest the proceeds from the sale in a manner that will have no adverse effect on the United States balance of payments until June 30, 1970, and for as long thereafter as practical.

Senator CASE. This is this current $250 million offering?

Senator SPARKMAN. That is right.

Senator LAUSCHE. Mr. Chairman.

Senator SPARKMAN. Yes.

Senator CASE. In other words, they mean to invest it in goods and services purchased in the United States, that is the point of it?

Senator SPARKMAN. I assume that is true.

BANK IS FINANCED BY BORROWING

Senator LAUSCHE. At the various times that we have discussed the subject of subscriptions to the World Bank and other institutions of a similar character, the argument has been made that we will not have to pay the money into, the subscription into, the Bank because the Bank will try to borrow.

Now, $22 billion is the capital structure of the World Bank. About $2 billion has been paid in. The balance has been borrowed, and based upon my recollection of the arguments, the borrowing method of getting the money is the one that was advanced to us as the main reason for subscribing additionally to the Bank.

What would be our position if calls were made upon us? Would our position be worse than if the Bank sold bonds and made no calls?

My answer is that our position would be worse.

But now let us take a look at the present balance sheet of the Bank. I am reading from a document dated July 11, 1968, issued to the Committee on Foreign Relations by the Bank. I will try to read mainly what I think are the pertinent parts.

As of March 31, total net earnings of the Bank since its inception reached $1.286 billion. That $1.286 billion has been set up into two accounts. One, the Special Reserve currently having in it $291 million kept in liquid form. That Special Reserve is required by the Articles of the Agreement for the protection of the Bank's bond holders in case of default. The balance of the money, $869 million, is set up in a Supplemental Reserve formed out of retained earnings. This Supplemental Reserve according to the Bank is in effect an addition to the Bank's equity which gives further strength to the Bank's borrowing capacity.

It looks to me as if the Bank has aimed to keep itself financed by borrowing rather than by making calls of subscriptions.

Now then——

Senator SYMINGTON. Will the Senator yield at that point? He is making a very good point.

Senator LAUSCHE. Yes.

NOT A SINGLE DEFAULT

Senator SYMINGTON. In addition to that the Special Reserves of $290 million, which I will pass so that we only have $900 million to talk about, is a pretty high reserve the Senator just read because there hasn't been a single default.

Senator LAUSCHE. Well, the Bank states that the articles of agreement require the Special Reserve in the amount of, as of, as it now——

Senator CASE. Is that 10 percent of the call capital, is that what it is?

Senator SYMINGTON. I don't know how they figure.

Senator CASE. It looks like what it is.

Senator LAUSCHE. Let me proceed further.

"It should be emphasized that the whole Supplemental Reserve has been committed on loans to member parties." This whole $869 million has already been committed.

Now, further, reading, "The Bank has considered it prudent over the years to build up reserves to improve even further the acceptability of the Bank bonds to the buying public."

FINANCED BY SELLING BONDS

I remember emphasis that their principal objective has been to avoid calls and financed their operations by the selling of bonds.

Senator SYMINGTON. That is exactly right.

Senator LAUSCHE. "It is true that holders of the Bank's bonds are protected by the unpaid capital subscription of $20.6 billion callable only to protect bondholders. However, it has been felt by the Bank that its bonds are thought more credit-worthy to investors is when reserves are accumulated year after year and a net income is earned regularly in operation."

I subscribe to that statement, that the better their fiscal position, the better their ability to sell their bonds in the market.

"Cash position. The Bank's cash balance is at present $1.3 billion—" now listen to this "—which is only about half the amount owed by the Bank in the form of undisbursed loan commitments."

Loan commitments have been made disbursed in the passing of time, and the $1.3 billion now in cash balance is only one-half of their obligations to make disbursements on loans already committed.

Well, that is about it and, Stuart, it sounds like a pretty strong argument to me. I would rather have them borrowing money than calling on the subscription.

IMPACT OF THE WAR

Senator SYMINGTON. But at the same time if they feel, inasmuch as this money is loaned abroad, I have a list of their, Cliff has a list there of the people who have borrowed it, the least they can do is call more of the callable capital or continue to run it as a bank instead of having a soft loan window.

If you get down to the philosophy of this situation it is pretty ridiculous for the Congress to cut heavily foreign aid, whether it is right or whether it wrong to cut it, and people disagree or agree, I personally think it is essential to cut it primarily because of this stupid war and the cost of this stupid war, and what it is doing to our economy, but if it is right to cut it then it gets to be pretty ridiculous to come in here and give them what in effect is foreign aid of a soft loan window of the Bank, because that is just what it is in the form of foreign aid, and I say if they feel they need this foreign aid this much they should take one of two courses. They have only called 10 percent of the callable money that was agreed to when the Bank was formed. They have got $20 billion to call, they either ought to call more of that money or they ought to use some of their surplus, and I have checked it with the best bankers that I know, and they say for this organization to keep this type and character of reserve is absurd. No other bank operates on this basis.

Senator SPARKMAN. Well, Stu, it seems to me that is a matter of running the Bank. I think Senator Hickenlooper has advanced the best reason for supporting IDA and that is that it is getting out of this unilateral foreign aid, call it soft window or whatever you want to, it is better than making grants as we have been doing in the past in foreign aid. This is a method of getting the help to those countries shared by other nations of the world, and it seems to me that the——I just can't question the conduct of the Bank.

THE BANK'S CONDUCT

I think the statement that Frank Lausche read here is a good strong statement and I don't see how we can criticize the Bank's conduct, and do it by destroying this program that started with such promise.

Senator SYMINGTON. This isn't the Bank's conduct. The Bank is running the most conservative bank in the history of the United States. It is so conservative that when they say "if you want us to

contribute anything to the Boy Scouts or to help the pack we are not going to touch our earnings"—they have done a little of it, it is now under the pressure of this committee—"we want you to set up a soft loan window," let me briefly review again so we all understand what is going on. Gene Black asked John Cooper and me to go out with him when he set up the Asian Bank and we were honored to do it. And I said, "Now, I don't understand anything about banking very much except what I have learned by being a member of the Board. You are the world's greatest banker, whatever you go for, let me go into Thailand and Vietnam whatever you go for, I will buy, with one exception. Don't stick in any soft loan window," because we have had enough of that fakery which is just an additional lien on the American taxpayers and our costs are getting very high.

At this time, it was November 1965, this balance of payments thing was beginning to worry me a great deal and he said "All right." So there was discussion in Manila, as you will remember, John, of a soft loan window and it was knocked down, and for once a country put up as much money as we did. We put up $200 million, the Japanese put up $200 million, Asia put up $300 million and Europe put up $300 million and they went to work.

As of the 1st of this year how much of that billion dollars do you think they loaned, as of the 1st of the year? Not one penny, not one cent. In about the middle of February they got, they made a loan of $50 million.

Now, the story that I get is that the boys went around and said "look, good old Uncle Sucker, he will be with us before long, just hold out, and we will get our soft loan window." This is why I opposed the soft loan window of the Asian Bank.

BANKS VS FOREIGN AID

If you are going to talk about banks, and the theory of banking, talk about banks. If you are going to talk about foreign aid, talk about foreign aid. But here is another case they are now trying to get a soft loan window in the Asian Bank, and incidentally there is a great deal going out there on a unilateral basis. We pay for the South Korean Armies in Vietnam, we pay for the American armies in South Korea, and we pay a hell of a big addition to that in foreign aid because they are willing to fight.

Then you have got the Mekong River, the Delta situation that is not in the Asian Bank, that is our boy. First we are going to ruin this country and then we are going to rebuilt it, which is pretty rough on the Iowa school teacher and the working man in my state and the farmers, you see.

Now, sometime this has got to stop, because the money is running out, and so all we are doing this morning, we are not talking about—you say the conduct of the Bank. I say this is the best run bank that has ever been, that I have ever known of and I have known of a lot of banks.

On the other hand, why should they take the taxpayers' money and put that in a soft loan window instead of either calling more of the money by law they are allowed to call, or utilizing some of their earnings or more of their earnings.

Senator LAUSCHE. That is where I disagree with you. You say call, and if you begin calling we are worse off than if you don't call.

Senator SYMINGTON. Put the money out at 6¾ percent. I don't know where I would rather put my money out than in the World Bank bonds.

LIABLE FOR A CALLED SUBSCRIPTION

Senator CASE. I don't see how you would be any better off, or as well off, by suggesting that instead of doing this they call or put an additional capital call up. We are going to have to raise the money for that purpose. We will have to——

Senator SYMINGTON. It is already committed.

Senator CASE. It is committed but it isn't, we have never raised it. Up to now we haven't put in a dollar. As I understand it when they make a capital call they just add the obligation, and borrow against it.

Senator SYMINGTON. We committed $22 billion nine I think was the figure and we put up——

Senator CASE. We haven't put up anything actually, Stu. All we have done is to be liable as for a called subscription which they are not requiring us to pay yet. I don't see the difference really.

Senator SPARKMAN. Let me make this suggestion. I don't think any piece of legislation has ever had a more thorough discussion than this. I would like for us to get this out of the way. Can't we have a vote?

Senator SYMINGTON. I would rather do this, Mr. Chairman. I would rather discuss my amendment here first and then consider——

Senator PELL. All right.

Senator COOPER. May I ask something?

Senator SPARKMAN. I think we know what your amendment is.

Senator LAUSCHE. Let's see what John Cooper wants.

Senator SPARKMAN. Let me say this, we have 15 more minutes until we have to disband.

TWO SEPARATE BANKS

Senator COOPER. I think the two banks are separate. If the World Bank is going to do its job, I believe you would have to let it manage its own business.

I do believe that as far as it is proper for it to do so it ought to insist on it more.

Now, with the exception of one year, since 1965 it has been providing $75 million a year, I understand it will do $75 million this year.

IDA, as we approved it several years ago, we did approve it as a soft loan bank now. Maybe we made a mistake, I don't know. But at least we did it.

Senator SYMINGTON. Not as a soft loan bank but as the soft loan window of the World Bank.

Senator COOPER. Well, yes. But the reason is, as John Sparkman said was, to try to get some help from other countries so we don't do it all as we do under foreign aid.

I don't want to upset this thing, but I do think there is one thing we might look at. It is argued by the House, at least in the dis-

senting views, that our level of allocations to IDA has been about $100 million a year, and now we are proposing to increase it to 180, and some on that committee suggested that because of the fiscal situation we ought to keep it at about $100, $125 million a year during this situation.What is your feeling about that, John?

Senator SPARKMAN. Senator Cooper. You mean hold it to the present level?

Senator COOPER. Hold it to the present level.

Senator SPARKMAN. Well, does this——

Senator COOPER. Of course, it will have to be renegotiated with the other countries.

Mr. HENDERSON. Yes, sir, it will have to be renegotiated if we change the amount.

Senator SPARKMAN. That is the trouble, you have to renegotiate with all of the members.

Senator COOPER. They all just sit down here in the Bank, don't they?

Senator SPARKMAN. I don't know about that. I don't know who would be the negotiators.

Stu——

WHERE THE MONEY GOES

Senator SYMINGTON. I would just like to read, if you will bear with me, where this money is going. Algeria is communist oriented, and the Soviet Union and France are fighting to see who is the best in Algeria, certainly anti-Americans. $80 million is a loan to Algeria. Australia is doing well by us against other people, they have $417 million. Brazil which we have given so much aid to in addition to that has got $558 million in loans. Chile $201 million. Colombia, that little country of Colombia, $499 million. The Congo, $91 million. Cyprus $18 million. Costa Rica, $50 million. Finland, $221 million. Our old friend, the French, $250 million.

And then we get out to India, this is right interesting, India is not modest in its applications either, $1,007,000 has been loaned to India. Japan, probably the most prosperous country in the world today $657 million.

Mexico, which seems to be doing all right, in fact it is even having student problems now, $766 million of the money of that Bank. Thailand, which we have wrecked through prosperity, $292 million.

The only country that doesn't seem to have any loans of any kind whatever is Uncle Sucker.

Senator LAUSCHE. You are talking of the hard loans of the World Bank, aren't you?

Senator SYMINGTON. That is right.

I am going to get to the other if you will just bear with me.

MILKING THE COW

When this was first sold to this committee, and this is a very important point, the money, it was told Senator Morse who is the one who got me interested in this, was all going to Central and South America in IDA. There wasn't going to be any money to these dreadful countries in other parts of the world that had been milking this cow for such a long time, and with that premise, we have

got Afghanistan got $3½ million of IDA money, Bolivia $17 million, Botswana $3 million six.

Cameroon $11,550,000.

Then we get down to our old friend the Indians, they got $1,007,000,000 of the hard loan, but they keep pushing. Of IDA money all going to Central and South America, India has over half of all the money that they put out. India's soft loan is $887 million. So India out of this Bank has nearly $2 billion. That is the soft loan.

Now, Pakistan which has been fighting India, and anybody who is honest knows we have been promoting this war on both sides with military aid and economic aid, what is the second largest country under the soft loan of IDA which was going to help central and South America? The second largest country is Pakistan. They have got $458 million of hard loans, but they don't stop there, they have got $331 million of soft loan IDA money.

Now, gentlemen, I don't know where, I don't know much about the problems of banking, but I know another very interesting thing when you get into this situation, these fellows get very well paid, and they should, because they have a hard time working out where to put this money, and I think it is rather interesting to note the President of the World Bank is Robert S. McNamara. The President of IDA is Robert S. McNamara. The Vice President and Chairman of the Loan Committee of the World Bank is J. Burke Knapp. The Vice President and Chairman of the Loan Committee of IDA is J. Burke Knapp. S. Aldewereld is Vice President of the World Bank, he is the Vice President of IDA. A. Broches is General Counselor the World Bank and is General Counselor IDA.

Senator AIKEN. Is this McNamara the fellow you are talking about who got our boys out of South Vietnam by Christmas?

Senator SPARKMAN. But he didn't say what Christmas. [Laughter.]

Senator GORE. The President said no man can make a prediction.

INDIA AND PAKISTAN

Senator SYMINGTON. I just thought you all would be interested to know that practically all this IDA money has gone to India and Pakistan, and by far the large majority of the soft loan window or a very large percent of the sort loan window, has gone to India and Pakistan but out of $1,788,000,000 of IDA credits, out of $1 billion seven, about a billion three has gone to India and Pakistan.

Senator GORE. Can I ask a question? How much has India been spending meanwhile buying planes from Russia?

Senator SYMINGTON. India today has been buying over a period with the modern planes all that the Soviet Union will give them. They buy from the Soviet Union in cash, and they have had for 10 years the largest air force and now they are getting a very modern air force and working out arrangements with the Soviet Union for it.

FULLY AND THOROUGHLY DISCUSSED

Senator SPARKMAN. Let me break in. We just have got six more minutes. I wish you could vote on this, but if we can't vote today,

then I would hope that we may agree on a definite time to vote tomorrow.

Senator COOPER. On what?

Senator SPARKMAN. On IDA.

Senator COOPER. All right.

Senator SPARKMAN. Can we do that?

Senator GORE. Well, I have some amendments to offer when we can get a quorum here to be considered.

Senator SPARKMAN. Well, we have had a quorum. We have had 11 different ones here, and we can, Senator Mansfield said we can—Joe Clark is due back now. I would like for us to agree—as I said a few minutes ago, there never has been a piece of legislation more fully and thoroughly discussed than this and I just don't think that there is any argument in favor of prolonging the discussion, and I wish we could come to a vote.

Senator SYMINGTON. Mr. Chairman, can't we—I don't know, I have a queer kind of an old-fashioned feeling that before I appropriate money for foreign countries, especially based on what is happening in recent years, that I have an obligation to my constituents to know what they are going to do with that money.

NOT LIMITED TO LATIN AMERICA

Now, I was told, as I say, Senator Morse was told, that this money was going to Central and South America. This was before the regime, let's us be fair about it, of Mr. McNamara, and the truth is that 60 percent of it went to India at that time, 60, percent and 20 percent went to Pakistan, so 80 percent went all around the world.

Now, haven't we got, isn't there, some obligation on the part of this committee to find out where they plan to use this money?

Senator SPARKMAN. Well——

Senator LAUSCHE. May I say something?

Senator SPARKMAN. Just a second. I think where they plan to use it will be governed by the agreement, the treaty that we agreed to. I don't know that there is any limitation in there that it shall be used in Latin America.

Mr. HENDERSON. Sir, there isn't. The articles of agreement just say undeveloped countries.

Senator LAUSCHE. But the principal purpose of establishing IDA was to liberate us from the unilateral responsibility of bringing into the picture a multiplicity of Asians to provide the aid.

Senator CASE. I think counsel has a pearl he wants to drop in our laps here.

FEWER LOANS TO INDIA AND PAKISTAN

Mr. HENDERSON. Mr. Chairman, on this point about India and Pakistan, I am told there was an agreement in the Board of Executive Directors just a few months ago, I think it was in July, there was an informal agreement, that in the future India and Pakistan would certainly get percentage-wise many fewer loans in the future. Now, obviously this isn't anything that they talk about, it is no formal decision. It can't be a formal decision because they can't obviously openly discriminate against two members of IDA. But there is this tacit and, well, informal agreement within this board

of executive directors. That is the only thing I can offer on that particular point.

[Discussion off the record.]

Senator SYMINGTON. To say though practically at this point that no more of these loans are going to Pakistan after what we were told, Senator Morse is the one who pointed this out to me and he certainly interested me in this.

Senator SPARKMAN. Can't we bring this to a vote? Tomorrow morning, can we do this, can we meet tomorrow morning?

Senator COOPER. 8:00?

U.S. SHARE OF IDA MONEY

Senator SYMINGTON. Can I ask how much of the IDA money has been put up by the United States?

Mr. HENDERSON. Yes, sir, it is roughly around 41 percent.

Senator SYMINGTON. 41 percent of all the IDA money, and all the other countries have put in 60, is that right?

Mr. HENDERSON. Well, this divides up——

Senator LAUSCHE. Prior to the establishment of IDA they were putting in nothing.

Senator SPARKMAN. Is there going to be objection to our sitting while the Senate is in session tomorrow?

MILITARY SALES MATTER

Let me say this frankly, of course, anybody has a right to object, but I just don't believe we ought to have an objection. When the Non-Proliferation Treaty was under consideration we had difficulty getting a quorum but nobody at any time objected to our meeting at any time during the session of the Senate and I don't think we should with reference to this. I think we ought to bring this and the military sales matter to a vote, and I would like to meet at 10:00 o'clock tomorrow morning, but if there is going to be objection then set it at 9:00 o'clock. I can wait, I can get Mike to propound the request up there and if there is objection to meeting at 10:00 call a meeting for 9:00 o'clock in the morning.

Senator SYMINGTON. When is Senator Morse coming back?

Senator SPARKMAN. I don't know. Can't we agree to vote at 9:30 or even at 10:00 tomorrow morning?

Senator CASE. Make it 10:00.

Senator SPARKMAN. And vote on both, vote on the amendments before that time, and vote on the bill not later than, say, 9:30, and then follow it immediately with consideration and vote on the military sales.

Senator SYMINGTON. Mr. Chairman——

Senator PELL. John, I have a problem tomorrow. The Rules Committee meets and I have several pieces of legislation in which I am involved there. I will do my best and leave my proxy.

Senator SPARKMAN. You can come over here to make a quorum.

Senator PELL. Make a quorum and then come back.

Senator SPARKMAN. But you will be subject to call.

Senator PELL. Fine.

Senator SPARKMAN. Can't we agree to that?

Senator GORE. Mr. Chairman—excuse me.

First, there is no connection between the two but as a matter of record, there was objection interposed to our meeting on the Non-Proliferation Treaty during the session.

Senator SPARKMAN. I don't recall it.

Senator COOPER. One time.

Senator GORE. Senator Hickenlooper objected. But that is irrelevant here.

IMPACT OF VIETNAM SPENDING

I indicated that I would object today, and I shall do so again. I feel so strongly that with our balance of payments what it is, desperate as it is, spending ourselves blind in Vietnam, curtailing every worthwhile program here at home, and then to be called upon to put up another $480 million for giveaways to countries around the world, I expect to use the rules of the Senate, which every man is entitled to use, honorably, to prevent this from being done. I tried to stop the soft loan to the Inter-American Development Bank, $900 million. I lost by one vote, I think it was, on the floor of the Senate, $900 million.

We hadn't the slightest notion what it would be used for or in what countries it would go or who it would help. Yet that is what the Congress did.

