

Sen. Dodd, American People Support
Resumption of Bombing in No. Vietnam -
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number of banks have made such adjustments, and there have been numerous reports of rates on certificates of 5 percent, and, in a few instances, as high as 5½ percent. This has renewed concern that the scramble for deposits might carry the going rate among the large as well as the small banks to the regulatory ceiling, despite the attempts to avoid making this ceiling into a magnet for going rates.

A new rash of savings instruments based on certificates of deposit has developed among many banks. These are being called savings certificates, savings bonds, investment deposits, or other special names and are being offered at rates as high as 5 percent and guaranteed for periods as long as three years. The minimum amounts being accepted are often \$1,000 and, in some cases, as low as \$25. The common denominator for many of these new instruments is the fact that they provide for many depositors a ready alternative to passbook savings on which a maximum 4-percent rate has been retained under regulation Q. There have been reports of unsettling and disruptive shifts of funds among banks, and from savings and loan associations to banks. Whether such shifts are indeed taking place in large amounts is of critical significance to the financial system and of great importance to the economy. The Federal Reserve authorities looked into this matter a few weeks ago and concluded that reports of disruptive shifts were somewhat exaggerated, at least at that time.

But this is not the complete story. Even though a rate war among banks and other financial institutions may not yet have developed, the pressure resulting from the rising demand for credit is tempting some bankers—including a few in the large money market banks—to offer unrealistically generous terms on CDs. There is a clear and present danger that such actions could lead to highly destructive and undesirable competition from which no one—banks, savers, other financial institutions, or the American economy—could gain.

Such a fierce competitive race for savings and time money could be particularly harmful to the small banks of the Nation and the regional and local economies which they serve. Healthy competition among banks and other lenders is highly desirable. However, competition that entices large and disruptive flows of funds from country to city, from small banks to large banks, and from the specialized financial industries into the banking system can be harmful.

I therefore urge the Nation's commercial bankers to exercise the prudence and responsibility that will be absolutely necessary in the days and months ahead. There is no magic formula. Nor will the pressures be uniform throughout the banking system. But it is appropriate that we remind ourselves that the most successful banks, over extended periods of time, have been those banks that have been able to strike a healthy balance between the need for stability and the need for growth.

In reviewing bank policies, several questions should be answered objectively. Does the local demand for credit warrant the competitive quest for deposits? Is the bank attempting to grow just for the sake of growth? Will credit standards have to be lowered to put the expensive money to work at rates that will be profitable? How stable are the deposits? Will these shift quickly with any rate change by competitors? How long will the bank be able to sustain the higher rates?

This we must understand: a significant result of the Federal Reserve action has been to grant new freedom to the banking system. With the prime rate at 4½ percent, banks had become a "bargain basement" for borrowers in relation to prevailing rates in the bond market. The effect was to maintain

an unrealistic prime rate level which gave a subsidy to bank borrowers and threatened to exhaust bank lending capacity. The increase in the discount rate, and related rise in the prime rate, has given banks a new freedom to charge rates on loans that are more in line with the open market.

In a full employment economy, demands for credit can become almost insatiable. The problem for many credit institutions is to control the integrity of their own portfolios through the selection or rejection of the loans offered. Thus the Federal Reserve action on the rate front dramatized the credit situation that had been developing and help to improve our ability to build healthy loan portfolios.

The matter now rests essentially with the bankers in their response to this rapidly changing environment. We cannot expect to be monitored daily by the Federal Reserve Board. We have been told plainly that credit must be restrained. We have been told plainly that banks must not indulge in competitive rate wars for time money.

If the Federal Reserve policy is to be effective, self-discipline on the part of banks is now absolutely required. Any other course of action would be unthinkable simply because the national interest demands it. Failure to exercise voluntary but prudent restraint now can only lead to stricter regulatory controls later.

Indeed, the very manner in which the Federal Reserve has raised the flag of caution is indicative of its confidence in the integrity and responsibility of the American banking system, and this we must honor.

STEPS TOWARD CLEAN WATER

Mr. MUSKIE. Mr. President, the Water Quality Act of 1965 is a meaningful document. But it does not complete the responsibility of Congress in the critical area of water pollution control and abatement.

The Water Quality Act gave the Nation the basic tools to enhance the quality of our water resources. To put those tools to work, we need the muscle of greatly increased Federal, State, and local money behind them.

The Senate Subcommittee on Air and Water Pollution has recently published a report which documents this need. The report is entitled "Steps Toward Clean Water," and is based on 12 days of hearings last year. More than 900 pages of testimony and supporting evidence were recorded.

The findings and recommendations of the report are a sobering evaluation of the problem and the need to solve it.

The subcommittee estimates that the national cost of meeting our treatment plant construction needs by 1972 is at least \$20 billion. The present Federal effort is only \$150 million a year. The subcommittee reports this "is entirely inadequate even to keep pace with the problem."

Furthermore, present restrictions on individual grants gravely limit the program, especially in large communities. While these may be the most obvious deficiencies in our program, they are not the only ones.

For instance, the overwhelming majority of States does not assist communities with matching grants under the sewage treatment construction grant program.

Except in isolated cases, we do not have a coordinated program for handling effluent from industrial and municipal sources in river basins. The increased cost of waste treatment for industries is a threat to their economic vitality.

Finally, present waste treatment systems too frequently are based on concepts developed 40 years ago.

