SUPPLEMENTAL FOREIGN ASSISTANCE
FISCAL YEAR 1966—VIETNAM

HEARINGS
BEFORE THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
EIGHTY-NINTH CONGRESS
SECOND SESSION
ON
S. 2793
TO AMEND FURTHER THE FOREIGN ASSISTANCE ACT
OF 1961, AS AMENDED

JANUARY 28; FEBRUARY 4, 8, 10, 17, AND 18, 1966

PART 1

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SUPPLEMENTAL FOREIGN ASSISTANCE, FISCAL YEAR 1966—VIETNAM

FRIDAY, JANUARY 28, 1966

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 9:05 a.m., in room 4221, New Senate Office Building, Senator J. W. Fulbright (chairman) presiding.

Present: Senators Fulbright, Morse, Gore, Church, Symington, Clark, Pell, McCarthy, Hickenlooper, Aiken, Williams, Mundt, and Case.

The Chairman. The committee will come to order.

OPENING STATEMENT

The committee is meeting this morning to consider S. 2793, which would authorize an additional $415 million in foreign economic aid for the current fiscal year. Of the $315 million requested for supporting assistance, $275 million is for Vietnam; and much of the $100 million requested for the President's contingency fund will undoubtedly be used in that country.

(S. 2793 referred to follows:)

A BILL To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended as follows:

(a) Strike out "$369,200,000" and substitute "$684,200,000".

(b) In the first sentence, after "President" insert "without regard to section 649",.

Sec. 2. Section 451(a) of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by striking out "$50,000,000" and substituting "$150,000,000".

Sec. 3. Funds made available pursuant to section 1 of this Act shall be available for transfer for expenses authorized by section 637(a) of the Foreign Assistance Act of 1961, as amended, and incurred in connection with programs in the Republic of Vietnam.

The Chairman. A related question, not formally before the committee, is the manner in which military assistance to Vietnam will be authorized in the future. The Secretary of Defense has proposed that the financing of South Vietnamese and Korean forces in Vietnam be transferred from the military assistance program to direct funding from regular military appropriations.

These requests for additional aid cannot be considered in a vacuum, but must be related to the overall political and military situation in Vietnam.
TIME OF MEETING

Mr. Secretary, I want to apologize for the procedure which has required you to come so early in the morning. As you know, it has grown out of the difficulty on the floor of the Senate. I had to change our meeting time last night at a very late hour, having received word that there might be objection on the floor to our meeting while the Senate is in session.

That, however, is still not definite. You have had very long experience in these affairs, I know. We are very pleased to have you this morning.

Would you care to open up with a statement, a short statement?

STATEMENT OF HON. DEAN RUSK, SECRETARY OF STATE;
ACCOMPANIED BY HON. DAVID E. BELL, ADMINISTRATOR,
AGENCY FOR INTERNATIONAL DEVELOPMENT, AND HON.
RUTHERFORD M. POATS, ASSISTANT ADMINISTRATOR, FAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT

Secretary Rusk. Thank you very much, Mr. Chairman, and members of the committee; I am pleased to be here this morning, and I understand very fully the circumstances with regard to our schedule. I am especially glad to have Mr. David Bell, Administrator of AID, with me because, among some other things, he has spent some time in Southeast Asia; in South Vietnam and in Laos and in Thailand, three countries that make up a very important part of this proposed supplement.

I am pleased to appear before the committee to support the President's request to authorize appropriation of supplemental funds. A major portion of this request, $275 million in supporting assistance funds, arises from the continuing and bitter struggle in Vietnam.

In March 1947 in connection with our then assistance to Greece, which was under guerrilla attack, President Truman stated:

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

That is the policy we are applying in Vietnam in connection with specific commitments which we have taken in regard to that country.

The heart of the problem in South Vietnam is the effort of North Vietnam to impose its will by force. For that purpose, Hanoi has infiltrated into South Vietnam large quantities of arms and tens of thousands of trained and armed men, including units of the North Vietnamese Regular Army. It is that external aggression, which the north has repeatedly escalated, that is responsible for the presence of U.S. combat forces.

While assisting the South Vietnamese to repel this aggression, the United States has made persistent efforts to find a peaceful solu-
tion. The initiatives for peace undertaken by us and by many other governments during the last 5 years are almost innumerable. You are familiar with the vigorous and far-reaching peace probes which the United States has made during the past month, which I have had a chance to discuss with the committee in executive session.

None has brought a positive or encouraging response from Hanoi. Indeed, during this period—and while the South Vietnamese and ourselves refrained from bombing North Vietnam—the infiltrations from the north have continued, and the Communists have continued both their military operations and their campaigns of terror in the south. Even during the TET “cease fire” there were approximately 100 attacks on South Vietnamese, ROK, and U.S. forces.

The United States has a clear and direct commitment to the security of South Vietnam against external attack. The integrity of our commitments is absolutely essential to the preservation of peace right around the globe.

At stake also is the still broader question whether aggression is to be permitted, once again, to succeed. We know from painful experience that aggression feeds on aggression.

A central issue in the dispute between the two leading Communist powers today is to what extent it is effective—and prudent—to use force to promote the spread of communism. If the bellicose doctrines of the Asian Communists should reap a substantial reward, the outlook for peace in this world would be grim indeed.

The steady purpose of the United States is to build a world in which all nations—large and small, rich and poor—can progress in peace, secure against external interference. In Vietnam we shall continue to seek a peaceful solution—but we shall do what is necessary to assist the South Vietnamese to repel the aggression against them.

As President Johnson put it just last week:

The door of peace must be kept wide open for all who wish to avoid the scourge of war, but the door of aggression must be closed and bolted if man himself is to survive.

The challenge in Vietnam demands the selective application of our U.S. military power in support of the forces of the Government of Vietnam. In the absence of a willingness on the part of the other side to sit down and make peace, there is no alternative—except defeat and surrender—to meeting force with force.

The free Vietnam we seek to preserve through military efforts and sacrifices must not be undermined by economic and social chaos and despair. The expanding scale of Communist aggression and our military response have added new dimensions to the task of AID. Without our AID programs we could win the major military battles in Vietnam and still lose the war and the peace.

For this reason I regard our economic assistance programs in Vietnam as equal in importance with our military assistance. We fully intend to reinforce the economic and social progress that South Vietnam has been making during a brutal war and in spite of unremitting destructive efforts by the enemy.

We can only help those who wish to defend and strengthen their freedom and to build a better future. The struggle—and the choice—is ultimately theirs to make. The South Vietnamese must believe that they and we are fighting for something worth great sacrifice. It is not enough to fight against something. All the people still able to
make this choice in South Vietnam—farmers, schoolteachers, merchants, workers, mothers, students, police, soldiers, and government officials—must know that the long struggle is worth their suffering and personal tragedies. They must know that by this hard course their future will be better than their past.

The first essential in Vietnam, of course, is security against Vietcong terror and murder. The second is a unifying spirit or cause to which the people can subscribe, in the hamlets and in the cities. In this spirit, the villager and his local leaders and the security forces can cooperate to build ever-expanding areas of progress and resistance to Communist appeals and threats. In this spirit, the people of the cities can cooperate with their government in devoting their talents and efforts to strengthening the nation against those who would destroy or enslave it.

These essential conditions of success in Vietnam sound commonplace to Americans. In Vietnam their achievement requires performance—now—by Government in responding to the needs of the people and creating a partnership with the people. These are basic needs: security, social justice, a chance to grow and market crops at fair prices, protection of the value of incomes, safe water and medical care, and education for the children.

With our help and that of other free nations, enlightened elements in South Vietnam are bringing about this social revolution in the midst of war. The Government of Vietnam, in Saigon and in the countryside, is struggling with great handicaps to carry out this constructive effort, which it calls “rural construction.” This, coupled with the military defense against the Vietcong forces, is the heart of our joint strategy.

Without our economic assistance, the entire effort to maintain a sound economy and to build for the future would quickly fail. Destructive inflation would be spawned by the Vietnamese Government’s necessarily mounting budget and by the wartime dislocations of the economy. Supplies for the rural development program could not be obtained or shipped. Internal transportation, communications, electricity, and other essential services disrupted or overloaded by the war could not be maintained or expanded. A half million refugees could not be sheltered and fed. Millions of Vietnamese would be without any medical attention. Industry would not be able to import the materials and equipment it needs to operate and grow. The development of effective local government, and agricultural and educational institutions would be handicapped by a lack of expert advisers.

The funds which Congress has appropriated for economic assistance to Vietnam cover less than half the presently estimated requirements for fiscal year 1966.

There are two principal elements in the request for additional funds. First, to meet the rising and severe threat of inflationary pressures, additional funds are needed to finance imported goods; $175 million are now needed to finance importation for commercial sale of goods such as rice, construction materials, petroleum products, fertilizer, drugs, and many other commodities. In this way we contribute to economic and political stability, by offsetting shortages in local production and maintaining morale essential to the entire effort.

Second, $100 million is needed to fund new or expanded activities to strengthen the Government of Vietnam’s work in contested rural
areas. These AID operations include refugee relief; provision of medical teams and individual doctors and nurses; building or repairing of hospitals and veterans' rehabilitation centers; leasing of ships for coastal and ocean supply operations; expanding civil airlift capacity; building of warehouses, bridges, and roads; repair of war-damaged rail and other facilities; installation of temporary and permanent electric power services; construction of workers' housing and training centers; police equipment and training—the list grows long.

While we look—and work and fight—for the day when South Vietnam will enjoy peace, we must apply our resources and ingenuity to building the foundation for that future.

We are also requesting additional fiscal year 1966 funds to meet other existing or potentially dangerous situations. The sum of $7.5 million in supporting assistance is for Thailand and Laos each; $25 million is for the Dominican Republic. In addition, $100 million is required to replenish the AID contingency fund, which is already exhausted.

Additional funds for Thailand and Laos are necessary to assist these nations in developing and maintaining the economic and political stability to withstand increasingly threatening Communist pressures. These funds are earmarked for nonmilitary security activities and intensified rural development projects in vulnerable areas.

In the Dominican Republic, economic and political instability have followed in the wake of last April's revolution. We are determined to help the provisional government create and maintain a stable environment prior to the coming elections in June. It is equally important that we assist the provisional government in meeting its essential current operations so that the new government will not be saddled with a crippling financial crisis, which would threaten its very existence. Additional economic assistance is needed to cover the gap between existing operating and capital budget costs of the government and tax revenues. These revenues have not increased as quickly as expected because of continued political unrest. We expect these additional funds to alleviate the high level of unemployment, which itself has contributed to Dominican instability.

In addition, as I noted above, the President has requested Congress to provide $100 million in supplemental funds to the AID contingency fund.

The fiscal year 1966 contingency fund was small; it is now depleted. It is absolutely necessary that a sufficient amount of contingency funds be on hand for the remainder of this fiscal year to permit us to respond immediately and effectively to emergency situations or unforeseen requirements which engage the interests of the United States.

It might be well, Mr. Chairman, for the committee in executive session to consider some of those situations which we see potentially on the horizon.

I would also like to note that the President's request includes provision for the transfer of funds required for military assistance to South Vietnam from the account of the military assistance program to the account of the Department of Defense. U.S. and other free world military forces have joined in the defense effort in South Vietnam in large numbers. It is more efficient, and less cumbersome, to program and budget for all U.S. military operations in Vietnam
under one unified system. The military assistance program was not created to bear the costs of such combat forces. I commend to the Congress this recommendation.

In conclusion, Mr. Chairman, I urge the committee's support of this urgent request in its entirety, and I welcome any questions or comments which you may have.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Secretary.

BEGINNING OF AMERICAN INVOLVEMENT

Mr. Secretary, I need not tell you that many of us are deeply troubled about our involvement in Vietnam and it seems to us that since this is the first bill this session dealing with the subject now is an appropriate opportunity for some examination of our involvement there for the clarification of the people of this country.

I know you have had long experience out there. Could you tell us very briefly, when did we first become involved in Vietnam?

Secretary Rusk. I think the first involvement was the assistance that we provided to France during the period of the Marshall plan at a time when France was faced there with the Vietminh movement, a very large part of which was nationalist but which also had within it a very strong Communist increment.

The CHAIRMAN. What year was that?

Secretary Rusk. That began in 1949-50, Mr. Chairman.

At that time, the attitude of the United States was that it would provide assistance to France in the expectation that France would move promptly to make its own agreement with the nationalist elements in Indochina, and make it clear that the Associated States of Indochina, which later became Vietnam, or the two Vietnams, Laos, and Cambodia, would, in effect, be independent.

The political movement by the French Government of that day was slower than the United States had hoped for, and the military operations came to the conclusion of the Geneva Conference of 1954.