I think the majority of this committee has got itself committed to vote for this additional funding of soft loan windows to IDA. I don't think a majority of the committee wants to do it but it is committed to do it, and I expect to fight it if it gets out of this committee on the floor of the Senate.

I notice here in this report and I wonder how many read this, there is a whole report on what has been done by IDA. I notice one little item that the funds have been used to build 10,000 miles of roads. Well, we are stopping the building of roads here. Now, I am not an isolationist. I voted for every foreign aid bill this country has supported. But there is a question of priority when we no longer can do the necessary needed things at home, why must we continue to do so elsewhere? If the war was over, and we had a fiscal and international monetary, economic situation that we can afford, well, that is fine. I am for giving aid to underdeveloped countries, wherever they are.

Senator SPARKMAN. Albert, may I interject, there is a roll call on and it is getting pretty well toward the end.

Senator GORE. I will just say I couldn't agree to vote at that time because I have some amendments.

Senator CASE. Mr. Chairman, I can't be here tomorrow because I have to be in New York all day.

Senator PELL. Could we meet at the cessation of Senate business today? Usually I agree with Albert, I happen to disagree. I like the IDA thing because we split the cost of what we should do anyway and I think we had better vote on it.

Senator SPARKMAN. I think we had better meet at 9:00 o'clock in the morning to continue the discussion.

Senator LAUSCHE. I would like to make one answer to Al. If your neighbor is suffering with cholera and you will find cholera spreading all around us you are not just going to stand there idly by and

say "I am not going to do anything about it." You are going to fear that it is going to hit you.

Senator GORE. Suppose it is already in your back door?

[Whereupon, at 10:25 a.m. the hearing was recessed, to reconvene 9:00 a.m., Wednesday, September 25, 1968.]

# PROVIDING FOR A U.S. CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

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**Wednesday, September 25, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to recess, at 9:45 a.m., in room S–116, the Capitol, Senator John J. Sparkman, presiding.

Present: Senators Sparkman, Gore, Lausche, Symington, Dodd, Pell, Aiken, Carlson, and Cooper.

Also present: Mr. Marcy, Mr. Kuhl, Mr. Holt, Mr. Henderson, and Mr. Bader, of the committee staff.

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TAKING THE AMOUNT OUT OF BANK RESERVES

Senator SYMINGTON. I make the amendment which would be for every dollar IDA puts up the Bank puts a dollar of its reserves up. The Bank is making $170 million a year. They want $480 million. That means that the total amount that would be taken out of their reserves would be $240 million, whereas in the three-year period they would make three times 70 or $510 million. So there would be over $150 million off in the increase of their reserves if this compromise were accepted.

Senator SPARKMAN. Wait, how do you get that $510 million?

Senator SYMINGTON. Well, the Bank is earning $170 million a year average, that is $510 million.

Senator SPARKMAN. That would be $85 million a year.

Senator SYMINGTON. No, sir, it is $170 million a year.

Senator SPARKMAN. You said they would turn it in. If they would turn in half it would be $85 million.

Senator SYMINGTON. That is right.

If they turn in half of $480 which is wanted for IDA, you see, if the Bank put up half of $480 that would be $240 so they would be putting up less than half of their three year earnings which the rest of it, of course, would further add to their reserves.

Senator AIKEN. How would that help our finances when they invest their reserves in U.S. securities and just dispose of our securities to get money to put up?

Senator SYMINGTON. I think that is a very good argument, George. I have been listening three years about it.

Senator AIKEN. $700 million in U.S. securities.

GERMAN BOND PURCHASES

Senator SYMINGTON. Mansfield, you notice he pinpointed out this great deal made by the Defense Department instead of their buying our equipment and giving work to our people they bought our bonds, and as Mike weIl pointed out, we pay them heavily interest therefor, to defend their country for it. Some of these financial transactions—it is incredible. You see we were making a lot of military equipment for Germany, and at least that gave jobs over there and profits over there. We changed that because the Germans said "We are in no trouble" now they are over here telling us how much trouble they are in. "So instead of buying this equipment which we don't want we will buy your bonds." This was suggested to them by this government. So we are buying their bonds and therefore we are paying heavily, the German people, primarily the German people in order to defend their country and have our troops over there. Mike explained that beautifully before the Senate.

Senator AIKEN. They must have about a billion two by now.

Senator SYMINGTON. The Germans. I don't know. I know this, that every country in the world, every developed country in the world, but the United States has heavily increased its net current asset position except Canada, and Canada has increased some. They solved their problem by selling grain for cash to Red China. But the only other—for example, Spain has increased its net current position by over $800 percent; France by over $500 until the mess; Germany by over 400. At the same time the U.S. has lost heavily its net earnings position very markedly.

Senator LAUSCHE. Do we have a quorum here now?

TREASURY DEPARTMENT OBJECTIONS

Senator SPARKMAN. We have a couple that we can get. We can get Mansfield and Carlson, Carlson has been here, to get a quorum.

Do all of you—let's talk about this thing.

Stu offered an amendment yesterday, and I didn't think much of it at the time, but later on, in the late afternoon we met and he just said to me "Why don't you accept my amendment as a compromise?" And I decided to give a closer look to it, and then took it up with the Treasury. Joe Barr and Joe Bowman from the Treasury Department have just been in here talking to Albert and Stu, and they do raise some objections to it, some technical difficulties. Carl, you might——

Senator SYMINGTON. They didn't raise any technical difficulties with us, Mr. Chairman. Their big argument with us was that they could not sell it to these other countries. Well, inasmuch as the other countries would—all the other countries would only put up their amount, 60 percent, and we would put up 40 that doesn't add up to me. I don't understand what they are talking about. Could I explain what this is?

Senator SPARKMAN. We would be supposed to put up how much each year?

Senator SYMINGTON. Can I do it this way?

Senator SPARKMAN. yes.

SOFT MONEY WINDOW

Senator SYMINGTON. We are supposed to put up $480 million in the soft loan window which means in effect a foreign aid additional $480 million.

Senator SPARKMAN. That is over a period of three years.

Senator SYMINGTON. Over a period of three years, right.

Senator SPARKMAN. That is $160 million a year.

Senator SYMINGTON. That is $160 million a year.

My suggested amendment is that inasmuch as they have this gigantic surplus which bankers that I know say they do not need, that for every dollar they put up, for every dollar that is put up, in the soft loan a dollar is taken out of the reserve. So there would be $240 million taken out of the reserves which now stand at around a billion two of the World Bank and then IDA would go for $240 million, you see. We would pass that.

In that way, you would get the same amount of money and you would cut the reserves that are a billion two, you would cut them $240 million.

Senator GORE. In what form are these reserves?

Senator SYMINGTON. Well they are earnings, they are cash earnings.

LOCATION OF THE DEPOSITS

Senator GORE. Where are they deposited?

Senator SYMINGTON. That I don't know, Albert. But they have been averaging, if I may just make one more point, they have been averaging, this Bank has, which is the strongest bank I have ever heard of, they have been averaging earnings of $170 million a year. So in three years they would make $510 million going the way they are going now. Therefore, all you would be asking them to do would be taking 50 percent of their earnings over this period or less than 50 percent and, at the same time, they would be heavily increasing the reserves that they have which the bankers tell me are not necessary to the operation of the Bank.

Senator GORE. Find out where the funds are being deposited.

Senator SPARKMAN. That wouldn't do the job if they took half. That wouldn't cut down our amount.

Senator SYMINGTON. They have got the reserves now, they are earning the money. Half of what they have got plus what they earn is put up, dollar for dollar with IDA.

Senator SPARKMAN. If they would put up $160 million a year then we would put up $160 million a year.

Senator SYMINGTON. No, the Bank would put up, the Bank would put up $80 million a year, and the IDA appropriation would be $80 million a year.

Senator SPARKMAN. Yes, but that means——

Senator SYMINGTON. And the Bank would not put it up, IDA would not put its money up unless——

Senator SPARKMAN. The thing is the Bank's money would not go to our credit.

Senator SYMINGTON. Well, that part of it does. It goes to IDA, you see.

Senator SPARKMAN. I know but——

A BOOKKEEPING TRANSACTION

Senator SYMINGTON. Here is another ridiculous thing about it. You talk about this thing as if they are two separate organizations. McNamara is the President of IDA and President of the World Bank. So are all the other officers. It is just a bookkeeping transaction, but you would save the American taxpayers, which is something unusual, you would save them over a quarter of a billion, $240 million.

Senator LAUSCHE. Do you propose instead of subscribing for IDA we agree to subscribe $240 million, but that is not to be paid in except when the Bank puts up $1 for dollar we put up?

Senator SYMINGTON. That is right, Frank.

Senator LAUSCHE. That would mean——

Senator SPARKMAN. All right. That means cutting ours 50 percent.

Senator LAUSCHE. But driving the Bank to put up out of its funds the other 50 percent.

Senator SYMINGTON. That is right.

Senator SPARKMAN. But wait a minute, what about these other nations?

Senator SYMINGTON. They would do the same thing. Their contribution to IDA would be cut 50 percent and the reduction of, their participation in the World Bank would be reduced because for each dollar that was cut of what they put up for IDA they would take for each dollar that IDA put up——

SAVING A QUARTER BILLION DOLLARS

Senator SPARKMAN. They would follow the same formula?

Senator SYMINGTON. That is right.

Senator SPARKMAN. That means then that the amount paid to IDA would be just half of what they propose?

Senator SYMINGTON. It means we would be sitting around this table saving the American taxpayer a quarter of a billion dollars.

Senator LAUSCHE. It means that all of the nations of the World Bank instead of putting up the aggregate asked for now is how much, a billion?

Mr. HENDERSON. They ask to put up $720 million.

Senator LAUSCHE. $720 million. Well, all of the nations instead of putting up $720 would only be putting up——

Senator SPARKMAN. $360.

Senator SYMINGTON. $310 or $360.

Senator LAUSCHE. And the Bank would be putting up the other half.

Mr. HENDERSON. The total amount asked is $1.2 billion. The other countries would put up $720 million and we would put up $480.

Senator LUASCHE. Then the figures are not right. The total asked is how much?

Mr. HENDERSON. $1.2 billion.

Senator LAUSCHE. Then $600 million would be put up by the World Bank and the other $600 million by the participant nations, is that correct?

Senator COOPER. No, it would be whatever they put in.

Senator LAUSCHE. No, they subscribed, let's say, to put up the whole——

Senator SPARKMAN. The World Bank doesn't make that much.

Senator LAUSCHE. That is the hook.

OTHER NATIONS WOULD WANT SAME TREATMENT

Senator SYMINGTON. I am not asking—if I can read the memorandum, that they put up a total of a billion two to IDA. Let me read it:

> Provided, however, that of the amount hereby authorized to be appropriated, the Secretary of the Treasury shall not in any 12 month period contribute to the International Development Association Funds in excess of such amount as the World Bank transfers to the Association from Bank reserves or net earnings over the same period of time for the same purpose and that in any event the Secretary shall not contribute more than $160 million for such period.

Senator LAUSCHE. The other nations would want the same treatment then.

Senator SPARKMAN. That is right, and the Bank does not earn that much.

Mr. MARCY. Senator, can I say this much? If the Bank made a $160 million transfer each year from its earnings, it makes $170 million if it took $160 million and transferred it to IDA under this language, the United States would put up $160 million.

If the Bank put up only $75 million under this language, the United States would put up only $75 million.

Now, if, in fact, they put up, the Bank puts up, $160 million, and the United States puts up $160 million, then there would be no necessity for going back and negotiating with all of the states because the United States would still be contributing over a period of three years the full $480 million. But if the United States goes below that, then they do need to go back and negotiate fresh amounts.

Senator SPARKMAN. But won't the other nations ask for the same right to draw on the World Bank?

Mr. MARCY. Well, they might conceivably do it, but the United States would not be drawing on it. The World Bank simply puts that amount into IDA.

Senator SPARKMAN. Not to our credit but we regulate our payments by the amount they put in.

Senator LAUSCHE. Yes, but the other nations will say the same thing.

Senator SPARKMAN. And, therefore, only one-half of the amount subscribed would be paid in.

FORCE THE WORLD BANK TO DISGORGE ITS SAVINGS

Senator LAUSCHE. Carl. The other nations will say "Well, I am a subscriber to the World Bank. My money is in there, and if the World Bank is going to put up half of what the United States is called upon to put up well then, we want the World Bank of which we are a subscriber to also put up $1 for every dollar that we put up," and the net result will be that the World Bank will have to put up $600 million.

Mr. MARCY. Senator, that is not the effect.

The effect of this is to force the World Bank to disgorge some of its earnings and to disgorge some of its special reserves, which is

an amount of $800 million, and put that amount into IDA. It doesn't put it into the United States. The three year effect of this amendment as it is now drafted would be to increase the total amount available for soft loans by $480 million.

Senator LAUSCHE. From us?

Mr. MARCY. No, no. Our amount would be $480 million, and the World Bank would contribute an additional $480 million if you stuck to this full amount.

JUST A PROVISO

Senator COOPER. Will you yield a minute, if I may ask this question: Whatever the World Bank does, if it contributes—whatever the World Bank does, if it contributes $50 million or $100 million or $160 million, that is entirely separate from our relationship, percentage relationship, with other countries.

Mr. MARCY. That is right.

Senator COOPER. It simply means this: Suppose they put up $100 million, then the Secretary could not or we could not authorize more than $100 million.

Mr. MARCY. That is right.

Senator COOPER. That would be our 40 percent and the others would be, would put up, 60 percent.

Senator SPARKMAN. Right.

Senator COOPER. But this, as I see this, though, this doesn't—we are not actually, by this amendment we are not, authorizing anything. It doesn't say we shall do it.

Senator SPARKMAN. We should authorize.

Senator COOPER. Yes, it does.

Senator SPARKMAN. This has to be a proviso.

Mr. MARCY. This is just a proviso, you have to collate it with the bill. We authorize $480 million, but the Treasury could not do it unless this contingency takes place.

Senator SPARKMAN. Stu, what about this? Did they suggest to you instead of writing it like this which, after all, would be, would require renegotiation with other countries, that we put a clause in saying it is the sense of Congress that our Governor on the World Bank should be, should urge a larger contribution from its earnings and that our payment be limited to the amount that they do?

CUT FOREIGN AID

Senator SYMINGTON. John, we are just not—you know, we are intelligent people. What we are being asked to do in the face of a reduction in the foreign aid bill is add $480 million to foreign aid. That is the net of it, let's face it.

Therefore, what I say is just as we are going to cut foreign aid we ought to cut the foreign aid on this one to the point where we put up $240 million instead of $480 million and inasmuch as we have done so—look, if it is right for us to be in Vietnam, let's not discuss whether it is or isn't right, and you have Bill Fulbright thinking it is wrong and you have Dick Russell thinking it is wrong and so forth and so on, but if it is right for us to be there we are fighting in Vietnam just as much for these countries, these developed countries, as we are for ourselves and they are not helping us

in any way. The only thing we get from them is criticism on Vietnam.

Now, in addition to that I get a letter from my good friend Jack McCloy, saying "I told you so about the Soviets" and, therefore, he implies we should increase our forces in Europe instead of decreasing it and, of course, we all know what is going on in the Middle East.

I don't know where the money is coming from. So all I wanted to do this morning was to say if you feel the way you do and this is this important, and I personally don't see why a bank has to have a soft loan window, then let's just cut it in half and let the Treasury put up—the Treasury puts up in effect out of the World Bank's reserves half of what the IDA operation asks for.

THE PATTERN IN BUSINESS

Senator AIKEN. This means, Stu, if we say we will put up $240 million under these conditions, that the World Bank would then have to reduce its reserves by $600 million.

Senator SYMINGTON. That would be right.

Senator AIKEN. To meet, to give the other contributors the same right.

Senator SYMINGTON. Over a three year period that would be correct. But that would be just about as much as the Bank would earn based on past history.

Senator AIKEN. But they are making $150 million or more to add to the reserves.

Senator SYMINGTON. $170 million a year.

Senator AIKEN. How much?

Senator SYMINGTON. $170 million a year so in that period they make $510 million. So if the past is the pattern in business you would say an earnings statement over a period of years, this wouldn't cut their earnings at all.

Senator AIKEN. They wouldn't be required to cut their earnings at all roughly.

Senator LAUSCHE. Yes, but they don't have those earnings if the books are closely examined. That is disclosed by the status of their commitments. They have $1,200,000,000——

Senator SPARKMAN. Listen, Stu.

Senator COOPER. You can never negotiate with the other countries until the World Bank has acted.

Senator AIKEN. And you haven't got the bill through the House yet and unless the House has changed in the last few years all they are going to do is get mad and madder and madder from now until adjournment. [Laughter.]

COMPROMISING THE AMOUNT

Senator LAUSCHE. Is there any chance of compromising on the amount and letting it go through?

Senator SYMINGTON. Can I read the total amount of actual cash the other countries have put in the U.K., $600,000; Germany, stinking rich, $1,280,000; France, we all know that story, $1,050,000. India, $800,000. They have gotten the most back. Canada, $792,000; Japan, we have made unbelievable—it is the richest, most prosperous country in the World today in many ways,

$772,000 is all they put in this Bank. The Netherlands, stinking rich, $550,000. Australia, $533,000. That is all the cash these people have put in the World Bank.

Senator LAUSCHE. How much have we put in?

Senator SYMINGTON. $6,350,000.

Senator AIKEN. Billion.

Senator LAUSCHE. Million. The call hasn't been made at all.

Senator SYMINGTON. They are operating on the credit of the United States is what they are doing.

Senator LAUSCHE. When you compare the figures $6 million that we have put in and Japan $700,000, our gross national product exceeds all of those nations which you identify.

Senator SYMINGTON. That is right. So does our debt. It is $43 billion now more than the debt of all the other nations in the world combined, $43,819,000,000. I just think it has got to stop unless we are not going to have the value of life insurance, retirement plans, pension plans and Social Security are going to blow.

THE FOLKS DOWNTOWN

Senator SPARKMAN. Let me ask this question: If Stu makes the motion for his amendment and I presume that is your purpose——

Senator SYMINGTON. Yes, sir.

Senator SPARKMAN. [continuing]. Are you willing to take it?

Senator LAUSCHE. Take what?

Senator SPARKMAN. Stu's amendment.

Senator LAUSCHE. I don't think you can.

Senator DODD. Why not?

Senator SPARKMAN. It would be for the folks downtown to work it out. It would be off our shoulders.

Senator GORE. Let me read you a memorandum about the treatment the folks downtown give this committee.

Senator LAUSCHE. You can take it all right, but you are going to take $600 million out of the capital structure of the World Bank. You are going to lessen its strength to borrow. If you read their report you will find out—let me read it again, where is that paper?

Senator SYMINGTON. I think Al wanted to read something else.

Senator SPARKMAN. May I say just this, Frank, you wouldn't necessarily cut it down to $600 million. As a matter of fact, if the Bank will put in $160 million a year, and Stu suggests that in a way by limiting ourselves to a maximum of $160 million.

Senator SYMINGTON. Ours should be 80.

Senator LAUSCHE. We don't own the Bank. The other nations own the Bank.

Senator SYMINGTON. Why are you so interested? You get up on the floor and you consistently vote for helping the people in St. Louis. Why are you so interested in helping the people in other countries and not the people of this country?

Senator SPARKMAN. Listen to this and I think I am right.

Senator LAUSCHE. I can't follow your logic, that is all.

ADDITIONAL FOREIGN AID

Senator SPARKMAN. If the Bank puts in $160 million, of course, that is not our money, but that is money they put into IDA, and

then we pledge ourselves to put in $160 million a year, which means——

Senator COOPER. We don't.

Senator SPARKMAN [continuing]. Which means that, yes, which means that we will put in the full amount of $480 million over the three years.

Senator SYMINGTON. No, that figure, Henderson made a mistake when he got this up. That we should put up $80 million which would be half and then we put up $90 million in the soft loan so that the total we put up is $80 million out of the Treasury which are still dollars, I guess, I am not sure, and $80 million out of the Congress which I hope is still dollars, too, a year so we put up $160 million a year, total $480 million of additional aid. Of that half is additional foreign aid and the other half is out of the earnings of the Bank which today are running $170 million, and of which we own a very largepercentage.

Senator LAUSCHE. If you are so desirous——

Senator SYMINGTON. 7.7 percent.

