names in setting up standards for building. We work in the field on an advisory basis. That's the only way we can work on this. I do not have enough men on my staff to make inspections personally of these particular jobs.

Senator Gore. I agree with you. We do not have and I said I do not think we should have any control over the budget of the Government of Vietnam. It is a sovereign nation and we want to protect its sovereignty, and to strengthen it with our aid and advice until it can bear the burden of its own economy. But we are in position to inform Vietnam that waste and excessive costs will not be incorporated into our assistance program.

Is that a fair statement, Mr. Ambassador?

Mr. Durrow. Yes; I think it is, Mr. Senator. Vietnam is a sovereign country. But I still don't think that they plan to make that road as wide as it was where it enters into Route 14, where we stopped. It is very wide, but whether they just took the first bite out of the cherry, pushing through the jungle, making it extra wide, or because there's a slope there is not clear. It certainly is not needed to be that wide. When they put the rock on there, I presume only a certain part of that will be made for regular traffic, is that correct?

Mr. McCauley. Ten meter top—shoulder to shoulder—and 7 meters of crushed stone.

Senator Gore. You agree with me, then, that this road is a bit wider than necessary, and that you will attempt, in the final construction and paving, to bring the costs within reason?

Senator McGee. I hope they don't reduce it to the size of the roads the French built.

Mr. McCauley. It will be a standard secondary road.

Mr. Newhouse. One question, which relates to the highway project: The acting project director manager of Johnson, Drake & Piper thinks money will be saved if his company's contract to enlarge commercial jet airstrip in Saigon is cost-plus-fixed-fee rather than lump-sum. He bases his opinion on the accrual of Vietnamese technical skills as a result of the Johnson, Drake & Piper program. What is the Mission's opinion?

APPRAISAL OF HIGHWAY PROGRAM

Senator McGee. That raises a question of our total outlay on the whole highway program. This whole contract program now costing $45,600,000 may be, Mr. Ambassador, an appropriate point for you to tell us for the record—in order to summarize the record—what we have gotten for our money.

Mr. Durrow. We have a road program costing so far $66 million, as I understand it. We have gotten good value for Vietnam, our friend in this part of the world. This program is giving Vietnam what will help its own economy as well as serving strategic purposes by carrying heavy equipment to the high plateau. [Deleted.]

The Vietnamese Government has a longer frontier to worry about than it did back in 1954 and 1955 when it was thinking only about the possibility of Communists coming down over the 17th parallel. And with the development of the resettlement villages in the high plateau, the two lateral roads will assist the economy.
By being able to drive through the country on good roads, there are good prospects of getting the timber industry going here. Timber can be gotten out at much less cost than in the past because of the previous heavy wear and tear on the trucks. On balance, I think we have done a good job here and Vietnam now has a better economy and is in a better position to defend itself.

Senator McGee. You think a fair appraisal of the whole highway program would reflect a substantial gain from our point of view, in terms of, (1) security; (2) helping in the economic development of a severely underdeveloped region; and (3), in the training of many people in important skills. All of these—some of them intangibles—add up to a real money value and a human value which cannot be equated in dollars.

Mr. Durrow. I have forgotten the exact figures, but Mr. McCauley can give them to us, on the decreased cost of passenger transport and goods transport as a result of the construction of Route 21. As I recall, it has gone down at least 50 percent.

Mr. McCauley. Roughly, that's correct, sir.

Mr. Durrow. Further, with regard to the economy, Mr. Funk testified that the traffic—according to the best estimates that can be made—has increased much more than anybody could imagine back in 1956 or 1957.

Mr. Funk. I would like to emphasize that point, a thing that Senator Gore knows something about: the interstate road program back home. The thing that has fooled the traffic man in the building of these highways was the amount of traffic generated over the first 3 to 5 years the road is in existence. There are no reliable traffic figures available. The first figures on Route 21, taken by the local people, were rather surprising—while they weren't heavy—400 or something like that. Following that, under the auspices of the advisory group, of which I was head, they made a traffic count up there and built up more figures than they had themselves and, subsequently, they have been taking additional traffic counts. It was rather surprising, the amount of generated traffic we are getting.

At this moment, on the Saigon-Bien Hoa Highway, in January of 1958 we made a very thorough investigation of the traffic count, a very thorough one. We have on the advisory group with the advice of the traffic engineer from Michigan State University made a very liberal estimate of the traffic roads, will have 10 years after the road was opened to traffic. We didn't feel we had anything to base a traffic estimate upon at that time. Since that original traffic count, Public Works has been making volume traffic counts at those same points and I now have the advisory group reviewing those figures to evaluate them on the same basis as our figures were made in January of 1958. And when I say on the same basis, I mean to eliminate such things as Lambrettas and oxcarts and so forth and so on—to see if what they tell us that there has been a much higher degree of generated traffic on existing Route 1 than we anticipated.

I judge within the next 2 to 3 weeks we will have it and will present it to USOM here—a study on that—showing just how accurate our prognosis was only 2 years ago.

Senator Gore. Since you mentioned the highway program at home, there are two or three things to point out. One is that the traffic pattern invariably exceeds the estimates.
Another thing I would like to point out is that our own highway program has been cut approximately 33 percent—and cut at a time when more people are being killed on the highways—there were probably 40,000 fatalities last year, with perhaps a million maimed—and this should serve to illustrate to this Government, to this country, and to others, the necessity of being reasonable and efficient and economical in construction.

At this point, I think it would be appropriate if you, Mr. Newhouse, would obtain from the Bureau of Public Roads in Washington the average cost of construction of a secondary road to the design standards similar to Highway 21. That can serve as a means of comparison, although the conditions are admittedly different.

Senator McGee. I think we have to wind this up, Mr. Funk.

Mr. Funk. I would like to follow that up—

**SUMMARY OF HIGHWAY INVESTIGATION**

Senator McGee. May we not follow it up? Let's wind it up. We're on a tight schedule.

We have secured a very measurable gain from this and we hope in this late section of the hearings that we have exposed some conditions that can be improved, or tightened up, so as to make the future operations even better than they are. Perhaps a new rule, or regulation, allowing the local director to assess the bids before rather than after a final decision by the ICA. We found an answer to our query as to why they can't combine the bidding on cost plus contracts to the fee.

And, finally, we explored the possibility of transferring to the Vietnamese more and more of the highway responsibility experience. Finally, we examined the possibility of a serious measurement of some kind of fair but meaningful penalty clause that would reflect the combined best judgment of those of our people who are competent in this area.

That is an appropriate note on which to end the highway examination, unless someone here has something to add.

**TWO METHODS FOR PROVIDING ADDITIONAL WATER FOR SAIGON**

Senator Gore. We will proceed next to the water problem, water for the Saigon area. Will you lead off?

Mr. Newhouse. Perhaps we will wish to get some experts in here on the water situation.

Senator McGee. I wanted to say at the outset that we have heard about this water controversy from as far away as the States. Not only that there was a water problem, but that it was getting no better, and that no one was getting much done about it.

Upon arriving in Bangkok, we were informed of the seriousness of the Saigon water question. Since then, I note that there has appeared in the press a newspaper column carried in the United States which points up this question; and whether that story entitled “Saigon Needs Water—Gets Survey” is accurate or not is beside the point at the moment. It raises the question, and getting at the actual facts is the purpose of our inquiry.
Apparently, the issue turns on the question of which of two methods for procuring water for Saigon is the best method. Is it the method proposed by the International Water Corp., which believes that deep wells can provide adequate water for Saigon, or is the Hydrotechnic Corp, correct in advocating an upstream dam and pipeline as the best answer to Saigon's water problem?

No one disagrees that Saigon desperately needs the water, but in the dispute between the two schools of thought, Saigon continues to get no closer to having water. That is the reason we hope to find out what is being done, and what can be done to speed up a decision that will move along whatever project that will provide the water.

Mr. Ambassador, does this state, in your judgment, the water question here in complete enough terms as far as the issue is concerned?

Mr. Durbrow. I think it does, sir; and I will reiterate what you said. They do need water here and a good source of water and not rusty water from a laterite base.

We have discussed this many times in the country team as to whether we can drill wells here to get enough water for the future or whether it should come from upstream.

Senator McGee. Is it agreed that if you could get enough water, it would be preferable to have the pipeline?

Mr. Durbrow. There is the question of which is cheaper and, I understand, there is also the question of security, since a pipeline could be blown up.

**THE WELL METHOD**

Senator McGee. What is the basic criticism against the dependence upon wells?

Mr. Durbrow. As I understand it, wells have been dug here and some turned out to be brackish and not suitable. The question is whether they can find enough wells in the Saigon area to meet the principal needs from that source, or whether for lack of adequacy of water from good wells, they will have to bring water in from the river, which may cost more money.

Senator McGee. How would you test the possibility and what would be the feasible way of either exploring the well theory or of choosing the theory that is most dependable?

Mr. Durbrow: As the situation is now, the Development Loan Fund has agreed in principle to the financing of the river source, but there is the other question of the well supply. The Development Loan Fund has suggested to Vietnam that it get in some other competent engineering firm to make a survey.

**SURVEY OF WATER RESOURCES**

I don't think anyone here or anyone on our staff is competent to pass on which is the best. As I understand it, Vietnam is to pick, with the Development Loan Fund's concurrence, a highly technical water expert to decide whether one system or the other system is best.

Senator McGee. The loan now being negotiated is for the pipeline?

Mr. Durbrow. It was originally that way, but now it is being held in abeyance until the survey is made.

Senator McGee. In consideration of the loan, was there a survey made?
Mr. Durbrow. Yes, sir.
Senator McGee. Who made that survey?
Mr. Durbrow. Hydrotechnic Corp.
Senator McGee. They believe in the pipeline?
Mr. Durbrow. That's right.
Senator McGee. Does this pose a question of objectivity?
Mr. McCauley. We engaged Hydrotechnic to come in and make a complete survey of the water resources in this particular area, and to come up with a recommendation. After reviewing these things as to the most feasible, logical and most economical means of producing water for the Saigon-Cholon area, they have turned out a report; and in turning out that report, they reviewed many other possible water supply sources, including wells.

I would like to have Mr. Wildman, my water supply man, go into that a little bit further.

Senator McGee. What is your full name and title?
Mr. Wildman. My name is Quentin J. Wildman. I am Chief of the Water Supply Section of the Transportation, Communications and Power Division under Mr. McCauley.

First, could I go back a little in regard to the delay in getting this project started. Up until the last few weeks, the delay has been due to negotiations on the rate of exchange of the loan. As I understand it, during this time this question has been resolved, but nothing could be done until Vietnam deemed that settled. However, now that has been settled, this is the problem today. However, first there is one point to clear up.

Is a Dam Necessary?

In the Hydrotechnic proposal there was no dam involved. I think other firms have come in with a proposal to build a dam on the Saigon River, but that was not involved in the report of Hydrotechnic.

Senator Gore. There is ample flow in the river without a dam and reservoir?

Mr. Wildman. Yes. Minimum flow is 200 cubic meters per second, and maximum withdrawal would be 6 cubic meters per second, only 3 percent of the flow.

Senator McGee. The fundamental drawback is that you go upstream for water when you can't get water here? If you could get it here, you would not try to go upstream to get it.

Mr. Wildman. There has been some question on this. The International Water Corp. made a report on their own—not paid for by ICA—and they supplied cost figures saying this would be much cheaper. They did not give sufficient details for us to check their cost figures. The improvement of the distribution system is also involved in this program. However, in that cost estimate they submit a lower cost.

Senator McGee. Who is this?

Mr. Wildman. International Water Corp. They also submit a lower cost figure for the elevated storage. The issue to come back to still would be on the availability of local water. First of all it is the economy or the cost. If both can supply a good supply, the cost is the factor.
TESTING FOR SUFFICIENCY OF WELL WATER

Senator McGee. In your judgment, to get the water from wells here would be more expensive than piping it in?

Mr. Wildman. I don't know if it would be much cheaper. You must have an adequate supply for not just a day or next year, but for 20 years. That is the primary consideration.

Senator McGee. Let's stay on the primary consideration until we can see it. How do we determine whether there is sufficient good water to warrant water by well?

Mr. Wildman. To accurately determine the amount of water available some engineer or hydrogeologist would study it and make a determination in terms of the concrete quantities. It would take a rather involved drilling and testing of wells.

Senator McGee. That is, you would drill a well, pump it out and see how long it would take to recharge it?