Because of the interrelationship of these needs, no one part can be ignored without jeopardizing our success with the others.

During the coast-to-coast hearings last year, the subcommittee learned firsthand of the nature and scope of these inadequacies. To succeed, the subcommittee has made six recommendations. We should consider them carefully.

First. Do away with the dollar ceiling limits on treatment construction grants, and instead provide a 30-percent grant for each project, regardless of its cost.

Second. Provide a bonus of 10 percent of the Federal grant when the State matches at least 30 percent of the project cost. In addition, cities should be authorized to apply directly for Federal grants when States fail to match the Federal grant. A revolving fund should be established for long-term, low-interest loans to help cities meet local matching requirements when the State fails to match the Federal share.

Third. Authorize \$6 billion for Federal treatment construction grants through fiscal year 1972.

Fourth. Double the authorization for grants to States and interstate agencies for program support to \$10 million a year for 5 years, providing the States increase their share.

Fifth. Authorize \$25 million annually for 5 years for research, development and demonstration of advanced waste treatment and purification methods, and for development and demonstration of new or improved methods for treating compatible municipal and industrial wastes.

Sixth. Provide for collection and publication of information on treatment practices in industrial, manufacturing, and processing establishments. Use the contract authority more extensively in the conduct of research, training and demonstrations. In connection with such authority, start a program of training operators of municipal and industrial or other private treatment plants.

These six recommendations are a bold but necessary program to meet the realities of the water pollution crisis.

By eliminating the dollar ceiling on individual project grants, we could bring meaningful support and encouragement to the Nation's cities. Their problems are at the heart of the national problem.

Presently, the maximum Federal grant to a single project is \$1.2 million and the maximum for a joint project undertaken by two or more communities is \$4.8 million.

For major cities, these amounts are woefully inadequate. New York City alone faces the expenditure of \$780 million for needed facilities.

In Atlanta, the price tag is \$100 million. In Los Angeles, it is \$75 million. In Detroit, it is \$151 million. In Pittsburgh, it is \$32 million. In Houston, it is

\$43 million. Even in the Portland, Maine, area, the cost has been estimated at more than \$20 million.

For the last decade, Federal construction grants have stimulated local abatement and control projects. Municipal response to the grants was immediate and encouraging even at its initial modest and totally inadequate level.

However, because of the grant limits, the resulting activity has barely kept pace with the needs of growing populations and urbanization. The tremendous backlog of needed facilities, now totaling at least \$20 billion, remains unmet. The lifting of ceilings and the stepping up of authorizations, as recommended by the subcommittee, would permit and stimulate the necessary attack on the backlog.

Since the national pollution abatement program began in 1948, the basic legislative policy has been that the control of pollution is a State responsibility. Regrettably, most States have failed to help communities meet the costs of abatement and control. Presently, only six States have authority to apply State funds for this purpose.

Our job, then, is to provide more incentive to the States. A 10 percent Federal bonus for State matching funds, and the opportunity for doubled Federal appropriations for program support will stimulate State participation.

A challenge to our technology is the development of efficient methods of treating combined municipal and industrial effluent. An appropriation of \$125 million over 5 years would foster the depth of research needed to find and demonstrate the answers. In the long run, these answers would save countless dollars and help us achieve the water quality we will need.

Industry, like municipalities, will increasingly feel the financial burden of treatment. In many instances, this burden can adversely affect an industry's growth and prosperity. Many companies already face this problem. It calls for a reevaluation of our policy on financial assistance to industry for treatment works.

Summing up, there are three basic elements in the Federal Government's water pollution control effort: treatment, enforcement, and research.

The Water Quality Act of 1965 gave us the means for developing and establishing meaningful water quality standards.

But if communities do not have the resources to achieve adequate treatment, standards and enforcement will mean little.

And without research to find more efficient methods of treatment, the costs could overwhelm us in the decades ahead.

Our next legislative attack on dirty water should begin where the Water Quality Act left off. The subcommittee's recommendations are guidelines for our work in the months ahead.

I urge my colleagues to read the subcommittee's report.

JOB CORPS GIRLS START TO WORK

Mr. MONTROYA. Mr. President, I am pleased to bring to the attention of the

Senate an article about a young lady from my State who is a recent graduate of the Los Angeles Women's Job Corps Training Center.

The story was written by Mrs. Elizabeth Shelton, staff writer for the Washington Post. The story is about Juana Marie Waquiu of Jemez Pueblo, N. Mex.

It is of paramount importance that industry scrutinize the graduates of the Job Corps for potential job placement. This point of view is well expressed by W. C. Hobbs, senior vice-president of Consolidated American Services, Inc., and chief executive of its Management and Engineering Services Division. This company was the first to hire male Job Corps graduates and now blazes a new trail by being the first in private industry to hire female graduates of the Job Corps.

Mr. Hobbs feels certain of the abilities of the Job Corps graduates. His quotation is worth repeating:

I feel very strongly that in the Job Corps, industry has a natural young mine of flexibility and a pool of labor. Just because these are poor kids who have dropped out of school doesn't mean they are not good workers. Once industry realizes they have a pool, and can direct the skills and technical training they need, they are going to come to Job Corps and say, "I need so many of this type of skill."

This is an inspiring and impressive story. It should be of interest—of great interest—to all Americans.