A SUBSTITUTE MOTION

Senator LAUSCHE. I offer a substitute. That instead of the $480 million we put up $300 million, continuing at $100 million a year as we have in the past.

Senator PELL. Three-quarters of a loaf is better than no loaf and I would support it.

Senator LAUSCHE. That is we have been putting up $100 million a year in the past so we cut this down by how much would it be?

Senator SYMINGTON. Asked to put up $160 million.

Senator LAUSCHE. So cut it $60 million a year.

Senator SYMINGTON. You cut it $60 million a year.

Senator LAUSCHE. And you are cutting it $80 million, Stuart.

Senator SYMINGTON. And I am cutting it $80 million.

Senator LAUSCHE. That is right.

Senator SYMINGTON. Why do you just, you might say, fragment my suggested amendment by $20 million a year, what is the purpose of that?

Senator LAUSCHE. Because we don't own the World Bank and if we say that they have got to put up a dollar for every dollar——

Senator SYMINGTON. I can't follow your logic.

Senator SPARKMAN. He is just trying to get a compromise.

Senator SYMINGTON. That is what I was trying to do.

Senator LAUSCHE. But if Japan comes along and says the same thing, and Germany says the same thing, and England, they are just as much entitled to have the Bank put up a dollar for every dollar that they put up so where do you find yourself in the end?

Senator SPARKMAN. How about accepting that compromise?

Senator SYMINGTON. Mr. Chairman, I don't think we have the right to be meeting at this time.

Senator SPARKMAN. Yes, we do until the Morning Hour is over. There is a quorum on now.

Senator GORE. There was no Morning Hour.

THE ASIAN DEVELOPMENT BANK

Senator SYMINGTON. I would like to hear what Senator Gore has to say. He spent a good deal of time on this.

Senator GORE. You know, a member of the staff told me yesterday that the Appropriations Committee was already holding a hearing on an appropriation for both IDA and the Asian Bank. So I went over to the Appropriations Committee and found out that was true. We haven't passed it, but they have already held their hearings on appropriations. So I said what about the Asian Bank? Well, Mr. Black is over in Asia now. Who authorized him to go to Asia and commit this country? He is not even an official of this government.

So I asked Art Kuhl to get certain information from the Appropriations Committee, I talked to the members of the committee. I did find out that they now have 213 employees, they have been in business for 2½ years, they have made four little loans of less than $20 million.

Senator SYMINGTON. Out of a billion we gave them in December 1965.

THE BANK'S AUTOMOBILES IN MANILA

Senator GORE. They want another billion. I said "Art, find out how many automobiles they have in Manila." Here is the memorandum Carl gave me that Art had given to Carl:

Earlier today Senator Gore requested the staff of the committee to obtain certain information dealing with the Asian Development Bank. One of the items requested was the number of automobiles owned by the Bank. In response to this request, Miss Vitel (184–5365) in Treasury advised Peggy Brown of the committee staff that she (Miss Vitel) "didn't have a clue" and the only way that they could find out would be to telegraph Manila.

Subsequently, Miss Brown asked Miss Vitel to cable a message to Manila requesting the information. Miss Vitel asked Peggy Brown for the name of the Senator who was requesting the information and Miss Brown told her that she was unable to divulge the Senator's name without his permission. Miss Vitel said that she needed some reason, such as legislation before the committee, to put in the cable and Miss Brown suggested that it be at the request of the Committee on Foreign Relations. Miss Vitel said she did not think this was enough.

Senator SYMINGTON. How do you like that.

Senator GORE.

And Miss Brown replied that this was all the information she was in a position to give and that if Miss Vitel thought it necessary, she would speak with someone with more authority. Miss Brown suggested that Miss Vitel speak with me this is Art Kuhl, that is when Art got in on it, and when Miss Vitel mentioned that the request had originally come from Mr. Henderson, Miss Brown explained that Mr. Henderson and I were working on the matter together and gave her my extension.

Miss Vitel called me about 5:45 p.m., and asked me for the name of the Senator involved. I told Miss Vitel that I couldn't give her the name of the Senator and she suggested that she couldn't very well send a message to Manila until I did. I suggested that she send a simple message which said that the Senate Foreign Relations Committee was requesting the information regarding the number of automobiles. She replied that the request had to be made in connection with something or other before the committee and she felt mention should be made of this in the message to Manila. I told her that we did have legislation pending before the committee which she could mention or not as she saw fit.

After considerable 'haggling' back and forth, as to what should be in the message, I repeated my original suggestion that it should be couched in terms that the request was coming from the Senate Foreign Relations Committee. She felt this was inadequate and even went so far as to say that it sounded stupid to send a message

without mentioning the reason behind the request, ie., that it was being made in connection with some piece of legislation before the committee.

I tried to persuade Miss Vitel to send the message I had suggested, but she continued her harangue about the stupidity of the request couched in those terms, suggesting that it would be rather silly for one of our people to go with his 'hat in hand' and ask the Asian Bank how many automobiles it owned, particularly since we owed the Bank funds. She continued by saying that she was a taxpayer and ought to be entitled to know what was behind the request. I reminded her that we were all servants of the Government, particularly the legislative branch.

Senator PELL. We are all taxpayers.

Senator GORE.

But this argument didn't seem to impress her very much. Perhaps I am putting it rather bluntly, but Miss Vitel was quite contentious and interrupted me just about every time I opened my mouth. I finally told her 'I am not going to talk to you any more' and hung up the receiver.

Senator SYMINGTON. I make a motion we put that in the Congressional Record and adjourn this committee until after the 1st of the year and turn the problem over to the Appropriations Committee. All we are doing in this committee is talking.

Senator SPARKMAN. Who is Miss Vitel?

Senator GORE. Ask Don or Art.

Mr. HENDERSON. Down the line.

Senator SYMINGTON. What agency?

Mr. HENDERSON. The Treasury, sir.

Senator SPARKMAN. Who is Miss Brown?

Mr. HENDERSON. My secretary.

Mr. MARCY. This is how the staff keeps busy.

Senator GORE. This is the total information I got from my request about the Asian Bank with 213 employees.

Senator SPARKMAN. Tell me this: Did all of you read that insertion in the Congressional Record, in the extension of remarks, that was put in for Bill Fulbright about this interchange of letters between a taxpayer and the Internal Revenue Service?

Senator GORE. No, I didn't.

Senator SPARKMAN. That was about two weeks ago. That was rich, you ought to read it.

BANK HEADQUARTERS IN TOKYO

Senator SYMINGTON. I would like to tell you just two stories about the Asian Bank, very short, to show you how bad the situation is getting. Gene Black set up the Asian Bank and did a magnificent job. For the first time in the history of the world since World War II they got a country to put in as much as we. So he, Black, was extremely anxious that the Japanese request to have a headquarters of the Bank be put in a decent climate in a big town, and so forth and so on, and that namely, to be put in Tokyo. They were putting up as much money as we were in this case, $200 million in this case, "bang" says Malaysia and Thailand and Cambodia. The longest and dullest speeches were made by those people who have been so good with us in this war. Nothing happened on that.

[Discussion off the record.]

Senator SYMINGTON. Are you going to turn this over to the little countries of Asia a lot of African countries in the United Nations. Always the dollar, the money, comes back to the Americans.

Senator COOPER. I have to make the statement, John Williams just called and he said they couldn't get a quorum up here, and he hoped the committee would come up and answer the roll and come back.

LOBBYING THE APPROPRIATIONS COMMITTEE

Senator SPARKMAN. Can't we right quickly agree to Frank Lausche's amendment?

Senator SYMINGTON. No, I can't agree with that. In fact I don't know whether Senator Gore is going to agree to my amendment.

Senator GORE. I want to raise some questions before we get to the amendment. Joe Barr just told Stuart and me out there "We have been negotiating for three years, we have got ourselves committed on this." I said, "Who directed you to negotiate this business?" It is not in the Act. This business that we are supposed to replenish this pot every year, for heavens sake, I thought we were going to establish a Bank, let it lend money and collect interest and re-collect its principal and lend again in a revolving fund. Instead of that they give it away and expect us to replenish the pot every year.

I want to go back to the original Act.

Senator SYMINGTON. Also if I may respectfully say so now they show what they think of this committee by Black going over and lobbying the Appropriations Committee and he is a good one at it. So what are we doing anyway?

Senator LAUSCHE. Did you suggest to Barr $70 million a year?

Senator SYMINGTON. $60 million out of the Treasury annually.

Senator COOPER. Mr. Chairman, I asked the World Bank or rather IDA to give me a statement of the countries that have so far made their contributions and the amounts, and which I would like to insert in the record.

NOT MEDDLE WITH THE BANK

Senator COOPER. This is my feeling about it. I don't want to meddle with the World Bank, they are doing, I guess, a good job and while this doesn't direct them to put any money in it in a way, the Congress, if it is passed, would use its influence telling them how to run the Bank. I would rather vote for Frank Lausche's amendment. I would rather vote to cut it to the present rate of spending, $100 million a year.

Senator PELL. I agree with John Cooper, and Senator Lausche.

Senator SYMINGTON. In other words, the problem with you all is not a difference in kind, it is a difference of degree.

Senator SPARKMAN. Shall we go and answer the roll call? And when shall we meet again?

Senator LAUSCHE. Mr. Chairman, what is the parliamentary status of the matter now?

Senator GORE. Let's meet Tuesday.

Senator LAUSCHE. My motion is pending.

Senator SPARKMAN. Your substitute motion is the pending business.

Well, we will adjourn subject to the call of the chairman.

[Whereupon, at 10:25 a.m., the hearing was adjourned, to reconvene subject to the call of the chair.]

# PROVIDING FOR A U.S. CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

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**Tuesday, October 1, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:10 a.m., in room S–116, the Capitol, Senator J. W. Fulbright (chairman) presiding.

Present: Chairman Fulbright and Senators Sparkman, Mansfield, Gore, Symington, Dodd, Clark, Pell, McCarthy, Hickenlooper, Carlson, Mundt, Case, and Cooper.

Also present: Mr. Holt, Mr. Henderson, and Mr. Bader of the committee staff.

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The CHAIRMAN. The committee will come to order.

The first item on the agenda is a bill, S. 2969, for the relief of David E. Alter, III, and his parents, Mr. and Mrs. David E. Alter, Jr.

The CHAIRMAN. Mr. Tomer, you are to testify on S. 2969?

Mr. TOMER. Yes, sir.

The CHAIRMAN. All right. Will you proceed, please, sir.

## STATEMENT OF JOSEPH S. TOMER, DIRECTOR, OFFICE OF PERSONNEL AND MANPOWER, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. TOMER. Mr. Chairman and Gentlemen, the facts in this case are—I am testifying in support of S. 2969, to provide some financial relief for David Alter, III, and his parents.

The facts in this case, gentlemen, are that Mr. David Alter, III, was a 15-year-old son of an AID Affairs Officer in Zambia. He was injured in an automobile accident en route to a Christmas party being given by a Foreign Ministry official in Zambia.

Because of the nature of his injuries, and because of the inadequacy of medical facilities, his recovery has been extremely slow, and the medical costs have been catastrophic.

This bill is designed to reduce the burden of such costs on the Alter family. The boy, incidentally, has not been able to either walk or speak since this accident.

Mr. Gaud's letter to the chairman of June of this year reported AID support of the bill.

Let me summarize the case: Under Section 941 of the Foreign Service Act of 1946, dependents of employees serving abroad are provided medical care for up to a maximum of 120 days. This limitation may be waived if the illness or injury is clearly caused by the fact that such dependent is or has been located abroad.

In this particular instance, the 120-day provision was not waived, and the basis for this ruling was that an automobile accident per se is not necessarily peculiar to living abroad.

As we see it, this ruling was narrow. In this particular case, there was a serious brain injury which was involved. If there had been reasonably prompt diagnosis treatment the swelling that occurred could have reduced and the recovery made more rapid.

Senator HICKENLOOPER. Mr. Chairman, may I interrupt now?

The CHAIRMAN. Yes.

INADEQUATE MEDICAL ATTENTION

Senator HICKENLOOPER. The fact was he did have medical attention over there right after the accident. I am highly sympathetic for the tragic situation, but there are other problems involved. He did have medical attention, but this doctor over there misdiagnosed it, or erroneously diagnosed it.

Mr. TOMER. Yes, sir.

Senator HICKENLOOPER. And then they finally got the boy to an American Government Hospital some place, and they decided his brain stem was damaged, didn't they?

Mr. TOMER. Yes, sir. He was treated by a Zambian doctor at Lusaka General Hospital, who treated him for a simple concussion.

Senator HICKENLOOPER. Yes.

Mr. TOMER. When, in fact, it was a serious brain injury.

Senator HICKENLOOPER. That would be one important part of this, that he did have medical attention there. I do not know what this doctor's qualifications are in the Zambia hospital, but he did have medical attention. That was what lulled him into security, or the parents. They just said it was a concussion, and when they finally got into our American hospital, they determined that it was damage to the brain stem, as I recall it.

Mr. TOMER. The basis for the private bill is that if the injuries had occurred almost anywhere in the United States, the likelihood is that a better quality of diagnosis and treatment would have been available.

Because of the injuries that this boy has suffered, and because the recovery is impaired, this bill directs the Secretary of State to pay for the costs of treatment made necessary.

FOREIGN SERVICE ACT LIMITATIONS

We support this bill as an Agency, because we believe that the wording of the Foreign Service Act is unduly restrictive in that it does not provide for the same extent of treatment when injury is aggravated by reason of being located abroad.

We could raise the question of whether this bill, by giving relief to the Alter family, does not discriminate against others who might have suffered similar circumstances.

We feel that the wording of the Foreign Service Act is prejudicial to employees who subject their family to the dangers of living abroad.

Until the wording of this Act can be changed or its interpretation can be broadened, we would support any private bill introduced for the same purpose.

This, in summary, gentlemen, is a statement of the facts of the situation.

OPEN-ENDED EXPENSES

Senator SYMINGTON. How much is the bill for?

Mr. TOMER. This bill has no limit.

Senator HICKENLOOPER. It is open-ended.

Mr. TOMER. The facts are that Mr. Alter, I think, is out of pocket now some $40,000.

Senator SYMINGTON. I read that.

Mr. TOMER. His medical costs are running $2300 a month.

Senator SYMINGTON. I read that. You said $2000 in your letter, but how much is the bill for? There is no specific amount?

Mr. TOMER. No, sir.

Senator SYMINGTON. Is it the idea that the Government would take over the costs from here on?

Mr. TOMER. Yes, sir.

Senator CARLSON. Has any application been made under Section 8101 of the Federal Employees' Compensation Act? I notice you say the claim has been filed.

Mr. TOMER. Yes, sir; it has, Senator. We have an application pending that is under consideration by the Bureau of Employee Compensation. We have been awaiting a decision. Needless to say, if the decision is favorable, we would not apply the benefits of this particular Act.

Senator CARLSON. Have they recommended favorably in other cases similar to this in this particular Agency?

Mr. TOMER. We have no record of any incident similar to this.

PRACTICAL CONSEQUENCES OF THE BILL

The CHAIRMAN. There never has been a case of this kind before the committee that I know of, of a private bill. Usually, these bills go to the Judiciary Committee. I never heard of one before this committee previously. Have you?

Mr. TOMER. I am not familiar with any, Mr. Chairman.

Senator COOPER. May I ask a question?

Mr. TOMER. Yes, Senator.

Senator COOPER. What are the practical consequences of this bill right now? Would it mean, if it is passed, the parents or the parent would be repaid his costs to date, or to the date of the approval of the bill?

Mr. TOMER. It would mean, Senator, that the out-of-pocket costs not covered by the Aetna Insurance Plan would be refunded to the parents. His father is currently an FSR–2, earning, say, some $22,000 a year.

Senator COOPER. How much would that amount to?

Mr. TOMER. Around $40,000.

Senator COOPER. What do you ascribe his out-of-pocket expenses to?

Mr. TOMER. This is the amount that has not been covered.

Senator COOPER. Is there any itemization of the costs which are clearly applicable to the boy's injury?

Mr. TOMER. Yes, sir, there is. This has been—we have an itemization.

Senator COOPER. Has it been put in the record?

Mr. TOMER. Yes, sir.

Senator COOPER. It is all for medical expenses?

Mr. TOMER. Yes, sir.

Senator COOPER. Nursing?

Mr. TOMER. Yes, sir; nurses, doctors, physiotherapists, speech therapists.

Senator COOPER. Where is David Alter now?

Mr. TOMER. He is now at his home.

Senator COOPER. He is home?

Mr. TOMER. He is home in Silver Spring, here in this area.

Senator HICKENLOOPER. What do you mean, "beach therapy"?

Mr. TOMER. Speech therapy.

DELAY CONTRIBUTED TO HIS CONDITION

Senator COOPER. Was the doctor who first treated him a resident of Zambia?

Mr. TOMER. Yes, sir. The doctor was a Zambian doctor, and it was another 14 hours before we got hold of a European doctor.

Senator COOPER. In the capital of Zambia.

Mr. TOMER. Yes, in Lusaka.

Senator COOPER. Has there been any statement of medical authorities that this delay contributed to his condition?

Mr. TOMER. This is the opinion of the Alter doctor, which is that if he had received normal, what is normal, medical treatment here that he would have recovered substantially faster.

Senator COOPER. But has that been made in the form of a statement by a medical authority that the delay contributed to his present condition?

Mr. TOMER. Senator, this is a statement that has been made by the parent. I have not seen it made in the documents given me by a physician.

Senator COOPER. What is the financial condition of this family, do you know?

Mr. TOMER. Yes, sir. I happen to know Mr. Alter has borrowed very heavily from a credit union and his bank. His credit is now exhausted.

Senator COOPER. Does he have other children?

Mr. TOMER. Yes, sir.

Senator COOPER. How old a man is he?

Mr. TOMER. He is about, in his mid-forties, I would say.

Senator COOPER. Is there any medical opinion as to what would happen to this son if they are not able to continue the kind of treatment they now feel is necessary for him?

Mr. TOMER. The only thing I have seen, Senator, is that he is showing improvement; that he will never be self-supporting. But I have pictures with me of the degree of his improvement in the

course of the past year with this treatment, a fairly dramatic snapshot showing the degree of improvement he has already achieved.

PRECEDENTS ESTABLISHED

Senator HICKENLOOPER. I have already put this question and you have already answered this, I guess, by saying that you do not know how this happened to be sent to the Foreign Relations Committee.

Mr. TOMER. No, sir.

Senator HICKENLOOPER. Normally, these things go to the Judiciary Committee.

Mr. TOMER. Yes.

Senator HICKENLOOPER. What kind of a precedent will this establish, or how long does the Aetna coverage last now?

Mr. TOMER. The Aetna, under the Aetna Plan, Senator, he has already used up the maximum amount permitted for payment to any member of a family.

Senator HICKENLOOPER. That does not take care of, if they are totally, permanently disabled, they do not keep on paying for the rest of his life.

Mr. TOMER. This means they will pay up to $2,000 a year for the remainder of the period of his illness.

Senator HICKENLOOPER. That is the maximum?

Mr. TOMER. That Aetna will pay.

Senator HICKENLOOPER. $100-some-odd a month.

Mr. TOMER. Yes, sir.

Senator HICKENLOOPER. And his expenses are $2300?

Mr. TOMER. $2300 a month.

Senator HICKENLOOPER. You say you do not have any other case of this kind?

Mr. TOMER. We have never had any other case of this kind, Senator.

OUT-OF-POCKET EXPENSES

Senator HICKENLOOPER. I would like to ask a little bit more about this out-of-pocket expense.

Mr. TOMER. Yes, sir.

Senator HICKENLOOPER. What does that consist of?

Mr. TOMER. Perhaps I might list the items here.

Practical Nurses come to $2100, $2160 a month; equipment rental comes to $40 a month; occupational therapy runs to $64 a month; extra laundry comes to $40 a month, and the physical therapist, speech therapist, I see, according to this listing, is now covered by the State of Maryland.

Senator HICKENLOOPER. You say practical nurses. How much a month?

Mr. TOMER. $2100.

Senator HICKENLOOPER. Where is he?

Mr. TOMER. He is at home.

Senator HICKENLOOPER. Where?

Mr. TOMER. In Silver Spring.

Senator HICKENLOOPER. Here in the city.

Mr. TOMER. Yes.

Senator CASE. That is about $25,000 a year——

Mr. TOMER. Yes.

Senator CASE [continuing]. For nurses.