The CHAIRMAN. Were you in the State Department at that time, 1950?

Secretary Rusk. Yes, sir; I was.

The CHAIRMAN. In what position?

Secretary Rusk. In the spring of 1950 I became Assistant Secretary for Far Eastern Affairs.

The CHAIRMAN. Were you at that time concerned with the original involvement?

Secretary Rusk. We had been involved in South—in Indochina before that.

The CHAIRMAN. In what respect were we involved before that?

Secretary Rusk. Well, the question of aid to France came up in the spring of 1950, but the policy involvement and the discussions with the French Government over it preceded it by some period. I just wanted to point out that the spring of 1950 was not our first expression of concern about Indochina.

The CHAIRMAN. But it was the first financial commitment, wasn't it?

Secretary Rusk. I believe so.
The Chairman. Was France at that time trying to reassert her colonial domination of Vietnam? Was that her objective at that time?

Secretary Rusk. I think, just at the conclusion of the war, in that part of the world, the first step that was taken was the restoration of the status quo ante bellum in the broadest sense in India, Burma, Malaysia, Indochina, Indonesia, and indeed in part in the Philippines, although the Philippines moved almost immediately to independence. In varying degrees each of these areas became independent from her former colonial country, and in different circumstances.

In the case of France, the first step that was made was to work out something like a commonwealth arrangement: Associated States in which France would retain certain authority with respect to defense and foreign affairs. But there was never a firm basis of agreement with most of the Indo-Chinese peoples themselves. So they moved—proceeded inevitably and I think, properly—toward a more clear independence.

The Chairman. I confess I was scarcely conscious about problems of any significance there until the last few years because our attention was directed largely to Europe. But I am puzzled about what moved our Government to assist France to retain her control of Vietnam in contrast to our actions in Indonesia, for example.

Secretary Rusk. The problem there, sir, was—I am trying my best to remember something which happened quite a few years ago—the problem was not just that, or was not at all that, really, of assisting France in establishing and reinforcing a colonial position. Rather it was to give France a chance to work out its political settlement with these states on the basis of their own independence, and without having communism as a basic—without giving to the Communists a basic position in southeast Asia.

After the Communists took over authority in Peiping, we and the British and the French were consulted on this situation and pretty well agreed that the security of southeast Asia was of vital interest to the free world. The joint effort therefore to find an agreement with the nationalists on the one side and to prevent a Communist takeover on the other was a common thread of policy throughout that period.

The Chairman. Do you remember how much aid we gave France for that struggle in Vietnam, between 1950 and 1954?

Secretary Rusk. I think it was approximately $2 billion.

The Chairman. You stated in your original statement that we have a very clear commitment.

What is the origin and basis for a clear commitment for the action we are now taking in Vietnam?

Commitment Under SEATO

Secretary Rusk. I think, sir, there are a combination of components in that commitment. We have the Southeast Asia Treaty, to which South Vietnam was a protocol state.

The Chairman. What does that commit us to in that regard? This is where there is a good deal of confusion in my mind and I think in the public mind about the nature of that commitment.
Does the southeast treaty, Southeast Asia Treaty Organization commit us to do what we are now doing in Vietnam?

Secretary Rusk. Yes, sir; I have no doubt that it does.

A protocol state has a right to call on the members of the organization for assistance. The obligations of that treaty are both joint and several. That is they are both collective and individual.

So that there seems to be no doubt that we are entitled to offer that assistance. But the underlying legal basis for the assistance is the right of individual and collective self-defense against an aggressor. There is clearly an aggression from the North here which has been persistent and since 1960 has been sharply increased.

The Chairman. You say we are entitled to do this.

Are we obligated to do this under the treaty?

Secretary Rusk. I would not want to get into the question of whether, if we were not interested in the commitments, policy and principle under the Southeast Asia Treaty, we have some legal way in order to avoid those commitments. I suppose that one could frame some argument which would make that case.

But it would seem to us that the policy, which was discussed and passed upon by the Executive and the Senate of that day, is that we are opposed to aggression against these countries in southeast Asia: both the members of the Organization and the protocol states.

OTHER ASPECTS OF COMMITMENT

In addition to that, we have bilateral assistance agreements to South Vietnam. We have had several actions of the Congress. We have had the annual aid appropriations in which the purposes of the aid have been fully set out before the Congress. We have had special resolutions such as the one of August 1964, and we have had the most important policy declarations by successive Presidents with respect to the protection of South Vietnam against Communist aggression.

QUESTION OF PAX AMERICANA

The Chairman. This question arose the other night in your "Meet the Press" appearance last Sunday night, particularly with regard to a question by the British correspondent. I think he suggested that it would be easier for all, for them to understand and for many people to understand this operation if it was put on the basis of straight out containing communism rather than the other way of protecting their right to self-determination.

What would you comment on that?

Secretary Rusk. Well, Mr. Chairman, the particular correspondent invited me to subscribe to the doctrine of Pax Americana.

The Chairman. Why?

Secretary Rusk. That is not our policy. We do not have worldwide commitments to all 117 countries with whom we have relations. We have some 42 allies, very specific commitments to those allies.

Now, it is true that, in the appropriate way in the United Nations and elsewhere, we would presumably give sympathy and support to those who are victims of the kind of aggression which would have worldwide implications. But we are not putting ourselves in the position of the gendarmes of the universe. There has been a good deal of fighting within this postwar period in which we did not partici-
pate. We are not trying to impose a Pax Americana on the world. We are trying to create a situation in which, in accordance with the charter, all nations, large and small, can live unmolested by their neighbors and have a chance to work out their own decisions in their own way. We support that policy in different ways at different times and under different circumstances. In the case of our specific allies and those with whom we have specific commitments if they are subject to an attack from those who declare a policy of aggression as a systematic course in the world, we have on a number of occasions joined with them to meet those attacks.

OBJECTIVE IN VIETNAM

The Chairman. How do you foresee the end of this struggle? Do you think we are likely to be there, 5, 10, or 20 years?

What do you foresee as the outcome of this—even if we are successful in the military activities?

Secretary Rusk. Well, I would hate to try to cast myself in the role of a specific prophet in the development of this particular situation.

The Chairman. Maybe I will put it another way, what is our objective? Can you define our objective in terms of what we seek to achieve?

Secretary Rusk. To put it in its simplest terms, Mr. Chairman, we believe that the South Vietnamese are entitled to a chance to make their own decisions about their own affairs and their own future course of policy: that they are entitled to make these decisions without having them imposed on them by force from North Vietnam or elsewhere from the outside. We are perfectly prepared to rely upon the South Vietnamese themselves to make that judgment by elections, through their own Government, by whatever way is suitable for them to make that decision.

Now, we have indicated a good many points which have a bearing on this matter. We are not, for example, trying to acquire a new ally. If South Vietnam and the South Vietnamese people wish to pursue a nonaligned course by their own option, that is an option which is open to them.

If they wish to join in the regional activities in the area, such as Mekong River development and projects of that sort, that is open to them. But we do believe they are entitled not to have these answers decided for them on the basis of military force organized from Hanoi through an aggression initiated from Hanoi, in the leadership of a front which was organized in Hanoi in 1960 for the purpose of taking over South Vietnam by force.

The Chairman. Do you think they can be a completely free agent with our occupation of the land with 200,000 or 400,000 men?

Secretary Rusk. If the infiltration of men and arms from the north were not in the picture, these troops of ours could come home. We have said that repeatedly. They went in there, the combat troops went in there, because of infiltration of men and arms from the north. That is the simple and elementary basis for the presence of American combat forces.

The Chairman. My time is up.

Senator Morse?
Senator Morse. Mr. Chairman, I am not going to ask the Secretary any questions this morning for the reason that I now state. I disagree with practically every major premise not only contained in his prepared statement but in his discussion in the last few minutes.

I completely disagree with his interpretation of the SEATO Treaty. I do not think the SEATO Treaty justifies in any way the unilateral American action in South Vietnam based on the SEATO Treaty. But what I do propose to do at the first executive session of this committee, Mr. Chairman, is to move that this committee proceed with hearings in depth on the Vietnam crisis. If the committee does not see fit to do that, I shall introduce a resolution with some cosponsors in the Senate calling for an investigation and hearing on our policy in Vietnam for the American people. They are entitled to it.

In such hearings I shall then proceed to ask questions of whoever the administration sends up. I think we have got to have the time to go into depth on this matter. We can't possibly do it within the procedures this morning.

I only want the record to show that I completely disagree with the administration's policies in Vietnam from the aspect of international law or treaty obligations and sound foreign policy, and I think that point of view is prairie firing across the country. This committee, in my opinion, has the clear duty to proceed at once with prolonged hearings in depth on the Vietnam crisis.

Therefore, I will defer my questions until such a hearing is held.

The Chairman. The Senator from Iowa?

Size of AID Program in Regular Budget

Senator Hickenlooper. Mr. Secretary, perhaps I should ask this question of Mr. Bell, but do you recall whether or not the authorization bill of last year cut down the AID program below the budget request?

Mr. Bell. Yes, sir, it did to some extent, not very much, 7 percent overall, as I remember it, not very much of that applied to supporting assistance.

Senator Hickenlooper. Well then, why wasn't a sufficient amount requested in the budget last year?

Mr. Bell. We simply underestimated, Senator Hickenlooper. We prepared that budget, as you will recall, something over a year ago now, it was defended before the Congress last spring and in the early summer. At that time the escalation of military activity resulting from the entrance of North Vietnamese troops and the introduction of American troops was not clearly visible and its economic effects were uncertain.

During the summer and fall, particularly in October and November, it became apparent that the dimensions of the economic aspects of this struggle in South Vietnam had simply been grossly underestimated in our previous budget estimates.

Senator Hickenlooper. Would there be any possibilities that that gross underestimation was partly due to the fact that it was announced that the budget would be kept under a hundred billion dollars last year?
Mr. Bell. Oh, no, sir, not at all. No one in Saigon or in Washington at any level of the executive branch had foreseen the dimension of the economic requirements that became clear in late last fall and that we have before you today.

Senator Hickenlooper. I don't want to belabor this point too much, but I seem to recall that a number of Members of Congress made a statement last year that the budget wasn't asking for enough and they would have to come back for more after the first of the year.

Mr. Bell. We did have, sir, in the original request, we had a proposal that the Congress, because we were clear that we could not be very precise about the requirements in Vietnam, we did have a proposal that the Congress authorize such sums that might be necessary in southeast Asia which would permit us to come back with just an appropriation request, but that was diverted in the process of the congressional procedures, during the spring and summer into a special $89 million contingency fund for southeast Asia which has all been used up and committed, and we are now, therefore, back asking for an additional authorization and appropriation as the Secretary indicated.

Senator Hickenlooper. Thank you.

DOLLARS GENERATED BY AMERICAN PRESENCE

Mr. Secretary, do you have an estimate as to how much in dollars is generated in the South Vietnamese economy by the spending of American forces there?

Do you have any estimate of that at the moment?

Mr. Bell. The two principal sources of such spending, Senator, are the spending of troops in their off-duty hours, and the expenditures by the Defense Department for construction of military bases. In both cases numerous steps have been undertaken in an effort to limit the impact of the spending on the Vietnamese economy. In the case of the troops, for example, there are careful attempts to encourage troops to put as much of their money into savings as they are able to——

Senator Hickenlooper. I didn't mean to go into a lengthy history of this situation. I just asked if you had any estimate as to how much in dollars is generated into the South Vietnamese economy by our presence there.

Mr. Bell. The estimate is around $275 to $300 million, sir, in the coming year.

Senator Hickenlooper. How much last year, do you have any idea?

Mr. Bell. Perhaps $100 million, sir. It is much larger in 1966 than in 1965.

Senator Hickenlooper. I wonder if we could get an estimate, a better estimate then, perhaps, on that?

Mr. Bell. We will be glad to put the best estimate that we can into the record.

(The information referred to is classified and in the committee files.)

ECONOMIC ASSISTANCE FROM OTHER COUNTRIES

Senator Hickenlooper. Mr. Secretary, how much in economic aid are other nations providing in Vietnam?
Supplemental Foreign Assistance

Secretary Rusk. We have not computed the exact dollar amount because a good deal of it is in terms of goods and services, but there are some 35 countries providing assistance to Vietnam, and I will be glad to furnish the details of that for the record. I think on the economic side, for example, we could look at Germany: they have provided directors, instructors, for vocational schools; they have provided experts in universities, for the medical school; they have provided ambulances, commodity credits of 15 million deutsche marks, for German products such as machine tools and fertilizer, a credit of another 50 million for development of the major industrial complex at Kien Hung and An Xuyen; and other credits of a similar sort which are fairly substantial. They recently contributed a 3,000-ton hospital ship in Vietnam.