Mr. Wildman. Yes, sir; although some of them are being used to supply water to the municipality.

Senator McGee. This would be a valid measure. We could tell within reasonable certainty.

Mr. Wildman. There are methods used in testing wells from which they can forecast the amount of water available.

Senator McGee. Has this been done?

Mr. Wildman. Not to the extent of actually and definitely establishing a given quantity of water that is definitely available.

Senator McGee. Why hasn't this been done? Is it not a logical first step?

Mr. Wildman. There are definite indications that the amount of water that the community will need here is quite a bit greater than what would be available from wells, based on existing information. To prove it definitely is a big job in itself and would go on at least 1 year, and possibly more.

Senator Gore. To prove it absolutely, you would have to dig a well and pump for a year or two. However, technicians have ways short of that of arriving at reasonably accurate measures.

Mr. Wildman. When the firm of Hydrotechnic was selected, ICA was looking for a firm that had experience in ground water and surface water. They had had both surface-water installations and ground-water experience.

Based on information available, there are definite indications the amount of water they could withdraw here is limited. There is definite evidence that the water table has been lowered in the Saigon area by pumping.

CHEAPER COST OF WELL METHOD NOT ESTABLISHED

For a long-range program, the most practical solution would be to go to Dong Nai River rather than get tied up in this well-supply theory. To actually and definitely prove it, I would like them to show me first, definite evidence that it would be cheaper even if the water was there.

Senator McGee. The two factors are cost and security?

Mr. Wildman. I have heard of security from International Water.
ADVANTAGES OF TWO SOURCES OF SUPPLY

Senator McGee. General, are you not in a position to comment on that?

General Lampert. I have not participated in the discussions to date. General Williams has. My personal opinion is that you would have to consider security provisions very carefully.

Senator McGee. Has General Williams been quoted publicly on this? What about the country team?

Mr. Durbrow. We have discussed this several times.

Senator McGee. This is a concern of the country team?

Mr. Durbrow. As I understand it in a real emergency if the pipeline were cut, you could get sufficient water from the present wells. You couldn’t wash all your clothes, for instance, but there would be enough water for basic needs. The wells would be a standby supply.

Senator McGee. In other words, given certain circumstances, it would be better to have two sources instead of one.

Mr. Durbrow. If we put a pipeline in, it won’t mean that people would die of thirst if that line should be cut.

Mr. Wildman. They would utilize some of the wells. It would be necessary to provide a minimum amount of water for standby.

Senator McGee. Our understanding is that General Williams has been quoted rather freely by International Water Corp.

Mr. Durbrow. I did not know that.

Mr. Newhouse. At least in their conversations.

Senator McGee. Your basic position is, Mr. Wildman, that there are uncertainties about the well system alone, and that it would be the better part of wisdom to augment this source with the pipeline. Is that the case?

Mr. Wildman. As proposed, the well supply would only be used for irrigation of the park area, large zoo there, Presidential Palace grounds, and for general watering and fire protection. However, it would be available in the event of a major catastrophe to be tied in with the other water system. The well water, without being treated, has lots of iron in it here and is not the best quality without treatment. It can be treated; I will not deny that.

LENGTH REQUIRED TO COMPLETE PIPELINE

Senator McGee. How long would it take to deliver water if the pipeline method is adopted?

Mr. Wildman. It was estimated by Hydrotechnic that upon the engagement of engineers to actually start the final designs it would be 3 to 4 years before the project would be completed.


Mr. Wildman. However, they recommended in their report that some additional wells were to be drilled in the interim period.

Senator McGee. Would it be wise, in your judgment, to conduct the kind of well tests that we alluded to, pumping them out, measuring the recharge time, etcetera?

Mr. Wildman. I would first want to be shown some indication that if we went that way it would save us some money. The main thing is to get the most economical supply. Until someone says this will do the job just as well, I can’t see much point in spending more money.
Senator McGee. If International Water would guarantee water over a given period of time, would that reduce some of the risk?

Mr. Wildman. All their guarantees here have been for only 1 year. Members of their organization have told me that their standard guarantee is 1 year which, on the life of a well, is not a real long-term guarantee compared with guarantee of surface supplies.

Senator McGee. To summarize, you would immediately put down more wells, but you would be inclined to support the Hydrotechnic Corp. in the pipeline project rather than rely on wells alone?

Mr. Wildman. I don't think they should get this from one basket.

WELLS AND PIPELINES COMPARED

Senator McGee. Rather than gamble on the well water system alone you mean you would favor the pipeline, principally because there is not enough water in the ground in the Saigon area?

Mr. Wildman. I don't believe for the long-range picture that they would be able to use wells. They repeatedly cited Long Island, for example, and Mr. Charles made one statement in his letter there would be no more difficulty in supplying Saigon than Long Island.

On Long Island it is necessary to obtain governmental approval before drilling a well of any appreciable capacity. According to information in the Journal of the American Water Works Association, Long Island obtains about 60 percent of its water by pipe from the New York water system.

I know that there are some additional letters and I think he has gone further in some letters than others.

Senator McGee. In the light of what you have said, do you consider it wise to delay this getting still another expert opinion on this?

Mr. Wildman. I think we would be setting a bad precedent. I was not with ICA when the firm (Hydrotechnic) was hired. They have no contracting interests that I know of. They were hired on an independent basis to make a study of the problem and as far as I know no one has really punched any holes in the report.

Senator McGee. When did this controversy first arise? Do you remember?

Mr. Wildman. Before I started with ICA.

DELAY OF LOAN NEGOTIATIONS

Mr. McCauley. Approval of the loan in principle was 1 year ago this month. The controversy must have started in Washington within 60 or 90 days. It took place there before it started out here. We did not get complete data for several months.

Mr. Wildman. The simplest thing to do would be to evaluate it on a cost basis. We get copies of the letters written by Mr. Charles, who represents International Water Co.; before getting involved in the technical matters it would be better to determine if you can actually make some savings on going to a well supply instead of spending money on further investigation.

Senator McGee. The loan was suspended and held in abeyance when?

Mr. Wildman. Two months ago.

Senator McGee. How do you mean held in abeyance?
Mr. Wildman. The decision on the rate of exchange for repayment of the loan had to be settled before an engineering firm could be selected for the design of the project.

Senator McGee. The Ambassador made the decision to get the pipeline project and I raised the question how long ago—was that because there is still no action underway on resolving this question?

Mr. McCauley. The answer to that question is it was held in abeyance immediately after the question was raised by the International Water Co. 9 months ago.

Senator McGee. What has transpired since then?

Mr. McCauley. We have been requested to approach the Government of Vietnam to get them to hire an independent engineer and make a review of the two proposals.

Senator McGee. This request coming from whom?

Mr. McCauley. DLF.

Mr. Newhouse. Who in DLF?

Mr. McCauley. Mr. Ulinski is loan officer in this area.

Senator McGee. I would like to find out for the record whether it would represent the judgment of our country team that the Hydrotechnic Corp. was entitled to go on with this project?

Mr. Dubrow. We had a briefing by the Hydrotechnic people to the country team as I recall the details they discussed the prospect of getting water from the wells here. They were not looking to get the contract, they studied the situation in Saigon, went into the question of using more wells and they came up with this pipeline to the Dong Nai River as their recommendation. International Water Co. has been in here for a long time. The findings of Hydrotechnic differed from those of International Water Co. and this threw the thing wide open so the suggestion was made by DLF to get from a good engineering firm the answer to the dilemma.

Independent Water Survey

Several months ago we asked the DLF to suggest to the Vietnamese that they nominate some independent engineering firm to make a judgment on this matter. Vietnam delayed for various reasons a long time. The nomination has not been made yet.

Senator McGee. Would it be within the authority of our country team here to make a decision on this and act on it?

Mr. Dubrow. I don't think anybody on the country team has enough technical knowledge of the water problem. I don't think anybody on this staff is fully qualified to take a definitive position on that.

Senator McGee. Decision rests solely with Vietnam. This is a disturbing thing.

Mr. McCauley. Vietnam, about 6 weeks or 2 months ago, I learned in discussions with Mr. Quang, Minister of Public Works, has in view of this, requested Development Loan Fund if they could be furnished with a list of independent engineering firms which qualify for this work and would meet the approval of the DLF. They made this request because they say they do not know the engineering firms of the United States and they do not believe they are qualified to pick a firm unless they have their full background and experience. We forwarded that request to DLF but got no answer that they would definitely furnish such a list. In the meantime Mr. Thai and the Secre-
SITUATION IN VIETNAM

Maurice of State for the Presidency, Mr. Thuan, went back to Washington, discussed this proposal with the DLF and Mr. Thai went back again to Washington 10 days later to discuss the same proposal. Mr. Thai I am advised is of the opinion that such a list is going to be furnished by DLF, from which they can make a selection. We will follow up on that immediately now and see if we can get a final answer from DLF.

Senator McGee. When was Vietnam last pressed for this?

Mr. Wildman. Last Wednesday I had a meeting on the subject.

Senator McGee. When was DLF pressed?

Mr. McCaulley. We will now press to see if Vietnam has reached an agreement with DLF.

Mr. Newhouse. Would it be unfair to say there is a conflict between ICA and DLF inasmuch as ICA has accepted Hydrotechnic's report and DLF has suspended action?

Mr. McCaulley. There is no conflict, to my knowledge.

Senator McGee. You would have been satisfied to go ahead with it?

Mr. McCaulley. Yes. I say this knowing that at the time the International Water Co. proposal was brought up in ICA/W an expert engineer was brought in to review this, an expert who made a review for ICA; we don't have that report here today.

Mr. Newhouse. Have you any information that Tudor Engineering made a study regarding the surface and ground water systems?

Senator McGee. The delay has been 9 months on this pressing question. What, in your judgment, should be done to press a decision here, and get this underway?

Mr. McCaulley. Delays are not only on one side. Delays are also due to the Vietnam Government.

Senator McGee. I gather this was the case.

Mr. McCaulley. They, of course, have had quite a bit of trouble about the repayment exchange rate in the contract. It was a considerable period of time before they would accept that particular clause. Vietnam did not accept it until Mr. Thuan and Mr. Thai had been to Washington. Until that happened they were not prepared to move.

[Deleted.]

PROMPT ACTION URGED ON SUPPLYING WATER TO SAIGON

Senator McGee. Have you sent that inquiry now?

Mr. McCaulley. No.

Senator McGee. Why hasn't it been sent?

Mr. McCaulley. Because I did not know the circumstances of this until I got back from Bangkok last Tuesday.

Mr. Wildman. We had this meeting last Wednesday, and the official I talked to was of the opinion that they would not receive a list, whereas Mr. Thai was expecting a list, and I was asked to resolve this thing.

Senator McGee. Mindful of our bureaucracy, can you not arm yourselves with a list to bridle the lion in the den here, and then send a cable to the DLF asking them to get the show on the road?

Mr. McCaulley. Whoever is selected will have to meet the approval of the DLF. I would not want to make the suggestions. There is difficulty in selecting a list. There are a lot of engineering societies in the United States. As soon as you accept a list you perhaps would run
into complaints from the various engineering societies of the United States.

Senator McGee. Would not strong representation from here serve as a continuing reminder to the DLF?

Mr. Durrow. Mr. Gardiner told the country team the Vietnamese officials thought they had agreement to get a list when the Vietnamese were in Washington.

Mr. Newhouse. Mr. McCauley, has any consideration been given the idea of appointing an engineer not as a referee, as it were, but as the contractor for the design of the project? I have information from competent engineers other than Hydrotechnic Corp. people that this would save time, and that this competent engineer could make the determination as between ground and surface water.

Mr. McCauley. That was a proposal that Vietnam had made and I am sure they discussed with DLF in Washington.

Mr. Newhouse. The mission has made no recommendation regarding that proposal?

Mr. McCauley. I believe that we have. I would have to look in the record.

Mr. Newhouse. You advocated this approach?

Mr. McCauley. Yes, the mission did advocate such an approach.

(The newspaper article by Mr. Jim G. Lucas is as follows:)

[From San Francisco News-Call Bulletin, Nov. 5, 1960]

SAIGON NEEDS WATER—GETS SURVEY

(By Jim G. Lucas, Scripps-Howard staff writer)

SAIGON, VIETNAM, November 5.—This capital city of 2 million population desperately needs a new city water system—and it's getting only another survey.