Senator HICKENLOOPER. Yes, for nurses. They charge about $32 a day, I think, for registered nurses. I do not know about practical nurses. It is a lot of money for practical nurses. How much in practical nurses does he have, 24-hour service?

Mr. TOMER. Yes, sir.

Senator HICKENLOOPER. Well, as I said a moment ago, I am sympathetic about this poor lad who got hurt, but it is a question of responsibility and precedent with me. I just think it is an interesting proposition. I have never seen one before this committee before.

The CHAIRMAN. I have never seen one before the committee.

A CHANGE IN THE INSURANCE POLICY

The staff informs that a very slight change of only seven cents a month, I believe, on the insurance policy assessed to everybody could cover cases like this if it were covered in the insurance policy, and that is what ought to be done, but it was not done up to now, and if we pass such a bill, it ought to be very clear this is no precedent and we are not going to do it again if the insurance policy cannot handle it in the future.

Senator CASE. I cannot understand how a change in the insurance policy would cover this.

The CHAIRMAN. I do not mean retroactively, but in the future.

Senator CASE. You mean, with a small change, you can get $25,000 a year in nursing service indefinitely?

Mr. HOLT. This is spread over three million, of whom 25 over seven years have reached the $40,000 maximum. So when you spread the risk that much, it comes down to seven cents a month.

Senator CASE. Yes. But I do not believe—I cannot get insurance. Who can get insurance that is going to pay $25,000 a year? Suppose you wanted to go out and buy private insurance? This is complete care. This is just an illustration of what it costs to be sick, if you are going to take care of your own people, your own family. This is a lot more than our own insurance covers, I will bet; isn't that true?

Senator COOPER. Is insurance payable now if an additional premium would have been paid?

Mr. TOMER. What we have done, as Mr. Holt has indicated, we have gone to the Civil Service Commission with a proposal under the present government plan that they consider extending the coverage to remove the maximum limitation.

Senator CASE. Which is what, now?

Mr. TOMER. Which is $40,000.

Senator CASE. A year or total?

Mr. TOMER. Total for a member of a family.

Senator COOPER. If this insured—would it have been possible for him to pay more under the present policy and have bettered this situation?

Senator CASE. Not under present law.

Mr. TOMER. No, sir.

Senator COOPER. It is not his neglect.

A TECHNICAL MATTER

The CHAIRMAN. That is what the staff said, that is what should be done in the future.

Gentlemen, we have a number of other things. This is a technical matter. I am very sympathetic with it, but I wonder if the committee would object, since we have a quorum, and we very rarely have one, if this particular matter could be laid aside temporarily until we dispose of other matters. Some of the members have other things to do.

Is there any objection to doing that and to resume consideration of it later? It does deserve some careful consideration. If there is a way to correct this in the future, through a reasonable sum, why, it should be done. But I hate to take up all this morning on this matter, which is really a very technical matter that is hard for us to make a judgment on now.

Is there any objection to that procedure?

Senator DODD. Mr. Chairman, could I make a suggestion? The staff could check it out for us and give us a recommendation.

The CHAIRMAN. That is what I thought they could do. It is the first time I have ever heard of a private bill here, and it deserves very careful consideration.

I do not know that I am opposed to it at all. It is just a question of making an improvident precedent here. We want to be sure to safeguard any actions in the future in this field.

Is there any objection to that? We could go on, we have got some things votes ought to be taken on if we can.

Senator Sparkman is very anxious that we have a vote, if possible, on one of these other matters.

So, without objection, we will lay it aside and come back to it.

Mr. TOMER. Thank you very much.

Senator SPARKMAN. Thank you.

THE IDA

The CHAIRMAN. Senator Sparkman, do you wish to make a motion?

Senator SPARKMAN. Mr. Chairman, I move we take up Item No. 3.

The CHAIRMAN. Senator Sparkman moves that we take up S. 3378, for the IDA, a matter which has been before the committee for a very long time.

What is the will of the committee?

Senator CLARK. Mr. Chairman, I move the IDA authorization be approved.

Senator CASE. I support that.

The CHAIRMAN. The motion is made and seconded. Is there any discussion?

Senator SYMINGTON. Mr. Chairman, while you were absent, I put in an amendment, and I think Senator Gore had an amendment or two, and I think we ought to discuss this matter more at this time.

Secretary McNamara has just made a speech which, I think, pretty clearly illustrates just what is going on. He says, and I am quoting from this morning's New York Times in the speech he made. He said:

Let me begin by giving you some orders of magnitude I believe that globally the bank group should during the next five years lend twice as much as during the past five years. This means that between now and 1973 the bank group would lend in total close to as much as it has lent since it began operations 22 years ago.

Also he points out that we have to extend heavy money to Indonesia, and he makes this statement:

"Without external help it faces certain disaster." He then states that the International Development Association would be the place for Indonesia to get the money.

Then he says:

As a result, in the first 90 days of this fiscal year the World Bank has raised more funds by borrowing than in the whole of any single year in its history.

He made a bit point, Secretary Fowler did, in a letter with respect to IDA to Senator Sparkman or to me, that they reduce the rate of our contribution as against the rest of the rest of the world from 43 to 40 percent. And yet, of this money that they have raised in the last 90 days, $300 million has been raised from all the other countries in the world, and $250 million has been raised from the United States.

So it is a great deal more than a 40 or even 43 percent.

The CHAIRMAN. Is that through the sale of bonds?

Senator SYMINGTON. Yes.

FUNDS FOR ASIAN NATIONS

Then in his speech—the thing that got me off on this was Senator Morse, who was told that these loans in the main were for Central and South America, and to our amazement we found that 60 percent of all the money went to India and 20 percent to Pakistan.

Then we were assured in a letter to me by the Secretary of the Treasury recently that this was going to be changed, and that it was going to be reduced very substantially—was the word used. It is an easy word. But Mr. McNamara in his talk yesterday makes the statement:

I believe World Bank lending to Asia should rise substantially over the next five years," which is exactly the opposite, if India and Pakistan are in Asia, from what we were told, what I was told, by the Secretary of the Treasury, who came down and talked about it.

Senator CASE. Stu, may I interrupt you?

I read just the start of it in the news story, and the reverse is what he said. Africa and South America are going to be increased and Asia not.

Senator SYMINGTON. Everything is going to be increased. I am reading from his speech. I just marked a little of it, but it is:

In Africa, just coming to the threshold of major investment for development, where the greatest expansion of our activities should take place. There, over the next five years, with effective collaboration from the African countries, we should increase our rate of investment three fold.

You can imagine what kind of collaboration we will get there.

THE MULTILATERAL APPROACH

Now, Secretary Fowler wrote a letter to Senator Sparkman, who was kind enough to give me a copy. He states:

We can only achieve an assured sharing of the burden by others through multilateral mechanisms in which our contributions are linked directly to their contributions.

It is interesting to note that the word "equally" is omitted. Our contributions, he made a point in the letter to me, were cut from 43 to 40 percent. Based on McNamara's speech, they have been very heavily raised as against 43 percent.

One of the arguments advanced for the multilateral approach is that multilateral channels, and I am quoting from his letter, "can reflect current conditions in the international monetary systems by calling on the surplus countries to assume a greater proportion of the financial responsibility."

The United States, however, has no surplus in its payments. Yet it alone is called upon to provide more than one-third of the total requested for IDA.

Then he points out, as I mentioned, that the U.S. share of contributions has been reduced from 43 to 40 percent since IDA began.

In my opinion, this is a very small reduction, not to mention the fact that the total amount of dollars requested has increased from the first replenishment requested of $312 million to the now requested $480 million. The Secretary assures that "the balance of payments safeguards have been agreed to by the other contributors so that we can assure our funds will only be used for U.S. goods and services."

He makes no mention in any way whatever of what the details are. I have never been able to get them, what kind of safeguards and what sort of guarantees have been made.

Moreover, such arrangements do not take into account the substitution effect, and this is a very important point. There is a lot of this business that would go to private American business if it was not tied into the so-called tied aid, that is, that amount of goods and services purchased with Government funds that might have been purchased by the aid-receiving country with its own funds in ordinary trade transactions.

WOULD REQUIRE RENEGOTIATION

The point is made several times that any change in the proposed arrangement would require complete renegotiation. This appears to be a weak argument for approval. Why should the Congress approve an agreement just because the terms have already been negotiated.

Then the Secretary states further, and I quote:

In light of the concern expressed by members of the Senate Foreign Relations Committee in May on the matter of the use of Bank Reserves, we made our view clear in the Bank favoring substantial increases in transfers of World Bank earnings to IDA.

But he reports a recommendation has now been made to transfer $75 million to IDA compared to $10 transferred last year.

Well, why didn't the World Bank Governors recognize their responsibility toward IDA before this committee began to prod them? Moreover, the increase is bound to appear greater because the amount transferred in the previous year was negligible, and the average yearly amount transferred to IDA over the past four years has only been about $50 million.

This, in view of the annual net earnings of $170 million. Then, the Secretary assures us that it is the intention of the Governors of the World Bank to seek in subsequent years substantial transfers of World Bank resources to IDA, but he adds a very important modifying clause, and I quote, "if at all permitted by the Bank's own financial position."

QUESTIONABLE ASSURANCES

Now, it is very obvious that if Secretary McNamara, who has got us in a situation now of 2½ billion dollars a month in Vietnam, is going to handle it on the basis of this talk which he makes announcing the situation before he even comes to the Congress, it won't be possible, and they will have to utilize this clause, "if at all permitted by the Bank's own financial position."

Under these conditions, it would appear the assurance of transfer of funds is, indeed, questionable, particularly in view of the fact that the World Bank had not announced a transfer of funds this year until the Foreign Relations Committee raised the issue.

Moreover, the Bank apparently does not believe it can financially transfer the $460 million to IDA this year. Therefore, we have no reason to believe they would find themselves financially able to do so in the future. In fact, we would have less reason to believe they would do so in the future. This he carries out in the talk last night.

Assurances have also been made that the amount of funds to India and Pakistan will be reduced substantially. As loan commitments to these countries have accounted from between 70 to 80 percent of this total, any reduction could be considered, the word is, "substantial."

Then the Secretary wrote me a letter and he says:

> The Bank intends to invest the proceeds of the bonds in the manner that will have no adverse effect on the U.S. balance of payments until June 30, 1970, and for as long thereafter as practical.

Once again, intentions are expressed. The Secretary does not spell out in any way how he intends to do the above.

Then he states:

> "The World Bank has given assurances that it will continue this substantial effort to raise new money outside the United States in the years ahead"—outside the United States—"and that since April 1 over $300 million has been raised in other countries.

But the Bank just floated $250 million in the New York market, almost as much as it has floated in all the rest of the world, and directly opposite to what we were told the intentions were a year ago.

PRACTICAL WISDOM AND POLITICAL WILL

I want to read very briefly what got me going on this. The question was, when the Secretary of Defense came before the Armed Services Committee. He came with a book which would be about 225 to 250 pages in length, and because of the transfer of the Secretary, I asked him a question based against one statement he made, and I think the committee would be very interested in this. I will just read the one question and answer. I asked him 125 questions, which are part of the open record. But this——

Senator GORE. Will you read his statement first.

Senator SYMINGTON. If I may. This was his testimony this year in February and March. This was February, 1968. This is what the new head of the World Bank said:

"I am also convinced that embracing the obligations of leadership will not force us to divert badly needed resources from the improvement of American"—I want the chairman to hear this now because he has been away, and I would ask the privilege of appealing my case to him. This was Secretary McNamara's testimony:

"I am also convinced that embracing the obligations of leadership will not force us to divert badly needed resources from the improvement of American domestic society. Our resources are sufficient"—get this—"if wisely allocated, to meet the needs of the weak and the underprivileged, both at home and abroad. For the sake of our security and our well being we can afford no less."

Then I asked this question of the Department of Defense:

Does this mean that the United States can continue to finance all of its present expanding domestic programs and, at the same time, wage a major war in Vietnam and, in addition, defend at great expense and with hundreds of thousands of its people other parts of the world such as Europe and South Korea and, in addition to that, meet the needs of the poor all over the world?

That was my question, the poor all over the world, and this was the answer I got:

What is at issue here is both practical wisdom and political will. This country has sufficient productive resources to carry through to completion the fight for the right of the people of South Vietnam freely to decide upon the condition of their own future while, at the same time, meeting our obligations to our allies, expanding the scope of the war against poverty and unequal opportunity in our own society, and increasing by a considerable degree the scale of our assistance to the poor nations abroad.

Temporarily, because of the large effort in Southeast we now find that it will require higher taxes to mobilize sufficient revenues to do all of these things effectively without inflation. However, an expanding flow of private and public revenues results mainly from higher private and public investment and re-investment in material and human capital. It is a challenging task to keep available productive capacity and labor fully employed, and still more difficult to create new opportunities for those who are under-employed.

But when we meet the needs of the underprivileged at home and abroad by effective measures to help them help themselves, we, at home and abroad, also create immense new productive resources, and enable them to help remove their own poverty and frustration.

These are difficult challenges but they are also opportunities. We have sufficient resources. What is now required is the national political will to allocate these resources in the most effective manner.

My comments on that were these:

EVADING THE QUESTION

A lot of words which evade the question. By implication, however, the Department of Defense does say that it believes we have sufficient resources not only to continue to defend the Free World but also to finance the Free World and to handle our domestic problems satisfactorily and, at the same time, cure the ills of the weak and underprivileged in the other countries on this planet.

Apparently along with many of our previously or presently bankrupt neighbors, we, too, have now discovered the printing press as a source of purchasing power. In our case, however, we are substituting the printing of Government bonds for the printing of paper money. Because of the inevitable inflation which will result, this can only come out of the hides of everybody, but primarily those live on a fixed income such as pension plans, life insurance, retirement plans, and Social Security.

Now, I took this to a man whom I respect, and I am sure you do, as a banker, as much as anybody in this country, and he said it is worse when he said it is the printing press for bonds as against the printing press for paper currency because you pay interest on the bonds.

This is an interesting development that the Majority Leader has pointed out, that we have handled our interest in Germany by paying them for our troops being over there.

NO FISCAL RESPONSIBLITY

So I would be glad to say it is an interesting thing that the Senator from Tennessee, without my knowledge, and I without his, have both come to the conclusion that you are going to take this superb organization, which we built up as a sound international organization, and you are just going to turn this into a lending agency, and this is the way his speech reads. I am bitterly opposed to it because I do not think we can continue to spend 2½ billion dollars a month with all the problems we have got in our cities, I just think if we pass a bill of this character at this time it is an advertisement that the majority party today in the United States Senate has no financial or fiscal responsibility whatever.

MINORITY REPORT

I notice the Republicans made a minority report on this matter on IDA, which is one of the better things that I have read, and because it just makes all the sense in the world, and this is over in the House. It says:

> Like most institutions, IDA is not without its good points—nor is it without its bad.
>
> On the favorable side, IDA is a multilateral aid organization which generates $3 of aid funds from other sources for each $2 that the United States contributes.

Senator CASE. That sounds pretty good.

Senator SYMINGTON. I will get to the minority report and I am done, but it is a tremendously interesting thing:

> Of the proposed $1.2 billion increased resources over the next three years, the U.S. portion is $480 million or 40 percent.
>
> Make no mistake about it. This is pure grant assistance. None of the repayment of loans made with these funds will come back to this country as long as IDA is a functioning institution. In this respect it differs from our bilateral aid program where, although we provide all of the loan funds, we also hopefully will be the beneficiary of any future loan repayments.

Then it continues:

> As a matter of fact IDA probably has the most adverse effect on our balance of payments of any of our aid programs. From its inception through fiscal year 1967, U.S. payments to IDA amounted to $362 million while related procurement in the United States was only $210 million, leading to an adverse balance-of-payments impact of $152 million or 42 percent. Since the United States already has committed another $270 million to IDA from existing authorizations, we can anticipate a further adverse balance of payments, in fact, of $112 million (42 percent) as these funds are dispersed.

I would like to point out that these are facts and figures, whereas all the Secretary of the Treasury does, who can stop if he wanted to, the floating of loans in the New York market, which he said once he was going to do, and all he does is talk about future intentions and, at the same time, we know he plans to leave.

The new proposal calling for a $480-million increase in the U.S. contribution toward IDA purports to give recognition to our difficult balance-of-payments problem. For the next three years, drawdown of the new U.S. contribution would be limited to procurement in this country. What this amounts to is a temporary holdback on use of U.S. contribution. Sometime after the three years, U.S. dollars again would be utilized for non-U.S. procurement. We are simply stockpiling future U.S. balance-of-payments deficits to the tune of approximately $200 million (42 percent of $480 million).

The action proposed is but another in a long list of gimmicks aimed at postponing the impact on our balance of payments. As the National Advisory Council observed, this innovation will allow IDA to operate 'without impairment of IDA's fundamental principle that the role of competitive international bidding should prevail in its procurement operations.

Then he goes on, and I would like, if I might, Mr. Chairman, to have the rest of this inserted in the record.

The CHAIRMAN. Without objection.

INDIA-PAKISTAN DEVELOPMENT ASSOCIATION

Senator SYMINGTON. Then they have the India-Pakistan Development Association:

We would like to direct our colleagues' attention to a particular matter. Unless IDA substantially alters its allocation of loan funds, its name more appropriately should be the 'India-Pakistan Development Association.' By the close of 1967 IDA had authorized development credits in the amount of $1.7 billion. Of this total, $889 million or 52.3 percent, was for India and $331 million or 19.5 percent, went to Pakistan, for combined totals of $1.2 billion or 71.8 percent of its operations.

Mr. Chairman, I would like, if I might, to ask that the rest of this be put in the record.

The CHAIRMAN. Without objection, so ordered.

Senator SYMINGTON. Finally, it says:

One of the interesting aspects of the IDA operation is that since other nations are also contributors to the fund, they serve as a check on the spending proclivities of this administration. Negotiation of the current proposal bears out this statement.

Two years ago, Mr. George Woods, then President of the World Bank and its affiliate IDA, proposed that the donor countries support a $3 billion addition to IDA funds at the rate of $1 billion a year for three years, beginning in fiscal year 1969. This administration countered with a proposal for a $2.4 billion increase over a four-year period. Apparently, the other donor countries would have none of that and cut the proposal to 1.2 billion over a three-year period.

In our opinion, the proposal still is too high. Surely, the Congress has as much right to adjust the program downward as do the other foreign nations involved.

He then goes on, and I would ask unanimous consent that that would be put in the record, which I would like to get into if this is passed to the floor.

A TREMENDOUS SURPLUS

Senator SYMINGTON. Now, my final point is, it seems to me that the least we can do in this committee, and this was the reason for my suggested amendment, is that inasmuch as this Bank, under sound accounting principles, has built up a reserve of $1.2 billion, that we make a proposition, and I offered the amendment, that for every dollar that the United States put into IDA, which is nothing more or less than grant aid, that the Bank put up a dollar of this tremendous surplus which, I think, everybody agrees it does not need.

Now, it may need—if McNamara's speech is correct, this is going to become the great new aid program of the United States instead of the World Bank, then they may have a reservation about spend-

ing this gigantic surplus. They are making $170 million a year. Don, I do not want to make a mistake, so you tell me if I am wrong.

If we put up half of anything they put up, the total of that to me $480 million, which would be a great deal less than their average annual earnings, so it would not affect their present surplus at all; is that correct, as you see it?

Mr. HENDERSON. $170 million a year.

Senator SYMINGTON. Yes. All we are saying is, give the taxpayer a break. Just don't come and nail him again for a lot of foreign aid under this program.

I might say that I am not sure that I would have even offered this amendment if I had read Secretary McNamara's speech, which is given in full in the New York Times this morning, because it looks to me as if he plans to use the World Bank for the purposes he states.

THE ROAD TO BANKRUPTCY

Another thing, I think I have a right to say, in his classified testimony, which is in the executive record, he said that we not only could handle the Vietnam war, we not only could handle all the programs of the Great Society, we not only could solve, if we had the will, the problems of poor people all over the world—it is his testimony, not mine—but in addition to that, we could handle another war comparable to Vietnam. That is what he said.

This, to me, is so ridiculous, we are just guaranteeing our going down the road to bankruptcy.

I know, I have been told, one of the fellows said, "Why don't you let this come to a vote. We have got the votes in the committee," and I said, "Maybe you have got the votes in the committee, but we will make the record in the committee to show what is going on if it is passed."