Senator Hickenlooper. Have those credits been taken up and used or are they still in the offing from the standpoint of actual application?

Secretary Rusk. Some have been drawn on and some in the process of being used at the present time.

Rural Reconstruction Program

Senator Hickenlooper. I notice there is a hundred million dollars being requested for the rural reconstruction program which would bring the total, I think, up to around $160 million plus.

Mr. Bell. That is right.

Senator Hickenlooper. For fiscal 1966. Does that include the building of REA plants and lines and projects like that in South Vietnam?

Mr. Bell. There are three rural electric co-op systems being established, sir. The funds for those are already committed from the previous funds available, and nothing would be added in that particular phase under the new request.

Senator Hickenlooper. Where are those three located?

Mr. Bell. One is located in An Xuyen Province in the delta which is the area where the so-called Hoa Hao sect live and where the security is quite good.

The other two are north and northeast of Saigon, one quite close to Saigon. Again, each of these three were selected because they are areas of relative security.

Senator Hickenlooper. Do you find the Vietcong tear them down as fast as you can get them up there?

Mr. Bell. No, sir; they have not. There hasn't been much construction under these projects yet. But there has been no direct action against these projects so far.

Planned Television Programming

Senator Hickenlooper. Are you planning a television network in South Vietnam?

Mr. Bell. There is not a network in the American sense. There is a television project which is underway to provide television services both for the cities of Vietnam and for the American troops who are there. Part of this is financed by the Defense Department, part is financed by our AID program.
Senator HICKENLOOPER. Is that program limited to Saigon or does it go out over the country?

Mr. Bell. It is limited to Saigon at the present, initial stage, but it is expected that there will be sets put into smaller communities and even eventually into villages.

The principal programming element for the countryside is expected to be, what we would call here, educational television, the kind of thing we have in the American rural areas and has been used so extensively on home economics, on agricultural practices, on education in the strict sense for children, and so on, in the villages.

CORRUPTION IN SAIGON GOVERNMENT

Senator HICKENLOOPER. On another phase of this, it seems to me that I heard a radio news story either last night or the day before, saying that one high official in Vietnam said something to the effect that he hoped that he would be one of the first of the top officials of Vietnam that didn't leave office up to his eyes in gold.

Secretary Rusk. Prime Minister Ky, I believe, made that statement, according to one of your colleagues in the other body.

This question of corruption is one which has been troublesome. I think that on the one side, we cannot say that it has been completely dealt with and rooted out.

On the other side, I do not believe it is a major factor in the total effort there. We and the present Government in South Vietnam are working very hard and closely on that. I have had my own inspector general out there to help work out checks against possibilities of diversion of American aid. But in this war situation, we cannot guarantee perfection on this subject but we are working on it very hard, Senator.

NUMBER OF AID PERSONNEL IN VIETNAM

Senator HICKENLOOPER. One other question: How many people are working in the AID program in South Vietnam now?

Mr. Bell. There are about 650 direct-hire Americans on board at the present time, Senator. That is going up through this present year to between 900 and a thousand.

In addition, there are another, perhaps 200 to 300 contract employees of AID contractors, such as the International Volunteer Services, IVS volunteers, and then there is a substantial number of Vietnamese and some people from other countries. We have—

Senator HICKENLOOPER. How many are in Saigon and how many are out in the country?

Mr. Bell. About two-thirds/one-third—one-third in the country. There are some of the 900 or 1,000 who will be there by the end of this year, we think 400 will be living in our 4 regional headquarters and in each provincial capital and some of them in districts, towns, and villages.

Senator HICKENLOOPER. What are the 600 doing in Saigon?

Mr. Bell. Do you mean what will they be doing?

Senator HICKENLOOPER. Yes.

Mr. Bell. Well, the headquarters of the Vietnamese Government is there, of course, and a great number of them will be working directly as
advisers to elements of the Vietnamese Government. We have a major logistics effort. This is the largest AID program in the world at the present time, and that means that we are responsible for the shipping and distribution and accounting and auditing and inspection related to a flow of commodities of very major dimensions.

Senator HICKENLOOPER. Thank you. I think my time is more than past and I don't want to trespass on somebody else's time. We will talk about this later.

The CHAIRMAN. Senator Gore?

IS OUR INVOLVEMENT JUSTIFIED?

Senator Gore. Mr. Chairman, as the Chairman has said, your pending request is pertinent to the issue which troubles most of our citizenry, and this would seem an appropriate time to begin an examination of our undertaking in southeast Asia.

I suppose you and I, like most men, are victims of our past pronouncements. I would just like to say, as a preface to my question, that I draw a fine line between support and approval. I have not approved of our policy in southeast Asia from 1954 until now. I have supported and expect to support funds sufficient to give weapons, ammunition, materiel to our Armed Forces who are there, not at their choice but at the orders of their Government.

Whether you have been correct in advocating our escalated involvement there over the years, or whether I have been correct in disapproval is really beside the point now. We are committed and are likely to be there a long time.

With that brief preface, I would like to refer first to your own statement this morning on the bottom of page 4 and 5 when you say of the South Vietnamese people:

They must know that the struggle is worth their suffering and personal tragedies.

I would like to reread that paragraph and apply it not to the South Vietnamese people but to the American people.

They must know that the long struggle is worth their suffering and personal tragedies. They must know that by this hard course their future will be better than their past.

I think when you apply that to the American people you come to the heart of one of the excruciating difficulties of our democratic society today. Many people do not believe, many Members of Congress do not believe, that the costs, the risk of a nuclear war, the dangers of a war with China or perhaps with both China and Russia, are worth the endeavor.

I would like to pause and, in fairness, give you a chance to comment on that.

Secretary Rusk. Thank you, Senator.

First I would like to say that, although I welcome the continuing examination of this very great matter of public policy by the Congress, I would point out that this is not a beginning. I know of no subject in the past 5 years—that is, since I have been directly and intimately involved—which has been discussed more frequently, in greater depth, month in and month out over a period of time, with the Congress than has Vietnam.
More time has been spent on it than any single subject so far as our foreign policy is concerned. Nevertheless, discussion should continue, and with greater depth and with greater expanse.

Senator, it is tragic that in the year 1966 we should be called upon to use force to deal with armed aggression after all that has happened since 1945.

At the end of World War II this country demobilized so rapidly that by 1946 we were told by our military that we did not have a single division ready for combat nor a single air group ready for combat.

Our defense budget came down to within reach of $10 million, say, in 1947 and 1948.

We tried to get rid of the nuclear bomb for everybody, including the United States, in the Baruch proposals. As soon as the war was over we went into the commitment of large resources for binding up the wounds of war and helping the reconstruction of that war-torn world.

But then we found that there was such a thing as aggression in the world, that there were those who were prepared to use force contrary to the elementary purposes of the U.N. Charter, to upset the kind of world that was anticipated in the U.N. Charter. We have had a series of pressures by force in Iran, in Greece, in Berlin, and in Korea, and in other places.

One would suppose that it is too late in history for that kind of technique to be used any more. But, if it is used, then we have the most searching question to answer, and that is whether we shall get out of the way of those who are prepared to seize their neighbors by force, particularly those to whom we have commitments; whether we should let them succeed and come to the conclusion that force is profitable, that their brand of world revolution can succeed on the basis of militancy and armed action, and that there is, therefore, no reasonable prospect for the kind of world that we set as a goal in the U.N. Charter.

Now, in this process in this postwar period the American people have taken over 165,000 casualties in a combination of crises. Others have taken more. It is tragic that this problem could arise. It could end literally in 24 hours, Senator, if these people in Hanoi should come to the conclusion that they are not going to try to seize Vietnam and Laos by force. If they are determined to try to do so, then we and others have some very fundamental decisions to make, and in making them, it seems to me, sir, that we have to reflect upon how one builds a peace.

Do we build it by standing aside when aggression occurs, or do we build it by meeting our commitments?

Now, human beings can't be absolutely certain what the right answer to these things is to be. We who are older have the problem of deciding what it is we ought to forget. Those who are young have the problem of discovering the reality in those things they have had no chance to remember. So these are difficult questions, Senator, and we hope that we can find the right answer.

Senator Gore. I certainly concur that they are very difficult.

I yield temporarily to the Senator.

Senator Moosn. Just 15 seconds, Mr. Secretary, and Mr. Bell, I have to leave, and I want you to know why I am leaving. I would
like to hear you, I am scheduled to open the administration's case for the repeal of 14(b) in the morning and that is the only reason I have to leave this morning.

Secretary Rusk. Thank you very much.

Senator Gore. Let me repeat that I concur with your statement that these are very difficult questions and like you hope and pray that we may find the right answers.

My remarks and questions today are not in antagonism or criticism of either you or the President, but in pursuit of those right answers.

Secretary Rusk. We understand, sir.

Senator Gore. Accepting the fact that we are there, rightly or wrongly, where are we, where do we go, what do we do, what are the risks, and where do we arrive—these are questions which the committee will seek in the days and weeks ahead.

INFILTRATION DURING CESSION OF BOMBING

I was not too favorably impressed in the last few days with the statements by administration leaders, including yourself this morning, that during the bombing pause infiltration had continued from the North. Has it not continued also from the South, and did you expect—

Secretary Rusk. Senator, there is a fundamental difference——

Senator Gore (continuing). Did you honestly expect that because there was a cessation of bombing of North Vietnam that they would ipso facto stop all their military movements? The question I am trying to pose is: Is this a realistic approach or is this a propagandistic approach?

Secretary Rusk. No, Senator, I think it would be a great mistake to put those two forces on the same footing, and not just on the basis that we are on our side.

The North Vietnamese armed forces have no right whatever to move from North Vietnam into South Vietnam to seize South Vietnam. That is aggression. It is contrary to the military clauses of the 1954 agreement, contrary to the general principles of international law, contrary to general standards set forth in such documents as the U.N. Charter.

We have joined in supporting South Vietnam as a part of their right of individual and collective self-defense. I have related our activity to a treaty as far as the United States is concerned.

It has been approved also by legislation. The point is that there could be peace if North Vietnam would give up its illegal and aggressive effort to take over South Vietnam by force. Of course, we used an airlift to supply Berlin when it was blockaded, but no one suggested that that airlift was illegal. Of course, we aided Greece when the guerrillas were moving in from Yugoslavia and Bulgaria, but nobody suggested that our assistance was illegal.

We have probed every conceivable—maybe there are some we have not been able to imagine—but we have probed every possibility of bringing this matter off the battlefield to the conference table. And we had hoped—we didn't know what the chances were; they appeared to be somewhat small, I must admit—but we had hoped on the basis of what a good many governments had told us, including some Communist governments, that, if the bombing were suspended, there might be a chance to bring this matter to the conference table.
Now, the infiltration continued and there were no signs from the other side that they were going to give up their effort. Obviously we can't stop our reinforcements of our own men and can't stop urging others to do the same.

The CHAIRMAN. The Senator's time is up. I am sorry. We will come back to him.

The Senator from Delaware.

PORTION OF SOUTH VIETNAM BUDGET FINANCED BY UNITED STATES

Senator Williams. Mr. Secretary, what portion of South Vietnamese budget are we paying, military and civilian?

Secretary Rusk. Both military and civilian.

Mr. Bell, would you deal with it?

Mr. Bell. Yes, Senator; the 1966 Vietnamese budget is about 55 billion piasters. Their revenues are expected to be around 21 or 22 billion piasters. They will borrow; there will be deficit credit creation, to about 10 billion, and we will be providing about 24 billion piasters of the total.

Senator Williams. We are providing a little better than 50 percent?

Mr. Bell. No; a little less than 50 percent, sir, 24 out of 55.

Senator Williams. Ten is being borrowed, but I mean of what is being put up, they are putting up 21 and we are putting up 24?

Mr. Bell. Yes, sir; although the borrowing comes out of the Vietnamese economy, it doesn't come from us.

The CHAIRMAN. Will the Senator yield for a clarification?

Senator Williams. Yes.

REVENUES FROM IMPORT DUTIES OF U.S. GOODS

The CHAIRMAN. What percentage of their Government revenues arise from import duties on goods which we ship into Vietnam?

Mr. Bell. I should suppose a fairly significant amount.

The CHAIRMAN. In other words, a large part of that 22 billion that they lack we pay in the form of import duties on goods we send there; is that correct?

Mr. Bell. Yes; but we don't pay them, sir. We don't pay those import duties.

The CHAIRMAN. Who does?

Mr. Bell. The people of South Vietnam do from their own income.

The CHAIRMAN. Thank you.