One of the most depressing sights in refugee-crowded Saigon is the lineup of thousands of housewives each morning in front of public water taps waiting their turn to draw two pails of water which must do the family for an entire day.

Sometimes the patient Vietnamese women will wait for as long as 4 hours. Everyone agrees Saigon badly needs a new water system, but plans have bogged down in a heated dispute between two schools of thought: On one side are the deep-well boys, represented by the International Water Corp. of Pittsburgh, which has done business in Saigon for 30 years and has drilled most of the city's wells.

On the other side are the dam and pipeline boys, represented by the Hydrotechnic Corp. of New York. A layman would be surprised how much passion is aroused in this highly technical argument.

American aid authorities gave the Hydrotechnic Corp. a $200,000 contract for a survey 2 years ago. Not too surprisingly, Hydrotechnic came up with a report favoring its pet theories—a dam and filtration plant on Dang Nan River near Bien Hoa, 15 miles north of Saigon. From this plant, a 72-inch pipeline would lead to Saigon.

Hydrotechnic said deep-water wells in and around Saigon were inadequate to meet present future needs of this swollen city. They said, however, it would be 1962 before their pipelines could deliver the first gallon of water.

Representing the other side and on their own, the International Corp. made several surveys all of which showed—again, not too surprisingly—that deep wells were quite adequate. What's more, International said, they would be cheaper and provide water much sooner.

Hydrotechnic's pipeline project was estimated to cost $199.5 million to be put up by the United States. International claims it can give Saigon plenty of water indefinitely for $12 million to $14 million.

The Vietnamese seem to favor the idea of taking water from the river. But the military of both Vietnam and the United States raise a question of security. It was at Bien Hoa that two American military advisers recently were killed when red terrorists tossed a grenade into a movie audience.
SITUATION IN VIETNAM

(Therupon, at 12:30 p.m., the hearing recessed to reconvene at 1:30 p.m., the same day.)

AFTERNOON SESSION

Senator Gore. The meeting will come to order.

The hearing on the telecommunications section will begin, and I will insert for the record at this time a chronology of the contracts which have been entered into in this general field.

(The document referred to follows:)

LIST A. CHRONOLOGICAL LISTING OF PRIVATE CONTRACTORS ENGAGED IN THE TELECOMMUNICATION FIELD, VIETNAM

2. Hycon Page, February 1957, engineering services for SEA regional telecommunications.
3. Nippon Tel & Tel., May 1957, VHF survey for military requirements telecommunications, Vietnam.

TELECOMMUNICATIONS SYSTEM

Mr. Newhouse. TV Associates has a cost-plus-fixed-fee contract with no time limit. Is that true?

Mr. Shahpazian. The contract which has been prepared is for 36 months.

Mr. McCauley. This is a proposed contract. The contract hasn’t been signed yet.

Mr. Newhouse. I saw a letter agreement signed on November 19, 1958.

Mr. Shahpazian. Right, sir.

Mr. Newhouse. Of the TV Associates work out here in developing a regional telecommunications system.

Mr. Shahpazian. That’s right. That portion for Vietnam will run about $1.192 million, that is $1,192,000. I might explain it is the intent to have individual contracts for the individual countries which still do not diminish the regional aspects of the project.

Mr. Newhouse. What is the basis of this cost estimate, the Tudor report primarily, or the Hycon-Page survey primarily?

Mr. Shahpazian. This is an engineering contract of the overall telecommunication work involved. The scope of the work is based on the Tudor engineering report. The engineering costs were developed by TV Associates to accomplish the work that is mentioned in the Tudor engineering report and this estimate has been reviewed and apparently approved by ICA.

Mr. Newhouse. Is the Tudor report an endorsement in essence of the Hycon-Page survey?

Mr. Shahpazian. In my opinion, the Tudor report was a rehash of the Hycon-Page and they did take exception to the gathering of the basic data, the reliability of it and some of the recommendations that were made. I would think that the Tudor report would have to be a rehash of the fundamental plan of Hycon-Page.
Senator Gore. Your use of the word "rehash" may be appropriate. There are about six contracts in this field—expensive ones. As of now we have, would it be fair to say, nothing?

Mr. SHAHPAZIAN. No, sir; I don't think so.

Senator Gore. There is nothing by way of material construction, is there?

Mr. SHAHPAZIAN. That is correct.

Senator Gore. I thought there had been some small installation of telephones.

Mr. SHAHPAZIAN. It was based on the first survey made in 1951. There was a 2,400-line automatic dial telephone exchange completed as recommended in that report.

Senator Gore. That reports the total accomplishment in those six contracts?

Mr. SHAHPAZIAN. That's right, sir.

**CONTRACT WITH TV ASSOCIATES**

Mr. NEWHOUSE. I would like to return to the first question about the proposed TV Associates contract. I talked with Mr. Duthie and I got the impression this was a cost plus fixed fee with no time limit on the contract, the fee to be about $102,000 and not subject to any increase if the contractor does not complete the work within 36 months.

Mr. SHAHPAZIAN. 36 months is there. If there is no increase in scope of work the fee remains the same. Object of cost plus fixed fee is to establish an agreed-to overall cost. Even though the scope of the work is not detailed in engineering plans and estimates then the object of a cost plus fixed fee is to fix the fee. Even though it may not turn out to be the right cost, the fee is fixed.

Mr. NEWHOUSE. Actually there is no real time limit of 36 months. The contractor isn't under any pressure to complete the contract.

Mr. SHAHPAZIAN. There is no penalty clause, if this is what you mean.

Mr. NEWHOUSE. Right. How much did Tudor Engineering receive for the so-called Hogg report?

Mr. SHAHPAZIAN. We have cabled Washington for this information, but we have not yet received an answer.

Mr. NEWHOUSE. What is an open end contract such as Tudor Engineering has, and do you know roughly how many other firms have similar contracts with ICA?

Mr. SHAHPAZIAN. I have heard that Tudor Engineering is an open end contract, and my understanding is that no matter where they need experienced men they resort to Tudor Engineering to produce a man capable of being a consultant to ICA. This may be wrong, but this is what I assume it to be.

Mr. NEWHOUSE. Do you know exactly who Tudor is or how ICA selected a firm such as his?

Mr. BATTLEMAN. Tudor is Ralph Tudor of San Francisco, an engineering firm.

**TELECOMMUNICATIONS SURVEYS**

Mr. NEWHOUSE. On November 20 the combined total figures of all telecommunication surveys were requested. Have they arrived?
Mr. SHAHPAZIAN. No; we don’t have them all. First of all, the Adair report. It was made by one consultant from Washington, George P. Adair, who had a junior engineer and one administrative man. They were here during November and part of December 1951. We have no record of the contract cost here in USOM. We have cabled Washington for that data.

The next one was the so-called Hycon-Page contract. This was originally negotiated for four phases. To my mind, although work was done on other phases, only one phase was really completed, which was the preparation of the fundamental plan. The piaster cost we are familiar with, and I gave you something over 9 million piasters. The contract amount was $1,852,000, but the discussion of further continuation of this contract, after the fundamental plan, was taken up in Washington and I don’t know what resolution was made as to the actual cost of contract at point of termination of the contract itself.

Mr. NEWHOUSE. You say they completed phase 1 the fundamental plan. The other phases are what?

Mr. SHAHPAZIAN. Engineering, management, and training.

Mr. NEWHOUSE. You say they completed phase 1, the fundamental Hycon-Page before they were discharged, but you don’t know how much they were paid—whether the full amount stated in the contract, $T.8 million, or not?

Mr. SHAHPAZIAN. I talked to some technician, someone had—we paid the costs but I don’t know exactly what they were. Naturally, I can’t believe the full fee was paid, but I don’t know.

Mr. BATTLEMAN. They were not paid the full amount. They were paid up to 90 days.

Mr. NEWHOUSE. Were they paid in excess of $1 million?

Mr. BATTLEMAN. Somewhere around $1 million.

Mr. NEWHOUSE. That answers the next two questions. Who is Mr. Foulkrod working for now?

Mr. SHAHPAZIAN. I assume he is still working for Tudor.

Mr. NEWHOUSE. He has been working for Michigan Bell Telephone and I assume he had a consulting arrangement with Tudor.

Mr. SHAHPAZIAN. This could be so. If so you know more about it than I do.

Mr. NEWHOUSE. I assume that Tudor himself doesn’t have this capability within his organization. He was a consultant on the water project, I think.

Mr. SHAHPAZIAN. Yes, sir.

COMPETENCE OF ENGINEERS

Mr. NEWHOUSE. Does he have competent engineers on his staff who have experience in various fields?

Mr. BATTLEMAN. He maintains a staff of various specialists. If he needs an additional specialist he goes out and hires him, but he has a group of specialists on call in his Washington office. He also operates in San Francisco his own engineering business.

Mr. NEWHOUSE. Mr. Hogg, what is he doing now?

Mr. SHAHPAZIAN. I don’t know; I think he’s with a private firm.

Mr. NEWHOUSE. Mr. Hogg was the original coordinator on the Hycon-Page survey for ICA.
SITUATION, IN VIETNAM

Mr. SHAHPAZIAN. That's right, sir.

Mr. NEWHOUSE. Regarding a question from the memorandum dated November 27 from the committee staff, the reply states that Mr. Hogg showed indications of dissatisfaction with work done by Hycon-Page. What were these indications?

Mr. SHAHPAZIAN. Yes, sir. No. 1 was progress. No. 2 he had some complaint about what was called the 90-day preliminary report as being a too broad-brush treatment. It didn't get down to varied details, particularly in the fine breakdown of the estimates so that if it became necessary to select parts of the recommendations for implementation then these could be quickly selected and summarized.

Another point, No. 3, is whether the contractor should take some of his engineering force off the fundamental plan and use them in preparing specifications for rehabilitation work of existing plant. This turned out to be quite a controversy.

No. 4. He always considered that too much engineering was being done stateside whereas he considered it would be more effective if it had been done here locally within the three countries.

Mr. NEWHOUSE. Did these indications show up in the reports Mr. Hogg was filing?

Mr. SHAHPAZIAN. Certainly in letters; yes.

Mr. NEWHOUSE. Why was Mr. Hogg regarded as a problem in the mission here in Saigon and why was the mission interested in getting him transferred out of this area?

Mr. SHAHPAZIAN. I didn't pay too close attention to this, but Mr. Hogg's tactics on this were to run the job as he saw fit, with little regard to the individual USOM directors who are normally completely responsible for the work going on within the country.

Mr. NEWHOUSE. In other words, he wasn't coordinating his efforts with his superiors?

Mr. SHAHPAZIAN. He did, but he took many things on himself at the last moment when it would be very hard to coordinate. He tried to crash this program through as he thought it should be.

Mr. NEWHOUSE. How do you compare his competence in this area with, say, the experience and technical competence of people working for Hycon-Page?

Mr. SHAHPAZIAN. You mean his technical competence?

Mr. NEWHOUSE. Yes.

Mr. SHAHPAZIAN. It seemed to me that technically speaking he was competent, but this I don't know.

Mr. NEWHOUSE. That is not really the question. These people have a certain eminence in this field. Did Mr. Hogg have similar credentials?

Mr. SHAHPAZIAN. From what I remember of his background a great deal of it was military. I did think he had a good background in telecommunications.

Mr. NEWHOUSE. Hycon and Page are very well known in this field.

Mr. McCauley. Mr. Hogg was in Washington at the time the contract was negotiated and worked with the ICA negotiating team. At that time he was still attached to the Signal Corps of the Army. After the contract was negotiated they put him on ICA payroll as coordinator for this particular program.

Mr. NEWHOUSE. What was your evaluation of Mr. Hogg's competence in this field, Mr. McCauley?
Mr. McCauley. He appeared to be competent in the field he was in.

Mr. Newhouse. For the record, although he was regarded as a problem, apparently not only by this mission but as you suggest by other missions involved in this regional project, the point is he was transferred out and nevertheless finished by writing the report that more or less discharged Hycon-page?

Mr. McCauley. Yes, sir, he was regarded as a problem for the reasons Mr. Shahpazian has given.

Mr. Newhouse. The upshot was that he wound up with not less but more responsibility.

There appears to have been a triangle—USOM or ICA, and then the contractor, and at the apex, Mr. Hogg.

Mr. McCauley. He was appointed as the regional coordinator, but his position, I believe, if you look at the personnel files, his position was as a direct representative of Washington in this area.