I want to thank the chairman and the committee for giving me a chance to express my opinion, which has been considerably exacerbated, I must say, by this speech, because all the World Bank now, which is a great international institution, has been handled by, primarily by, Mr. Gene Black, what is this going to turn into now is a great foreign aid agency and I do not think the people of this country can afford it.

THE BANK'S DISTINGUISHED BOARD

The CHAIRMAN. Well, Stuart, I do not agree with McNamara, and never have. This is the same kind of speech he used to make about this unlimited thing. He used to make that argument when he talked about them in the Pentagon, and if he were the sole authority in running the Bank alone, I would agree with you.

But, after all, he is just the President. They have got a very big and distinguished Board that operates with them, and we do have in the Bank our weighted vote, which is only 28 percent in the Bank now itself, and I think that if we are going to do anything at all in this area, this is the best place to do it.

Now, you have cut the foreign aid bill, I think the final is going to be around 1.2 billion, which I favor. Now, I voted against it in

this committee, and I think this effort to go in this direction is right.

I do not subscribe to what McNamara says, but I do not think he is the last word on how this bank is going to operate by any means.

Senator SYMINGTON. He has been the last word on anything he has operated since he has come into the Government, and we give him an opportunity, if we pass this bill, to be the last word here.

The CHAIRMAN. I do not think he can run that Bank like he did the Pentagon because he is just President; he is not the Board of Directors. They have representatives from all the major countries on that Bank, and the Bank's record, you will have to admit, you have already said, it has been very good. It has enormous earnings. The Bank itself has never lost a loan.

WORLD BANK NEVER LOST A LOAN

Senator GORE. Would you yield right there?

The CHAIRMAN. Yes.

Senator GORE. Joe Barr made a significant statement the other day when something was said about the World Bank's record, it never lost a loan, he said, "Well, you know, we bankers never have a bank loan lost, we just roll it over. If they cannot pay, they extend it for another 20 years."

I am not sure that the record is all that good.

The CHAIRMAN. I do not know how you judge it otherwise. But there has not been a default. Of course, all the Bank's loans are guaranteed by a government and they default on everything before they will default on a Bank loan. That is the last resort.

The Bank's reports, even the earnings, show it has been very profitable. The $170 million a year is not hay.

Senator SYMINGTON. Just to be sure we understand how it has prospered, it is going to cut the housing programs in your State and in my State. Anybody who can buy a bond that will pay 6¾ percent interest, and has $22 billion callable capital as a background, they are certainly going to buy that over any risk capital investment in private industry.

A VERY GOOD RECORD

The CHAIRMAN. The point I make, if the opinion of the committee and the Senate is that we stop all aid altogether, and even in this area, that is one thing. But this is, we have said, I have said before, if we could stop the bilateral aid and cut it down, I would be willing to support an organization like the Bank which up to now has had a very good record of all the international lending institutions.

It is the best.

Senator SYMINGTON. My theory is, this is more aid. This amendment makes it more trade, less aid.

The CHAIRMAN. I do not think you can deny that it has had a good record, the best of any Agency dealing in this field. I do not subscribe to what McNamara says. I think he is a dreamer and a visionary, and all that, and I do not argue with that. But I do not think we should judge that on just what McNamara makes a speech about.

Senator SYMINGTON. We are not talking about the Bank, but the soft loan window.

The CHAIRMAN. The Bank provides the technical assistance and skill in administering it. This is why I think it is far superior to aid and these other Agencies, and if you do not want to do anything at all, that is one thing.

Senator SYMINGTON. I have got an amendment, Mr. Chairman.

The CHAIRMAN. I would rather do it in this fashion than any other agency, trusting to the good sense and the ultimate—not particularly McNamara's, but to the organization, the institution. It has now been in existence, I forget how many years, about 18 years, has it not; and it has had a good record.

Senator SYMINGTON. Twenty-two, I think.

The CHAIRMAN. I think you can rely on it to have a good record.

SYMINGTON AMENDMENT

Senator SYMINGTON. Can I read my amendment?

The CHAIRMAN. Yes; certainly.

Senator SYMINGTON.

PROVIDED, however, That of the amount hereby authorized to be appropriated,—that is to the gift stuff, the IDA—the Secretary of the Treasury shall not in any twelve-month period contribute to the International Development Association funds in excess of such amount as the World Bank transfers to the Association from Bank reserves or net earnings over the same period of time for the same purpose and that in any event the Secretary shall not contribute more than $160 million for such period.

The point being our portion would be $480 million of the $1.2 billion. What is wrong with that?

The CHAIRMAN. I do not know that anything is. I have not heard of it before. Tell me in a few words what it is.

Senator SYMINGTON. The point is, for every dollar we put through the soft loan window, the Bank has to take a dollar of its bloated surplus——

The CHAIRMAN. It matches.

Senator SYMINGTON. That is right; it is a matching.

The CHAIRMAN. Up to $160 million?

Senator SYMINGTON. That is right.

The CHAIRMAN. Over three years?

Senator SYMINGTON. That is right.

The CHAIRMAN. I do not see anything wrong with that.

Senator SYMINGTON. $160 million a year.

WASHING OUR HANDS OF RESPONSIBILITY

The CHAIRMAN. Yes. Personally, it is all right. I would want to go along with you on thinking on the idea that the Bank—we ought to do something. In spite of our difficulties, and God knows we hope the war will be over, I wish it were over now, but we ought to do something and not just cut everything off. If we are going to do anything at all, this is the best way to do it.

Senator GORE. May I reply to that?

The CHAIRMAN. Yes.

Senator GORE. On the contrary, I think it is the worst thing.

The CHAIRMAN. Why?

Senator GORE. All right, I will be happy to tell you.

Senator CASE. In a word.

Senator GORE. No, not in a word. [Laughter.]

Senator MCCARTHY. That is good, Albert.

Senator GORE. This is certainly no criticism of the chairman or anyone else, but there has been a tendency growing in this committee, and I have watched it grow, that the best form of foreign aid is something we can wash our hands off and know the least about.

The CHAIRMAN. I don't agree to that.

Senator GORE. Well, let me show as an illustration of how far this is removed from the influence and the responsibility of the elected representatives of the people.

I found out the other day that a hearing was being held in the Appropriations Committee for more money for the Asian Bank. If there is an abysmal failure of any organization in the world it is the Asian Development Bank.

Senator CASE. This was the additional capital contribution?

Senator GORE. Yes. May I proceed?

Senator CASE. I am sorry, I just wanted to be sure we all understood.

Senator GORE. I am coming to it. I want it understood. If the chairman is not interested——

The CHAIRMAN. Yes, I am.

Senator GORE. Anything we can wash our hands of in the foreign aid is the best formula we can have.

The CHAIRMAN. I don't believe that at all.

Senator GORE. Will you listen then? I am trying to give an example.

AN ATTACK ON WORLD POVERTY

The Asian Development Bank has been in existence for two-and a-half years, made four little loans, has 213 employees, and Eugene Black has been over in Asia talking about developing the Mekong River. But it is a little larger than the Mississippi, and while Mr. McNamara says that we can convert the World Bank into an agency for an attack upon world poverty, we can do all this without deferring needed projects here at home, as a matter of fact, I stood at the window in the Rivermont Hotel in Memphis a few days watching the people from Arkansas, West Memphis and Memphis, travel back and forth across the only bridge, across our own Mekong Valley between Cairo, Illinois, and Greenville, Mississippi, a narrow, old bridge.

The CHAIRMAN. There was one in Helena, you forget Helena, you are out of date. Don't you remember Helena, Arkansas? It is above Greenville. [Laughter.]

Senator GORE. All right. It is way South of Memphis.

The CHAIRMAN. It is a little south.

Senator GORE. Way south of Memphis, here are hundreds of miles of distance of one of the great streams in the world over which the people of America cannot travel, people living in my State hardly know the people living in your state.

The CHAIRMAN. You take all the money out of the delta, they all spend it in Memphis.

Senator GORE. Just wait a minute, and yet a bridge is proposed, another bridge, between your state and mine, between Memphis, Tennessee, and West Memphis, between Arkansas and Tennessee, another proposal between Tennessee and Missouri.

Senator SYMINGTON. No way to go.

Senator GORE. They are both being held up. Why? Why? Not because the people haven't paid their gas tax, their automobile user taxes to pay for the bridges. We have already paid for them. But it is held back for lack of funds.

Yet Mr. McNamara says that we can do all these things.

THE ASIAN BANK HAS NO HISTORY

Now, to come back to this Asian Bank and the development of the Mekong, I went over to the committee, to say why appropriate another $20 million?

The CHAIRMAN. I didn't bring up the Asian Bank.

Senator GORE. I am trying to give you an example, if you fellows would listen, because this is identically the same procedure.

Let me show you why.

The CHAIRMAN. The Asian Bank has no history or anything else. It hasn't——

Senator GORE. Well, it is going to get $20 million more out of the U.S. Congress this year.

Senator SYMINGTON. You didn't hear, if the Senator will yield, they wouldn't even tell him things in the Treasury, said it was none of this committee's business. He read that in the record at the last meeting as to whether or not they had any automobiles.

The CHAIRMAN. The Bank has never refused to give us information that we requested.

Senator GORE. Let me go on to develop this point.

Here is the bill which it is now suggested we report out. Line 6: The United States Government is hereby authorized, (1), to vote in favor of the second replenishment resolution providing for an increase in the resources of the association, and (2) to agree on behalf of the United States to contribute to the Association the sum of $480 million.

Now, this is the identical language of the resolution authorizing the United States government to commit United States funds for the Asian Bank.

Now, although the Bank is doing nothing, except wasting a lot of money, the Appropriations Committee tells me that there is nothing we can do about that $20 million, that there are $20 million remaining which the Congress has authorized the Government to commit the United States to appropriate, and though the time is now when we are having to cut back upon every worthwhile program in the United States, every one, no cutback can be made in the Asian Bank, although it is not doing anything.

He are already committed to appropriate that. What could you do with this $480 million next year? Could the Appropriations Committee cut it back? Could we fail regardless of circumstances to appropriate $480 million?

This resolution authorizes the representative of the United States to commit us to do this.

The CHAIRMAN. Not if we accept the Symington Amendment which is all right with me so far as I can see, it wouldn't be the same.

MINIMUM PAYMENT OF INTEREST

Senator GORE. Mr. Chairman, in trying to find out how to get at this business of soft loans, to try to bring some soundless to the program, I began to look, to find out where I would offer an amendment to require some minimum payment of interest , and the staff informs me that there is nowhere in the acts of the Congress a provision specifically relating to the soft loan window, and I have read it.

Where do you find it?

Senator SYMINGTON. The soft loan is not authorized.

Senator GORE. Well, I can't say that it is not, because the language is so general, but where you find it is not in an Act of Congress, but in the Articles of Agreement.

Senator SYMINGTON. Of the Bank.

Senator GORE. This is the Bretton Woods Agreement, isn't it?

Mr. HENDERSON. In this particular case of IDA, in the articles of agreement on IDA. We have on IDA an International Development Association Act.

Senator GORE. Wait a minute. This is on page 795——

Senator COOPER. 765 is the agreement which we ratified.

Senator GORE. 765. So you find that the soft loan window is brought into existence really by terms of this—of these articles of agreement. And it doesn't say this is to be interest-free, even the agreement. It doesn't say it is to be grant aid. Let me read you what it says.

This is Article I of the agreement which initiated this program of grant aid called loans:

> The purposes of the Association are to promote economic development, increase productivity and thus raise standards of living in the less-developed areas of the world included within the Association's membership, in particular by providing finance to meet their important developmental requirements on terms which are more flexible and bear less heavily on the balance of payments.

Now, Mr. Chairman, this is the most specific reference you find in an Act of Congress or in agreements which we have approved.

Now, this doesn't say this is to be grant aid, never to be repaid, completely without interest. Let me read it to you again: "on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans."

Does that advise the Congress that it has committed itself to an endless program of interest-free grant aid never to be repaid, to be used for purposes which the representatives of the people have no information upon whatsoever?

If this is the best form of aid, Mr. Chairman, God help our form of responsible government. We don't know what we are doing with the taxpayers' money.

OTHER MATTERS ON THE AGENDA

Senator COOPER. Mr. Chairman—would you yield for just a moment?

Senator GORE. Yes.

The CHAIRMAN. May I ask one question just for my own information before we—because we don't have much time.

Do you feel that, very strongly, we should not vote at all on this matter because I know you can prevent it if you want to just so I can go to something else.

Senator GORE. Do you want my answer?

The CHAIRMAN.Yes, today, I mean.

Senator GORE. This is the first time I have had an opportunity to address the committee.

The CHAIRMAN. I thought this had been discussed before.

Senator GORE. Well, it never got to me.

The CHAIRMAN. As you know, I have been away. I just wondered, because we have other matters on the agenda. If you don't wish to go to vote today we might lay it aside. I would like a vote.

Mr. SPARKMAN. Senator Sparkman said that he thought maybe you were willing to vote. If you are not willing, I know we can't vote——

CANNOT FORCE A VOTE

Senator GORE. Mr. Chairman, just a minute and then I will yield.

I don't want to be put in a bad light. Before we commit ourselves, I saw last week what a resolution like this means and the Senate Appropriations Committee can do nothing about it. We authorized a spokesman to commit us and regardless of changed circumstances, Vietnam war or what not, we are obligated, we are committed to appropriate whatever this man votes for.

Now, if we are going to stick our head in the noose for another $480 million, I want to amend this original Act, and I have an amendment prepared, but it will take some time.

Senator COOPER. Mr. Chairman? May I ask a question?

The CHAIRMAN. I just want to interpret it, you don't want to vote today?

Senator GORE. That is correct.

Senator SYMINGTON. I would be willing to vote on my amendment, but, Senator Gore, who knows more about this than I do and has studied this situation, if he has an amendment that would take precedence over my amendment I would for the nonce withdraw my amendment until he has his amendment ready.

The CHAIRMAN. I am not trying to criticize anybody. We have a limited time. If the Senator from Tennessee does not wish to vote and opposes it, I know we cannot force a vote today, we might as well acknowledge it and go on to something else.

Senator GORE. I wish my amendment voted on first and it will take some time.

The CHAIRMAN. It will take more time than we have this morning.

Senator GORE. That is correct.

The CHAIRMAN. I just wanted it understood. So you understand stand it, shall we go on and take all morning and not vote?

Senator COOPER. May I ask one question?

The CHAIRMAN. Yes.

WITHOUT CONGRESSIONAL APPROVAL

Senator COOPER. In reviewing what we have done, and this is in response to some of the statements that Senator Gore has made, I will ask if this isn't correct, that if there was an agreement between a number of governments including the United States in 1964 that this Association would be set up, and it did provide for voting powers in Section 2 and forms of financing, and this agreement did provide that the Association can provide financing in such form and in such terms that it may deem appropriate having regard to economic position and prospects of their areas concerned, then we passed an Act of Congress approving this IDA in 1960, and in that Act agreed to an original subscription of $320 million to be paid over 5 years. Then there is a replenishment of that of $102 million a year.

Now, in this Act, though, it provides that the Government, and no official and no agency, could subscribe to additional funds without the consent of the Congress.

My question is, has the World Bank, the Government, the President, have we agreed with these countries that we would subscribe an additional $480 million? Did they do that without first receiving the approval of the Congress?

Senator GORE. Yes, they had no approval. They reached the agreement and now are coming and asking us to ratify.

Senator COOPER. This is a ratification, is what it is?

Senator GORE. Correct, and if I may respond to your question, I voted for IDA, I voted to approve the agreements, but at no time was it said that this was to be grant aid never to be repaid, without interest.

I have just read you the terms which the Congress approved. Here is what it says and see if you can find grant aid without interest, without repayment in this: "on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans."

Does that say give away? That describes a loan. That is more flexible, but it doesn't say without interest, without repayment. So I am saying, Senator, we have approved the articles of——

Senator COOPER. I have been listening, but my question——

Senator GORE. Such irresponsible use of the taxpayers' money which, to me, is abhorrent.

The CHAIRMAN. I wonder if we couldn't, in view of the Senator's—and, I don't criticize him at all, I mean he has a perfect right to do it, I don't see any use in going on with this, if we can't take up something else.

Senator GORE. That is all right with me.

The CHAIRMAN. Is it all right with the committee to move on to something else, because it is obvious we can't have a vote.

DESPERATE NEEDS OF UNDERDEVELOPED COUNTRIES

Senator CLARK. I would like to make a 60 second statement for the record.

I support the IDA request because I believe there is a desperate need in the underdeveloped countries for this money. I have a great deal of confidence in the fiscal responsibility of the directors of the

Bank and its president. Together with the chairman I have always favored multilateral foreign aid as opposed to bilateral aid. I think this suggested authorization is in the public interest, and I am strongly of the view that the only sensible way to bring our fiscal situation, our balance of payments, and the like, into appropriate balance is through substantial cuts in the military appropriations.

The CHAIRMAN. Well, I am for, of course, IDA, but I recognize the fact of life and we might as well go on to something else if we can't get a vote today.

Senator PELL. Mr. Chairman, before doing that, I would just like to express my regret, no point in going over the grounds, I would have hoped we could have even voted on these amendments now if they were ready.

The CHAIRMAN. They are not ready, as I understand it.

You are not ready to present them now. I would be willing to vote on that, or Senator Symington's which seems to me is all right, but I see no reason, we have only got a limited time and we have some other nominations that I thought rather than take up all the time when we cannot get to a vote we ought to go on to something else and look forward to a future meeting on this.

Is that agreeable?

All right, let's lay it aside temporarily.

NOMINATION OF JAMES R. WIGGINS

The CHAIRMAN. On the nominations you have James R. Wiggins, Representative of United States to the United Nations.

We had a hearing yesterday, What is the will of the committee?

Senator SPARKMAN. Mr. Chairman, I move it be approved.

The CHAIRMAN. Senator Sparkman moves it be approved.

Senator MUNDT. Mr. Chairman, I was at part of those hearings which were not attended very generally by members of the committee and while I am inclined to support Wiggins, I do think we owe it to ourselves and the members who didn't get a chance to hear the testimony to have the printed record before us before we act, so I suggest that we defer action at least until the hearings are printed and available for the members of the committee who have to pass on it, and who have no idea what kind of testimony was induced.

The CHAIRMAN. Well, he is quite right. I was there.

Senator CASE. I was there.

The CHAIRMAN. I made it clear that I think it was a very dubious appointment because of his own attitude, as well expressed, and I suppose if you don't wish to vote today that is a perfectly legitimate request.

Senator SPARKMAN. Mr. Chairman, I would like to be heard on that.

ABSENCE OF A TRANSCRIPT

Actually, there were six members there, maybe more than that, and the thing about it he is our principal representative up there, and he ought to be on the job as soon as possible. The General Assembly is in session now, and we don't ordinarily delay acting on appointments until the transcript is ready. In fact, I don't recall our ever having had a transcript before us.

The CHAIRMAN. Ordinarily we wait six days, we have the six-day rule. We didn't have six days.

Senator SPARKMAN. That is true.

Senator MUNDT. Mr. Chairman, I would like to say at the time there were three or four members present, I expect there were six coming and going.

Senator SPARKMAN. There were six during the time.

Senator MUNDT. It makes a travesty of the hearing. Everybody can't be at the hearing, and I would like to establish a concept when you have a hearing it is meaningful, getting it printed and very frankly I would like to read some of the testimony which I didn't get to hear and some of the testimony which was induced by exhibits, and I see nothing to be lost whatsoever in waiting a few days to get the hearings. As I say, I am inclined to vote for Wiggins. There isn't any urgency about it.

Dean Rusk, himself, is up there standing guard now.

I raised that question of what was going to happen until a successor to Ball was appointed, and it was said the Secretary, himself, is there now, he is going to keep his top deputies there when he has to leave, and I don't believe we should be stampeded into doing something blind.

The CHAIRMAN. I don't wish to influence the committee. I just simply will not vote for his approval, but if you wish to put it over, I don't believe it is an unreasonable request in view of the fact that the hearings were held only yesterday, the nomination only came up on Friday, I think, didn't it?

Senator COOPER. Mr. Chairman, may I make a short statement?

Senator HICKENLOOPER. We didn't observe the six-day rule.

The CHAIRMAN. I say we didn't object to it, and normally if anybody objects you go six days, I think that is the practice of the committee. I think it is a legitimate request.