Senator Williams. Do we have to pay any import duties on the aid that we put in Vietnam?

Mr. Bell. No, sir.

FINANCING OF FORCES OF OTHER COUNTRIES

Senator Williams. Are we paying the costs of any of the Korean troops that are there and the troops of other nations that are in Vietnam?

Mr. Bell. The military equipment which those Korean troops are using is provided by the United States. I am sure that a good part
of the transportation is also provided by us. There are PX arrangements of certain kinds. I am sure there are substantial costs that the United States is bearing for those Korean troops; yes, sir.

EFFECTS OF INFLATION ON AID PROGRAM

Senator Williams. I understand that inflation is one of your big problems; that it is eating up the aid program to a large extent, is that true?

Mr. Bell. Inflation is a serious problem, Senator. I wouldn't say it is eating away the aid program. The three principal sources of inflation have been the growing budget deficit of the South Vietnamese Government, the increased spending by American troops, and the spending on the American military construction program.

We have tried to develop a strong anti-inflationary program, holding down the Vietnamese budget, limiting the troop spending, limiting the construction spending. Nevertheless, inflation is still a severe problem. We are meeting it in part by proposing larger imports into the economy both financed by the Government of Vietnam and by us under the aid program, by a series of monetary measures, by the Vietnamese raising taxes.

We do not consider, however, that we are firmly and surely and completely on top of the inflation problem. We are continuing to work with the Vietnamese Government on it.

Senator Williams. But to correct that inflation you are trying to minimize the deficits, is that correct?

Mr. Bell. Yes, sir; oh, yes, sir. The most important step that has been taken so far to limit the inflationary pressure has been the decision of the Vietnamese Government, a very courageous and sensible decision, to hold their budget to 55 billion piasters this year, which is a really very austere budget in terms of the requirements. It involves some increase on the military side and some decrease on the civil side.

Senator Williams. I compliment them on their restraint but do they ever ask you how you reconcile your recommendation that they curtail their deficit with your statement to the committee some time back that there was virtue in a deficit here in this country.

Mr. Bell. I think, sir, you are referring to the time when I was budget director. I have suggested there is virtue in a deficit in the U.S. budget under some circumstances but there is also very great virtue and I strongly defend the proposition that under some circumstances we should run a surplus in the American budget.

COMPETITION FROM MILITARY CONSTRUCTION PROJECTS

Senator Williams. I agree with you and I am looking forward to the day when we can.

I noticed in an article in the Wall Street Journal of December 29 which states:

In some cases local contractors are too busy putting up barracks and fortifications or lucrative Pentagon projects to bother with modest AID projects.

Have you run into that difficulty?

Mr. Bell. We have run into that difficulty, Senator, in isolated cases. As a result of that problem showing up in the late fall there
has been a special committee established in the American mission in Saigon, including representatives of the military assistance command, and of the AID mission and other elements of the country team, under chairmanship of the Deputy Ambassador, Mr. Porter. They are assessing the entire requirements for construction in the Vietnamese economy and trying to stack that up, those requirements, up against the anticipated availability of labor, of construction materials, and of other needs to permit the construction to go forward, and they have already arranged for stopping certain construction projects which could be deferred. I should say the deferral of certain project which could wait because of the shortage that is referred to in that article.

INVESTMENT GUARANTEE PROGRAM FOR VIETNAM

Senator Williams. Is there an investment guarantee program in operation in Vietnam at this time?

Mr. Bell. Yes, sir.

There has been, I don't think we issued any guarantees this past year, did we, but we have issued them in previous years and it is available to American investors.

Senator Williams. But it has not been issued in the past 12 months; is that correct?

Mr. Bell. I think that is correct, none in the past 12 months.

TOTAL ECONOMIC AID FOR VIETNAM IN FISCAL 1966 AND 1967

Senator Williams. Assuming Congress approves this request, what will that bring the total of our AID program in Vietnam for fiscal 1966?

Mr. Bell. The economic aid would come to about $541 million.

Senator Williams. Now, in next year's budget how much are we asking for?

Mr. Bell. $550 million.

Senator Williams. The same amount approximately?

Mr. Bell. That is right.

Senator Williams. I have no further questions.

The Chairman. Senator Church?

SUSPENSION OF BOMBING

Senator Church. Mr. Secretary, let me just say by way of preface, that with indications gathering that the suspended bombing may soon be resumed, I would like to commend you for having undertaken the suspension. Even if it fails to bring Hanoi to the bargaining table, I think that we will emerge the stronger for having tried, and I just want to go on the record in support of the effort that the President has made in the past month, because, as you know, I have been in disagreement with some aspects of our policy in southeast Asia over the years.

You have often said, Mr. Secretary, and I believe you said again this morning, that the United States doesn't want, that our national interests don't require, the establishment of any permanent American military base in South Vietnam.

Secretary Rusk. That is correct, sir.
MILITARY BASES IN SOUTH KOREA

Senator Church. Does our national interest require, and is it our intention to retain, a permanent American military base in South Korea?

Secretary Rusk. We have no present plans to withdraw our forces from there. This has to be judged on the basis of the total situation in the Far East.

Senator, let me say that the doctrines and the policies espoused by Peiping today constitute perhaps the most important single problem of peace. I have heard a foreign minister on the other side of the curtain—I prefer not to name him—say that moving Peiping to peaceful coexistence is the No. 1 problem in the world today.

We would like to reduce our military forces abroad, if we can do so consistent with our commitments and the maintenance of peace.

Senator Church. How many American combat troops are now stationed in South Korea?

Secretary Rusk. In South Korea, I think it is approximately 55,000.

Senator Church. It has been 12 years now, roughly, since the truce; is that correct?

Secretary Rusk. Yes, sir; that is correct.

Senator Church. How many Chinese combat troops are stationed in North Korea?

Secretary Rusk. I think there are no Chinese there at the present.

Senator Church. There are none?

Secretary Rusk. Not in significant numbers.

Senator Church. For how long have there been none?

Secretary Rusk. Since about 1954 or 1955, I believe, sir.

Senator Church. Haven't we spent a great deal of money over the years in building up a very large and efficient South Korean Army?

Secretary Rusk. That is correct, sir.

Senator Church. Do you regard that army as adequate to protect South Korea against any threat that might be posed by North Korea?

Secretary Rusk. That would be a close question.

I think it is not—

Senator Church. But a division of that army has been removed from South Korea to Vietnam, isn't that correct?

Secretary Rusk. That is correct, and the South Korean forces are effective and well trained and have a fine combat capability. The difficulty is that just across the Yalu River are very, very large forces indeed.

Senator Church. In China itself?

Secretary Rusk. That is correct, sir.

Senator Church. Well, that difficulty is likely to continue as long as China is there.

Secretary Rusk. That is right, sir.

Senator Church. Very well.

POSSIBILITIES OF WITHDRAWING AMERICAN TROOPS IN FUTURE

We presently have 200,000 American troops in South Vietnam. Indications are that the buildup is going to continue. I notice Senator Stennis, who has often been right in predicting the military course of events in Vietnam, indicated yesterday his belief that it
might require as many as 600,000 American troops. I know Hanson Baldwin, the military commentator of the New York Times, has indicated that it might require a million.

(The full statement by Senator Stennis referred to above appears in the appendix.)

Supposing that, whatever the requirement may turn out to be, our military concentration, our American buildup of military forces in South Vietnam, is finally sufficient to suppress the Vietcong, and to pacify South Vietnam, would you then think that it is likely to be any easier for us to withdraw from South Vietnam than it has been for us to withdraw from South Korea?

Secretary Rusk. Well, we have stated, Senator, in good faith and sincerity that we do not wish to retain our own forces in South Vietnam. Indeed—

Senator Church. That is clear, but the question is—

Secretary Rusk. Indeed the only reason for their presence is the infiltration of men and arms from North Vietnam. So the answer to your question would turn on what North Vietnam's conduct and attitude is.

Senator Church. But North Korea hasn't been engaging in that kind of activity in South Korea for many years, has it?

Secretary Rusk. No, sir; but you will recall—

Senator Church. But our troops are still in South Korea.

Secretary Rusk. You will recall that, in the case of Korea, there was considerable discussion before the outbreak of the fighting in Korea about whether we should keep our troops in Korea following the war. There were some on the military side who wished to withdraw them completely, because our forces were rather thin in relation to our commitments all over the world. There are—were—those on the political side who doubted that that was a wise course in 1948-49 and urged that we keep at least some force in Korea. The decision was finally made that we would withdraw, and then a year later the attack occurred.

There have been indications that the withdrawal of those forces in 1948 and 1949 contributed to a miscalculation on the other side as to what the situation would be in Korea. We would hope there wouldn't be such a miscalculation again.

I don't know what the future will hold on this particular point. It would depend a good deal on the general orientation, attitude, and posture of Peiping.

HYPOTHETICAL CASE OF CHINESE MILITARY AID IN WESTERN HEMISPHERE

Senator Church. Mr. Secretary, I fully share your repugnance of the kind of system that exists in China. Quite apart from the kind of system that the Chinese have, and quite apart from what their own national ambitions or national objectives may be, suppose that Cuba were to invite China into Cuba with Chinese military forces to strengthen Cuba's defenses, and suppose that China were to respond by stationing 50,000 troops in Cuba, and suppose, further, that a newly established Communist government in, say, Guatemala were to invite the Chinese to intervene with troops there to assist in putting down a guerrilla war against it, would you regard such Chinese intervention in the case that I have postulated as a violation of the Monroe Doctrine?
Supplemental Foreign Assistance

Secretary Rusk. Well, Senator, the contingencies are rather hypothetical.

Senator Church. Yes, of course, but I mean in that situation would you regard it as a violation of the Monroe Doctrine?

Secretary Rusk. I don't believe, in the first place any of these countries would invite China to do so, I don't believe China would do so, and I don't think China would be well advised to do so.

Senator Church. I agree with that. As a matter of fact, when the Russians moved considerable numbers of Russian troops into Cuba it brought on a crisis that shook the world.

Secretary Rusk. You see, it is more than the violation of the Monroe Doctrine. Any such action would cut right across the most formal declarations of the hemisphere as a whole about the policies of this hemisphere: about the intrusion into this hemisphere of communism from the outside.

Senator Church. However, the Monroe Doctrine was originally a unilateral declaration and remained so for a century, isn't that right?

Secretary Rusk. Yes, sir.

Senator Church. I have no further questions.

The Chairman. Senator Symington?

Senator Symington. Thank you, Mr. Chairman.

Mr. Secretary, I would congratulate you, on your ability and sincerity in speaking of the administration's position.

Secretary Rusk. Yes, sir.

Flow of Funds from Vietnam to France

Senator Symington. I have an article here which says:

We have been pumping money into Vietnam at the rate of $600 million a year. Vietnam has been pumping nearly half of these AID dollars right back again into France.

The article closes by saying:

France has a billion-dollar payment surplus and its No. 1 source is our Government dollar drain to Vietnam. If we mean business we had better stop arming the other side.

As you know, for some time I have been worried about the increasing unfavorable balance of payments, and am wondering if you would comment.

Secretary Rusk. Yes, sir.

We have watched this point very closely. We believe that there is no significant flow of dollars from Vietnam to France at this time. U.S. aid dollars are paid directly to exporters supplying the needed goods, and the dollars are at no time in the hands of the Vietnamese importer.

Since the procurement sources of the Vietnam aid program are the United States and, to a lesser extent, Taiwan, Korea, and Thailand, French exporters are not receiving the dollars.

But an estimated 2 or 3 million U.S. dollars are probably fleeing Vietnam each month. Some Vietnamese are selling piasters on the black market and buying dollars or dollar instruments to send abroad.

In order to prevent our involvement in that black market we asked the Vietnamese Government to create a special currency fund through which U.S. and third country personnel can legally purchase piasters at a special favorable rate. This takes private American dollars out
of the currency black market. It is not large from the overall point of view.

SALE OF AIRCRAFT TO ISRAEL

Senator Symington. Although not pertinent to what we are specifically discussing, my next question does involve the AID program. The United Arab Republic has either the third or fourth finest fighter air force in the world. Some of its fighter planes are considered by some of our people to be better than our best. Why won't we sell modern airplanes to Israel?

Secretary Rusk. Well, Senator, that is a very complex and delicate matter. I would much prefer to get into that in executive session, if I may.

Senator Symington. I would be glad to do that.

Secretary Rusk. We have tried over the years ourselves not to stimulate and promote the arms race in the Near East and not to encourage it by our own direct participation.

We have sold, as you know, weapons to Israel. We are concerned about the general question of balance. We have been disappointed over time—through a period of almost 15 years—in trying to find some basis for quantitative and qualitative limitations on the arms race in the Near East. We have not made any headway on that really.