Mr. President, I ask unanimous consent that the article, written by Elizabeth Shelton, be printed in the RECORD at this point of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, Nov. 30, 1965]

JOB CORPS GIRLS START TO WORK

(By Elizabeth Shelton)

The first two career girls to come to the Capital with Job Corps diplomas as their credentials are happily at work in the downtown office of a management consultant firm.

Juana Marie Waquiu, a 21-year-old from Jemez Pueblo, N. Mex., arrived here yesterday to double as a PBX switchboard operator and receptionist with the Management and Engineering Services Division of Consolidated American Services, Inc. She was the first graduate of the Los Angeles Women's Job Corps Training Center.

The second graduate, Willye L. Evans, 20, of Oklahoma City, Okla., has been on duty in the same office for a week as a clerk-typist. "It's just like home," Willye says. "Everybody is so friendly."

Both live on Buchanan Street NE., with the family of a member of the MES staff.

Neither has had a chance yet to sightsee around the city, but Willye went on a motor trip in Maryland on Sunday and thought it "very nice."

Her mother is a domestic worker in Idabel, Okla. Willye tried working her way through Langston University in Oklahoma but had to leave in her second year because her salary as an assistant to the adviser of the New Homemakers of America was applied only to tuition and left her no money for expenses or to send home.

She plans to go to business college at night with an eventual goal of teaching business subjects. She attended the Metropolitan Junior College in Los Angeles and graduated in 5 months.

Juana, daughter of a carpenter, attended Albuquerque Business College, in New Mexico, for a year, but couldn't find a job in that city. She learned switchboard operation at the Los Angeles Trade Technical College while enrolled at the Los Angeles Job Corps Center.

Back at home are five brothers and two sisters. The older sister is married and the oldest of her brothers helps his father, but the others are still of school age and Juana helps to support them.

The brand new white-collar girls make \$2 an hour at their new jobs. They will receive in-grade promotions and the chance to rise, through training, to new grades.

W. C. Hobbs, senior vice president of Con-Am and executive chief of its MES division, is confident the Job Corps is producing a competent employment pool for industry.

The organization was the first to hire male Job Corps graduates as employees and found their work so satisfactory that two are being given additional pay and responsibilities. The third was assisted to return to high school so he will have a base for higher education.

One of the reasons that Hobbs feels so assured is that the 24-hour-a-day living experience at a Job Corps center gets everything about the enrollee's abilities and habits down on the record.

"This provides a great deal more information than a series of interviews, or even a job trial," he said.

"I feel very strongly that in the Job Corps, industry has a natural young mine of flexibility and a pool of labor," he said. "Just because these are poor kids who have dropped out of school doesn't mean they are not good workers."

"Once industry realizes they have a pool and can direct the skills and technical training they need, they are going to come to Job Corps, and say, 'I need so many of this type of skill.'"

"This is one place where the Government is spending money that is an investment. The kids will put money back into the country."

AMERICAN PEOPLE SUPPORT RESUMPTION OF BOMBING OF NORTH VIETNAM

Mr. DODD. Mr. President, in this morning's New York Times there are two items which, on the surface, appear to contradict each other.

On page 16 of the New York Times there is an article headed "Senate Mail Hits War Escalation." According to this article, the mail in most Senate offices is running 2 or 3 to 1 against escalation or a resumption of bombing, and in some Senate offices the ratio is running as high as 100 to 1.

On the other hand, an article on page 1 of the New York Times reported that there is wide national support for the President's decision to resume bombing of North Vietnam. The article, which ran more than 1 page in length, was based on the reports of 10 staff correspondents who interviewed State and local officials, professional and business men, editors, students, and others.

The remarkable discrepancy between the true state of American public opinion and the heavily weighted public opinion estimates gleaned from congressional correspondence can, I believe, be explained in very simple terms.

The great majority of the American public who support the President's policy are unorganized and do not consider it

necessary to manifest their support by repeated letters and telegrams addressed to the President and to their Congressmen.

But the relatively small minority who are opposed to the President's policy are highly organized, and the several major organizations which have been playing a leading role in the anti-Vietnam agitation repeatedly remind their followers and correspondents of their duty to write and to wire—not once, but repeatedly—to the President and to Congressmen.

For example, yesterday a constituent sent me a printed card which he had received from the National Committee for a Sane Nuclear Policy. The card urged the recipient to wire the President and wire his Senator and Congressman protesting against the resumed bombing of the North—and if he had already done so once, the card urged the recipient to do so again.

I have been advised that similar communications have been sent out by the Students for a Democratic Society, by the National Emergency Committee To End the War in Vietnam and by other organizations involved in the anti-Vietnam agitation.

I would therefore urge my colleagues to take these facts into consideration in evaluating the correspondence they receive on the Vietnam war.

A much surer gage of the state of public opinion than the highly organized correspondence which has been deluging our offices is the repeated public opinion polls demonstrating overwhelming support for the President's policy.

For example, the same New York Times from which I have quoted points out that:

A nationwide poll by Louis Harris before the end of the pause reported that 61 percent favored and 17 percent opposed all-out bombing of every part of North Vietnam if the Communists refused to sit down and talk peace.

Remarkably enough, there was very little difference in opinion on this point between those who had voted the Goldwater ticket in 1964 and those who had voted the Democratic ticket.

Of those who had supported Goldwater, 65 percent favored all-out U.S. bombing if the Communists refused to talk peace, and 14 percent were opposed.

Of those who had voted Democratic, 59 percent supported all-out bombing and only 17 percent were opposed.