Mr. Newhouse. I see.

Mr. McCauley. He seemed to have superpowers which sometimes led him to take steps without proper coordination.

**TV ASSOCIATES CONTRACT**

Mr. Newhouse. Was the award to the TV Associates contract arrived at by competitive bidding?

Mr. Shahpazian. I would say yes, because I have seen in the records a list of contractors involved, and the number was somewhere in the vicinity of 10. Here again, you had probably a selected group in competition on a cost plus fee contract.

Mr. Newhouse. Estimated cost and fee?

Mr. Shahpazian. I don't know, I assume it did.

Senator McGee. I think we should have them in the record.

Mr. Newhouse. I will get that in Washington. Have any inquiries to ICA, Washington, which have been requested by the staff of the Foreign Relations Committee, produced the information that in addition to the four surveys noted by USOM, the International Telephone & Telegraph Co. performed a survey out here, surveying very high frequency project possibility. This was in 1950 and 1951.

Mr. Shahpazian. I am not familiar with that. We have made inquiry to ICA, whether or not there were more than the four mentioned who had surveys made. And I might say I heard reference to an RCA survey—this, I believe, was only for Bangkok—but I have not gotten the answer to the inquiry we made.

Mr. Newhouse. The firm of Landis Bros., which used to represent ITT and may still, was queried on the subject and the director here of Landis replied that ITT made the survey in 1950 and 1951. The ITT project director was a man named Hoefmeister—the mission director here was Robert Blum. The results of the survey were submitted to the U.S. Government for presentation to the proper authorities here.

I would like to find out about this—whether the data were available to subsequent contractors and what the survey cost.

Mr. McCauley. I have been through the Telecom files when I first came here and at least once since then. I have never seen any ref-
Mr. Newhouse. I heard of it back in Washington, which is why I called Landis Bros. here in Saigon.

Mr. McCauley. You brought information out here?

Mr. Newhouse. So far, Mr. Shahpazian, what is the mission’s evaluation of TV Associates’ performance? Or is it too early?

Mr. Shahpazian. It’s a bit early, but my evaluation of them is, one, the few that we have appear to be very competent. Their attitude toward their work is rather nice and their ability to get along with their counterparts, that is Post Telephone and Telegraph personnel, appears to be very nice. A nice future.

Mr. Newhouse. Was the mission here asked to make any kind of recommendation on whether Hycon Page should be discharged or the contract continued?

Mr. Shahpazian. If it did, I know nothing about it.

Mr. McCauley. The answer is no. We were advised that the contract would be terminated.

Senator Gore. Who advised you?

Mr. McCauley. Washington—ICA.

Mr. Newhouse. Next, sir, is the medical center.

MEDICAL SCIENCE AND EDUCATION PROJECT

Senator Gore. One other area of inquiry—the medical science and education project.

Mr. DurBrow. Dr. Boynton is just down the hall.

Senator Gore. We will wait.

This project dates back to the spring of 1956 when it was proposed to spend roughly $8 million for a basic science building, university, hospital, and utilities. The project agreement was signed in June of 1957. At that time, what in the way of planning had been done, Doctor?

Dr. Boynton. Dr. Horning and Dr. Carpenter had been here the previous summer and gave a report on medical education in Vietnam—what they felt was needed and what was possible.

Senator Gore. Were specifications written?

Dr. Boynton. Not detailed specifications. They thought it feasible to have a medical school and thought the country needed one. They felt, at the time of the report, it was sufficient to go ahead with the plan to develop a medical school.

Senator Gore. How did they arrive at the figure of $8 million?

Dr. Boynton. I don’t think the doctors gave a figure at all. In writing the project agreement, it was felt the cost would be about $2.5 million of U.S. dollars, plus piasters for the medical school and later on, a hospital. They proposed a 500-bed teaching hospital as part of the medical center. It was proposed in the project proposal and in the agreement to build only a medical science building at that time and to postpone the 500-bed teaching hospital until the medical school was done, but felt it should be developed in the plan at the same time, but only commitments for the first phase were made.
Mr. Newhouse. When did the mission begin implementing the project agreement?

Dr. Boynton. The project agreement, signed in 1957, had three parts. As far as the one part—to build the building—the only thing that has been done is to have an architectural team that has been out here—a three-man planning committee was out here. The other part was helping develop a faculty. Over all this time we have been finding participants to go to the States to prepare them for teaching.

Mr. Newhouse. Teaching Vietnamese medical instructors?

Dr. Boynton. To be teachers in this medical school. We feel they need an improved faculty as much as a building.

Mr. Newhouse. What kind of progress have you had?

Dr. Boynton. Not as much as we would like—a total of nine participants, so far.

Dr. Plagge. Eight.

Mr. Newhouse. Trained in American methods?

Dr. Boynton. Yes, in American hospitals, at American schools.

Mr. Newhouse. Isn’t it a fact there are French medical teaching facilities in Saigon and will continue to be?

Dr. Boynton. The majority are French oriented, but the Vietnamese professor of obstetrics spent 2½ years at Johns Hopkins where he picked up some ideas on our methods of teaching.

**Selection of Architect**

Mr. Newhouse. How was the architect selected and when was the architect appointed?

Dr. Boynton. The ICA/Washington—in the contract office, I believe, 164 architectural firms were considered and this was narrowed down to a half-dozen and finally one group was chosen—the Medical Center Designers—composed of a group of five firms in San Francisco was selected by the contract office in Washington.

Mr. Newhouse. When did they arrive?

Dr. Boynton. They came here in August of this year, to stay not more than 1 month, to learn about the situation here: The architects available, building conditions and what we had in mind for the school, in order to be prepared to negotiate with the contract office to make a definite contract. They were here on a letter of agreement.

Mr. Newhouse. When was the architect selected? When did this process of finding an architectural firm begin?

Dr. Boynton. About last spring they started getting down to cases as to what architect is going to be chosen.

Mr. Newhouse. About 2 years after the project agreement was signed?

Dr. Boynton. Yes, sir.

Mr. Newhouse. How much did the architectural survey cost?

Dr. Boynton. There were three men here for 1 month.

Dr. Plagge. $13,500 plus local costs, which were $1,900.

Mr. Newhouse. What was the result of this architectural survey?

What has been the recommendation?

Dr. Boynton. That group went home and wrote their findings and gave us figures on what they thought it would cost to build a medical
school and hospital. We wanted them to give separate figures. They felt it would be more efficient to build both at the same time. When they gave the report as one unit, the total cost was about $21 million for the medical school building and a 500-bed teaching hospital and because the figure was so high we have now asked them to submit another report on just the medical school itself. We feel we just don't have the funds to build a hospital at this time.

Mr. Newhouse. What sort of contractual arrangements with the medical center's designer are now being negotiated by ICA/Washington? I had the impression they had been discharged. That is not the case.

Dr. Boynton. They came on a letter of agreement. We cannot follow their report. They will resubmit one sometime soon—by the first part of December—another report. Data on just the medical school. We're waiting to hear about that. This was done the first part of December.

Mr. Newhouse. What kind of priority does the Government give this project? Is it one of those they are anxious to get going? Maybe Mr. McCauley can answer that.

Mr. McCauley. I think Dr. Boynton can answer.

Dr. Boynton. Back in 1956, President Ngo dinh Diem himself, personally, asked Mr. Barrows, before going back to the States, to ask for a complete American medical school to be built and equipped and staffed with Americans. He didn't realize what it would take to do that. He made the request roughly at that time. If the President himself made the request, there must quite a bit of interest in it by the Government.

DELAY ON CHOICE OF SITE

Mr. Durbrow. May I interject something?

I don't remember all the details, but some time ago I talked with the Minister of Education as well as people in USOM on this matter. There was a lot of delay by Vietnam in picking out a site on which to build the hospital teaching facility. Sometimes they were thinking about putting it in the north of town, then it was out in the country, or out on the new road, then in Cholon. Our doctors know more about this than I.

There was a lot of haggling back and forth where the site should be. They tried to tie it in with the National Institute of Administration and that was when I personally, I think, first asked the Minister of Education myself, personally—asked if they had picked a site. "Yes," he said.

Then a couple of months later, "We think it will be over there." It would be very difficult, as I understood it, for the architects to come over here to find out how much it would cost when they didn't know where it would be built.

How many months, Doctor, did it take to get that thing done?

RECRUITMENT OF CHIEF MEDICAL ADVISER

Dr. Boynton. There was a lot of delay in making the final decision about the site. A couple of sites would have been acceptable. If I may say something at this time—the biggest delay was that we were never able to find adequate people who would come to work for USOM
SITUATION IN VIETNAM

for the planning of this. We needed a chief medical adviser, a man who was a dean of a medical school, who had experience in medical education, in order to help us decide just what was needed in a medical school in Vietnam.

We have not been able to recruit such a person. I have been here for 3 years; all this time ICA Washington has been trying to recruit one. We were hoping to get a capable man, but each time something happened and he was not recruited. We just could not find a competent man in medical education who would come out and work 2 years as a technician for ICA.

That delayed us, in my mind, more than any other thing.

Mr. DURBROW. I remember that quite clearly.

Dr. BOYNTON. Washington was never willing, nor are we, to have the medical school planned by someone other than a competent person.

Mr. NEWHOUSE. Was any thought given to giving a French medical professor, or medical dean, such a position; or would that not be feasible within ICA regulations?

Dr. BOYNTON. It has been thought about, but not seriously considered. We never felt that we wanted to commit that amount of U.S. money to foreign supervision. We needed an American professor, preferably a dean of a medical school, with experience and competence, to decide issues that would have to be decided.

ESTIMATED COST OF MEDICAL SCIENCE BUILDING

Mr. NEWHOUSE. In the original cost estimate, the medical science building was to be about $1.5 million. What is the present estimate for this?

Dr. BOYNTON. Approximately the same. The original cost was about $1.5 million, including some of the supplies to go in building. There were $800,000 for architectural services, for designing and supervision of the medical school building and for designing in detail a 500-bed teaching hospital. Total, about 2.5 million U.S. dollars plus piasters; the total cost, including piasters, approximately $4 million. Our present status is that we have asked the architect to submit another report, not to exceed $4 million—the same level as of 1956.

Mr. NEWHOUSE. You spoke before about a delay in finding a site. I understand the site finally selected was in Cholon. When was that site chosen?

Mr. DURBROW. About a year ago, as I recall. They had an exhibit, "Progress in Vietnam," there a year ago, at which time I visited the site.

Dr. BOYNTON. That was the second time that particular one was selected.

REASONS FOR DELAY OF PROGRESS FOR PROJECT

Mr. NEWHOUSE. Is it the opinion of the country team that this project has been carried forward with the proper amount of planning and dispatch?

Mr. DURBROW. With the proper amount of planning, but not with dispatch for various reasons. I forget how many telegrams and personal letters were sent to get a medical director, a dean who was the right type of person to come here. This delayed the whole project.
Picking the site was another cause of delay. Now we have gotten the architects to come out, but there was a long delay in getting them here. And the cost. We were shocked to see $21 million on the horizon. We never counted on such a high cost estimate.

Mr. Newhouse. An ICA Washington problem, was it not? They picked the architect.

Mr. Durbin. I don't think anybody on the staff knew a medical school director who would come out here. Those are recruited in Washington. The architects are picked there.

Mr. Newhouse. The major responsibility for the delay in this project is not here, but in Washington?

Mr. Durbin. I am afraid I have to say that is true, to my knowledge.

Mr. Newhouse. I have no further questions.

COORDINATION BETWEEN EMBASSY, ICA, AND MAAG

Senator Gore. Ambassador Durbin, one of the questions raised by Senator Mansfield, as chairman of the subcommittee, concerned coordination.

This has come up in our hearings repeatedly during the 2 days. As a result of your experience in these hearings would you be willing to express and give us the benefit of your advice as to how the functions of the Embassy, ICA, and MAAG, could be better coordinated to the end of more unity, cooperation, and achievement?

Mr. Durbin. Shortly after I arrived, I issued an office memorandum to all agency heads which I put a copy of this original directive in the record when I testified in Washington this summer. At that time I did not have with me the November 1957, revision. The November one we can put in the record.

Senator Gore. You will supply this for the record?

(The document referred to is as follows:)

MEMORANDUM

May 16, 1957.

To: See distribution.