This is a matter of great concern to us, but I think the sensitivities are such that if you would agree, sir, it ought better to be discussed in executive session.

Senator Symington. I would be glad to have discussed it in executive session, but have never gotten the answer.

Secretary Rusk. There are some questions to which there is not a very good answer.

COST OF AMERICAN MILITARY PRESENCE ABROAD

Senator Symington. At the end of the German war, European war, we split Germany and stayed over there with billions of dollars and hundreds of thousands of people. We have nearly a million people living in Europe today, counting dependents.

The next split was China. Everybody else went home but we stayed around with billions of dollars and some people.

Then we agreed to split Korea, and just about everybody else went home and we stayed around, with billions of dollars and tens of thousands of people.

Now, it looks as if we may split a fourth country, and stick around with billions of dollars and hundreds of thousands of people.

How many more splits do you think this economy can take? Putting it another way, how long do you think the United States can be almost the only financier of freedom and at the same time the defender of freedom, as it is, if our balance-of-payments problems continue to worsen?

Secretary Rusk. Well, I think, sir, that with all respect, we didn't ourselves split these countries.

Senator Symington. They were split. We agreed to the split; I correct myself.

Secretary Rusk. That is correct.

The Soviet Army was in Berlin and Germany, and in Korea at the end of the Second World War.
The systematic split that occurred was the split of Vietnam in 1954, and that was basically a result of a situation on the ground and the attitude of the French Government at that time.

Senator Symington. I am not questioning the decision.

Secretary Rusk. I know.

Senator Symington. I am just asking how long do you think we can stand it?

Secretary Rusk. We would like to see these matters resolved. I think we have to look at them when they come before us, and look at the total world situation in the American interests and decide what we have to do in our own interests. Then I would have to say also, Senator, that we would like more help from our allies and from others who have a direct interest in these results. We have been able, over time, to reduce costs in certain areas such as Taiwan. There has been some reduction in costs in Korea. But I think we have to do what is required—and what is required turns primarily on our own interests as a nation, and on our commitments—and then try to get as much help as we can from others.

As I say, we are disappointed by the fact that there is not more help coming from others in these critical situations.

Senator Symington. Don't you think that if more frankness were expressed publicly by the administration with respect to the growing problem incident to the Chinese becoming a nuclear power, plus their current political intransigence, and the relation of those facts to the South Vietnam problem, at least reasonably comparable to the information given in executive, military, and other briefings, would that not help clarify the Vietnamese problem for the American people and perhaps reduce some of the criticism that comes from various sources about what is going on today?

**FOURTEEN POINTS**

Secretary Rusk. Senator, we have tried to expose fully to the public, subject to a very limited number of security problems, the elements in this situation. We have talked a great deal—people don’t remember things that are said very long.

At the end of 1955 I drew together what was already on the public record, the things which had been said, about the content of a possible peace in Vietnam, but those so-called 14 points were looked upon by some people as something quite new.

We do talk a great deal—there are those who think I talk too much. It is hard for the news media to get the space or the time or the attention of their readers and listeners for background and context. I think this is one of our problems of public exposition. I think this is something in which not only the executive branch but Members of the Senate and House can help us with as they talk about these things with their people back home.

**INFLUENCE OF PEIPING OVER HANOI**

We have tried to make it clear over and over again that, although Hanoi is the prime actor in this situation, it is the policy of Peiping that has greatly stimulated Hanoi and has apparently blocked the path toward a conference.
In their joint communique they made a statement which seemed to refer with approval to the idea of a conference on Cambodia and Laos. We would be glad to be present at such a conference and so indicated.

It was our information that Peiping moved in on Hanoi and possibly on Cambodia, to block the prospect of such a conference.

I think there is no doubt about the militancy and the aggressiveness of Peiping’s policy. Indeed it has caused great problems inside the Communist world, quite apart from the problems it has caused in the free world.

We shall take your suggestion to heart and see whether there are things that we ought to be saying and doing in this direction that we have not been doing.

Senator Symington. I will make one final comment.

Secretary Rusk. Yes, sir.

Senator Symington. You are talking about a very broad strategic picture. I was talking about a short-term tactical picture in relation to our current operations in South Vietnam.

Secretary Rusk. Yes, sir.

Senator Symington. Thank you, Mr. Chairman.

The Chairman. Senator Clark?

POLICY DISAGREEMENT WITH ADMINISTRATION

Senator Clark. Mr. Secretary, as you know, I have become progressively more in disagreement with your and the administration’s policy in Vietnam as the war there continues to accelerate. I regret that very much. I think you know my very high personal regard and respect and, indeed, affection for you, and it makes me very unhappy that we are not in accord.

INCREASING AMERICAN INVOLVEMENT IN WAR

President Kennedy in a CBS television interview on September 2, 1963, said, and I wrote:

In the final analysis it is their war. They are the ones who have to win it or lose it. We can help them, we can give them equipment, we can send our men out there as advisers but they have to win it, the people of Vietnam against the Communists.

Why have we turned this into what is becoming more and more every day an American war? In your opinion, is this essential to the security of the United States?

Secretary Rusk. Senator, I think that—I welcome this question because I think that there is a substantial misunderstanding about what is happening in South Vietnam on this very point.

The fact that we have larger numbers of U.S. combat forces there causes our own press to concentrate very heavily on the activities of our forces. The truth is that the South Vietnamese continue to carry the great bulk of the struggle there. On any given day there might be, say, 2, 3, or 4 U.S. battalions in operation, say 1 Korean battalion, but 15 to 20 South Vietnamese battalions. The hundreds of incidents that occur every week and are maintained at a high level have their major impact upon the South Vietnamese. The 550,000 South Vietnamese forces are taking the heaviest casualties.
They are the ones who are out over the countryside every day in large numbers, and in not only substantial numbers of large unit actions but hundreds of small units actions around the country, looking for the guerrillas, trying to find them, and trying to deal with them.

So, although the U.S. effort has increased, the great bulk of the effort continues to be South Vietnamese.

That would not apply to the air, where we have a predominant role. The South Vietnamese Air Force is active but we have much the larger share of the air effort.

**POINT AT WHICH IT BECOMES U.S. WAR**

Senator Clark. And yet 2 years ago I have been informed we had a total of 10,000 Americans in Vietnam, 1 year ago there were only 30,000, today there are 200,000.

If Senator Stennis is correct, the administration is going to build that force up to around 600,000, at what point does it become our war and not their war?

Secretary Rusk. Well, sir, I have seen various figures used. Most of them are not the figures that I know about or have been discussing in our own consultations. I really would prefer not to speculate on the problem of figures this morning, Senator.

Senator Clark. Well, I am prepared to leave the whole subject with the observation that I would hope very much that we are going to stop escalating this war any further. I think it was about a year ago that you told me, and I don’t think I am revealing any confidences because I think you have said it publicly, that we have lots of wiggle room. I think we are running out of wiggle room. I think we are coming pretty close to the point of no return and personally I am scared to death we are on our way to a nuclear world war III.

If you would care to comment I would be happy but I certainly am not asking you.

Secretary Rusk. Senator, first on this matter of escalation, I did indicate to the committee the other day that we would try to provide a chronology of this Vietnam affair, because it does show that the escalation has been escalation by the north.

For 4 years there was infiltration from the north before there was any bombing of North Vietnam. The 325th North Vietnamese Division moved from North Vietnam through Laos to South Vietnam before there was bombing of North Vietnam. If the other side would deescalate and get these infiltrators home, things could move very fast, sir—they could move very fast.

**EFFECT OF BOMBING ON INFILTRATION FROM THE NORTH**

Senator Clark. Well, since the bombing of North Vietnam began last February and ended in December, it did not prevent the infiltration and build up of regular troops of the North Vietnamese Army in South Vietnam in addition to substantial equipment and supplies, what reason is there to think that a resumption of bombing would do what wasn’t done when we bombed before?

Secretary Rusk. Well, these strikes have undoubtedly made infiltration more difficult, more costly, and have imposed some limits
on the movement of arms and other supplies. Certainly no bombing—nonbombing—did not prevent the infiltration of regular units of the North Vietnamese forces into South Vietnam.

Senator Clark. Well, two zeros don't make a plus.

Secretary Rusk. Well, I don't want to speculate on problems that are before us at the moment, but when a truck goes 45 miles in 5 days because of procedures that are directly related to the danger of air attack, I should think that it is of some advantage that it takes that truck 5 days instead of 5 hours, or less, to move those 45 miles.

RELATIONSHIP OF SUPPLEMENTAL REQUEST TO REGULAR 1967 BUDGET

Senator Clark. Mr. Bell, there is a cynical school of thought around to the effect that this request for supplemental appropriation is in part due to the necessity of keeping fiscal 1967's request lower and that really you are getting this money in order to help fix the budget for next year.

Can you demolish that thought; will you spend all this money before June 30?

Mr. Bell. Yes, sir.

Well, there is in this request $315 million which is expected to be obligated by June 30. That is based on a careful calculation of exactly what we think is necessary to be obligated by the 30th of June. There is a hundred million dollars requested to replenish the contingency fund. That may or may not be obligated depending on what—on whether there is or is not the kind of circumstance that would be called upon to use that money. But none of it is intended or planned or expected to be asked for now and carried over into next year.

Senator Clark. I am very happy to have that answer.

FINANCING IMPORTS INTO VIETNAM

Now, on page 6 of the Secretary's statement at the bottom, you state as one of the two principal elements in the request for additional funds that you want the $175 million to finance the importation for commercial sale of certain goods and supplies.

You use the word "finance." Will any of that money come back?

Mr. Bell. The bulk of it, sir, will be spent in the United States.

Senator Clark. No; but I mean this is not a financing loan.

Mr. Bell. I beg your pardon. No; these funds would be granted in the technical sense. They are not loans but grants.

Senator Clark. So they are outgo and won't come back?

Mr. Bell. That is correct.

REQUEST FOR RURAL RECONSTRUCTION PROGRAM

Senator Clark. With respect to the rest of the money which you request for South Vietnam, a hundred million dollars to fund new or expanded activities.

Mr. Bell. Yes, sir.

Senator Clark. Actually won't you have to spend most of that money in taking care of the refugees and in assuring some reasonably decent standard of living in the cities which are about all we have got left, and that there will be very little which can be spent for the...
rehabilitation of the villages and countryside of South Vietnam in view of the military situation. In that connection I have seen in the press the statement that of some 2,600 villages in South Vietnam the Government controls only 700.

Mr. BELL. There are two questions there. Let me answer the first one, to begin with: Of the $100 million, we estimate that only about $11 or $11½ million will be necessary for refugees. Some $25 million of it is expected to go directly into rural operations for schools, health, water supplies, agricultural improvement, and so on.

Another $31 million is needed for transportation and logistics, both inland and at the ports and a substantial air transport. And $10 million is for electricity, telecommunications, and the work at Cam Ranh, which is the civilian side of the work there.

So that of the total you might roughly say that around half of it is maintenance and half of it is positive contribution to constructive improvement, the economic development, the economic and social progress.

AREAS WHERE AID PROGRAM CAN OPERATE

Now, as to the areas of the country that we can work, when I was there at the beginning of the month, I inquired very carefully into this. The situation roughly is that while you would describe only about 25 percent of the countryside as being quite secure, that is the 700 villages you are talking about another 50 percent of the countryside we can work in with varying degrees of insecurity.

There are only about 24 percent of the inhabited areas of the countryside which really are not reachable at the present time.

Senator CLARK. When you say you can work in that 50 percent, you don’t mean, do you, that you could actually construct schools there?

Mr. BELL. Yes, sir; I do mean exactly that.

TERRITORY CONTROL BY GOVERNMENT AND VIETCONG

Secretary Rusk. You see, Senator, this question has turned on ambiguity in the word “control.” When we talk about government control, the tendency is to insist upon a very high standard of security. That does not mean that all that is not under government control is under Vietcong control. The government controls all 43 of the Provincial capitals and is in full control of all but 16 of 240 district capitals. But there are considerable areas where the Vietcong do wander around in bands of various sorts—and if you go in there you run the risk of running into one of those bands. But the areas which the Vietcong have organized and administer and control in the same sense that the government controls those areas that we call areas under government control are relatively small. There is a considerable area that for all practical purposes is contested—in the sense that, if you go in there, you might run across the Vietcong.

Senator CLARK. One final question, Mr. Chairman. We have all seen maps and I have one in my hand which I regret to state is classified. I think it ought to be declassified. But those maps would at least superficially cast some doubt on the complete validity of what you and Mr. Bell just said.