Senator MUNDT. I don't insist on six days, John, but I want a chance to look at the hearings. I think the members of the committee ought to look at it themselves. After all, this is an important committee of Congress, and if we are going to establish a basis of confirmation to send it up on a Saturday and have a little hearing on Monday attended by six, with 15 members absent, and vote on it on Tuesday, we make ourselves laughable. What is the use of having a hearing at all?

A CONFLICT FOR SENATORS AS U.N. DELEGATES

The CHAIRMAN. I think the whole business shows rather a disrespect of the U.N. myself.

Senator MUNDT. And of this committee.

Senator COOPER. Mr. Chairman, I will be brief, Senator Symington might say something about this. As far as whatever the committee does about procedure, of course that is up to the committee.

What I say, I draw to my attention for the future, there might be a conflict for Members of the Congress to be serving as delegates to the U.N., because now we find ourselves in a peculiar position, Senator Symington and myself now have been confirmed and being members of the delegation called upon to express opinions upon another delegate and to vote or not vote on it. But I think I can express correctly what the situation is up there.

Yesterday Senator Symington and I went there because it was the first day the delegates were expected to be there, and we met with Secretary Rusk, with his Deputy and Ambassador Buffum, Mr. Sisco, who is, I think, Assistant Secretary in Charge of U.N. Affairs.

The CHAIRMAN. That is right.

A DIFFICULT SITUATION

Senator COOPER. The resignation of Mr. Ball has created a very difficult situation there, first, with respect to the organization of the delegation for the handling of the agenda. The agenda, while it has not yet been agreed upon by the Assembly, has been laid out in consultation. Mr. Buffum, particularly, Mr. Sisco, and Secretary Rusk say it is very difficult to assign subjects for various members of the delegation until some decision is reached about the chief delegate. They can't do very much until whoever he is arrives there.

That has created a difficult situation for them in preparing the work; and, second, of course, you find some, they say, unsettled opinion among other delegates as to what the United States is getting ready to do, what its position is toward the U.N., its concern for it and all that.

I raise these questions because that is what I heard yesterday, and I think you will agree with me, Senator Symington, and I think I should do that, I should think whatever action is taken should be taken as promptly as possible, that is my own feeling.

Senator HICKENLOOPER. In your trip to New York, you didn't verify the reason why Mr. Ball so precipitously resigned, did you?

Senator COOPER. No. Everybody seems to be very quiet about that. They don't want to give any reasons for it.

Mr. Chairman, if I were voting on it, I would vote for Mr. Wiggins, but I feel rather in a peculiar position being a member of the delegation and now being called upon to vote on another delegate.

The CHAIRMAN. Well, I understand the attitude of the Senator, he wants it to go over at least until tomorrow or the next day.

Senator MUNDT. Until the hearings were printed.

The CHAIRMAN. Until the hearings were printed.

NOMINATION OF PARKER T. HART

The CHAIRMAN. Then let's go on to the next item, Mr. Parker T. Hart, to be Assistant Secretary of State vice Lucius D. Battle, Lucius D. Battle has resigned.

Mr. Hart is presently Ambassador to Turkey. He is a career man, is he not?

Mr. HOLT. He is.

The CHAIRMAN. Is there any objection to Mr. Hart?

Senator SYMINGTON. In this connection, Mr. Chairman, inasmuch as that is my part of the world as one of your sub-committees, the last time I asked to put it over so I could talk to some people about Mr. Hart, and specifically to Mr. Battle, for whom I have the greatest respect, and I can report back to the committee that Mr. Battle feels that this is a good appointment.

The man is experienced and able and he thinks that he would be a worthy substitute. He thinks he would be——

The CHAIRMAN. Worthy successor.

Senator SYMINGTON. Worthy successor to his position and, therefore, I am entirely satisfied.

The CHAIRMAN. Do you move it?

Senator SYMINGTON. I would be glad to move it.

The CHAIRMAN. It has been moved that we approve Parker T. Hart.

Is there any discussion?

All in favor say aye.

[Chorus of aye]

The CHAIRMAN. Opposed, no.

[No response]

The CHAIRMAN. The ayes have it, and we have taken a vote, let the record note, in favor.

NOMINATION OF REPRESENTATIVES TO UNESCO

The CHAIRMAN. The next are the following named persons, you have it on the agenda.

Senator CLARK. Move the approval en banc of these people.

The CHAIRMAN. You heard the motion.

Senator HICKENLOOPER. Where does this meet and how often?

Senator SPARKMAN. Mr. Chairman, I think I should say this to the committee before we vote. I am in favor of all of them. We passed this out and it was brought back to the committee because of a situation involving Dr. James H. McCrocklin of Texas. That is the case where the man and the wife, the wife wrote a Master's thesis and the man wrote a Doctor's dissertation and they discovered a great deal of similarity.[1]

Now, Mr. McCrocklin came in and talked with me, and he has—there has been submitted to us documents showing just what the situation is.

Senator SYMINGTON. Who submitted them?

Senator SPARKMAN. Mr. McCrocklin is the one who came to see me. But I think the regents of the University of which he was, in which his degree was taken——

The CHAIRMAN. Is it in Texas?

Senator SPARKMAN. It was A&I.

Mr. HOLT. Mrs. McCrocklin did her thesis at Texas A & I College; Mr. McCrocklin did his doctoral dissertation at the University of Texas.

Senator HICKENLOOPER. I didn't know anybody ever read those theses.

Senator SPARKMAN. And the matter was taken up by the regents of A & I.

Mr. HOLT. The board of regents, state senior colleges of the State of Texas.

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[1] On September 25, the Senate unexpectedly returned to the Foreign Relations Committee the ten nominees as representatives to the United Nations Educational, Scientific, and Cultural Organization (UNESCO), following an objection by Senator Wayne Morse specifically to the inclusion of Dr. James H. McCrocklin, president of Southwest Texas State College in San Marcos, Texas. President Johnson, an alumnus of the college, had recently appointed McCrocklin as Undersecretary of Health, Education, and Welfare. In August, 1968, the *Texas Observer* accused McCrocklin of having plagiarized large portions of his doctoral dissertation from an unpublished Marine Corps report. McCrocklin denied the charges and returned to Southwest Texas State College, but eventually resigned under fire in Apri1 1969.

Senator SPARKMAN. Board of regents of the State.

The CHAIRMAN. Which one of them really wrote it, was it Mr. or Mrs.?

Senator SPARKMAN. Wait a minute. And the board of regents unanimously rejected the protest.

The regents then, for the whole State, for the whole educational system of Texas, were asked to act on it and they refused to take it up.

Senator HICKENLOOPER. That is the way they do things in Texas.

MARINE CORPS STUDY

Senator SPARKMAN. Well, they were working together, and she did the typing for his paper. Both of them were writing on Haiti, hers on the political and economic side, and his on the military side. There was also a question of his having used material out of the Marine study, Marine Corps study, that was made a good many years ago, and I understand there is a paper from the Marine Corps—he listed the Marine Corps document in his bibliography as source material, and I believe there is a paper from the Marine Corps.

Mr. HOLT. We have a statement from Colonel F. C. Caldwell, Head of the Historical Branch of the Marine Corps, on the subject, yes, sir.

Senator SYMINGTON. Senator, does this Texan support the conduct of this war? [Laughter]

Senator HICKENLOOPER. What did the Marine Corps say about it? You don't need to read it all; just tell us.

Mr. HOLT. The Marine Corps says they think the book is a useful reference work. It is based in large part upon the so-called Hart report. The Hart report, the book makes the essence of the Hart report, available to the general public and the serious students.

Senator SPARKMAN. And he acknowledged it as source material.

Senator MUNDT. I don't think——

Senator SPARKMAN. This is only for a three weeks assignment to Geneva.

I second the motion made by the Senator.

The CHAIRMAN. You heard the motion.

Senator HICKENLOOPER. Help out these Texas fellows, they need help. [Laughter.]

NUMBER TWO MAN AT HEW

Senator CASE. This man was appointed number two man in the Department of Health, Education and Welfare.

Senator SPARKMAN. Yes, he is serving there now and that is how it happens he was put on this delegation. Secretary Cohen came to see me, also, with McCrocklin, and he was the one who asked that he be put on this delegation to go to Geneva with him for three weeks.

Senator GORE. Mr. Chairman, I am going to reserve a vote on this until I know more about it. I read, whether correctly or not reported, or not, I don't know, that not only is his dissertation a copy of his wife's but that his wife's was a copy of a Marine Corps manual.

Senator SPARKMAN. No. He was the one dealing with the military, and he did handle the Marine Corps study and acknowledged it in his listing of such reports, and the Marine Corps said that what he did was to put it in book form and make it available to the reading public.

Whereas, the Marine Corps was purely for the Marine Corps.

Senator CLARK. I thought this was a thesis for a Ph.D. and not for the general public.

Senator SPARKMAN. It was threshed out there.

[Discussion off the record.]

Senator CASE. He sat on the three-man faculty committee that approved his wife's thesis.

Senator HICKENLOOPER. I thought you were going to say his thesis.

Senator CASE. What is the answer for that?

Senator SPARKMAN. There is an explanation for that. Only those members of the faculty who were teaching graduate studies were eligible, and there were only three there, and he came into it by accident because, I believe, the president or the number one man had died or resigned or was sick or something, and they put him into it and that——

Senator CASE. It sounds like a Lyndon B. Johnson operation all the way through. [Laughter.]

Senator MUNDT. Did I read a speech Wayne Morse gave in the Senate on this subject?

Senator SPARKMAN. Read what?

Senator MUNDT. It seems to me Wayne Morse gave a talk on this subject in the Senate. I am perfectly willing to vote for it, but——

A QUESTION OF CHARACTER

The CHAIRMAN. Gentlemen, what do we wish to do about this?

Senator CLARK. We can approve the other four.

The CHAIRMAN. You could approve the other four, if you wish.

Senator HICKENLOOPER. Why don't we let the tail go with the hide?

Senator PELL. I have a reservation here because one of the things we have to do is judge people's character in confirmation and there is a question here and——

The CHAIRMAN. Do I hear a motion?

The motion was that we approve all five of them. What does the committee wish to do?

Senator CASE. I move as a substitute we report the four.

The CHAIRMAN. The Senator from New Jersey moves we vote on four and defer McCrocklin.

Senator MUNDT. I second it.

The CHAIRMAN. What do you want to do on it?

Senator SPARKMAN. Mr. Chairman, I would just like to suggest if we are going to defer action on McCrocklin, say, until tomorrow, let's defer it on all of them, and in the meantime make the material that is here available to the members of the committee.

Senator HICKENLOOPER. I think it is a pretty good idea. It looks pretty bad.

Senator PELL. Has he been before the committee, Mr. Sparkman?

Senator SPARKMAN. No. He came to see me personally.

Senator PELL. What is your view, John? Is he an honorable man?

CLEARANCE FROM TEXAS UNIVERSITY SYSTEM

Senator SPARKMAN. I think so. I was impressed with the fellow and I believe he has got the clearance of the whole university system of Texas.

Senator PELL. I am sure of that. But did he satisfy you personally?

Senator SPARKMAN. Yes.

Senator CASE. John Cooper has a man he would rather substitute. He just asked to have the Congressional Library write his doctoral thesis. [Laughter.]

Senator SPARKMAN. He was confirmed by the Senate for his present position.

Senator MUNDT. Mr. Chairman—I thought you said, John, that the overall board of regents refused to consider it.

Senator SPARKMAN. They would not.

Senator MUNDT. They did not act on it. The local group did, but the overall board did not?

Senator SPARKMAN. That is right.

They have two systems of higher schools in Texas, the university level and then what we used to call teachers colleges, and I think they are a level of those colleges, and they have a board of regents and that is the board of regents that cleared it. Then the board of regents for the university system declined to intervene.

Senator CASE. Is it true, the colleges don't have the right to give advanced degrees? Do they?

Senator SPARKMAN. To what?

Senator CASE. The board of public colleges as opposed to the universities.

Senator SPARKMAN. Apparently they have that kind of a system.

Mr. HOLT. McCrocklin's Ph.D. came from the University of Texas, his wife's M.A. Degree came from Texas A & I.

Senator CLARK. What does "I" stand for?

Mr. HOLT. Arts and Industries.

Senator CLARK. It is not agriculture and minerals.

Senator COOPER. The board of regents which had authority over the college from which he got his doctorate, did they approve?

Senator SPARKMAN. University regents. They declined to consider the matter.

The CHAIRMAN. Which meant approval. They refused to—

Senator SPARKMAN. To intervene.

The CHAIRMAN. To intervene, as I understood it.

DESTROY A REPUTATION

Senator CLARK. Why can't we vote on all five of them? Does anybody object?

The CHAIRMAN. What is the committee's will?

Senator SYMINGTON. I want to make one observation, probably this guy may have been doing something wrong. It is only for three weeks, probably it isn't important. The man spends a life building up a reputation and we could destroy it here today and I would just like to vote, it doesn't really make any difference. It is not a very important job. The acting chairman of the committee talked with

him, thinks he is all right, and to me it just seems a little bit, relatively speaking, unimportant as to whether we do or we don't, and in this way he has got, whatever he has done wrong he has got to live with himself for the next 25 years and I just don't want to take a belt at him.

I would vote for all five.

Senator SPARKMAN. He is a relatively young man, he is president of a college while on leave and serving with HEW.

Senator CLARK. You can do this now and if anybody——

Senator CASE. Why should we build him up any more?

Senator SYMINGTON. I don't want to tear him down unless I was sure.

Senator SPARKMAN. Just his superior has asked he be assigned.

Senator CLARK. Parliamentary inquiry. What is the parliamentary situation?

The CHAIRMAN. The motion was made to confirm five and then a motion was made to confirm four.

Senator CASE. I was willing to defer action on all of them.

Senator CLARK. Let's vote on the motion.

Senator PELL. I think we ought to withdraw him until tomorrow and spend a day thinking of it.

The CHAIRMAN. All right.

Is that agreeable? Hold up action until tomorrow?

Senator SPARKMAN. On all of them?

The CHAIRMAN. On all of them. Maybe that is the best thing to do.

You want to think about it. Some of you may want to see Mr. McCrocklin.

Is it agreeable if we let them all go over until tomorrow?

Senator COOPER. Won't you have the same situation tomorrow?

The CHAIRMAN. I am perfectly willing to vote. I just want to be agreeable here. If you wish to have a vote——

Senator CASE. I am satisfied to let it be a voice vote.

The CHAIRMAN. All right.

All in favor of the substitute which is to affirm four without Mr. McCrocklin say aye.

[Chorus of aye.]

The CHAIRMAN. Opposed, no.

[Chorus of no.]

The CHAIRMAN. The noes appear to have it. The noes have it.

Now, the reverse, to the motion to confirm all five of them.

All in favor say aye.

[Chorus of aye.]

The CHAIRMAN. Opposed, no.

Senator CASE. No.

Senator GORE. No.

The CHAIRMAN. The ayes appear to have it; the ayes have it, and they are all confirmed.

NOMINATIONS TO THE UNITED NATIONS

Senator SPARKMAN. Mr. Chairman, there are three other nominations as alternate representatives to the U.N. General Assembly, United Nations.

The CHAIRMAN. The three others are alternates.

Senator SPARKMAN. They came up yesterday.

Mr. HOLT. Two are alternates and one is a delegate.

The CHAIRMAN. For what—UN?

Mr. HOLT. U.N. General Assembly. These came at the same time as the Wiggins' nomination.

The CHAIRMAN. Has anybody looked at them? Have you looked at them?

Mr. HOLT. No, sir, I just saw them for the first time this morning.

Senator HICKENLOOPER. Mr. Chairman, I think it is consistent to wait until we act on the Wiggins thing.

Senator CASE. Who are they?

The CHAIRMAN. Warner, Nash, and Denney.

Marvin L. Warner——

Senator SPARKMAN. Marvin Warner originally comes from Alabama. He now lives in Cincinnati. I recommend his appointment.

The CHAIRMAN. You know him?

Senator SPARKMAN. Yes, sir, and I endorse him completely.

Senator MUNDT. John, do you think it would look better to the press if we deferred action on all of them?

Senator SPARKMAN. I have no objection.

The CHAIRMAN. They only came up, this is the first time I saw them.

Senator SPARKMAN. Yes. I have no objection.

The CHAIRMAN. We will put them over.

ROUTINE NOMINATIONS

Mr. HOLT. There are a couple of routine lists.

The CHAIRMAN. Where are they?

Mr. HOLT. One is a routine Foreign Service list which came on September 24th, and the other is a very long list of Foreign Service Information Officers under the new law which came on September 30th.

The CHAIRMAN. September 30th?

Mr. HOLT. I have checked into the earlier routine list, well, I looked at the names on it, none of which are familiar to me.

The Foreign Service Information Officers list only came to my attention this morning and glancing over it quickly I see some familiar names. I haven't had a chance to look at all of them.

Senator HICKENLOOPER. Are they reserve or special officers?

Mr. HOLT. These are USIA people who are nominated to be information officers which is a new category of officer which the Congress just created this year.

Senator HICKENLOOPER. And that would put them in the Foreign Service, are they getting into the back door?

Senator PELL. No, this is the separate category that we passed a few months back.

Senator HICKENLOOPER. That is the bill you worked out?

Senator PELL. Yes. This is the separate corps, Foreign Service, FSIO, not FSO, Foreign Service Information Officer. They are routine lists.

Senator DODD. They may be very routine. I have never seen it. I don't know whether it is important that anybody does, but I don't

like the idea of voting in blank. I probably don't know anybody on it.

The CHAIRMAN. These are routine. Are these advancements?

Mr. HOLT. I have not gone beyond the first page of this. I see some familiar names on it. I assume these are people who have been working in USIA who are now appointed to this new category of Foreign Service Information Officer.

Senator CASE. Do we have some system for screening, spot-checking, something of this sort?

Mr. HOLT. With respect to routine lists, the staff looks at them but doesn't do any more than that, to see if we recognize people on them.

For a number of years with respect to new appointments in Class 8, which is the lowest class of the Foreign Service, the committee chose one out of 10 at random and had them up here for a hearing and that custom has fallen into disuse in the last year or two.

Senator DODD. My point is that I accept all that as being so and I don't want them to be examined, but I think it is bad practice to just never have an opportunity to look at them. Once in a million you will find out somebody you didn't think should be on there and then it is too late. I don't care, I don't know any of them.

The CHAIRMAN. These are already in the department.

Senator HICKENLOOPER. It is a question of freezing them in a new category.

Senator DODD. If I am asked to vote approval, I would like to look at it.

The CHAIRMAN. Do you wish it to go over until tomorrow and you be supplied with a list?

Senator DODD. Yes.

The CHAIRMAN. Does anybody else wish to look at the list? Senator Case?

Senator HICKENLOOPER. There is someone from Iowa on this list, that is an outstanding thing.

The CHAIRMAN. The staff will send a list——

Mr. HOLT. We will send both lists to every member of the committee.

The CHAIRMAN. All right.

Anything else?

HOSPITALIZATION OF THE STAFF DIRECTOR

For the information of the committee, Mr. Marcy, I am informed, has had to go to the hospital to have an examination of his heart. You all imposed on him to such an extent in my absence that he has now gone to the hospital.

Senator MUNDT. That isn't the way I heard it, the shock of the return of the chairman sent him to the hospital.

Senator CASE. How is he doing?

Mr. HOLT. He doesn't really know.

[Discussion off the record.]

The CHAIRMAN. Mr. Holt will be at your disposal.

Is there anything else, Mr. Holt?

Mr. HOLT. That is all this morning.

Are you going to have a meeting again tomorrow?

THE WIGGINS NOMINATION

The CHAIRMAN. Let me ask just for my own information, will the committee be ready and willing to vote on Mr. Wiggins tomorrow, or do you need more time?

Senator SYMINGTON. Mr. Chairman, I have a problem of talking to the airport operators in the country I have had for months. If we could postpone it until Friday, I wish we could.

Senator PELL. I will not be here Friday.

The CHAIRMAN. I can't be here Friday.

Mr. HOLT. The committee should be apprised there is another meeting.

The CHAIRMAN. On what matter?

Mr. HOLT. Friday is a day to hear about Biafra.

The CHAIRMAN. What about Thursday?

Senator SPARKMAN. We carried over those other persons up for confirmation with the understanding it was announced at the time we would vote tomorrow.

Senator DODD. What group? I just think it is right to look at them.

Senator SPARKMAN. I am not talking about that group. I am talking about these delegates, I am talking about Wiggins and then the three that are not on the list.