From: Daniel V. Anderson, Chargé d'Affaires, n.i.

Subject: Delegation of authority, responsibilities, and coordination.

Reference: Ambassador's draft memo of April 30, 1957.

Enclosure: Ambassador's memorandum.

Since the country team has considered the Ambassador's draft memorandum and at its meeting on May 14 suggested no amendments, the memorandum is herewith issued and will be considered effective on receipt.

You will note that the additional paragraph quoted in my memorandum to the country team on May 11 has been incorporated as paragraph 4.

Distribution:

The Ambassador.
Chief MAAG (2).
Director of USOM (2).
Chief of Economic Section.
Chief of Political Section.
Army Attaché.
Naval Attaché.
Air Attaché.
Director of USIS.
Special Assistant for Liaison.
Administrative Officer.
General Services Officer.
Officer-in-Charge of Consular Section.
Chief of FBIS.

Daniel V. Anderson.
MEMORANDUM

To: See distribution.
From: Ambassador Durrow.

Subject: Delegation of authority, responsibilities, and coordination.

In order to facilitate the flow of work and provide for full cooperation between the Embassy and other U.S. agencies at this post as well as delineate various responsibilities, the following guidance is provided.

To carry out the intent of Executive Order 10575 (see attachment), regarding coordination and responsibilities, etc., all U.S. agencies at this post should be guided by the procedures set forth below:

1. Enclosure No. 1 constitutes the delegation of authority to the Embassy officers named to sign, on behalf of the chief of mission, telegrams, dispatches, and other official correspondence within their spheres of responsibility.

2. In the exercise of the authority given, it is essential that all officers on the attached list assure that all correspondence and communications are fully coordinated with all other interested sections of the Embassy and U.S. agencies in Saigon. Such coordination should be clearly indicated on file copies. These officers shall assure by such coordination and otherwise that the communication falls within policy guidance. If there is any question whether a particular matter is within policy guidance or might affect or change policy guidance, the communication should be referred to higher echelon before dispatch. Moreover, if the matter is of particular importance from substantive or informational point of view, it should be brought to the attention of the deputy chief of mission prior to its dispatch. Otherwise, all matters of an important or informational nature which are dispatched without reference to the deputy chief of mission should be brought to his attention by marking a copy for him.

3. It shall be the responsibility of the action officer to assure that incoming dispatches and instructions are brought to the attention of other interested officers.

4. As the Executive order provides, all agency heads are of course authorized to communicate directly with their principals in Washington. However, the same rules apply to members of the staff working for other agencies as apply to those on the regular State Department roll: viz, they should assure that all communications are coordinated before being sent and instructions and information coming to those agencies should be made available to appropriate persons in the other agencies and in the Embassy.

5. The deputy chief of mission shall be the executive officer for overall operations at this post and shall be the principal officer to assure coordination between all agencies and sections. He shall decide what matters shall be brought to the attention of the chief of mission for decision or information. In general, the deputy chief of mission shall be kept informed of:

(a) all matters affecting policy; or
(b) matters or information which may affect policy decisions now or later; and
(c) matters of an important general information or substantive nature which should be made known to the deputy chief and chief of mission.

6. Arrangements should be continued to assure that all sections of the Embassy and agencies are kept informed before dispatch or otherwise informed after dispatch of all matters which may be of interest to others.

7. Certain matters of a particularly sensitive nature will be handled on a need-to-know basis, in accordance with the decision of the deputy chief or the chief of mission. All matters of an eyes-only or need-to-know nature should be brought to the attention of the chief of mission, who shall decide which other persons should be given the information in question.

8. While all matters of a sensitive, important, or policy nature should be routed through channels to the deputy chief or chief of mission, officers may communicate direct to the deputy chief or chief of mission, if in their judgment the matter is particularly important, sensitive, or of a personal nature.

9. Under Executive Order 10575, November 6, 1954, as amended, the chief of mission, as the representative of the President, is responsible for foreign policy direction to all representatives of U.S. agencies, for the coordination of all activities of those agencies and is charged with the responsibility of assuring unified development and execution of programs, as well as the resolution of unsolved matters, etc. In this connection the Executive order stipulates that the chief of mission shall recommend a course of action in regard to unreconciled matters which course of action shall be followed unless a representative of any agency requests that the matters be referred to Washington for decision. In the latter case, the recommendations of the agency concerned shall be made known to the chief of mission.
case no action shall be taken at the country level prior to the resolution of the problem from Washington. It should be clearly understood, therefore, that no "official informa"tion or private letters or messages should be sent on any substantive matter without bringing such communication to the attention of appropriate officers of the mission or the deputy chief of mission, who shall decide whether such communication shall be forwarded. While the Executive order makes provision for the dispatch of unresolved matters to Washington, every effort should be made at the country level to reconcile differences before adopting this procedure.

Under this Executive order the chief of mission shall be furnished documents and information on any program upon his request.

In order again to bring to the attention of all members of the staff the pertinent points of the above referred to Executive order, there is attached a summary of part II of the order entitled, "Procedures for Coordination Abroad." All members of the staff are urged to read this summary which should be taken as the basic guidance for the delegation of authority, coordination, and responsibility.

Distribution:
The Ambassador.
Chief MAAG (2).
Director of USOM (2).
Chief of Economic Section.
Chief of Political Section.
Army Attaché.
Naval Attaché.
Air Attaché.
Director of USIS.
Special Assistant for Liaison.
Administrative Officer.
General Services Officer.
Officer-in-Charge of Consular Section.
Chief of PBIS.

SUMMARY OF PART II, EXECUTIVE ORDER 10575 AS AMENDED, ENTITLED "PROCEDURES FOR COORDINATION ABROAD".

Sec. 201. Functions of the chief of the U.S. diplomatic mission:
I. The chief of mission, as the representative of the President, serves as the channel of authority for foreign policy and foreign policy direction to all representatives of U.S. agencies.
II. The chief of mission shall:
A. Coordinate activities of all representatives of U.S. agencies;
B. Assume responsibility for assuring unified development and execution of programs;
C. More particularly the chief of mission, with respect to programs and the country concerned, shall:
1. Exercise general direction and leadership.
2. Assure that recommendations, prospective plans, and actions are effectively coordinated and consistent with U.S. policy.
3. Assure that interpretation and application of all instructions received by all agencies are in accord with U.S. policy.
4. Guide agency representatives to prevent duplication and promote most effective and efficient use of personnel.
5. Keep agency representatives fully informed on U.S. policy.
6. Prescribe procedures for coordination of activities of all agencies and assure representatives have access to all available information essential to their jobs.
7. Prepare and submit reports on operations and status of programs as may be requested by the Secretaries of State, Defense, Directors of USTR and ICA.
8. Recommend the withdrawal of U.S. personnel if he believes it in the interest of the United States.
9. Not delegate any function conferred on him in regard to exercise of direction, coordination or authority. (This was later amended in Deporder 58.

July 24, 1956, which reiterates the President's concern regarding reports of lack of cooperation at some posts. This message adds that the provision permitting delegation of authority should not be interpreted narrowly.

Sec. 202. Referral of unresolved matters

1. Chief of mission shall:
   A. Initiate steps to reconcile any divergent views between U.S. representatives on programs referred to in section 201;
   B. Recommend a course of action if agreement cannot be reached. Such course shall be followed unless agency representative requests referral for decision to Secretary of State and concerned agency. No action to be taken at country level regarding matters submitted to Washington for resolution.

Sec. 203. Further coordination procedures and relationships

A. U.S. representatives in country are subject to responsibilities imposed upon chief of mission by section 528(b) of the act and by this part;
B. All representatives of U.S. agencies affected by this part—
   1. Shall have communication with their agencies and other parties as authorized by their respective agencies.
   2. Shall keep the chief of mission and each other fully informed on all matters relating to programs cited in introductory portion of section 201(b) of this order.
   3. Shall furnish chief of mission documents and information on said programs upon request.

Enclosure 1 to Ambassador's Memorandum on Delegation of Authority, Responsibilities, and Coordination

Subject: Designation of signing authority within the Embassy
   Political section: Mr. Chapman.
   Economic section: Mr. Haraldson and Mr. Rhodes.
   Consular section: Miss Mitchell.
   Administrative section: Mr. Kendzie (Mr. Tilson when acting as administrative officer).

Authority of Ambassador

Mr. Durrow. It will be included in the record. I will try to outline it for you. All Ambassadors of the United States around the world have full authority as the principal representative of the United States in the country they are assigned to. This is given under Executive Order No. 10575 issued by President Eisenhower. On the basis of that, it is made clear that the Ambassador is responsible for policy, for the carrying out of policies, for assuring that the policies of one agency do not conflict with those of another, for laying down policy directive for U.S. activities in the country in which the Ambassador finds himself and for seeing that the various agencies coordinate their operations.

Coordination Across the Board

In this memorandum I stated and tried to make it clear that all operations should be coordinated across the board. I did not put it in the memorandum per se, but I have arranged that someone from the political section of the Embassy goes to the MAAG staff meetings, somebody from the political section goes to the USOM staff meetings, and the Embassy has representatives at the staff meetings of the other agencies which I do not attend myself. MAAG and USOM officers attend my country team and regular staff meetings.

I also delegate a lot of the responsibility to Mr. Elting, the deputy chief of mission (DCM). This memorandum makes it clear that after a suggestion, telegram, or policy has been brought up in one agency, it should be coordinated at lower levels as it comes up the ladder to
make sure that all interested parties who should be in on the subject are informed and see that the suggestion does not conflict with any other plans and operations. Then it comes up to DCM. We work very closely, I might say. I was always treated that way myself, I was cut in on everything that my ambassadors were doing when I was deputy chief of mission. I had the same clearances as my ambassadors and I worked for him as executive chief, and I have tried to organize our operation the same way; so if I am out of town my deputy who automatically becomes charge and can carry forward and will know all the instructions that I have received and have a very good idea what I have in mind... Reverting to our operating procedures, the DCM may show an outgoing telegram to me if it's a matter of importance. Otherwise, procedures will send it out and I will see it later; or if it's important he brings it to my attention and I will initial it myself or ask for more information and try to get it out as soon as I can.

Apart from that process of coming through the mills of various agencies here, we have a country team meeting. I have a policy of having two country team meetings a week—one on Tuesday usually and the other on Friday. One is the larger country team meeting with wider representation consisting of the deputy chief of mission, the USOM director or one of his deputies, General Williams or one of his deputies, the political counselor, the economic counselor, the three service attaches, the special assistant and USIS. That is the group that meets on Tuesdays, to discuss almost anything that may be of importance to the team policy matters, what for instance is happening on the medical project, telecommunications, etc. Then, because of various sensitive matters, I have a country team meeting on Friday which is composed of five men. All of these five men have the same top clearance I have and, therefore, we can discuss anything—with nothing to worry about sensitivity of classification, whether this person has that clearance, or had access to this or that info, etc. In those meetings we discuss current affairs, policy matters, should we try to do this, or should we try to change our plans on this because the situation has changed here. We try to be forward looking on policy matters and take a look at the broader picture. It is an easier, more workable sort of group because it is smaller. From time to time, as I mentioned this morning, we have briefings by Johnson, Drake & Piper or Capitol as to what kinds of roads they are going to build. We have meetings to discuss the Saigon-Cholon waterworks or problems on this particular project and that particular project. This, in general, Mr. Senator, is how we try to operate. I consider that I have the full responsibility and when things go wrong, it is my responsibility.

Senator Gore, I can tell you from your answer that you are aware of the problem and that you are working at it.

COMMUNICATION WITH VIETNAM GOVERNMENT

Mr. Durkrow. I think I am, Mr. Senator.

[Deleted.]

As I mentioned before, General Williams goes to see the President, Mr. Gardiner goes to see the President—sometimes alone, sometimes two or three of us together. My instructions are that they must write a memorandum of conversation immediately so that I will know what
the President said. The same instructions apply if they talk to Mr. Thuan and others. They write a memorandum for my information and submit it and usually at the country team meeting, they give me an oral fill-in on their last talk with the President, Thuan, and so forth.

Senator Gore. Are there instructions from Washington—or is there a policy from Washington that would discourage direct dealings between the chief of MAAG and the heads of state, or the manager of USOM and head of state? Is there a policy from Washington which would indicate that the Ambassador should be the medium of contact of communications with the head of state of a government?