Secretary Rusk. Our discussion of this came up specifically in connection with that map, and I told the committee that we would try
to provide a map which compared comparable things—that we would try to show those areas that were under the same kind of control by the Vietcong that the Government has in areas under Government control. Those areas would be quite small. The danger areas referred to as under Vietcong control are not organized by the Vietcong. They are simply places where you can run into these fellows if you are not careful.

Mr. Bell. Excuse me, Senator, there is one very important point in addition.

If you are looking at a map you may be misled. I don't mean you, but one can be misled by large areas which show as Vietcong controlled or contested in which hardly anybody lives. Mountain areas, jungle areas so that you have to be careful to look at the areas where the people are, and concentrate your attention on what is the situation in those areas, and what we are, the figures that the Secretary and I are referring to relate to the inhabited areas of the countryside.

Secretary Rusk. Please don't misunderstand me, Senator Clark, I am not suggesting everything is fine—it is tough enough.

Senator Clark. I don't want to violate security and I feel quite provoked that this map is classified but if I could put this map in the record it would show that the jungle areas are shown in white, the Vietcong controlled areas are shown in pink, and Vietnamese areas are shown in gray, so that your report about the jungle areas is well taken care of.

And I guess I have gone a little further than I should and I am going to stop.

Secretary Rusk. It may not be classified now, sir—there are some cameras behind you. [Laughter.]

Senator Clark. The colors are such that they wouldn't show up. [Laughter.]

Unless it is a live color camera.

The Chairman. Senator Pell?

Senator Pell. Mr. Secretary, I think we all have a terrific admiration and regard for your own job and the way you do it under very trying circumstances. I share that as an old friend, too.

PERCENTAGE OF VIETCONG NOT NATIVES OF THE SOUTH

There are a couple of questions I have. First, what percentage of the Vietcong forces are basically not South Vietnamese, natives born in South Vietnam? As I understand there are about a quarter of a million Vietcong.

What portion of those would be from North Vietnam?

Secretary Rusk. I think there are a good many South Vietnamese ethnic people who were sent down by North Vietnam. I would include those as North Vietnamese for the purpose of deciding where the aggression lies. They were armed and trained and sent down to provide the cadres for the bands and the terrorists in South Vietnam.

I would suppose that that would be comparable to, say, the Federal Republic of Germany organizing people who used to live in East Germany into similar bands to be sent into East Germany.

I would suppose that 80 percent of those who are called Vietcong are or have been southerners.

Senator Pell. Well, then—-
Secretary Rusk. And that North Vietnamese ethnic people might be in the percentage of about 20, although they play a very important role and they are there now as organized elements of the North Vietnamese Army.

Senator Pell. But then I realize that one can't play with figures but it would be a fact that the U.S. forces in South Vietnam would be about four times the number of those born in North Vietnam who are with the Vietcong and there would be no Chinese in South Vietnam.

Secretary Rusk. We have not seen Chinese in South Vietnam. There have been occasional rumors to that effect, but, whenever we have checked them out, we have not found Chinese taking part in the Vietcong operations.

CIVIL WAR

Senator Pell. This question of whether it is a Vietnamese war or an American war is one that concerns us here because we see so many signs of South Vietnamese or Vietnamese concern, the more you read it the more you realize it is really one country, one people, one basic language with various divisions. If there were any ethnic divisions it would be the Montagnards, I guess, so we have to determine how much of this is a civil war and how much is not.

Your view is, I know, that the major portion of the aggression originates in the north, would that be correct?

Secretary Rusk. That is correct, sir. The present effort was decided upon in 1959 in Hanoi. It was publicly organized and announced in Hanoi during 1960, and it has been followed up ever since.

Then there is, Senator, I think a very special case here in these divided countries. We could not accept the argument that, because West Germans and East Germans are both Germans, if they went after each other, that would be simply an indigenous affair. I can assure you the Russians wouldn't accept it on that basis.

When the North Koreans went after the South Koreans with many organized divisions we couldn't accept that as an indigenous affair, a civil war among Koreans. There have been agreements, there have been settlements, there have been demarcation lines that are as important as frontiers. If we are going to organize the peace, we had better insist in the case of these divided countries that, if there are any problems, those problems should be settled by peaceful means and not by force. Otherwise this world is going to go up in smoke.

Senator Pell. Was there a question in the Korean war of whether most of the North Koreans were natives of South Korea?

NORTH VIETNAMESE WHO WENT SOUTH AFTER 1954 AGREEMENT

Secretary Rusk. Almost a million North Vietnamese left Hanoi in 1954-55 to live in the south because they did not wish to live under a Communist regime. I am sure you would discourage us from the idea of organizing those North Vietnamese now in South Vietnam and sending them to the north.

Senator Pell. Not at all. Maybe it would be an excellent idea then it would have been a Vietnamese war.

Secretary Rusk. I had thought you were concerned about escalation, Senator. That would be a major escalation. [Laughter.]
SEEM NO NEARER THE END OF THE ROAD NOW THAN WE WERE THEN.

THE ALGERIAN KIND OF WITHDRAWAL OR, ON THE OTHER HAND, TO BRING ABOUT A LITTLE MORE FORCE AND WITH A LITTLE MORE EFFORT THE WAR COULD BE WON, THAT THEY COULD SEE LIGHT AT THE END OF THE ROAD. I KNOW HOW YOU MUST BE CONCERNED WITH HEARING THESE STATEMENTS FROM YOUR MILITARY COLLEAGUES YEAR AFTER YEAR, AND YET EACH YEAR WE DO WHAT THE MILITARY ASKS US, AND WE GIVE THEM WHAT THEY WANT. I DON'T THINK ANY OF THEIR REQUESTS FOR MONEY OR MATERIEL HAVE BEEN TURNED DOWN AND WE SEEM NO NEARER THE END OF THE ROAD NOW THAN WE WERE THEN.

THE ALTERNATIVES, AS I SEE THEM, ARE UNACCEPTABLE, EITHER TO HAVE AN ALGERIAN KIND OF WITHDRAWAL OR, ON THE OTHER HAND, TO BRING ABOUT A GENERAL ESCALATION INTO WORLD WAR III.

GENERAL GAVIN'S RECOMMENDATIONS

I AM TRYING TO FIGURE OUT WHAT COST IS ACCEPTABLE IN BETWEEN. I WONDER WHY YOU FIND THE GAVIN THEORY WRONG. I HAVE READ GAVIN'S RECOMMENDATIONS FOR PUTTING OUR TROOPS IN ENCLAVES AND TRYING TO DEESCALATE.

WHERE DO YOU THINK GENERAL GAVIN IS INCORRECT?

SECRETARY RUSK. FIRST, LET ME SAY I AM GRATEFUL TO YOU FOR RAISING THE ISSUE OF ALTERNATIVES.

IT IS EASY TO WORRY ABOUT THE PROBLEMS WE HAVE ON OUR PRESENT COURSE OF ACTION. ALL OF US CAN WORRY ABOUT THEM. BUT WE HAVE TO CHOOSE AMONG THE COURSES OF ACTION THAT ARE AVAILABLE, AND I THINK THAT THERE HAVE BEEN A GOOD MANY PEOPLE WHO HAVE CONCENTRATED ON WORRYING ABOUT THE PROBLEMS WE SEE IN FRONT OF US WITHOUT GRAPPLING WITH THE CHOICES THAT HAVE TO BE MADE AMONG ALTERNATIVES.

I AM GRATEFUL TO YOU FOR EMPHASIZING THAT POINT.

NOW, SOME ASPECTS OF THE GAVIN DOCTRINE I THINK WE CAN TALK ABOUT MUCH MORE FRANKLY IN EXECUTIVE SESSION, BUT WE SEE NO SIGN THAT THE OTHER SIDE IS DEESCALATING, WE SEE NO SIGN THAT THEY ARE PREPARED TO STOP DOING WHAT THEY ARE DOING.

NOW, TO USE A RATHER VERNACULAR EXPRESSION, I DON'T BELIEVE, MySELF, THAT WE CAN ASK OUR MEN IN UNIFORM JUST TO PUT THEMSELVES INTO HALF A DOZEN OR A DOZEN GUANTANAMOS AND THEN HUNKER DOWN AND LET THE OTHER SIDE PICK THE TIME AND THE PLACE AND THE WEAPON AND THE BUILD-UP OF FORCES, AND TAKE THEM ON ONE ENCLAVE AT A TIME.

THERE ARE PEOPLE WHO ARE SHOOTING AT YOU, AND I AM INCLINED TO THINK THAT, UNLESS THEY STOP, YOU HAVE TO SHOOT BACK, AND THAT THE INITIATIVE IN THAT SENSE SHOULD NOT BE LEFT TO THOSE WHO ARE MARAUDING THROUGH THE COUNTRYSIDE THERE.

NOW, IF THE OTHER SIDE HAD ANY INTEREST IN DEESCALATING, THERE ARE MANY WAYS IN WHICH THAT COULD BE REGISTERED AND THAT COULD BE A PRETTY IMPORTANT STEP TOWARD PEACE. BUT THAT IS—THE WORD WE HAVE HAD FROM THEM IS JUST THE OPPOSITE, IT IS JUST THE OPPOSITE. THERE ARE SPECIFIC MILITARY ASPECTS TO IT THAT I WOULD PREFER NOT TO GET INTO IN OPEN HEARING. BUT I WOULD WANT TO BE SURE THIS IS NOT SIMPLY A NEXT STEP TO WITHDRAWAL. SUPPOSE WE HAD THOSE ENCLAVES. THEN THE VIETCONG COULD ORGANIZE THE REST OF THE COUNTRY, ORGANIZE PEOPLE WHO DON'T WANT THE VIETCONG—THE BUDDHISTS AND THE CATHOLICS AND THE OTHERS HAVE MADE IT CLEAR THEY DON'T WANT WHAT THE VIETCONG IS OFFERING. OUR
forces then would be holding certain small cells there, and I just don't see any future outcome to that except failure.

**LIKELIHOOD OF CHINESE INTERVENTION**

Senator Pell. But, Mr. Secretary, as you pointed out the question here is alternatives and many of us have wrestled with it and have tried to come up with alternative approaches. They all seem equally unpleasant, but don't you see the end of the road we are following now? After we have erased Hanoi and Haiphong, which we could do in a couple of hours, and after we have chewed up their army of 300,000 as Senator Mansfield in his report points out in an open-ended situation, the vacuum would be filled in by the Chinese forces.

Secretary Rusk. I don't see the future in as precise terms as that. I think when we look back over the crises we have had since 1945, one cannot spell them out that clearly and that far into the future. I think the other side has some problems. They have got to be looking at alternatives, if they have some elements of rationality, as we think they must have despite some of the difficulty in getting across to them in communications. They have some serious problems, just as we do—and in a number of these postwar situations that has led to the possibility of peace.

**NATIONAL INTERESTS OF CHINA AND RUSSIA IN CONFLICT**

Senator Pell. In conclusion then, Mr. Secretary, would you not think that the course we have followed so far and the expansion so far has resulted in little expense and no real loss to China and that this has really coincided with China's national interests.

Secretary Rusk. Well, I think what China considers to be a national interest of theirs is very much engaged here; that is, the application of the technique of a militant "war of liberation," as they call it. I don't believe myself that Peiping welcomes us in southeast Asia. I don't subscribe to the view I have heard expressed by some, that the Soviet Union is very glad that we are all mixed up in this problem, and that China is very glad to see us all mixed up in this problem. I think that they would prefer that we not come there at all. They would prefer to have seen their world revolution move ahead. I don't think that they are getting what they want in this present situation—not are we, yet.

Senator Pell. Do you see an end to the corridor we are following at this time?

Secretary Rusk. No; I would be misleading you if I told you that I thought that I know where, when, and how this matter will be resolved. I can't say that, sir, and I don't know anybody in any capital who can say that with complete assurance.

Senator Pell. Thank you, Mr. Chairman.

The CHAIRMAN. Senator McCarthy?

Senator McCarthy. Mr. Secretary, the views you just expressed with reference to the Russian and Chinese attitude involvement in southeast Asia is that generally shared in the State Department?

Secretary Rusk. You mean as to whether Russia and China are pleased that we are in southeast Asia?

Senator McCarthy. You say they are not pleased?
Secretary Rusk. That is correct, sir.

Senator McCarthy. The opposite point of view, I understand, has some rather strong support, also.

Secretary Rusk. Well—

Senator McCarthy. In high councils of Government.

Secretary Rusk. Yes; I have heard the other points of view, and I was just expressing my disagreement with them.

Senator McCarthy. And you think your point of view is the one which has the greater weight in whatever decisions may be made in this area, or don't you want to answer that?