Mr. President, I ask unanimous consent to insert into the CONGRESSIONAL RECORD at this point the following three items:

First. The article, captioned "Senate Mail Hits War Escalation," which appeared on page 16 of the New York Times, today, Thursday, February 3.

Second. The article, captioned "Wide Support Found in Nation for Renewed Vietnam Bombing," which appeared on page 1 of the New York Times for the same date.

Third. The Harris survey, captioned "Public Would Back More Troops, Bombing, Negotiation Move Fails," the full text of which appeared on page 2 of the Washington Post on Monday, January 31.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SENATE MAIL HITS WAR ESCALATION—OPPOSITION LED BY MIDWEST AND MOUNTAIN STATES

(By E. W. Kenworthy)

WASHINGTON, February 2.—Many Senators reported today that their mail was heavily against escalation of the war in Vietnam.

A sampling of Senate offices indicated that the strongest opposition, as reflected in mail and telegrams, was in the Midwest and Mountain States.

However, Senators from the eastern seaboard reported that their mail also was "substantially" or "predominantly" against escalation.

In the House, most Members interviewed said their mail on Vietnam was light. The reason, they believed, is that constituents are more likely to write their Senators on foreign affairs issues. The Senate alone has the constitutional authority to advise and consent on treaties and has therefore become the dominant legislative body on foreign policy questions.

A White House spokesman said no tabulation was being made on its mail concerning Vietnam.

Most of the Senators interviewed said the mail gave little appearance of being organized.

As might be expected, those Senators who have been critical of the administration's policy for some time or who were among the 15 that wrote to the President last week urging a continuation of the pause in the bombing of North Vietnam reported the largest percentage of mail against escalation.

For example, Senator MIKE MANSFIELD, of Montana, the Democratic leader, is receiving mail and telegrams from all over the country that is more than 100 to 1 against escalation.

EDWARD KENNEDY REPORTS

Senator GAYLORD NELSON, Democrat, of Wisconsin, who signed the letter to the President, said his mail had been 10 to 1 against stepping up the war.

But the office of Senator EDWARD M. KENNEDY, Democrat, of Massachusetts, who did not sign the letter, said he had been receiving 80 to 100 letters a day and that the trend was "substantially" in opposition to escalation.

Several Senators said the heavy mail began during the last 2 weeks of the bombing pause, a large proportion of which urged a continuation of the lull. The Senators said, however, that there had been no decline since the President's decision last Monday to resume bombing.

In fact, some Senators have experienced an increase. Senator EUGENE J. MCCARTHY, Democrat, of Minnesota, who made a speech Monday urging the Senate Foreign Relations Committee to undertake a critical review of Vietnam policy, received 450 telegrams yesterday supporting his position and one dissenting phone call.

However, Senator WALTER F. MONDALE, Democrat, of Minnesota, who, unlike Mr. McCarthy, did not sign the letter to the President or speak out against resumption of the bombing, reported that he was getting about 150 letters and telegrams a week. He said the telegrams were running 6 or 7 to 1 and the letters 2 or 3 to 1 against escalation.

In a private poll taken for the administration in Minnesota just before Christmas and the beginning of the bombing pause, 21 percent of those asked wanted "the United States to go all out for victory in Vietnam even if it means war with the Chinese"; 29 percent believed "the United States should bomb Hanoi and any other targets that will increase U.S. effectiveness," and 27 percent thought "the United States should continue the present policy" of limited bombing.

Only 9 percent thought "the United States should stop bombing North Vietnam, even if it decreases U.S. effectiveness."

POLLS FAVOR BOMBING

A nationwide poll by Louis Harris before the end of the pause reported that 61 percent favored and 17 percent opposed all-out bombing of every part of North Vietnam "if the Communists refused to sit down and talk peace."

The Minnesota and Harris polls would seem to indicate that a large majority of those who do not write letters to their Senators are "hard-liners."

The White House places much more reliance on polls than on mail. Shortly before he ordered the pause, the President was impressed by a poll showing 73 percent of the country in favor of the pause.

WIDE SUPPORT FOUND IN NATION FOR RENEWED VIETNAM BOMBING

A spot check of the New York Times indicates widespread support in the nation for President Johnson's decision to resume the bombing of North Vietnam.

Mixed with this support, however, is fear of a possible nuclear conflict and confusion over U.S. strategy.

Opinion across the nation appeared to be in general agreement, with the exception of the South. There the view that the United States should press the war harder seemed to predominate.

The prevailing national mood was summed up by a Methodist minister in Madison, Wis.

"I think the people as a whole support the resumption of bombing, but with a troubled conscience," he said. "Most of the people feel a loyalty to the Government and support for the elected officials that require them to rely on their judgments. But I feel more people are sicker of war now than at any time in our history."

Ten staff correspondents interviewed state and local officials, professional and business men, editors, students and others on opinion in their communities. The results reflect a broad trend, though they do not purport to be scientific.

Many of those questioned seemed to feel that while the President had all the facts and probably knew what was best, there still was the "nagging possibility," as one Californian put it, "that perhaps, just perhaps, the minority is correct after all."

"It's hard to fit all these different elements together so they make sense," a Michigan university president said. "The loyal citizen has a little sense of distress and uneasiness because it doesn't quite come clear cut."