Mr. Durbrow. I don’t know of any written instruction to that effect. That is usually the case, Mr. Senator. When I arrived here in April 1957, Mr. Barrows had been here a long time, General Williams had also been here a long while. President Diem had for some time been seeing them individually and also collectively; and so long as the General and Mr. Barrows informed me of what was said, I did not see fit to just try to be the exclusive link with President Diem.

[Deleted.]

Does that answer that question, sir?

Senator Gore. Yes; my question implied no criticism and I did not intend any such implication. I seek information on the operation of the country team here and the relationship not only between officials of our Government but relationships between officials of our Government and the Vietnamese Government.

[Deleted.]

Senator Gore. Do you have any comments, General Williams?

General Williams. No, sir; but I think we should bear in mind that Diem is the Minister of Defense. And I consider that in my conversations with the President and when I write memorandums to the Ambassador that the President asked me to come to the Palace, that I talk to him as Minister of Defense.

Senator Gore. Well, I am glad that there is a close relationship with the President of the country. There is the problem of coordination and line of authority which must be constantly borne in mind. I will ask you the same question with respect to ICA, Mr. Ambassador.

Mr. Durbrow. Same answer, sir. Because I don’t know of any instances where anything important has gone into Washington that I was not aware of. I do not try to see all telegrams going out of here—I do not have the time. My assistants look them over—Mr. Gardiner and Mr. Barrows and other persons working in USOM have a pretty good idea what I am interested in. Many of their telegrams come to me before they go out. Others I see later. In this memorandum I issued shortly after I arrived, I tried to delegate as much authority as possible on the theory that I would just be a bottleneck if I insisted upon seeing too much. It depends upon the importance of the matter at hand whether I see it or not.

MILITARY AID TO VIETNAM

Senator Gore. The next general area that I would like to inquire into with respect to country team operations is the military aid which we will contribute to Vietnam. General Williams, would you be so kind as to tell us the procedure that is followed in this regard?

44370-60—pt. 2—9
General Williams. Going back to 1955 when I came here, the first budget we started working with would be the budget for 1956. The Vietnamese military had never prepared a budget up to that time, to my knowledge, and I frankly think no other Vietnamese Ministry had either. [Deleted.]

At that time I had, if I recall correctly, three officers in my Controller's section. With those three people and other staff officers, we asked the Vietnamese to allow our officers to come to the Department of Defense and show them how to make a budget, and they readily agreed. And we have followed that policy straight through each year and the last year—one or two—on a decreasing scale because they have learned the procedure of building a budget as we in the American Army know how to prepare a budget. [Deleted.]

Senator Gore. You feel then that the Department of State is kept currently and fully informed.

Mr. Durrow. I am sure they are, sir, and if the coordination of Washington breaks down, I haven't heard that it has. [Deleted.]

General Williams. I would say this is not because the Vietnamese do not know as much as our people do—I don't think. Not in that respect. We have, since the first time I started working with the budget here, an outline of four budgets. And I think it is largely due to the country team, up until now at least, and this had happened—I have cut that budget $31.6 million in 4 years. [Deleted.]

Mr. Turbrow. The committee report is almost ready.

Mr. Newhouse, Mr. Ambassador, my impression, which may be inaccurate, is that last year the disagreement on military aid levels between the country team and MAAG, perhaps between you and General Williams, was referred to Washington and thrashed out by the Departments of Defense and State; that recommendations came back from the Department of Defense and State that certain military costs be deferred and that the deferral of these expenses brought the figure down close to the figure you had been aiming at. [Deleted.]

Mr. Turbrow. [Deleted.]

Mr. Ambassador, did the inclusion of section 523 in this year's Mutual Security Act have any effect on your guidance on the country team?

Mr. Turbrow. I think that is a helpful thing, in my opinion. I am not technically qualified to judge on military matters and I naturally have to defer to General Williams and his staff. [Deleted.]

LONG-RANGE PLANNING IN VIETNAM

Mr. Newhouse. Does the country team favor long-range planning in Vietnam on the economic side?

Mr. Durrow. Yes, we do. It is almost like saying we are against sin. But in a newly developing country it is very difficult to have any realistic long-range plan. They are working on it here, when I first arrived in Vietnam Mr. Huynh Van Diem, who is director of the plan, and a couple of U.N. planning experts who were here before I arrived, were trying to work out a 5-year plan. [Deleted.]

This was their first attempt at it and it didn't work out well. Mr. Vu Van Thai whom we talked with last night—
Senator Gore. I talked with him last night and found him to be very intelligent. I discussed with him the problems of the country. [Deleted.]

The problems and hazard come from the country depending too heavily on revenue derived from import taxes; and I suggested to him [deleted] that this might be self-defeating in that as the country built up its production in approaching self-sufficiency, it would automatically and simultaneously reduce the revenue for the Vietnamese Government. I found the Budget Director was fully aware of the situation and agreed with me that it was not a healthy state of affairs. He outlined plans which he said Vietnam was considering as a start toward a solution to this problem. Thanks to your hospitality to me and to him I had this opportunity and I thank you for that.

Mr. Durbrow. He is that kind of fellow. He is one of the most intelligent and a graduate engineer, knows the facts and figures with a slide rule. For the Draper Committee, Mr. Dillon Anderson and General Collins, who were here last February, he outlined, together with the Vice President, a sort of a Vietnam country team group, the plans they were making to cut down their needs for imports. Mr. Gardiner mentioned to the country team within the last 2 or 3 weeks that they are resolved to try to do more realistic planning. In answer to your question, Mr. Newhouse, we are trying to encourage them to do it, but when you have a split country as you have here you are not in full control to see your way ahead. It is not an easy thing to do realistic planning. But they are trying to plan taking into consideration the many imponderables with our suggestions to do the best they can.

Mr. Newhouse. That is my impression of the country team regarding long-range planning. If the mission had an economist of the first rank in its employment, would it perhaps not take such a bleak view of long-range planning?

Mr. Durbrow. It is hard to make realistic plans here. As I say, our thought has been to have them get as realistic plans as they can; collect taxes they have on the books already. For instance, 6 or 8 weeks ago they decided to buy a computer—there are various reasons why we would not buy one for them—so they decided to buy one for themselves out of their own foreign exchange in order better to collect taxes.

Mr. Newhouse. My impression is they are waiting for the Ford Foundation people who are—

General Williams. Long-range planning to give you their concept—about 1987 it was, in a conversation with the Minister of Defense, I told him I was going to get the military to start out at least with a 5-year plan—that they couldn’t continue from year to year without knowing what to do. He said, “If you can get the Department of Defense to start out with a 5-year plan, then possibly the other ministries will follow suit.” We do have such a plan in the military and in fact have had it for quite some time. So undoubtedly the President is in favor of long-range planning.

WORLD BANK AND FORD FOUNDATION ACTIVITIES

Mr. Newhouse. Thank you, General. Mr. Ambassador, what is your opinion of this Government proposal to bring in some real top-
SITUATION IN VIETNAM

notch economists to be selected by the World Bank and the whole thing to be financed by the Ford Foundation?

Mr. Durbrow. We are in favor of that. When the Bank people were out here between January and April that was the one thing they discussed with us. [Deleted.]

Mr. Newhouse. Has the mission ever had at its disposal a real top-ranking economist?

Mr. Durbrow. We have had some really good ones here, Mr. Smith. [Deleted.]

The Vietnamese Government has made it clear that it wants to recruit economists through the World Bank. I understand that it has been in contact with the Bank; that it has made many requests and that the World Bank was unable to assist them in their overall planning. [Deleted.]

PAPERWORK

Mr. Newhouse. Does excessive paperwork stifle creative thinking by the country team?

Mr. Durbrow. It tends to worldwide. I speak for the tops of the country team who have to work on days off, that is, Saturdays, Sundays, etc., and we have quite a time pushing the paper.

Mr. Newhouse. This apparently is true all over the world. The question is what can be done about it, if anything?

Mr. Durbrow. I try to get as many oral briefings as I can from staff members who also underline pertinent facts in documents I have to read. I ask the staff to mark the "meat" of the dispatches.

But in striving to look ahead we try to work things out in our country team meetings.

DEEP FREEZERS

Senator Gore. I wish now to advert to the question on which some inquiry was made yesterday, the eight deep freezers.

I have asked the executive officer to supply the actual records and it is my view that it is fairest to let the records speak. I have personally reviewed the files to ascertain the facts, but I have returned the files. Now we shall ask questions.

What is the first mention of record of a recommendation or request for eight deep freezers?

Mr. Taylor. William C. Taylor. I was in charge of purchasing the freezers. The first record is a memorandum addressed to me dated March 12, 1958, from Mr. Randall V. Frakes, acting chief, field service.

Senator Gore. This contains the equipment that is listed for the field service offices. Is that correct?

Mr. Taylor. Yes, sir.

Senator Gore. According to records before me, it is a USOM clearance and approval signed by Arthur Z. Gardiner, Acting Director of USOM, date of April 1, 1958.

Mr. Taylor. The document which you refer to signed by Mr. Gardiner had in it a commodity element of $431,780, of which this item later developed to be a part. That figure arrived at is an estimate of what would be required.

Senator Gore. I notice a project proposal and approval summary which lists as starting date July 1, 1957, and June 30, 1958, as estimated completed date. I don't understand the significance of the completion date of June 30, 1958.
Mr. Taylor. In this particular instance no project implementation order and these funds were earmarked for purchase of these commodities. It is an administrative reservation whereby we are required to make contractual obligations before June 30, 1958; in other words during the current fiscal year.

Senator Gore. What is the date of letter to Brownell & Lane referring to Purchase Order Vietnam-189?

Mr. Taylor. I have it here. Dated June 25, 1958.

Senator Gore. Is it signed by you?

Mr. Taylor. Yes, sir.

Senator Gore. What is the date of the invoice from Brownell & Lane of New York?

Mr. Taylor. The date of that invoice is August 4, 1958.

Senator Gore. Payment was authorized on what date?

Mr. Taylor. On September 12, 1958.

Senator Gore. And that is Purchase Order VN-189?

Mr. Taylor. Yes.

Senator Gore. Allotment No. 828-50-480-08-69-93?

Mr. Taylor. Yes, sir.

Senator Gore. What is the date of the bill of lading?


Senator Gore. Shipped aboard what ship?

Mr. Taylor. The President Coolidge.

Senator Gore. What is the date of arrival of the eight deep freezers in Saigon?

Mr. Hopkins. September 24, 1958, they were in the warehouse.

**Disposition of Deep Freezers**

Senator Gore. When were the two deep freezers moved out of the warehouse into the house of the Director, Gardiner?

Mr. Hopkins. September 29, 1958.

This statement requires clarification. Mr. Gardiner was not Director of USOM in September 1958. His appointment was not made to this post until November 30, 1958, when he was promoted from the Deputy Directorship. He did not move to the Director’s residence where the two freezers had been installed until January 1959. At no time did he take any action to remove, install or affect the number of freezers in the Director’s residence. Actually the two freezers totaling 17.8 cubic feet capacity mentioned in the testimony were used as replacements for a 20-foot freezer which was taken from the Director’s residence and shipped to Laos. (No. 9 on the table referred to, which is as follows:)

<table>
<thead>
<tr>
<th>Date in warehouse</th>
<th>In slip No.</th>
<th>Date out of warehouse</th>
<th>Out slip No.</th>
<th>Destination</th>
</tr>
</thead>
</table>

1 July 1957, Bangkok.
Senator Gore. When were the remaining six refrigerators removed from the warehouse?

Mr. Hopkins. Two have never been removed—No. 3 and No. 4. No. 5, October 22, 1959. That was for use of the Health and Sanitation for a nutritional team. No. 6, November 25, 1958, to the photo lab, USOM. No. 7, October 24, 1958, to USOM snack bar. No. 8, December 11, 1958, USOM Laos. No. 9 to USOM Laos.

Senator Gore. This No. 9 is not a part of the shipment of eight?

Mr. Hopkins. No, sir.

Senator Gore. We will include this table at this point in the record. This is the table that you have compiled at my request. Since yesterday, Mr. Hopkins, when you suggested that the use of these two deep freezers might be authorized by Regulation subsection C, I have requested that this matter be reviewed. Will you read that subsection C in its entirety?

(The material referred to appears elsewhere in the record.)