At least there is a counterweight to what you say.

Secretary Rusk. I think all of these points of view are taken into account. I would have to confess that I think my view as Secretary of State has some bearing on the problem. [Laughter.]

Senator McCarthy. We won't ask you to put it in quantitative terms. [Laughter.]

QUESTION OF LAND OPERATIONS IN NORTH VIETNAM

I would like to raise a question, pursuing a question Senator Pell just raised a little farther. He asked why it was that there was no countermove in North Vietnam by land forces either under orders or South Vietnamese who might do it on their own.

You said, well, this is escalation in a sense and you asked if he was against escalation and indicated you didn't think that was a good policy. I don't think that is a good answer.

What is the difference between that and bombing North Vietnam? Is there a diplomatic or a military reason that doesn't apply to one and does to the other?

Secretary Rusk. The South Vietnamese forces have had their hands pretty full with the task in front of them. I really feel I would rather get into this, I ought to get into this, in executive session rather than open hearing. This gets us into some difficult problems.

SALES OF MILITARY EQUIPMENT TO FOREIGN COUNTRIES

Senator McCarthy. Senator Symington inquired about the matter of armed sales to the United Arab Republic. I didn't get your answer, did you say you wanted to talk to him in private or in executive session?

Secretary Rusk. In the executive session with the committee or privately with the Senators who wish to have it, either way. I am at the committee's disposal. I don't think it would be wise to discuss this fully in open session.

Senator McCarthy. I know the State Department exercises consultation on sales made by the Pentagon.

Secretary Rusk. I beg your pardon, sir, I didn't—

Senator McCarthy. You are consulted with reference to the arms sales which are being pushed by the Pentagon.

Maybe I shouldn't say pushed, but—

Secretary Rusk. No, we keep in very close touch with the Defense Department on the sales of arms. As a matter of fact, we have to approve, we must approve, those in the private field through munitions control, and in the public field through the military assistance and military sales.
Senator McCarthy. I wonder whether you exercise control over arms control all over the world.

Secretary Rusk. We have an arms munition controls procedures by which we regulate the license of the sale of arms in pursuance of policy guidelines established. We have a regular procedure to doing that.

Senator McCarthy. Did you clear the sales by the arms dealer in Alexandria?

Secretary Rusk. The arms—

Senator McCarthy. The international sales that he makes. Two Sundays ago I read a story which said he was modernizing the army of one of the Latin American countries and I wondered whether he could do this on his own or if he had to get clearance from the U.S. Government.

Secretary Rusk. It would be my impression that they are under the munitions control procedure but I would have to look into that particular case to see what the case is.

Senator McCarthy. The explanation as I heard it was that they could do the job cheaper through the Alexandria man than they could with Mr. Rusk.

DOLLARS LEAVING VIETNAM

Secretary Rusk. Well, there may be some differences in surplus equipment. I am not sure—I just don't know the circumstances.

Senator McCarthy. Mr. Secretary, again in answer to a question from Senator Symington, I think you said only $2 or $3 million a month were going to France.

Senator Pell. Not to France, sir, to the black market.

Senator McCarthy. To the black market.

Senator Pell. In Hong Kong, most of it.

Secretary Rusk. That is fleeing Vietnam each month.

Senator McCarthy. Black market.

Secretary Rusk. Capital flight, if you like.

Senator McCarthy. Do you have an estimate as to how much of the money we put into Vietnam or how much we are going to put in is likely to be handled through French banking interests and therefore likely to have a bearing upon our balance-of-payments problem with reference to France?

Mr. Bell. I would not expect, Senator, that any substantial portion would be handled through French banking interests. The way this system works, the financing of imports is what you are talking about, I believe.

Senator McCarthy. Well, construction; $700 million for construction.

Mr. Bell. Construction is the Defense Department's business, and they have hired certain American construction firms to do that work. Those American firms normally all deal with American bankers and so on. I am not quite sure what the precise point of your question is, I must admit.

Senator McCarthy. Well, much of the money will be spent in Vietnam, it would be spent on labor, for example.

Mr. Bell. Yes, sir.

Senator McCarthy. Some of it would be spent on materiel.
Mr. Bell. Yes, sir.
Senator McCarthy. This would be spent in Vietnam?
Mr. Bell. Yes.
Senator McCarthy. What becomes of the dollars that are set loose in this area?
Mr. Bell. Now, I understand.
Dollars earned by the Vietnamese Government, by their central bank, as in the case you are talking about where an American construction firm will hire some Vietnamese laborers—those dollars are used by the Vietnamese Government or released for payment for imports and some of those imports will undoubtedly come from France. That is right. Those aren't our AID dollars.
Senator McCarthy. I know they are not AID dollars. I am speaking about total expenditures of dollars, either AID or military.
Mr. Bell. Right.

CONTROLS OVER IMPORTS AND EXPORTS

Senator McCarthy. What attempted control over the movement with these dollars is now being exercised, do you know?
Mr. Bell. Well, the Vietnamese Government and ours have a joint planning process controlling what is going to be imported to the country—the volume and the types and so on. We, as the United States, do not control the places where orders are placed, if they are financed by Vietnamese Government dollars other than by our economic aid dollars. They will be placed in general where prices and commercial considerations indicate. Some of them will undoubtedly represent purchases in Japan, some in Europe, some in the United States.
Senator McCarthy. You don't have anyone who can make an estimate as to what amounts, in what amount these dollars do become relatively free dollars passing through French financial circles?
Mr. Bell. I don't know. Can we make an estimate of that? Let us try to put something in the record for you on that, sir.
(The information referred to follows):

ESTIMATED AMOUNT OF U.S. MILITARY AND ECONOMIC EXPENDITURES IN VIETNAM WHICH PASS THROUGH FRENCH FINANCIAL INSTITUTIONS

France has been an ineligible source for AID-financed imports since late 1960. There are, however, about six French-owned agencies or trading firms in Saigon which have represented United States manufacturers for many years.
For imports financed by the Government of Vietnam, French firms are limited to certain agricultural and industrial raw materials, capital equipment, and vehicles. French-type foodstuffs and luxury items have virtually disappeared from the market.
The value of French imports financed with Vietnamese foreign exchange reached a level of $35.0 million in 1962 or 44 percent of Government-financed imports; and fell to $18.2 million, or 19 percent of these imports in 1964. It is believed to be even less in 1965; however, final 1965 statistics are not yet available.

USE OF SCRIP BY AMERICAN FORCES

Senator McCarthy. The second question had to do with the amount of scrip that is used and how it is handled.
Mr. Bell. The American troops in Vietnam are now receiving any funds that they want to receive in cash—not in greenbacks but in the form of so-called military payment certificates, scrip. They
can convert that scrip. The regulations under which they work require that they convert that scrip through official channels at a rate of 118 piasters to a dollar. If they do not so convert it, but instead convert it on the black market, that is a court-martial offense. There are undoubtedly some soldiers who do that but the number is believed to be quite small, and the evidence is that the introduction of the scrip a few months ago did in fact greatly reduce the volume of dollars that were going through the black market, and greatly improved the ability of the Vietnamese Government and the United States Government to control the financial and economic circumstances in the country.

PAYMENT OF VIETNAMESE TROOPS

Senator McCARTHY. The payment of Vietnamese soldiers is made by the Vietnamese Government itself and you give the dollars to that Government.

Mr. BELL. No, sir; we don't give any free dollars to the Vietnamese Government. The import letters of credit which we give Vietnam are sold by the Vietnamese Government to their importers who pay piasters therefor, and those piasters are applied to the Vietnamese budget. So that the Vietnamese Government receives piasters. We control the dollars and pay the dollars to the exporters, in the United States, in Korea, Thailand, Taiwan, and a few other less developed countries. We do not finance any imports into Vietnam from Europe.

Senator McCARTHY. The payment of their troops for military expenditures?

Mr. BELL. The Vietnamese troops are paid in piasters by the Vietnamese Government as part of their regular budget.

Senator McCARTHY. And the Vietnamese Government gets its own money how?

Mr. BELL. Well, there was an earlier question about this, Senator. But let me summarize it: the Vietnamese Government budget for 1966 is about 55 billion piasters. They will obtain of those piasters, 21 or 22 billion from their own internal taxes. About 10 billion will come from deficit-financing, credit-creation, and the other 24 roughly will come from the piasters that are made available as counterpart for our economic aid.

U.S. INVOLVEMENT IN A LAND WAR IN ASIA

Senator McCARTHY. Mr. Secretary, I have one question, I think we accepted for 5 or 6 years the ideas expressed by General MacArthur, General Eisenhower, General Gavin, General Ridgway, and others that a land war in Asia was unthinkable.

Is that theoretical position still held or do we have among the military figures in America today a changed point of view?

Secretary RUSK. Senator, the nature of a struggle of this sort, where the initiative is not ours, where we did not start it, and where we didn't want it to begin with, and where the aggression comes from the other side is, of course, substantially determined by the other side.

At the present time the situation in South Vietnam does not take the form of armies, land armies, locked in combat with each other. It continues to be basically a guerrilla operation. The overwhelming
part of the problem is terror and sabotage. The fixed units that the other side has—battalions or regiments—occasionally engage in combat.

But the great mass of the problem is the guerrilla action by smaller groups, intimidating villages, blowing up highways or bridges, assassinations and kidnappings, and techniques of that sort.

One cannot say with complete confidence what the future will hold, but I would just point out that, at this stage in the situation, the other side is still operating chiefly on a typically guerrilla basis. They are doing so both as a matter of practice and apparently also as a matter of doctrine.

Senator McCarthy. I know that to be the case.

Secretary Rusk. The fire power that is available to the government and allied forces out there is very large indeed, and the other side has found it very difficult to sustain battalions or regiments in action for any protracted period.

Senator McCarthy. Well, I don't think that quite answers my question.

Secretary Rusk. I know it didn't, sir.

Senator McCarthy. Thank you very much, Mr. Secretary, I have no further questions.

The Chairman. Senator Aiken?

PRIVATE ENTERPRISE IN VIETNAM

Senator Aiken. I have a couple for Mr. Bell to answer.

Are we insuring any type of private enterprise in South Vietnam?

Mr. Bell. There is an agreement between the Vietnamese Government and ours which authorizes the normal kind of investment guarantees for American investments. But none have been issued over the past 12 months. There were some previously.

Senator Aiken. We have not insured any type of private investment in South Vietnam over the last 12 months?

Mr. Bell. That is my understanding.

Senator Aiken. Is that what you say?

Mr. Bell. Yes, sir.

Senator Aiken. Has any private investment from the United States been made in the last 12 months?

Mr. Bell. I am not sure that I know of any, Senator.

Senator Aiken. None at all?

Mr. Bell. I would be glad to check the point for the record.

(The following material was subsequently furnished for the record:)

U.S. PRIVATE INVESTMENT IN VIETNAM DURING 1965

During calendar year 1965, the United States issued two specific risk guarantees to Caltex for investments totaling $722,000. In addition, there is underway an expansion of a paper and pulp manufacturing company in which Parsons & Whittemore are equity participants. The value of the equipment required for the expansion is estimated at $2 million.

Discussions are being held between the Government of Vietnam and a number of banking institutions regarding the possible establishment of an American branch bank in Saigon.

We have no further information immediately available here as to whether other American firms operating in Vietnam are expanding their investments.
Senator Aiken. You don't know of any branch banks established in the last 12 months?

Mr. Bell. When I was there early this month there were four large American banks asking for permission to open branches in Vietnam. Now, the government was considering these applications favorably, perhaps not for all four, but at least one or two but those investments have not yet been made. There are a number of American import houses which have been operating in Vietnam for some years, been operating effectively. They have not enlarged their investment so far as I know in the last year and certainly have not asked us for any guarantees. There were some American investments, Foremost Dairies has an investment there. I believe that—

Senator Aiken. That was previous to the war?

Mr. Bell. Well, not previous to the—about 3 years ago, Senator, there was considerable conflict going on then.

Senator Aiken. But you say there are no American branch banks in South Vietnam now?

Mr. Bell. There have not been, there are just about to be the first ones.

Senator Aiken. There have not been any?

Mr. Bell. That is right.

Senator Aiken. But there are four applications?

Mr. Bell. That is right.

Senator Aiken. What banks have applied?

Mr. Bell. I don't know whether that is a commercial secret or not.

Senator Aiken. I think it is a public matter.

Mr. Bell. First National City, Chase, the Bank of America and American Express are the four. Chase-Manhattan, First National City, Bank of America, and American Express.

U.S. BUSINESS OPERATIONS

Senator Aiken. Are there many American service establishments in South Vietnam?

Mr. Bell. What do you mean, Senator, service establishments?