For some, anxiety over nuclear war has become intense. The wife of a New Mexico scientist called for disengagement in Vietnam no matter what the cost. "I'd rather be Red than dead," she said.

The feeling of militancy in the South was generally attributed to the region's long-standing tradition of military distinction, as well as to the large number of troops stationed there.

But one Mississippian explained it in part as a reaction to frustration over civil rights advances. "They don't see much that they can do to stop civil rights activity," he said, "so this seems to make them want to stop the Communists just that much more."

An indication that some segments of the public may be poorly informed on Vietnam emerged from a recent poll of undergraduates at a college in Pittsburgh. Half of the students, many of whom may soon be drafted, could not answer such basic questions as "who is Ho Chi Minh" and "where is Dienbienphu."

One Texas news dealer found, however, that interest in the war had picked up late-

ly. In the last week, he said, he has sold a number of maps of Vietnam.

PACIFIC MOUNTAIN STATES

Perplexity in California

(By Gladwin Hill)

LOS ANGELES, February 2.—"Confusion" and "perplexity" are two words that crop up repeatedly in any sounding of public sentiment on the Vietnam situation in this area.

There is no doubt among well placed observers of collective opinion—political leaders, businessmen, professional people, educators, clergymen, editors—about why people are confused.

"It's because they sense that the administration is confused," one said. "President Johnson and Secretary Rusk have kept reiterating the ultimate goal of our Vietnam involvement: to stop communism. No body can challenge that. But there's a vast gap between that goal and the inconclusive military operations we see from day to day. The necessary connection between the two is obscure, questionable. That gap is where people are floundering—along with the administration."

"If President Johnson had said we'll escalate and smash through to victory at whatever cost, it would have been accepted by the average citizen," said Julius Leetham, who as county chairman heads the largest bloc of Republicans in California.

"The fact that there have been apparent misgivings in the Democratic leadership about whether we should be in there at all has pushed the average citizen into intellectual perplexity."

Poll of Students

A recent poll of students at the University of California, Los Angeles, on proper course in Vietnam yielded these responses:

For pursuance of present operations, 2,164.
For "escalation," even into Communist China, 498.

For immediate withdrawal, 553.
For stopping bombing in hopes of peace, 763.

For withdrawal to a "neutral" position, 690.

While most of the respondents in this poll presumably were not of voting age, the shading of sentiment encountered in a canvass of adult opinion leaders suggested that feelings generally in the Pacific Southwest might divide in about the same ratio.

Opinion has not yet generally crystallized into aggressive points of view. But indications are that it would not take many radical developments, either favorable or adverse, to polarize it.

"People are supporting the President on Vietnam—and at this juncture they'd support him if he chose to withdraw," said Philip Kerby, editor of the liberal magazine *Frontier*.

"Opinion is becoming more definite on both sides of the question—mostly, I think, because of the growing intensity of public discussion," commented Leonard Mandel, a shoe manufacturer.

The Surface Facts

The consensus is that the public is well informed about the surface facts of the Vietnam situation, but hazy about the rationale and the administration's approach to it.

"People generally just don't know the reason for our Vietnam involvement," said Dr. Neil Jacoby, dean of the UCLA Business School.

"I think there is understanding that our aim is to prevent the spread of communism," said Dr. Robert G. Neumann, UCLA political science professor. "But things come out, like the Fanfani peace overture that give even the President's strong supporters the feeling that things are not being told."

The persistence of uncertainty about the Nation's course seems to be bringing closer a critical juncture in public opinion.

"It's now become a question of get out or get tougher," commented Conrad Jamison, a vice president of one California's largest banks. "We're doing nothing decisive. If nothing decisive continues to be done, dissatisfaction will grow."

Reflecting this trend, a prominent Beverly Hills dentist, Dr. Fern Petty, the normally jovial former president of Optimists International declared impatiently: "I'm sick and tired of our kissing everybody's foot. We ought to go in there and blast the hell out of Hanoi. We're seeking peace, and that's the quickest way to get it. We're actually impairing our position internationally. People abroad say: 'There's that great big power—and it can't even hold South Vietnam.'"

Heads a Large Temple

More mildly, but no less pointedly, Rabbi Edgar Magnin of the Wilshire Boulevard Temple, one of the world's largest Jewish congregations, commented:

"I get around a lot and I haven't met anybody who liked this venture—Jew, Christian, Chinaman or atheist. I don't think anybody with half a brain wants to be in this thing, because it can't solve anything. If we did win militarily, 6 months later there'd be another government in there. But if it's going to be a war, it should be an all-out war. If it isn't, we ought to get out."

Simon Cassidy, a newspaper publisher and president of the California Democratic Council, a liberal rank-and-file party organization, commented:

"The kind of people I talk to—mostly people in the CDC—are disappointed to see the bombing resume. Right now they're willing to take the President's appraisal as long as they don't see a lot of coffins coming back, or it isn't costing too much money, or there isn't any rationing. But as the going gets tougher, people's questions will get tougher. They're going to ask: 'What the hell are we doing over there?—What can bloodying up some jungle do to defend our freedom?'"

There is little evidence that opinion on Vietnam follows economic or class lines. The dominant considerations, cross-sectional in nature, are such things as the draft and, subtly, the national economy.

Mrs. Robert Neumann, a member of the McCone Commission that investigated the Watts riots, said, "I have gotten a feeling that really disadvantaged people don't think much about international affairs—but that's just an impression. But you do get other divisions of opinion. In my United Nations group, which is principally middle class, there are idealists who believe the war is dreadful and should be stopped immediately—but there are those who think it's necessary."