**TOTAL HOUSEHOLD EFFECTS IN USOM DIRECTOR HOME**

Senator Gore. I requested information with respect to the total expenditures and purchase of household furniture and fixtures now in the residence of and possession of Mr. Gardiner. Will you relate the record which has been furnished by the Property Management Office?

Mr. Hopkins. The total cost amounts to Vietnam 406,696 converted at the rate of 70 equals $5,809.66.

Senator Gore. Is that customary?

Mr. Hopkins. I don’t know the state of some of the items in the house, whether they need replacing or not.

Senator Gore. In order that the full record appear, I requested that an itemized listing be made. I understand that it is being typed now. Would you insert that in the record at this point?

(The document referred to follows:)

December 8, 1959.

Mr. H. B. Hopkins, Executive Officer.
M. R. LeNoir, Property Management Officer.
Mission Director’s Residence:

The total costs of all the nonexpendable household furniture and fixtures presently in the mission director’s residence amounts to VN406,696 divided by 70 equals U.S.$5,809.66.

In those cases where cost data was not available the cost of replacement was used.
The undersigned acknowledges receipt of the items of property described below, and understands that he is financially responsible for the value of any item lost or damaged.

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIVING ROOM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Sofa, wooden, 3-sectional</td>
<td>4,500</td>
</tr>
<tr>
<td>1</td>
<td>Table, coffee, iron</td>
<td>1,000</td>
</tr>
<tr>
<td>1</td>
<td>Table, coffee, wooden (rectangular)</td>
<td>1,000</td>
</tr>
<tr>
<td>1</td>
<td>Table, coffee, wooden (square)</td>
<td>1,000</td>
</tr>
<tr>
<td>1</td>
<td>Piano, wooden (William Wordsworth, very fine)</td>
<td>15,700</td>
</tr>
<tr>
<td>2</td>
<td>Tables, and, iron, round</td>
<td>1,000</td>
</tr>
<tr>
<td>2</td>
<td>Table, dining, wooden, with 3 extensions</td>
<td>4,000</td>
</tr>
<tr>
<td>16</td>
<td>Chairs, wooden, straight, upholstered</td>
<td>15,000</td>
</tr>
<tr>
<td>1</td>
<td>Table, console, wooden against wall on entering</td>
<td>800</td>
</tr>
<tr>
<td>2</td>
<td>Buffets, wooden, large</td>
<td>8,000</td>
</tr>
<tr>
<td>2</td>
<td>Lamps, table, porcelain with shades (1 large)</td>
<td>1,000</td>
</tr>
<tr>
<td>2</td>
<td>Candleholders, porcelain (Blon-hoa)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Candelsticks, brass</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Plates, porcelain (Blon-hoa)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Flower vase, green (Blon-hoa)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Ceiling fans</td>
<td>12,000</td>
</tr>
<tr>
<td>2</td>
<td>Pieces of pictures on silk</td>
<td>8,000</td>
</tr>
<tr>
<td>1</td>
<td>Bookcase, wooden</td>
<td>1,800</td>
</tr>
<tr>
<td>1</td>
<td>Chest of drawers, wooden, oriental Chinese</td>
<td>1,800</td>
</tr>
<tr>
<td>1</td>
<td>Coffee table, blond finish, curved legs</td>
<td>4,400</td>
</tr>
<tr>
<td>1</td>
<td>Small table</td>
<td>1,300</td>
</tr>
<tr>
<td>3</td>
<td>Rattan settee chairs plated seat</td>
<td>2,400</td>
</tr>
<tr>
<td>1</td>
<td>Rattan 5-panel screen, in 3 sections</td>
<td>1,500</td>
</tr>
<tr>
<td>2</td>
<td>Floor lamp, square shade</td>
<td>1,200</td>
</tr>
<tr>
<td>2</td>
<td>Small floor lamp, with shades, 3 names</td>
<td>2,000</td>
</tr>
<tr>
<td>1</td>
<td>Bottled-shaped lamp, with shade</td>
<td>1,000</td>
</tr>
<tr>
<td>1</td>
<td>Hat lamp on wrought iron legs</td>
<td>800</td>
</tr>
<tr>
<td>2</td>
<td>Table, round, wood, Oriental</td>
<td>1,000</td>
</tr>
<tr>
<td>1</td>
<td>Small table, Bungfong wood, 1-drawer</td>
<td>1,800</td>
</tr>
<tr>
<td>2</td>
<td>Rattan, square, end tables</td>
<td>4,000</td>
</tr>
<tr>
<td>3</td>
<td>Wooden lamp bases</td>
<td>900</td>
</tr>
<tr>
<td>1</td>
<td>Wrought iron table, lamp with conical shade</td>
<td>800</td>
</tr>
<tr>
<td>3</td>
<td>Carved dining room tables</td>
<td>15,000</td>
</tr>
<tr>
<td>1</td>
<td>Buffet, consisting of 2 elements</td>
<td>12,000</td>
</tr>
<tr>
<td>6</td>
<td>Folding tables</td>
<td>5,000</td>
</tr>
<tr>
<td>24</td>
<td>Folding chairs</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>FOYER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Lamps, floor, rattan</td>
<td>1,700</td>
</tr>
<tr>
<td>1</td>
<td>Tables, end, with glass top, square</td>
<td>1,200</td>
</tr>
<tr>
<td>4</td>
<td>Armchairs, rattan, with 2 cushions each</td>
<td>5,800</td>
</tr>
<tr>
<td>1</td>
<td>Table, rattan, with 3 cushions (4-sectional)</td>
<td>4,000</td>
</tr>
<tr>
<td>1</td>
<td>Ceiling fan</td>
<td>8,000</td>
</tr>
<tr>
<td>1</td>
<td>Dining table</td>
<td>8,000</td>
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<tr>
<td>4</td>
<td>Wooden chairs</td>
<td>3,800</td>
</tr>
<tr>
<td><strong>TERRACE (UNCOVERED)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Tables, end, rattan, small round</td>
<td>1,200</td>
</tr>
<tr>
<td>2</td>
<td>Tables, end, iron, round</td>
<td>1,200</td>
</tr>
<tr>
<td>2</td>
<td>Settee, iron with 6 cushions</td>
<td>5,600</td>
</tr>
<tr>
<td>4</td>
<td>Armchairs, rattan, with 2 cushions each</td>
<td>4,800</td>
</tr>
<tr>
<td>1</td>
<td>Table, coffee, with glass top</td>
<td>5,000</td>
</tr>
<tr>
<td>1</td>
<td>Table, lounge, iron, with glass top</td>
<td>1,000</td>
</tr>
<tr>
<td>1</td>
<td>Chairs, iron, straight back</td>
<td>2,000</td>
</tr>
<tr>
<td>8</td>
<td>Armchairs, rattan, with 1 cushion each, setback (1 in upstairs bedroom)</td>
<td>5,900</td>
</tr>
<tr>
<td>1</td>
<td>Table, serving, rattan, glass top</td>
<td>1,000</td>
</tr>
<tr>
<td>Quantity</td>
<td>Description</td>
<td>Value</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>U.S. dollars</td>
</tr>
<tr>
<td><strong>TANTRY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Cupboard, wooden, 2-door, with glass door (built in)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Shelf, double, wooden (built in)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1 Metal kitchen sink (large size) (built in)</td>
<td>15,000</td>
</tr>
<tr>
<td>1</td>
<td>General Electric refrigerator (Serial No. OP59286)</td>
<td>500</td>
</tr>
<tr>
<td>1</td>
<td>Porcelain water filter</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Rheem water heater</td>
<td>$36.00</td>
</tr>
<tr>
<td><strong>IRONING ROOM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Tables, bridge, metal</td>
<td>3,000</td>
</tr>
<tr>
<td>3</td>
<td>Top, table, humpback, wooden, round</td>
<td>1,300</td>
</tr>
<tr>
<td>2</td>
<td>Table, ironing, wooden</td>
<td>400</td>
</tr>
<tr>
<td>1</td>
<td>Board, ironing, wooden</td>
<td>150</td>
</tr>
<tr>
<td><strong>FREEZER ROOM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Table, wooden, 2-tray</td>
<td>400</td>
</tr>
<tr>
<td>2</td>
<td>Westinghouse deep freezer (Serial No. WU88100) (Serial No. 503997) model U2K</td>
<td>26,600</td>
</tr>
<tr>
<td>1</td>
<td>Norge refrigerator (Serial No. 821308)</td>
<td>7,540</td>
</tr>
<tr>
<td><strong>SERVANT'S QUARTERS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Table, bridge, wooden (old)</td>
<td>1,500</td>
</tr>
<tr>
<td>2</td>
<td>Table, wooden, 2-tray (old)</td>
<td>200</td>
</tr>
<tr>
<td>2</td>
<td>Canvas cots</td>
<td>600</td>
</tr>
<tr>
<td><strong>LAUNDRY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Table, washing</td>
<td>150</td>
</tr>
<tr>
<td>1</td>
<td>Machine, washing, make Hotpoint model 38LWP71 (Serial No. 6276892)</td>
<td>5,220</td>
</tr>
<tr>
<td>1</td>
<td>Water pump with automatic switch</td>
<td>10,610</td>
</tr>
<tr>
<td><strong>KITCHEN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Table, kitchen, wooden</td>
<td>400</td>
</tr>
<tr>
<td>1</td>
<td>Cabinet, screened</td>
<td>200</td>
</tr>
<tr>
<td>1</td>
<td>Porcelain sink (part of residence) (built in)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Stove, Triumphant</td>
<td>102.00</td>
</tr>
<tr>
<td></td>
<td>York air conditioner (Serial No. 163173)</td>
<td>4,200</td>
</tr>
<tr>
<td><strong>SMALL STUDY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Lamp, table, brass</td>
<td>500</td>
</tr>
<tr>
<td>1</td>
<td>Desk, wooden, 2-drawer</td>
<td>1,800</td>
</tr>
<tr>
<td>1</td>
<td>Filing cabinet, 4-drawer (A.5.1.200)</td>
<td>5,260</td>
</tr>
<tr>
<td><strong>DRESSING ROOM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Dresser, 4-drawer</td>
<td>1,600</td>
</tr>
<tr>
<td><strong>BEDROOM NO. 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Ceiling fan</td>
<td>3,000</td>
</tr>
<tr>
<td>2</td>
<td>Table, bedside, 2-drawer</td>
<td>1,400</td>
</tr>
<tr>
<td>1</td>
<td>York air conditioner (Serial No. 163173)</td>
<td>8,320</td>
</tr>
<tr>
<td>1</td>
<td>Chest of drawers, 6-drawer, with wall mirror</td>
<td>2,800</td>
</tr>
<tr>
<td>1</td>
<td>Wardrobe, 8-door, with 2 storage compartments</td>
<td>9,000</td>
</tr>
<tr>
<td>2</td>
<td>Bed, single, wooden, with 2 drawers each</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Mattresses, foam rubber</td>
<td>8,000</td>
</tr>
<tr>
<td>2</td>
<td>Bedspreads, cotton</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Pillows (1 rubber, 1 cotton)</td>
<td>800</td>
</tr>
<tr>
<td>2</td>
<td>Mattress pad, single, to be used in the servants' quarters</td>
<td>3,000</td>
</tr>
<tr>
<td>1</td>
<td>Box springs</td>
<td></td>
</tr>
<tr>
<td><strong>BATHROOM NO. 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Stool, wooden</td>
<td>100</td>
</tr>
<tr>
<td>1</td>
<td>Water heater, Rheem</td>
<td>5,960</td>
</tr>
<tr>
<td>1</td>
<td>Cabinet, medicine</td>
<td>200</td>
</tr>
<tr>
<td>1</td>
<td>Iron bathtub, Master Meadow</td>
<td>7,000</td>
</tr>
</tbody>
</table>
### BEDROOM NO. 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Value (U.S. dollars)</th>
<th>Value (Vietnamese dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table, dressing, 3 long mirrors with upholstered stool</td>
<td>3,000</td>
<td>1,300</td>
</tr>
<tr>
<td>Armchairs, rattan, with cushions</td>
<td>3,200</td>
<td>1,500</td>
</tr>
<tr>
<td>Sofa, rattan, with cushions</td>
<td>4,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Chair, straight back</td>
<td>500</td>
<td>250</td>
</tr>
<tr>
<td>Table, coffee, long</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Bookshelves</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Ceiling fan</td>
<td>3,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Wardrobe, 3-door</td>
<td>3,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Dresser, 4-drawer with wall mirror and 1 (brown) in hall</td>
<td>1,800</td>
<td>900</td>
</tr>
<tr>
<td>Chair, wooden, straight back, upholstered</td>
<td>700</td>
<td>350</td>
</tr>
<tr>
<td>Pillows with slipcovers</td>
<td>200</td>
<td>100</td>
</tr>
</tbody>
</table>