How about Thursday?

Senator CLARK. I will leave a proxy. It is very unlikely I will be here at all.

Senator SYMINGTON. If we do Wiggins on Thursday, I would leave my proxy to vote for Wiggins.

MILITARY SALES PROGRAM

Senator CLARK. What are we going to do about that military sales program, No. 4 on the agenda?

Senator SPARKMAN. Have we got time to pass it?

Senator SYMINGTON. There are a lot of us, you know—you have got quite a little money in there for Jordan, with the idea that the Israelis have a seven to one supersonic ratio now as against four to one when they hit. We won't sell them the planes that we have agreed to sell other countries, including Iran in the same part of the world on the same terms after they have once paid General de Gaulle and he has refused to deliver. The idea that we would sell military planes, military equipment, to Jordan and not to Israel at this stage, I couldn't go for that.

Senator SPARKMAN. You are going to offer an amendment, aren't you?

Senator SYMINGTON. I would be glad to offer an amendment now. The net of it would be that none of this could be sold to anybody. Everybody says the President has agreed to it, but nobody can prove it and it has been going like that.

Mr. Nixon got a lot of mileage about being the first one to recommend it; and Mr. Humphrey has recommended it, but the administration has not approved it.

My amendment if we could pass it is if at the same time they agreed to sell 50 planes to Israel on the same terms all the way around.

Senator SPARKMAN. I think we have a letter in the file from either the State Department or the Defense Department to the effect that in the conference between the President and Mr. Eshkol it was agreed that——

Senator SYMINGTON. It would be looked at. It is one of those nice things.

Senator SPARKMAN. Some kind of general language, I don't recall that it was very definite, and in the Foreign Aid Act we expressed the sense of Congress that—no, we didn't express a sense of Congress, we said it should be done.

Senator HICKENLOOPER. We authorized it.

Senator SPARKMAN. We authorized for it to be done.

Senator HICKENLOOPER. That is right, everything has been done except doing it. Nothing that hasn't been done except doing it.

Senator CLARK. How much is it—$296 million?

Senator HICKENLOOPER. $296 million is the figure.

Senator CLARK. How much is there for Israel?

Senator HICKENLOOPER. Nothing.

How much is there for Israel?

Mr. BADER. $32 million.

SALE OF PLANES TO JORDAN

Senator SYMINGTON. In the figure of $296 million is $106 million for the planes that Iran would like to buy which are exactly the same planes, the same exact terms that Israel would like to buy? In addition to which there are only three countries in the world that make these planes. One is the Soviet Union, which has been supplying the Arab countries and the other is France and Israel has paid France for the planes and France refuses to.

There is one more point that is very important, both Mr. Eshkol, his name has been used, and Mr. Dayan and Shimon Perez under no circumstances wanted materials sold to Jordan, but Luke Battle, in his able manner, persuaded the Israelis that if they didn't sell to Jordan that Jordan would become another Syria under the Soviet Union, and so the Israelis reversed their position, this is on the record before the Armed Services, and agreed that we could sell to Jordan.

Now to put out a bill here where we are selling equipment to Jordan and not selling to the Israelis, what everybody says we had planned to sell, you see, I have followed this pretty closely, and I don't understand what the position of the administration is on why they keep holding it up.

Senator CLARK. We sure shouldn't act on it today.

The CHAIRMAN. Let me get the schedule right.

AMENDMENTS TO THE IDA

I wonder, first, the most important one is IDA, Senator Gore, can you have your amendments prepared and circulated before the next meeting?

Senator GORE. When, is it, Friday?

The CHAIRMAN. Thursday or Friday.

Senator GORE. Yes, I can.

Senator SPARKMAN. The only way we can meet Friday is to move that subcommittee meeting, he announced it about two weeks ago.

Senator CLARK. You won't have any quorum here Friday if you get through military appropriations.

Senator SYMINGTON. You will have a quorum if you have a cloture vote.

The CHAIRMAN. Is Thursday all right with you?

Senator SYMINGTON. It is bad for me.

The CHAIRMAN. Senator Gore, can you get your amendments in?

Senator GORE. By Friday, yes.

Senator SPARKMAN. By Thursday?

Senator GORE. That is a little tough. The Vice President is speaking in my State tonight and I have to go down to join him.

Senator COOPER. When do you expect to vote on Wiggins?

The CHAIRMAN. That is what I am trying to find out.

What can I tell the press?

Senator PELL. Why don't we do the confirmations on Thursday?

The CHAIRMAN. Have a meeting on Thursday for confirmations and Friday on IDA. Is that okay?

Senator MUNDT. Wait a minute, Mr. Chairman. That presumed now, we deferred it to give us a chance to have the hearings printed and ready.

The CHAIRMAN. Won't those hearings be printed? Won't they be ready in the morning? They are not very long.

Mr. HOLT. Having them tomorrow would possibly be rushing things a little bit. I think we could. have them Thursday.

Senator SYMINGTON. I would like to take a look at what I said.

The CHAIRMAN. We will make an effort to get them tomorrow. They are not very long. They didn't take up very much time. But I will say they plan to vote on Wiggins on Thursday and IDA on Friday.

Is that agreeable?

Senator GORE. You are going to vote on my amendment on Friday?

The CHAIRMAN. Vote on Senator Gore's amendment on Friday.

Senator SYMINGTON. I did say this IDA amendment I was ready to vote on it, but I held it up so that Senator Gore's amendment could be voted on.

Senator COOPER. What about military sales?

The CHAIRMAN. What are the views on that?

For the record, I shall vote for Senator Symington's amendment and for IDA. If I am not here, I will leave my proxy.

Senator GORE. Will you give your proxy to me? [Laughter.]

The CHAIRMAN. Now, listen, we vote on Wiggins on Thursday and we will vote on the Gore amendment on IDA on Friday and the military I don't care about. Who wants to vote on that on Friday?

Senator SYMINGTON. I think we ought to discuss that a little bit to find out about this chatter on what they are going to do.

Senator SPARKMAN. Let's leave it on the agenda because if we—

Senator SYMINGTON. In the meantime maybe the staff can find out if there is any definite commitment what it is.

SETTING PRECEDENTS WITH THE ALTER CASE

The CHAIRMAN. I would like to ask the staff to give some attention on that first item of Alter. I would like to help people, but I

don't think we ought to set precedents for handling all kinds of private bills. There ought to be some recommendation on that insurance arrangement. Can you make a recommendation on that before the next meeting?

Senator COOPER. Mr. Chairman, can I make a suggestion on that for the consideration of the committee?

Of course eventually it will have to be handled by some change in insurance but with respect to this case, it seems to me someone could look at this record of expenditure, you know, and what has actually been expended, and then we might, this is what I would like to see myself, might make an authorization up to a specific time, say next year, as Senator Case has suggested, that medical evidence might show that it will just go on and on forever, and they would probably have to put him in an institution.

Senator SYMINGTON. Mr. Chairman, this is a terrific problem from the standpoint of precedent. You have all these kids fighting and dying in Vietnam.

Senator COOPER. Well, it is a pitiful case and think of all the rest of the money we give away? I think if they would look into this schedule of expenses they have and what is necessary for the next three or four months, it would seem three practical nurses might not be necessary. Two, for example, might be all that are needed, and that the charge might not be that much. I think the registered nurse, I have just been in the hospital, I know what it cost me, it cost me $35 a day for a registered nurse, so they are charging about the same amount. Look into the accounts and then if we do anything limit it to the next four or five months and by that time you get medical evidence and it might be necessary for him to go into an institution.

Senator SYMINGTON. You will have an awfully tough time passing this one on the floor, in my opinion.

Senator COOPER. It is a pitiful case.

The CHAIRMAN. Staff, will you do the best you can to get that down?

Is that all?

Senator PELL. On Thursday we will consider the Foreign Service nominations, too?

The CHAIRMAN. Yes, the Foreign Service nominations along with Wiggins.

Mr. HOLT. Are these meetings for 10 o'clock each day?

Senator SYMINGTON. I would like to leave my proxy for reporting out Mr. Wiggins and the Foreign Service.

The CHAIRMAN. They suggested a meeting be at 10:30.

Without objection, it is 10:30 on Thursday and on Friday.

[Whereupon, at 12:05 p.m., the committee recessed, to reconvene at 10:30 a.m., Thursday, October 3, 1968.]

# NOMINATIONS

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**Thursday, October 3, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:45 a.m., in room S–116, the Capitol, Senator John J. Sparkman presiding.

Present: Senators Sparkman, Gore, Lausche, Dodd, Pell, Hickenlooper, Case, and Cooper.

Also present: Mr. Holt of the committee staff.

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Senator SPARKMAN. Can't we take up these lists?

There is no objection.

THE WIGGINS NOMINATION

Can't we take up Wiggins' nomination to the U.N. General Assembly?

Bill Fulbright told me that he would vote against Wiggins but he would not make any fight on him.

Senator HICKENLOOPER. Well, personally, I don't think it is a good appointment, but I don't think that strongly enough to make any fight over it. I would have no objection.

Senator SPARKMAN. May we approve——

Senator HICKENLOOPER. May we approve——

Senator SPARKMAN. I don't know as he has had any public experience at all. He has been a biased newspaperman all his life.

Senator SPARKMAN. May I say, then, without objections the nominations in One and Two—One will be approved? That is Wiggins as the Permanent Representative, and Denny to serve in the General Assembly; Nasher and Warner to serve as Alternate Delegates.

Senator SPARKMAN. Then the routine Foreign Service Officer list.

Senator HICKENLOOPER. We have to have one from Texas on every delegation.

Senator SPARKMAN. On the routine Foreign Service Officer list, if there is no objection——

Senator CASE. Does anybody know anything about Denny or Nasher or Warner?

Senator SPARKMAN. I know Warner. He is an Alabama boy who has been living in Ohio for about 10 years.

Mr. HOLT. There is a biographic data sheet in your folder.

CHECKING WITH SENATORS FROM THEIR STATES

Senator CASE. Nobody has objected. The Senators of the states concerned say they are okay.

Senator SPARKMAN. I don't think they check these out with the Senators when they send in things like that.

Now, Senator Lausche asked me about Warner, and he was wondering why the President hadn't checked it with him, and I told him probably that I might be at fault on that because Warner has lived all of his life in Alabama until a few years ago and I was the one who recommended him to the President. However, I don't think they check these out with the Senators at all. Do they?

Mr. HOLT. No.

Senator CASE. I think it would be a good idea if they did in the future.

Mr. HOLT. There was no objection.

Senator SPARKMAN. I think probably it is a courtesy that ought to be done.

HOLT. We check ambassadors.

Senator CASE. Could we just sort of make a note of this for the committee.

Mr. HOLT. Sure.

Senator SPARKMAN. I think it would be well to tell them down there.

Senator CASE. I take it Frank is all right.

Senator SPARKMAN. He left his proxy with me.

Senator CASE. I move they be approved.

Senator SPARKMAN. Without objection, it will be done.

AN AGREEMENT ON IDA AMENDMENTS

Now, Albert and Stu Symington worked out an agreement satisfactory to them on IDA and, as I understand it, it incorporates Stu's amendment, the original amendment.

Mr. HOLT. I am not sure. Senator Symington telephoned me about this yesterday and said that he would be agreeable for the committee to report IDA tomorrow with certain amendments. Senator Gore has some amendments which are still in the process of being drafted.

Senator SPARKMAN. They told me, both told me they saw no reason why we shouldn't take it up today if we wanted to. Stu wants us to hold military sales until tomorrow.

Mr. HOLT. He indicated to me yesterday afternoon he was of the belief that IDA would be acted on tomorrow, too, and also requested that the filing of the report be delayed.

Senator SPARKMAN. That is right.

Mr. HOLT. Until a week from tomorrow.

Senator SPARKMAN. That is right.

Senator HICKENLOOPER. A week from tomorrow?

Senator CASE. We can't act on it in this session.

Mr. HOLT. It is up to the committee. This is what he told me.

Senator CASE. There is not much point in our reporting it if we are going to delay the report because it will be obvious we have delayed action.

Senator SPARKMAN. The Secretary of the Treasury would find it most helpful if the committee has reported it out.

Senator CASE. That is the way I understand.

Senator SPARKMAN. Isn't he leaving for some conferences or having some conferences?

Mr. HOLT. The World Fund and Bank are here this week.

Senator DODD. Are you talking about Mr. Wiggins?

Senator SPARKMAN. No, we are talking about IDA.

Senator HICKENLOOPER. Well, now, if Gore and Symington are so interested in this as much as they are, I think they ought to be here.

Senator SPARKMAN. Symington talked with me and so did Albert talk with me and they also talked with Mike Mansfield and I talked with Mike, and I hope Gore will be in here because I know he definitely told me that he saw no reason why we shouldn't take it up today.

Senator HICKENLOOPER. So their views could be on the record here.

Mr. HOLT. On Tuesday the committee agreed that it would consider nominations and this Alter matter this morning and IDA and sales bill tomorrow, and it was with that prospect that Senator Symington went to St. Louis today.

Senator Gore is on his way over here now.

Senator CASE. I think we did have a general understanding.

Senator COOPER. I know what the Symington amendment is. What is the amendment by Senator Gore?

Senator SPARKMAN. He is not offering an amendment, I don't believe.

Senator COOPER. Then the only amendment is Symington's.

Senator SPARKMAN. He is going to agree to report it with the Symington amendment.

WASHINGTON POST EDITORIALS

Senator DODD. Mr. Chairman, I have a Judiciary Committee meeting and I have one matter that I am concerned with, the matter of the appointment of the District Attorney, and I would like to be at it. Is it planned to call up the nominations?

Senator SPARKMAN. We have called them up, Tom, we talked about that a little bit. Cliff made a motion that we approve them.

Senator DODD. I was reading something. I wasn't going to object.

But I would like the record clear—I have no disposition to hold up nominations. However, I did say at the hearing, I believe I did, that I would like a chance to look at the editorials written or which were printed in the Washington Post while Mr. Wiggins was the editor, and I have looked at some but there are many more, that I want to look at.

I would simply like on the record to reserve my own opinion about this matter. I don't think I have any difficulty. I don't know, but I would rather abstain from voting at this time with the understanding if I find something or feel strongly I will notify the chairman of the committee to that effect. I hope I would have the right to have my independent view no matter what the committee does, and express it, if I feel that way. I don't know that I will.

Senator SPARKMAN. Sure. That is on the record.

TREASURY ACCEPTED THE SYMINGTON AMENDMENT

Senator CASE. Mr. Chairman, may I ask if you know whether the Treasury thinks it will be helpful to have IDA reported with the Symington amendment? I would almost rather not have it reported at all.

Senator SPARKMAN. No, they agreed the other day when the Symington amendment was suggested it would be all right, the original Symington amendment.

Senator CASE. To match what they put in.

Senator SPARKMAN. Not to exceed $160 million a year.

Senator CASE. That is all right.

Senator SPARKMAN. Yes, that is all right.

Now, Albert, I understood from my conversation with you and Stu yesterday that you all were agreeable to report this out with the Symington amendment, and with the hold-up on submitting a report, and that you—as I understood you it was agreeable to go ahead and take it up today, is this right?

Senator CASE. I move we report it and leave it to the chairman to file the report.

Senator GORE. Leave it to the chairman and the Majority Leader.

Senator COOPER. I want to vote against the Symington amendment and I will leave my proxy.

Senator SPARKMAN. Cliff's motion is to report it out with the Symington amendment.

Senator CASE. I am against the Symington amendment. I assume we have adopted the Symington amendment which I am opposed to. I would like to have on the record that I am opposed to the Symington amendment.

Senator COOPER. I would like the record to show that I am opposed to the Symington amendment.

Mr. HOLT. The committee has ordered the IDA bill reported with the Symington amendment.

Senator SPARKMAN. The original Symington amendment.

Mr. HOLT. Yes.

Senator CASE. Whatever that is.

Mr. HOLT. The one that requires the World Bank to match out of the surplus.

Senator SPARKMAN. Not to exceed $160 million.

Mr. HOLT. Right. The staff needs guidance as to when to file a report.

Senator SPARKMAN. We will work that out.

Senator CASE. The chairman will advise the staff.

Mr. HOLT. Fine. We will wait to hear from Senator Sparkman.

THE ALTER CASE

Senator SPARKMAN. Now, on this Alter Case that is listed on our agenda for today.

Mr. HOLT. Could I say something on that?

Senator SPARKMAN. Yes, I would sure like for you to do so.

Mr. HOLT. You have in your folders—on Tuesday, the staff was asked to look at this matter further and make some recommendations taking into account the equities of the situation, and the problem of establishing a precedent. We have done that, and sug-

gest to the committee that the bill be reported with two amendments, one of which would put a limit of $60,000 on the liability of the Government. This would just about cover the estimated cost of the boy's treatment. And the second one would make it clear that the Government would not pay a second time for expenses which have already been paid by the insurance company, and that the committee report point out this language which is in this memorandum, or the substance of it. There are really—there are two gaps in the protection available to people in the Alter boy's class. One of them is in the Foreign Service Act; the other is in the Federal Employee's Benefits Program. There are a very limited number of cases which fall in the gaps, in which the Alter case is by far the most serious, it is the only one of this magnitude that has come to anybody's attention, and it is suggested that the committee report say that next year the committee will give attention to revising the basic law to take care of situations like that, but, at the same time, the committee feels that the Alter Case is so unique the passage of this bill would not in itself create a precedent to the espousal of additional claims.

UNITED STATES SENATE

COMMITTEE ON FOREIGN RELATIONS

*STAFF MEMORANDUM*

S. 2969, "For the relief of David E. Alter III, and his parents, Mr. and Mrs. David E. Alter, Junior."

At the meeting on October 1, the committee asked the staff to make recommendations concerning this bill in an effort to provide relief without opening the way for a number of similar bills.

The staff recommends the following:

1. The bill be reported with amendments which would:

   A. Put a limit of $60,000 on medical expenses to be reimbursed by the Government. (Expenses already incurred by the boy's father, plus those estimated over the next three years by his doctor, not otherwise provided for, amount to approximately $59,000,)

   B. Make it clear that the Government will not pay a second time for expenses already paid by the insurance company. (This is probably not necessary in view of an opinion by the Comptroller General, but it meets a point raised by the Civil Service Commission.)

2. The committee report include statements to the following effect:

   There are two gaps in the protection available to Foreign Service officers and employees and their dependents abroad against catastrophic medical expenses. One of these gaps is found in the Foreign Service Act which provides (in Sec. 941(b)) that the Government will pay for the first 120 days of treatment of a dependent and may pay beyond 120 days when the illness or injury is clearly caused by the fact that the dependent is or has been located abroad. (Note that this limitation applies only to dependents.) Since this provision was enacted in 1958, from two to six cases a year have arisen in which a dependent has required treatment beyond 120 days and in which a finding has not been made that the cause is clearly related to the dependent's presence overseas. Without exception, these cases have arisen from accidents, and the failure to make the requisite finding has been based on the fact that accidents happen in the United States, too. However, this ignores the fact that accident victims in the United States generally receive more prompt and adequate medical attention, thereby hastening their recovery and reducing complications. In the next Congress, the committee intends to give consideration to amending the Foreign Service Act to take account of this gap, especially in the less developed countries.

   In most of the cases referred to in the preceding paragraph, the Foreign Service Officer or employee's insurance has been adequate to pay the additional costs beyond those borne by the Government. In both the severity of

the injury and the magnitude of the costs involved, the Alter case is clearly an exception. Data submitted to the Foreign Relations Committee by the Agency for International Development indicate that the dollar limit on protection provided under the Federal Employee Health Benefits Program could be removed at a minimal additional cost—in the case of the Aetna indemnity plan high option, no more than 7 cents per employee and 10 cents per dependent per month. The committee recommends that the appropriate committees of the Congress give consideration to revising the Federal Employee Health Benefits Program accordingly.

As indicated by the data presented above, the committee feels that the Alter case calls attention to a larger problem which deserves consideration by the Congress. At the same time, the committee feels that the Alter case is so unique that passage of the pending bill would not in itself create a precedent for the espousal of additional claims.

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NOT A PRECEDENT

Senator HICKENLOOPER. That is all right, Pat, but it is a precedent and I think maybe I will vote for this thing. But just to put in the bill it is not a precedent doesn't mean it won't be. It will be used as a precedent on a case which comes again.

Senator GORE. I wish to be recorded against it, Mr. Chairman.