Senator Aiken. Gas distribution and so forth.

Mr. Bell. Oh, yes sir. Esso operates there, Caltex.

Senator Aiken. Laundries?

Mr. Bell. There are—

Senator Aiken. Things like that.

Mr. Bell. There are companies in construction equipment, petroleum.

Senator Aiken. Yes.

Mr. Bell. Yes, sir; large prominent American firms.

Senator Aiken. Are they subject to harassment by the Vietcong?

Mr. Bell. As any business is, and to the extent that it is, the oil trucks, for example, that travel in the back country highways are frequently stopped and taxes demanded if they are to be passed along that highway just as any other traffic on the back country highway.

Senator Aiken. You mean they pay tolls?

Mr. Bell. Yes, sir; that the form—

Senator Aiken. They pay for the privilege of doing business in Vietcong territory?
Mr. Bell. That is right. Just as any other businessman is liable to have to do.

**INTEREST RATES IN SAIGON**

Senator Aiken. I see. What is the going rate of interest in Saigon, for instance?

Mr. Bell. About 8 percent.

Senator Aiken. And you mean a business person in Saigon could borrow money at 8 percent?

Mr. Bell. Yes, sir; has been able to.

Senator McCarthy. It is better than he can do in the United States now.

Mr. Bell. No, the prime rate in the United States is still only 5.

Senator Aiken. What money do they borrow?

Mr. Bell. They borrow piasters, sir. The economy of Vietnam is operating. Senator. It operates in, with some limitations, but there are the markets and the marketing systems, the stores, the transportation systems are those that you would, any of us, would recognize as normal. You run into trouble when you get out into certain areas in the countryside. The cities operate in pretty normal fashion.

Senator Aiken. What money do the Vietcong use?

Mr. Bell. They use piasters.

Senator Aiken. And the money is accepted freely by service establishments, stores?

Mr. Bell. Well, it is accepted freely, if the person giving it does not identify himself as a Vietcong. If a fellow comes into a shop in Saigon and buys something and pays piasters he could be a Vietcong purchasing agent or he could be an ordinary citizen.

Senator Aiken. But you say, you are sure there is no private American money invested in the banking or lending business there?

Mr. Bell. Up to now, that is correct.

Senator Aiken. Up to now, there are no private U.S. funds invested?

Mr. Bell. Well, I repeat, Senator, there are some U.S. funds which have been invested in previous years in import and export business, in petroleum distribution and sales, in dairy firms, I think there are probably several other enterprises, business enterprises in which Americans have invested, not enormous sums of money.

Senator Aiken. And they do have to pay the Vietcong for the privilege of doing business.

Mr. Bell. Not in Saigon; no, sir. But insofar as they——

Senator Aiken. If they get outside.

Mr. Bell. If they want to distribute commodities out in a rural area as the oil companies do, for example, they may on any given day encounter a roadblock and be forced to pay toll to go through. The passage from one secure area to another on the highway is often taxed by the Vietcong. This is a form of banditry; it is like holding up the stagecoach in the West in the early days.

Senator Aiken. In other words, they rob the stage.

Mr. Bell. Exactly.

When I was there I was told of a fellow who had traveled on a bus from up in the mountains from Kontum to Pleiku and he said that the busdriver obviously got some kind of signal at a certain stage and he noticed all of a sudden everybody on the bus was taking his valuables off and taking his wristwatch off and putting it in his sock and
sure enough around the corner the bus was stopped and the Vietcong came aboard and asked for money.

Senator Aiken. I believe it takes about 10 deputy sheriffs to cope with 1 desperado, doesn’t it? [Laughter.]

CONTROL OVER DECISION TO ENGAGE IN WAR IN ASIA

Just one question, I was interested in the questions Senator McCarthy asked of the Secretary, I understood the Secretary to say that the other side would determine whether the United States becomes locked in a land war in Asia or not.

Did I hear that correctly?

Secretary Rusk. In the sense, sir, that, just as when the other side moved large numbers of organized divisions across the parallel in Korea, we had to face the question as to whether we would leave them alone, get out of the way, let them have it, or whether we would hit them.

Senator Aiken. They will determine then whether we send 400,000 or 2 million men into southeast Asia?

Secretary Rusk. I think, Senator, that—

Senator Aiken. Don’t you suppose they will be making other decisions for us perhaps if we agree that they have this one to make?

Secretary Rusk. Well, it is almost in the nature of aggression, Senator, that the initiative lies with the aggressor. If it would be left up to us there wouldn’t be any shooting out there at all. We wouldn’t have been there with troops. We want peace in the area, and we have wanted it for the entire postwar period.

Now, when somebody else starts shooting, then decisions have to be made as to what is done about that, and by whom, and what the responsibilities of the United States might be in that situation.

Senator Aiken. That would apply to any part of the world.

Secretary Rusk. It would apply particularly to those countries with whom we have commitments. I indicated earlier this morning we don’t look upon ourselves as the gendarmes of the universe and we are not trying to establish a Pax Americana right around the globe. Many others carry responsibilities and many other types of aggressions and fighting have been dealt with or resolved without the participation of the United States.

UNITED KINGDOM POSITION ON CONTRIBUTIONS TO VIETNAM

Senator Aiken. Did I hear the radio report correctly this morning which indicated that the United Kingdom says that her contributions to our trouble in Vietnam will consist of not calling on us for greater contributions to protect her resources in different parts of the world? Would that be a real contribution?

Secretary Rusk. No, I think that is a little—that misses the point by considerable.

Senator Aiken. I got it on the air and that is why I am asking you to clarify it.

Secretary Rusk. No; Britain has had a direct responsibility in southeast Asia because of the problem between Indonesia and Malaysia, and they have had a fairly substantial part of their defense budget committed in southeast Asia. That problem is not resolved,
and there has been fighting there, in Malaysia and in Borneo, with infiltration elements.

No; I would think that radio report was rather missing the point.

Senator Aiken. I think I have got the situation as clear as I might, Mr. Chairman.

Senator Williams. If you will yield?

Senator Aiken. I will yield to the Senator from Delaware who has a question.

FREE WORLD SHIPPING TO NORTH VIETNAM

Senator Williams. Speaking of the contribution Britain has made, why is it that they have not stopped their ships from sending supplies to Vietnam?

Secretary Rusk. We are at the present time in closest touch with Britain about that matter, as with one or two other governments. The free world shipping has been substantially reduced. I think the average monthly rate now is about 13. Most of those are small ships operating out of Hong Kong.

About half of those that do come in, come in in ballast, take out coal to Japan, and some fresh fruits and vegetables to Hong Kong or eastern Siberia.

We do not like that free world shipping going into Haiphong, and we have been working on that with governments and have succeeded in reducing it very sharply. But we are not yet at a point with which we are satisfied, and we continue to work on it.

Senator Williams. Did Great Britain ask us for our cooperation in her efforts to blockade Rhodesia? Couldn't we have asked her to take the same prompt steps she is asking us to take?

Secretary Rusk. This was not just a bilateral matter between us and Britain. This was part of a general worldwide attitude with respect to the Rhodesian problem, and it also engaged some direct specific interests of the United States in Africa. This is relevant, but it is not the decisive point in this question of the Haiphong shipping.

Senator Williams. As I understand it, some of our other so-called allies are likewise supplying North Vietnam with shipping?

Secretary Rusk. I think, sir, in the first place, no strategic goods of any sort are supplied by free world shipping, and certainly none by our allies.

The shipping has been reduced now to basically the Hong Kong shipping. There are occasional ships from other states in there; but the governments of those countries have been able to deal with it to a very considerable extent. We have some hopeful prospect that this matter will be resolved.

Senator Williams. Do they furnish us with a manifest of their cargo?

Secretary Rusk. We have ways of knowing what is on board; yes, sir.

Senator Williams. Is it not true that in times of war all types of supplies to a certain extent are war materials, even food?

Secretary Rusk. Well, I would think that would be true in a most general sense. Certainly those ships coming in ballast to take things out would not be in that category. But some things are much more war material than others.
Senator WILLIAMS. One other question, Mr. Chairman, if I may. The CHAIRMAN. Yes; go ahead.

Senator AIKEN. I have one more.

I was going to ask, since we are aware of the nature of the cargoes transported from Hong Kong to Hanoi, have we discovered any military supplies of any kind in any of those cargoes?

Secretary RUSK. We have no information on any strategic goods going into North Vietnam on free world ships.

Senator AIKEN. Who submits the list, the shippers?

Secretary RUSK. We get this information in a variety of ways, sir, and I would prefer not to go into that in open session.

Senator AIKEN. That is all right. But you do have lists?

Secretary RUSK. We think we are quite well informed.

Senator AIKEN. Material which our friends transport from Hong Kong to Hanoi?

Secretary RUSK. I think we are quite well informed as to what goes into Haiphong in such shipping.

Senator AIKEN. And you are satisfied that very little in the way of military supplies enters Haiphong or goes to North Vietnam by water?

Secretary RUSK. By free world ships.

The CHAIRMAN. Do you have another question?

Senator AIKEN. That is all.

FINANCING IMPORTS WITH AID FUNDS

Senator WILLIAMS. As I understand it, a substantial part of this approximately $200 million that you are asking for will be used to buy supplies which will be imported into Vietnam, is that correct, and sold later by the merchants in that area?

Mr. BELL. We have asked for $275 million, Senator, for Vietnam in this supplemental; $175 million of it is for transactions of the type you have just described.

Senator WILLIAMS. My question is: Who gets the proceeds of those sales? We pay for the goods.

Mr. BELL. Yes, sir.

Senator WILLIAMS. And they are shipped in and they are sold by the private trade in South Vietnam. Who gets the money?

Mr. BELL. The Government of Vietnam receives the benefit of this. It is, in effect, a grant of an equivalent amount of piasters to the Government of Vietnam, and they use it as part of their budget to finance part of their budget.

Senator WILLIAMS. Now, is that counted as part of the 21 billion that you said they put up toward their budget or is it a part of our 24 billion?

Mr. BELL. No, sir; it is a part of our 24.

Senator WILLIAMS. It is a part of our 24?

Mr. BELL. It is our 24.

Senator WILLIAMS. That is what I mean. This is the 24 that you are speaking of?

Mr. BELL. Yes.

Senator WILLIAMS. That is all.

Secretary RUSK. Mr. Chairman, may I inject one remark because there might have been some misunderstanding?
When Senator McCarthy asked this question—and I regretted he had to leave—the point that I was reluctant to comment on was about what the shape of this matter might be in Asia. As to whether our senior commanders or military advisers are advising against what we are doing because of the problem of a land war in Asia, the answer to that question is "No," and I will so inform Senator McCarthy. I did not want to avoid that part of his question. It was the projection into the future that I was somewhat diffident about.

The Chairman. That is the present commanders.

Secretary Rusk. And advisers.

The Chairman. There is no question about the attitude of Ridgway and Gavin?

Secretary Rusk. Some are on the record with other views, but I am talking about those who are carrying the responsibilities.

CONCERN OVER POLICIES IN VIETNAM

The Chairman. Mr. Secretary, as you know, I have been in the Congress quite a long time, and I do not recall any issue since I have been here where there has been so much apprehension concerning a military involvement. This is a reason why some public discussion of our policies at this time is appropriate.

I have seen in the press that our approval of these very large requests, not only the one now before this committee but the one that will come before the Senate in the military field, will be interpreted as a vote of approval of the overall policy. I think there is a great doubt about whether or not we are on the right track, and these doubts need to be cleared up.

You said there had been great discussion in depth about Vietnam. I would submit, in all honesty, that the discussion has been rather superficial. We had a relatively small commitment even as late as the time of the Bay of Tonkin affair. I personally did not feel at that time that we had undertaken a course of action that could well lead to a world war.

I certainly was rather taken aback by the statement in the morning paper by Senator Stennis who, as you know, is chairman of the Preparedness Subcommittee, and has the most intimate relations with the Joint Chiefs of Staff, in which he speaks quite firmly about the possible use of nuclear weapons on Chinese "coolies," which is not a very complimentary term, as you know.

I would consider that the situation has changed a lot, and that we are now engaged in a very serious undertaking.

I believe that one of the reasons for this concern and apprehension is a feeling on the part of some people—including very reputable scholars and others—that we inadvertently, perhaps, for irrelevant reasons, stepped into a colonial war in 1950 on the wrong side. Whether or not we did is one of the questions at issue. It seems to me that something is wrong or there would not be such great dissent, evidenced by teach-ins, articles, and speeches by various responsible people. I do not regard all of the people who have raised these questions as irresponsible.

I think it is the duty of this committee, the administration, and others to try to clarify the nature of our involvement there, what it is