### BEDROOM NO. 3

<table>
<thead>
<tr>
<th>Description</th>
<th>Value (U.S. dollars)</th>
<th>Value (Vietnamese dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed, single, wooden, with foam rubber mattresses</td>
<td>8,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Bedspreads, cotton chenille, blue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pillows, cotton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cabinet, wooden</td>
<td>2,000</td>
<td>1,000</td>
</tr>
<tr>
<td>&quot;York&quot; air conditioner (serial No. G-183164)</td>
<td>$117.00</td>
<td>580</td>
</tr>
<tr>
<td>Dresser, 4-drawer, with wall mirror</td>
<td>1,300</td>
<td>650</td>
</tr>
<tr>
<td>Bookshelves, wooden</td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td>Bookshelves, wooden (small)</td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td>Stool, foot, rattan, with cushion</td>
<td>700</td>
<td>350</td>
</tr>
<tr>
<td>Ceiling fan</td>
<td>8,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Wardrobe, 3-door</td>
<td>3,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Box springs</td>
<td>3,000</td>
<td>1,500</td>
</tr>
</tbody>
</table>

### BATHROOM NO. 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Value (U.S. dollars)</th>
<th>Value (Vietnamese dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabinet, medicine</td>
<td>200</td>
<td>100</td>
</tr>
<tr>
<td>Water heater, Rheem</td>
<td>85.00</td>
<td>42.50</td>
</tr>
</tbody>
</table>

### BEDROOM NO. 4

<table>
<thead>
<tr>
<th>Description</th>
<th>Value (U.S. dollars)</th>
<th>Value (Vietnamese dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;York&quot; air-conditioner, serial No. G-183152</td>
<td>117.00</td>
<td>58.50</td>
</tr>
<tr>
<td>Table, bedside, 1-drawer</td>
<td>1,400</td>
<td>700</td>
</tr>
<tr>
<td>Desk, 3-drawer</td>
<td>1,600</td>
<td>800</td>
</tr>
<tr>
<td>Armchair, rattan, with cushions</td>
<td>1,700</td>
<td>850</td>
</tr>
<tr>
<td>Bookshelf, wooden (small)</td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td>Wardrobe, 3-door, with 3 storage compartments</td>
<td>3,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Dresser, 4-drawer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bed, single, wooden with rubber foam mattresses</td>
<td>3,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Pair of cotton chenille beige bedspreads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foam rubber pillows</td>
<td>400</td>
<td>200</td>
</tr>
<tr>
<td>Chair, wooden, straight back, upholstered</td>
<td>700</td>
<td>350</td>
</tr>
<tr>
<td>Ceiling fan</td>
<td>3,000</td>
<td>1,500</td>
</tr>
</tbody>
</table>

Total: 4,405,800
FREEZERS IN THE USOM DIRECTOR'S RESIDENCE IN SAIGON

The USOM director in Saigon, as at many other posts, is provided Government-owned, or leased, furnished quarters. The residence used by the USOM director was acquired and initially furnished when the first special technical and economic mission to the Associated States of Indochina was established in Saigon in 1950, and it has been used as a director's residence almost continuously since that time.

Facilities for the storage of frozen food are a part of the furnishings of the director's residence. The director's residence is used for representational functions and frequently to house official visitors. The exigencies of this situation render it extremely desirable for the director's residence to keep a stock of food on hand, as the director may be called upon, on short notice, to entertain an unexpectedly large group of people. Such a stock of food cannot be kept safely in a tropical climate—such as Saigon's—unless under refrigeration.

USOM records show that a deep freezer of 20 cubic foot capacity was received for the USOM director's residence on July 9, 1957. It cost $594.66, excluding packing and shipping charges. This replaced an older machine which had been acquired secondhand in the summer of 1953 and which was no longer operating efficiently.

The eight deep-freeze cabinets now in question were ordered for the field services division; but, by the time they arrived in Saigon on September 24, 1958, decision had been made to eliminate the field services division. Therefore, the deep freezers were no longer required for the purpose for which they were originally purchased.

These freezers had a capacity of 8.9 cubic feet each and cost $190, exclusive of packing and shipping charges. Two of these deep freezers were placed in the director's residence on September 29, 1958, replacing the freezer purchased in 1957 with a 20 cubic foot capacity. This exchange was made because the larger freezer had developed operating difficulties requiring repairs which could not be made without emptying the box and taking it to a repair shop. Instead of returning the 20-foot freezer to the director's residence after its repair, the USOM (in response to a request from USOM/Laos) transferred the freezer to the Laos mission.

ICA Manual Order 532.1-III-C authorized USOM directors to purchase appropriate furnishings for their residences so long as the total expenditure did not exceed $6,000—a limit which was not exceeded either by the purchase or by the exchange of equipment in question. (On September 12, 1958, by IOATO Circular A-76, the limitation on the amount which mission directors might spend on furnishings without prior Washington approval was increased to $10,000, on the basis of a worldwide study of furnishings found to be reasonable and necessary for the requirements of mission directors. This study includes as a basic item of furnishings a deep freezer.)

The transfer of the two 8.9 cubic-foot deep freezers from the discontinued field services project to the mission director's residence was thus effected before the present mission director, Arthur Z. Gardiner, assumed responsibility for the directorship of the mission. The shift was made with the approval of the mission director then in charge in the interest of making the most effective use of equipment available to the USOM. At no time has Mr. Gardiner taken any action whatsoever to increase, diminish, or otherwise affect the number of deep-freeze units in the director's residence. This number remains at two, where he found it on assuming the duties of director on November 30, 1958. He believes that the freezers are needed to enable him to discharge his representational duties. These units, originally bought with technical support program funds, are not charged to administrative funds.

SUPPLEMENTAL STATEMENT BY SENATOR GORE

From the above supplemental statement, it appears clear that no regulation was violated in the diversion of the deep freezers from the purposes for which their purchase was authorized to other purposes.
within Vietnam USOM. No question of moral turpitude or wrongdoing, therefore, by Mr. Gardiner, USOM director, or anyone else so far as I know, is involved. If the exploration of this question occasioned any such interpretation or embarrassment, I am sorry.

This instance does serve to illustrate the opportunity for question-able latitude in the diversion and disposition of such Government property. Indeed, it would appear clear from the statements of the State Department that all eight deep freezers involved could have been transferred to the residence of the director, or, for that matter, these eight and a dozen more, without violation of any regulation or, indeed, without any knowledge or record thereof in the Washington office. Perhaps the Director of the ICA would want to give consideration to this.

AMBASSADOR DURBROW’S CLOSING STATEMENT

Mr. Durrow. Mr. Gore, Mr. McGee, Mr. Newhouse, on behalf of the country team may I say a few words. I think I can say that all of you—not only you, Senator Gore and Senator McGee, but Senator Hickenlooper, Mr. Marcy, and Mr. Valeo, have in your questions and your hearings been most fair in every sense of the word. You have done your homework the hard way, as you have said. I don’t know the details of all of them myself, but as you mentioned, and as I concurred just before lunch, I think some of the things like audits and imports in bonded warehouses which you have gone into thoroughly will be helpful to us as well. We want to thank you all for your fairness, kindness, and consideration.

SENATOR GORE’S CLOSING STATEMENT

Senator Gore. There are two matters which we would like to discuss with you, Mr. Ambassador, and the MAAG officers. Gentlemen, with the exception of the two matters which we wish to discuss with those entitled to secret information, this concludes our hearings; but, before going into the executive session, I wish to thank each of you for your cooperation. No information which we have requested has been denied us; Records which we have sought have been supplied. Our handicap has been in not knowing many questions that should have been asked. We would have been helped greatly if we had had the benefit of the evaluation report which has been made with respect to the operation here in Vietnam. President Eisenhower, in exercising what I think was his constitutional right, has denied access to this evaluation report to the Senate committee. While I do not question his constitutional right, I do question that propriety and judgment in exercising the right to the point of denial in this case. Senator McGee and I and the committee staff have come here. We are neither accountants nor engineers nor are we experienced except from the legislative standpoint in this very important and delicate field. Therefore, our work has been labor. We cannot claim to have done a thorough job, but to the extent of our capacity and time, we have undertaken it seriously.

I wish to say to you, gentlemen, that I am aware of the sensitivity of this location, of the strategic importance of this country. I am aware, to put in bluntly, that this is the frontline and that you gentle-
men are performing a delicate, important, and sensitive task for your
country. I have seen many things here which I have applauded. If
this hearing has seemed to pinpoint criticism of the program, you
must be aware that that is in the nature of an investigation. The
good points require no investigation. In many respects, in my view,
you have done an excellent job. I think that the overall impression
of the hearing, particularly yesterday, will reveal a loose and some­
what uncoordinated operation here.

I am very pleased to note the strenuous effort on the part of the
Ambassador, MAAG, and ICA to remedy that situation, and it is
my view that the procedures which you have undertaken will bring
about improvement. I surely hope so. The most serious thing, in my
view, which will be brought to public light as a result of this hearing
is the refusal of the Vietnamese Government to permit an audit of the
counterpart account or an audit of end-use commodities and examina­
tion of bonded warehouses. There are other matters; there are
matters which I regard as irregularities. You know my views as
regards the automobiles, and the deep freezers.

In conclusion, I want again to express appreciation for the hos­
pitality and cooperation which you have shown.

FURTHER SUPPLEMENTAL STATEMENT BY SENATOR GORE

Senator Gore. Since returning to Washington, I have had an oppor­
tunity to study the edited version of the evaluation report on the aid
program in Vietnam which President Eisenhower has supplied to the
Committee on Foreign Relations.

I find it very helpful and, in form, entirely satisfactory, and I com­
mand the President upon this cooperation. My only remaining res­
ervation regarding this evaluation report pertains to its continued
"secret" status.

SENATOR M'GEE'S CLOSING STATEMENT

Senator McGee. I echo your sentiments as to what the program
has achieved out here, and while I share your misgivings over the
reluctance of the Vietnamese Government to permit an audit of cus­
toms duties, I think I place a little higher above that the thing that im­
pressed me most, which is the need for the tightening up of the pro­
gram in Washington. Again and again, as we have gone through
these exchanges, we have come up against the fact that the ultimate
road leads back to Washington—whether it is leadership, whether it is
making regulation changes in the regulations, or whatever it may be,
there is going to have to be a clear and, I hope a wise look at the top.
This isn't the only place where this has come to light. This has been
one of the most important things that I have learned.

Whether it is possible to do anything about it, I don't know. We
have been stressing here the importance of the country team opera­
tion and I think in view of our concern over this whole worldwide
program, the country team improvement might well start at home.
We might expect a little bit more team cooperation in Washington
and I think the President made a real mistake in not making available
the ICA report so that all our efforts, interests, and concerns might
have benefited by the best available study and information.
I personally have found what I have seen here of the country and people, forgetting Americans for the moment and thinking of Vietnamese, a far more exciting example of the consequences of our assistance than almost anywhere else I know. When you consider where they started from—no framework left by the colonial powers in which they could operate after many years of war and the continuing threat of the renewal of war, all this as recently as 4 or 5 years ago—and then measure the obvious achievements to date, I think it is one of the most wholesome examples of our efforts to try to help people to help themselves and to achieve many important goals—the security one which concerns us all in every country around the world and the economic-social goal, which is one of helping people lead better, more promising lives. And I think both of these necessary and laudable goals are revealed here in very meaningful terms.

I am going to propose in a paper I have to submit to a group in New York in January that we in America make Vietnam a target of our exchange program. We bring thousands of people to the United States to see how we do things. I have long thought we might make this more meaningful if we could bring thousands of our people to other parts of the world where they could understand what had been done in collaboration with others. I think we could make good use of this as a showcase for the American program.

With all of the things that have been disturbing us, we have not lost sight of the ball. I think we must keep our eyes above the house-cleaning, dirty-linen sort of thing and we must continuously keep at what is important, and remember what has been achieved.

This has been the most rewarding experience I have had anywhere around the world.

(Whereupon, at 4:30 p.m., the hearing was concluded.)