Senator CASE. Is the limit of $60,000 the absolute limit at least as far as our action and we are saying that the Government will pay no more than $60,000 and no matter what is spent hereafter?

Mr. HOLT. That is correct.

Senator HICKENLOOPER. That is correct. That is what it is. It is a tragic case.

Mr. HOLT. Well, not in excess of $60,000, but a portion of that will be for costs which will be incurred in the future.

Senator CASE. Yes, but I mean the total we are going to pay will cover both past and prospective?

Mr. HOLT. That is correct.

Senator SPARKMAN. The insurance company still pays a maximum of $4,000 a year, is it?

Mr. HOLT. Yes, sir. The insurance company paid initially $40,000, and then it pays an additional $2,000 per year.

Senator SPARKMAN. $2,000?

Mr. HOLT. Yes.

HOUSE ACTION

Senator HICKENLOOPER. What will the House do with this one? The House has to pass it.

Mr. HOLT. As a practical matter, probably nothing at this stage in the session.

Senator HICKENLOOPER. Didn't the House throw out Senate bills which appropriated money?

Mr. HOLT. This isn't an appropriation, it is an authorization, the authorization to have the Department of State pay it out of funds which it has available.

Senator SPARKMAN. It is proposed by an amendment to the Foreign Service Act and perhaps by an amendment to the Civil Service Act that these gaps you mentioned be closed, isn't it?

Mr. HOLT. That is correct, yes.

Senator SPARKMAN. I think it is a pretty moderate method of handling a very distressing matter.

Senator HICKENLOOPER. Well, it is a tragic case.

Senator SPARKMAN. Without objection we will report it with the limitations suggested by the committee.

Senator CASE. Just as a matter of interest, how did you come to the $60,000 limit because that is almost what they already paid out?

Mr. HOLT. Well, they have paid out already approximately $29,000, a little more than $30,000, and the boy's doctor estimates that over the next three years the costs will be approximately $27,000 or $28,000, you add all of this together and you get a total liability of the family of $59,000, so we rounded it off to $60,000.

Senator CASE. I think it is a little high, frankly. I thought this was almost what they had incurred already and from now on they would have to do what everybody else would have to do—

Senator HICKENLOOPER. This cuts it off at the end of three years, it is hopeless. These three years so far as anybody knows apparently doesn't end his disability.

Senator CASE. I know. It is a terrible thing, and I don't mean to be awfully rough about it, but this means just keeping a guy who is a vegetable in a house for three years.

Mr. HOLT. I have a doctor's report out here.

Senator CASE. Just tell me what it is.

Mr. HOLT. He is not quite a vegetable. He has shown improvement over a period of the last almost three years it has been since the original accident. He can now walk with assistance, he can say very simple words and the attending neuro-surgeon says the progress is slow but worthwhile to continue treatment.

Senator CASE. Okay.

Senator SPARKMAN. Without objection, then, we will report the bill as recommended by the staff.

Anything else?

MILITARY SALES

Tomorrow morning that leaves only military sales.

Mr. HOLT. Military sales.

Senator SPARKMAN. Symington won't be here until 11 o'clock. So I don't suppose there is any need of meeting until he gets here.

Mr. HOLT. Unless you want to consider other aspects of the bill aside from the point that is bothering him. He has instructed the staff to draft an amendment to the bill which, presumably, he will offer tomorrow.

Senator SPARKMAN. Albert, as I understand, you are against the whole bill on military sales or where did I get the idea?

Senator GORE. I think I am.

Senator SPARKMAN. And the chairman is against it, and Church is against it.

Senator GORE. I will not be here tomorrow, and I wish you to vote me against it.

Senator SPARKMAN. I will.

Senator CASE. Symington has an amendment on this one, hasn't he?

Senator SPARKMAN. Yes, he wants to make it certain that Israel will get a fair break on planes.

Senator CASE. I would have to associate myself with Symington. And Bourke wants to do that, too. [Laughter]

Senator SPARKMAN. Bourke wants an outright direction to them to sell.

Senator HICKENLOOPER. I want them to get a fair break, but I think when we put that provision in the law then they have us. We have no wiggle room at all on that.

Senator PELL. I may not be here tomorrow, so I was hoping you would vote my proxy for IDA.

Senator SPARKMAN. He already voted it out.

Senator HICKENLOOPER. There are complications.

Senator PELL. Vote me against the military sales bill.

Senator SPARKMAN. Okay.

BRITISH COMMON WEALTH MEETING

Every so often the British Commonwealth nations meet, you have attended it, Clay, and it is meeting this year in Nassau on October 31st. It runs for about a week, but they invite us to come in, we are there only by invitation each time, and the two days that would be on for us to participate would be October 31st and November 1st. We don't have anybody scheduled to go yet. I have talked to several and we would like to have somebody from the Foreign Relations Committee go. It is a very interesting meeting, I have attended one.

Senator HICKENLOOPER. I have attended several.

Senator SPARKMAN. Why don't you go this year?

Senator HICKENLOOPER. Put me down to go, with uncertainty. A whole lot like this Berlin trip, I wanted to go there but I just can't make it.

[Discussion off the record.]

Senator SPARKMAN. Shall we meet at 10:30 tomorrow?

[Whereupon, at 11:15 a.m., the committee recessed, to reconvene at 10:30 a.m., Friday, October 4, 1968.]

# PROVIDING FOR A U.S. CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

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**Wednesday, October 9, 1968**

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, DC.*

The committee met, pursuant to notice, at 10:45 a.m., in room S–116, the Capitol, Senator John Sparkman (chairman) presiding.

Present: Senators Sparkman, Mansfield, Hickenlooper, Aiken, and Lausche.

Also present: Mr. Holt and Mr. Bader of the committee staff.

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Senator MANSFIELD. Gentlemen, I move that the military sales bill be reported out favorably.

Senator SPARKMAN. Without objection, it is so ordered.

PSYCHOLOGICAL EFFECT OF REPORTING OUT IDA

Senator LAUSCHE. What about IDA?

Senator MANSFIELD. I think we had better explain this.

Mr. HOLT. On that point you might consider as to whenor if.

Senator MANSFIELD. I would suggest, gentlemen, that the report not be filed, and IDA not be reported until the chairman has had a chance to talk with Senators Gore and Symington. The reason I make that suggestion is that Bill Fulbright came to me and said that the Treasury Department, I don't think he mentioned any name, would at least like to get IDA reported out and it would have a good psychological effect. He asked would I object to that if that was done and no action Was taken on the floor. I said if that is the best we can get, why, I will go along.

I talked to Senator Symington about it.

Senator HICKENLOOPER. Didn't we vote on that?

Senator MANSFIELD. That is right. Now, the Treasury Department—I said yes, if that is the best we can do I will go along with it and there will be no action on the floor. I said that to Senator Symington. That was part of the agreement to get it out. It was my understanding if it hadn't been reported out on that basis that they would still be here debating and talking about, this matter and it would still be before us. I feel that I have got a commitment to those two people and to the committee. I feel that commitment must be honored, and now the Treasury says in the person of Joe Fowler that he in effect knew nothing about it, had nothing to do

with it, wasn't contacted personally and didn't see anybody. So it places all of us in a very embarrassing position, and it is on that basis that I ask that the report not be completed and filed, and the bill not be reported.

Mr. HICKENLOOPER. I thought that was the understanding when we voted.

Senator SPARKMAN. It was.

Mr. HOLT. If I may, the understanding when the committee voted was that the report would be delayed.

Senator HICKENLOOPER. Delayed, that is correct.

Senator MANSFIELD. But the idea behind the delay was—

Senator SPARKMAN. No action.

Mr. HOLT. That it would not come up on the floor, that is correct. But there was discussion as to how long the report should be delayed, and that question was let hanging.

Senator LAUSCHE. What does Fowler say?

GETTING AN EXTENSION

Senator MANSFIELD. He wants it passed now. He wants it passed right away. He says the world is going to wrack and ruin if something isn't done, and of course all those who will be the recipients will be the same thing. He has got an extension until December 30. There is no reason why we can't get another extension next year and we can take it up in the next session.

Senator HICKENLOOPER. The world has been going to wrack and ruin every time there is a bill that administration wants.

Senator MANSFIELD. That is right.

Senator HICKENLOOPER. If we don't pass that bill we are going to go to wrack and ruin.

Senator SPARKMAN. I thought you were going to say as long as the Democrats are in control.

Senator HICKENLOOPER. I didn't want to go quite that far but I will.

Senator MANSFIELD. I do make that suggestion, that there be a little delay in reporting out the report until you have a chance to talk to Gore and Symington.

Senator SPARKMAN. Fowler did want this committee to understand, though, that he was not a party to that agreement.

Senator HICKENLOOPER. Who was the party to the agreement?

Senator MANSFIELD. Could we ask Pat to call Bill Fulbright?

Senator SPARKMAN. Bill Fulbright is the one that talked with me.

PENTAGON AMENDMENT

Mr. HOLT. Mr. Chairman, in connection with the military sales bill, I take it the committee wants to report it without any amendments, but perhaps I should bring to the committee's attention one amendment anyway, which has been proposed by the Pentagon itself, which is more or less technical in connection with an amendment which was added in the House.

Senator HICKENLOOPER. If it is more or less technical, I begin to be afraid of it.

Senator MANSFIELD. If this is the House bill, for God's sake don't change it. They are lucky to get it this way.

Mr. HOLT. This has to do with the House amendment relative to the seizure of fishing boats, and the administration would want or originally proposed an amendment which would dilute the House action.

Senator MANSFIELD. We haven't got the time.

Senator SPARKMAN. Not at this time.

Pat, doesn't that clear our docket?

Mr. HOLT. There is one other thing I am committed to bring to your attention.

INTERNATIONAL AERONAUTICAL EXPOSITION

This is a House bill, H.R. 12012, which came over from the House on October 1. It is to authorize Federal sponsorship of an international aeronautical exposition in the United States. It was handled in the House by the Armed Services Committee, and Mr. Rivers has had me called twice in the last three days to express his extreme interest in getting Senate action on this.

I told him that I would bring it to your attention but I was very dubious about committee action at this date.

Senator LAUSCHE. What does it involve?

Mr. HOLT. It involves authorizing Federal sponsorship of an international aeronautical exposition in the United States.

Senator AIKEN. Where?

Mr. HOLT. A location of the President's choice.

Senator SPARKMAN. At what expense?

Mr. HOLT. I don't believe there is—$750,000 is authorized.

Senator LAUSCHE. That is initially. What does that cover.

Senator SPARKMAN. That is to begin with.

Mr. HOLT. We have had no comments. We have asked the executive branch to comment on this. We haven't received any.

I was not even aware of the existence of this problem until just a couple of days ago.

Senator AIKEN. Pat, it isn't any problem to us.

Senator SPARKMAN. I think it is something that we would want to have some hearings on.

Mr. HOLT. That is all we have got.

Senator SPARKMAN. We have accomplished a lot here and I want to express my appreciation to all of you who have been so cooperative. It has been kind of a rocky road.

[Whereupon, at 10:50 a.m., the committee adjourned.]

# APPENDIX A

## COMMITTEE ON FOREIGN RELATIONS PUBLICATIONS FOR 1968:

### HEARINGS, COMMITTEE PRINTS, SENATE DOCUMENTS, AND REPORTS

#### HEARINGS PRINTED IN 1968

| | |
|---|---|
| Feb. 6, 1968 | Amendments to the OAS Charter |
| Feb. 19, 21, 26, and Mar. 7. 1968 | The Nature of Revolution. |
| Feb. 20, 1968 | The Gulf of Tonkin, the 1964 Incidents. |
| Feb. 27, 1968 | Asian Development Bank Special Funds, Part 2. |
| Feb. 27, 28, 29, Mar. 1, 4, 5, and 6, 1968 | Survey of the Alliance for Progress. |
| Mar. 11 and 12, 1968 | Foreign Assistance Act of 1968, Part, 1—Vietnam. |
| Mar. 13, 14, May 14 and 17, 1968 | Foreign Assistance Act of 1968, Part 2. |
| Mar. 19, 1968 | Arms Control and Disarmament Act Amendment, 1968 |
| Mar. 20, 1968 | Present Situation in Vietnam. |
| Mar. 25, 1968 | Inter-American Development Bank Capital Stock. |
| Mar. 26, Apr. 4 and 5, 1968 | International Grains Arrangement of 1967. |
| Apr. 23, 1968 | Peace Corps Act Amendments of 1968. |
| Apr. 30, 1968 | Tax Conventions with the Philippines and France. |
| May 1 and 2, 1968 | United Nations Peacekeeping. |
| May 9, 1968 | Defense Department sponsored foreign affairs research, Part 1. |
| May 13, 1968 | Special Drawing Rights in the International Monetary Fund. |
| May 21, 1968 | Increased resources for International Development Association. |
| May 27, 1968 | Long Staple Cotton. |
| May 28, 1968 | Defense Department sponsored foreign affairs research, Part 2. |
| June 4 and 12, 1968 | International Coffee Agreement, 1968. |
| June 20, 1968 | Foreign Military Sales. |
| July 10, 11, 12, and 17, 1968 | Non-Proliferation Treaty. |
| Sept. 30, 1968 | Nomination of James Russell Wiggins. |
| Oct. 4, 1968 | Nigerian-Biafran Relief Situation. |

#### COMMITTEE PRINTS

| | |
|---|---|
| Jan. 15, 1968 | Survey of the Alliance for Progress: Problems of Agriculture. |
| February 1968 | Background Information on the Committee on Foreign Relations. (Revised Edition.) |
| February 1968 | Stalemate in Vietnam: Report by Senator Clark. |
| Mar. 11, 1968 | Legislation on Foreign Relations: Joint Committee Print. |
| Mar. 29, 1968 | China and the Vietnam War—Will History Repeat Itself? Report by Senator Clark |
| March 1968 | Background Information Relating to Southeast Asia and Vietnam (4th revised edition.) |
| March 1968 | Congressional Inquiry into Military Affairs. |
| Apr. 23, 1968 | Thirteenth Meeting of the North Atlantic Assembly. |

**HEARINGS, COMMITTEE PRINTS, SENATE DOCUMENTS, AND REPORTS**—Continued

| | |
|---|---|
| May 2, 1968 | Indonesia: Sick Man on the Mend: Report by Senator Clark.nce for Progress: Labor Policies and Programs. |
| July 1968 | Czechoslovakia 1968: Report by Senator Pell. |
| September 1968 | Vietnam and the Paris Negotiations: Report by Senator Mansfield. |
| September 1968 | Czechoslovakia: Confrontation and Crisis: Report by Senator Mansfield. |
| September 1968 | The Situation in Czechoslovakia and U.S. Forces in Europe. Czechoslovakia: Confrontation and Crisis: Reports by Senator Mansfield |
| Oct. 15, 1968 | U.S. Troops in Europe: Report of the Combined Subcommittee on Foreign Relations and Armed Services Committees on the subject of U.S. Troops in Europe. |

**SENATE DOCUMENTS**

| | |
|---|---|
| S. Doc. 42, Aug. 7, 1967 | Canada-United States Interparliamentary Group: Report on 10th Meeting. |
| S. Doc. 83, June 17, 1968 | Canada-United States Interparliamentary Group: Report on 11th Meeting. |

**SENATE REPORTS**

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|---|---|
| S. Rept. 1088 (H.R. 14940) Apr. 10, 1968 | Arms Control and Disarmament Act Amendments, 1968. |
| S. Rept. 1095 (S. 2914), Apr. 29, 1968 | Authorizing the further amendment of the Peace Corps Act. |
| S. Rept. 1131 (H.R. 15364) May 16, 1968 | Participation by United States in the Inter-American Development Bank |
| S. Rept. 1148 (S. 1578) May 27, 1968 | International Union for Publication of Customs Tariffs. |
| S. Rept. 1164 (H.R. 16911) June 4, 1968 | Special Drawing Rights |
| S. Rept. 1277 (S. 1975) June 21, 1968 | Extra Long Staple Cotton Import Quota. |
| S. Rept. 1444 (H.R. 18065) July 19, 1968 | Foreign Service Buildings. |
| S. Rept. 1479 (H.R. 15263) July 26, 1968 | Foreign Assistance Act of 1968. |
| S. Rept. 1575 (H.R. 16175) Sept. 18, 1968 | International Center Complex. |
| S. Rept. 1612 (S. 2969) Oct. 3, 1968 | Relief of David E. Alter III. |
| S. Rept. 1632 (H.R. 15681) Oct. 9, 1968 | Foreign Military Sales Act. |
| S. Rept. 1670 (S. 3378) Oct. 11, 1968 | Increased U.S. participation in the International Development Association. |

EXECUTIVE REPORTS

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| Ex. Rept. 1 (Ex. L, 90μ091) Apr. 4, 1968 | Amendments to the Charter of the Organization of American States. |
| Ex. Rept. 2 (Ex. P, 90μ091) Apr. 29, 1968 | Convention on International Exhibitions. |
| Ex. Rept. 3 (Ex. 0, 90μ091) May 9, 1968 | Convention on the International Hydrographic Organization. |
| Ex. Rept. 4. (Ex. C, 90μ092) May 9, 1968 | Amendments to the International Convention for the Safety of Life at Sea. |
| Ex. Rept. 5 (Ex. S and N, 90μ091, and Ex. D, 89μ091) June 4, 1968. | Tax Convention with Brazil, France, and the Philippines. |
| Ex. Rept. 6 (Ex. A, 90μ091) June 21, 1968 | International Grains Agreement of 1967. |
| Ex. Rept. 7 (Ex. D, 90μ092) June 6, 1968 | International Coffee Agreement, 1968. |
| Ex. Rept. 9 (Ex. H, 90μ092) Sept. 26, 1968 | Nonμ09Proliferation Treaty. |
| Ex. Rept. 10 (Ex. E, 90μ092) Sept. 27, 1968 | Convention on Foreign Arbitral Awards. |
| Ex. Rept. 11 (Ex. I, 90μ092) Sept. 27, 1968 | Convention on Transit Trade of Landμ09Locked States. |
| Ex. Rept. 12 (Ex. G, 90μ092) Sept. 27, 1968 | Convention on Customs Cooperation Council. |
| Ex. Rept. 13 (Ex. F, 90μ092) Sept. 27, 1968 | Protocol to Geneva Radio Regulations. |
| Ex. Rept. 14 (Ex. K, 90μ092) Sept. 30, 1968 | Protocol relating to Refugees. |
| Ex. Rept. 15 (Ex. J, 90μ092) Oct. 4, 1968 | Rescue and Return of Astronauts. |

# APPENDIX B

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**Volumes Published to Date in the Historical Series**

Legislative Origins of the Truman Doctrine.
Foreign Relief Act: 1947.
Foreign Relief Assistance Act of 1948.
The Vandenberg Resolution and the North Atlantic Treaty.
Military Assistance Program: 1949.
Extension of European Recovery Program: 1949.
Economic Assistance to China and Korea: 1949–50.
Reviews of the World Situation: 1949-50.
Executive Sessions of the Senate Foreign Relations Committee:

Volume I, Eightieth Congress, First and Second Sessions, 1947–48.
Volume II, Eighty-first Congress, First and Second Sessions, 1949–50.
Volume III, Parts 1 and 2, Eighty-second Congress, First Session, 1951.
Volume IV, Eighty-second Congress, Second Session, 1952.
Volume V, Eighty-third Congress, First Session, 1953.
Volume VI, Eighty-third Congress, Second Session, 1954.
Volume VII, Eighty-fourth Congress, First Session, 1955.
Volume VIII, Eighty-fourth Congress, Second Session, 1956.
Volume IX, Eighty-fifth Congress, First Session, 1957.
Volume X, Eighty-fifth Congress, Second Session, 1958.
Volume XI, Eighty-sixth Congress, First Session, 1959.
Volume XII, Eighty-sixth Congress, Second Session, 1960.
Volume XIII, Parts 1 and 2, Eighty-seventh Congress, First Session, 1961.
Volume XIV, Eighty-seventh Congress, Second Session, 1962.
Volume XV, Eighty-eighth Congress, First Session, 1963.
Volume XVI, Eighty-eighth Congress, Second Session, 1964.
Volume XVII, Eighty-ninth Congress, First Session, 1965.
Volume XVIII, Eighty-ninth Congress, Second Session, 1966.
Volume XVIX, Ninetieth Congress, First Session, 1967.
Volume XX, Ninetieth Congress, Second Session, 1968.

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