Resignation in Northwest

(By Lawrence E. Davies)

SAN FRANCISCO, February 2.—Deep-seated regret that bombing of North Vietnam was renewed has gripped the Pacific and bordering States. But the mood of a substantial majority, as suggested by inquiries in a cross-section of opinion leaders, is one of resignation to the belief that perhaps there was no practicable alternative.

Even among the clergy, where the bombing renewal was widely deplored, some in high places subscribed to this belief. And some of the "noisy minority" of opponents of bombing, on and off college campuses, acknowledged that they were outnumbered by supporters of President Johnson's action.

Repeatedly, in northern California, the Pacific Northwest, Alaska, and neighboring States, questioners met substantially with this reply:

"I find a lot of people, probably a majority, saying the President and his advisers have the information and we have to trust them to make the decisions."

Coupled with this were similar predictions from a prominent San Francisco businessman and civic leader, a Democrat:

"As surtaxes and other taxes are added to support the war in Vietnam there will be an increasing demand from voters that we pull out. People are selfish; when their own pocketbooks are affected it makes a difference."

A California State senator, also a Democrat, saw a change in mood as already taking place, away from one guided partly by economic status. The country club set, he said, originally demanded, "Go in and knock hell out of them (the North Vietnamese)."

"Now," he said, "as their kids in college are being reclassified, they are beginning to say, 'maybe we ought to try harder to get to the negotiating table.' But what do you do if the other side won't negotiate?"

In Alaska where the general reaction was "the President had no choice," and where Gov. William A. Egan, a Democrat, said "if principles mean anything, then we must follow through," Robert J. McNealy, senate president, a Democrat, thought that President Johnson should "order nuclear bombs dropped on both Hanoi and Peiping."

"By such action," he said, "the lives of many thousands of American boys could be saved and this country entrenched as a world power for peace during the next 50 years."

And illustrating a point widely made that personal involvement often dictates the attitude toward bombing renewal, a Portland newspaper advertising executive commented:

"The idea of using the bomb again is horrible. But I wouldn't be here today if they hadn't used the bomb in Japan." He was in the South Pacific during World War II.

Demonstrations in several States by college students against renewal of the bombing against North Vietnam drew relatively small numbers of participants.

Students Support United States

Jerry Baker, president of his fraternity at Montana State University, reported that his house members were "definitely in favor of the bombing policy."

Gov. Tim Babcock of Montana, a Republican, thought "we may have waited too long."

And the Right Reverend Chandler W. Sterling, Episcopal Bishop of Montana, said that he was saddened by the step but added, "I don't see where we have any alternative at the moment."

There was conflicting opinion on whether voters were well informed on issues. Ross Cunningham, political editor of the *Seattle Times*, doubted "if the average guy in the street worries about any misinformation."

Joe Frisno, executive news editor of the *Seattle Post-Intelligencer*, said everybody he talked with "has a good idea what is going on and they believe either we should be there or not be there."

Nevadans had mixed reactions on the resumption of bombing and Idahoans, including Gov. Robert E. Smylie, were described by opinion leaders as generally believing that "the Nation was obliged to support the President's decision."

Whereas many felt the public was getting all the information it needed, Governor Smylie, a Republican, called for "a good deal more candor on the part of the administration." And Gov. Mark O. Hatfield of Oregon, a candidate for the Senate, voiced "deep regrets" over the resumption of bombing.

THE MIDDLE WEST

Upper Midwest puzzled

(By Austin C. Wehrwein)

CHICAGO, February 2.—Acceptance of enthusiasm is the general attitude toward the Vietnam war in the upper eastern Middle West despite President Johnson's quest for a United Nations peacemaking role.

The mood seems to be weighted on the side of frustration, puzzlement, and an absence of martial fervor except among some ultraconservatives. The basic reason appears to be that it is difficult to understand how the United States got into the Vietnam war and even more difficult to understand how the United States can get out, an assessment of leading opinion indicated.

Nevertheless, a survey of opinion leaders in Illinois, Minnesota, Wisconsin, and Indiana found almost universal backing for Mr. Johnson.

"We support him completely in Vietnam," said Ruben Sonderstrom, president of the Illinois Federation of Labor.

The hard core of "get out now" advocates appeared to be a small minority—not even 1 in 10, a South Bend, Ind., editor speculated. But support for the President often seemed forced by absence of any popularly acceptable substitute, or explained with, "I don't know what to think," as in the words of the Springfield, Ill., Chamber of Commerce president.

Mood of Confusion

Charles H. McLaughlin, chairman of the University of Minnesota political science department, said:

"The current mood is one of confusion and frustration. I think people are very uncertain that the Government has worked out a policy that holds any promise of settling the affair. On the other hand, I suppose the majority do feel that we have some obligations in that area and that it would be a mistake to abandon them."

In Milwaukee, Robert Dineen, president of the Northwestern Mutual Life Insurance Co., said:

"I think there are quite a few people that are concerned about it but are supporting the President because he does not have any alternative. I am surprised at how many people have misgivings. If there is an increase in casualties the concern will grow."

State and local officials, businessmen, clergymen, editors, civic-minded women, farm leaders, and civil rights workers were interviewed and generally agreed that people were informed on the issue, but often these opinion leaders doubted that the people had all the facts.

Economic stratification appeared to have little influence on the range of opinion, and there was no single overriding chief concern other than fear of a larger war and "how it will affect me and my family."

How Can We Get Out

Said Mrs. William Whiting, president of the Minnesota League of Women Voters:

"I think you have this feeling when you talk with people of not really understanding how we got into this and how we can get out of it."

Opinion, it appears in the Middle West, would harden in favor of a tougher "get it over with" policy if casualties rose and draft calls increased.

At the same time politicians look for anger about "taking our boys." This is not to say, however, that opinion leaders look for a "quit the war" wave.

In Indianapolis, a top Indiana Democrat said that if Johnson "goes sour" politically it will be because of mothers rather than draft card burners.

In Duluth, Minn., the Rev. Frederick Fowler of the First Presbyterian Church, who is chairman of the national right-to-work committee, said that the Republican campaign in 1966 must demand total victory, not stalemate.

Charles B. Schuman, president of the American Farm Bureau Federation, said farmers were "strong behind" administration moves to act with determination. But he added:

"Out in the country there is not much enthusiasm for the United Nations. They

think it is quite ineffective and diluted by the African nations."

Gov. Warren P. Knowles of Wisconsin, a Republican said:

"I understand the President's predicament. He's the Commander in Chief and he has the facts at his command. We do not have. I am inclined to rely on his judgment on the resumption of bombing. I only hope we can get out of this mess with our skins. People feel far away from Washington and farther away from Vietnam."

"I think most of the mothers and fathers I have talked to have grave doubts about the conditions in Vietnam. Parents are apprehensive that their sons will be called up. Students are concerned that their educations will be interrupted. There is a general air of real concern on the part of most of the citizens of Wisconsin."

Michigan apprehensive

(By Walter Rugaber)

DETROIT, Feb. 2.—Public figures in Michigan and Ohio feel a vague, nagging apprehension over the American commitment in Vietnam but generally believe that it should be honored, nonetheless.

A series of interviews this week turned up all shades of opinion on the United States involvement. But virtually everyone said that the public lacked information on which to base a really firm view.

The average man, it was agreed, is even more in the dark. "The typical person is more interested in baseball than what's going on in Vietnam," one source said.

Harlan Hatcher, president of the University of Michigan, voiced the frustration of an informed observer. He said he has "tremendous faith" in the administration.

But "it's hard to fit all these different elements together so that they make sense," he complained. "The loyal citizen has a little sense of distress and uneasiness because it doesn't quite come clear-cut."

Most people see "no alternative" to the present course, Dr. Hatcher continued. "A kind of reluctant going along is about where we are. Also, he said, there is a feeling of responsibility 'for the men we have ferried out there to fight."

A Hawk Speaks Out

Willis H. Hall, president of the Greater Detroit Board of Commerce, said he takes the "hawk" position on Vietnam and urged the administration to "get in and get it over with."

"It's pretty difficult to carry an olive branch in one hand and a hatchet in the other," Mr. Hall said. "If we pull out, all the Far East is gone."

Emil Mazey, secretary-treasurer of the United Automobile Workers, expressed a different view. The resumption in bombing in North Vietnam was "a mistake" the union leader said.

The President should have attempted to bring about peace negotiations through the United Nations before resuming the attacks, Mr. Mazey suggested.

The officers of both local and State political leaders said there had been a minimum of mail on the war. John M. McElroy, an assistant to Gov. James A. Rhodes, of Ohio, a Republican, said 20 of the men in Vietnam have requested State flags.

An aid to Gov. George Romney of Michigan, a Republican, said that telephoned questions on Vietnam led all others during a mid-December telethon broadcast on a Detroit television station.

There is respect for the war as a political issue, William L. Coleman, the Democratic chairman in Ohio, said that American involvement should "definitely" have a damaging political effect in his State this fall.

A substantial number of the leaders questioned would agree with Zolton A. Ferency, the Democratic State chairman in Michigan and an unannounced candidate for Governor.

"The majority of people that I've talked to support Johnson," Mr. Ferency said. "But they're uneasy about where it might lead us. Their main concern is a worsening of the military situation."

People "aren't sure that they're acquainted enough with the issue," the Democratic leader said. "And they're afraid that talking about it in critical terms might be unpatriotic."

Administration handling of the war is a potential that could hurt the Democrats, Mr. Ferency said. "It's one of those issues that could turn as late as election day."

Support in farm belt

(By Donald Janson)

KANSAS CITY, Mo., February 2.—The Nation's midsection has accepted President Johnson's resumption of bombing in North Vietnam as logical, expected, and proper.

A sampling of views from Dubuque to Denver and Fargo to Wichita makes it clear that the Farm Belt is solidly behind the President's decision.

This does not mean that anybody in the region is happy about United States involvement in Vietnam. The consensus is that the situation is a "mess" that cries out for an "honorable" exit before American casualties mount much further.

The principal basis for support for the President's move is not an overriding desire to halt communism in a remote corner of the world but to save American servicemen ordered to Vietnam and end the entire unwanted involvement.

A feeling that cuts across all economic and political lines is that more aggressive military action is the quickest way to win the war and halt the need of risking more and more American lives.

The mood is to accept any Presidential decision on Vietnam so long as it gives promise of eliminating the "mess."

Few voices are being raised against the President's course, though there are indications that more might have been had the resumption of bombing not been accompanied by efforts to move toward peace through the United Nations.

Should the latest efforts continue to leave American troops mired in a frustrating and unpopular war, the President could find himself with plenty of voter trouble in the Central States.

The electorate has set no deadline, but murmurings indicate that it could be 1968 if the change in the situation most noticeable on the home front by then is simply a mounting toll of American casualties.

Politics Not Stressed

The survey showed considerably more concern about "getting the boys back" than in the political considerations behind the war.

The majority feeling throughout the region seems to be that a much stronger military effort is justified to see whether this will do the job.

If it does not, the mood could change radically in favor of a negotiated settlement.

War-front pictures showing injured American soldiers trapped by enemy fire and awaiting helicopter rescue have alarmed Midwesterners already concerned about casualties.

"We are asking our boys to fight with one hand tied behind their backs if we don't bomb the enemy's sources of supply," said Clarence Rupp, of the Kansas Farm Bureau.

His comment was typical. But also typical was his comment that he finds "growing wonderment about just what we are involved in there and why."

MIDDLE ATLANTIC

Little anxiety in area

(By Ben A. Franklin)

PITTSBURGH, February 2.—Evidence of public concern about the course of the war and

the resumption of American bombing in Vietnam all but vanished in the Middle Atlantic States this week under a record snowfall.

However, indications that the heavy weather had significantly distracted public attention from the war were scant; there apparently had been little anxiety about the fighting before the weekend storm brought unusual local hardships to the area.

Observers in five States—Pennsylvania, Maryland, Delaware, West Virginia, and Kentucky—said today that there was "more concern about interrupted deliveries of fuel oil for furnaces and of milk for children" than about the resumed deliveries of American bombs on the other side of the world.

The prevailing mood was said to be one of quiet support for the President as the Commander in Chief.

A dearth of public comment about Vietnam—or even of private conversation at office coffee breaks and at home gatherings—was widely interpreted by observers in all five States as constituting "strong but passive support" for President Johnson's decision, announced Monday, to resume the bombing of North Vietnam after a 37-day pause.

They Can Turn It Off

Here in Pittsburgh, one ardent critic of that decision, Richard A. Rieker, managing editor of the Carnegie Review at Carnegie Institute of Technology, described the prevailing attitude of "many if not most" of the scores of persons he said he had talked to in recent days as "about equal to their interest in the Sunday pro football game—they can turn it on or they can turn it off about Vietnam and it is all right because the President, who has the facts, is expertly calling the plays whether they pay attention or not."

"I guess you have to call that public support," Mr. Rieker said. "But the war is not touching the country, in my opinion."

"People are saying, 'What do I know about it? What is it to me?' The people in Washington have the facts," the 38-year-old editor said.

Mr. Rieker is chairman of an informal group here called the Pittsburgh Committee Against the War in Vietnam. He said there were 25 persons at the last meeting in December.

Gov. William W. Scranton, in a monthly televised news conference that was broadcast statewide last Sunday, appeared to have expressed a broadly held consensus about the resumption of bombing by observing, just before the decision was announced in Washington on Monday, that "in the very near future we are going to have to fish or cut bait, as we did in Korea."

"If you can't come to some peaceful solution," the Governor said, "you apparently are going to have to start it (bombing) again in order to stop the North Vietnamese effort from being successful in South Vietnam."

Students Poorly Informed

A poll on Vietnam among 188 undergraduates at Carnegie Tech, published 2 weeks ago in the Tartan, the student newspaper, disclosed that half the students queried were unable to answer correctly even one of nine rudimentary questions about the war, such as: "Identify Dienbienphu, Ho Chi Minh, Danang, Diem, and Pleime." Only six of the students correctly identified all nine.

Those who did well on the identifications held "widely divergent opinions" on the war, the Tartan reported. "On the other hand, 80 percent of those who knew virtually nothing about Vietnam disagreed with protest demonstrations and supported the Government. Most students fall in this category."

In Kentucky, Wilson W. Wyatt, a former mayor of Louisville, former Federal Housing Administrator, and manager of Adlai E. Stevenson's 1952 presidential campaign, during the height of the Korean war, com-

mented that "the Commander in Chief has made a difficult decision and the only thing to do now is to support him fully. But I have not heard any exultation over the bombing."

Mr. Wyatt said that "in the present mood of national uncertainty" about Vietnam, a sharp rise in American casualties and draft call would be received "with a good deal of anguish" and with "the probability of a strong Republican attempt to exploit the issue."

Should the war lead to a direct military confrontation with Communist China, he said, "as much as I would regret such a development there would be total unity in the country to win."

THE SOUTHERN STATES

No critics in Mississippi

(By Gene Roberts)

GREENVILLE, MISS., February 2.—After working hours in Raleigh, N.C., State Treasurer Edwin Gill plops himself into an easy chair in the Sir Walter Hotel, where he lives, and "feels the pulse" of the public as it strides from the hotel entrances to the elevators.

This week, the talk has turned to President Johnson's decision to resume the bombing of North Vietnam, and Mr. Gill is yet to find anyone who criticizes the President for his action.

"The general feeling I get," said Mr. Gill, who at 66 has survived nearly four decades of political activity in the State, "is that he knows a great deal we do not know. We are all trusting him to do what he thinks best."

Across the South, pulse samplers were reading it much the same as Mr. Gill, except for Mississippi and Alabama where there are rumblings that the war should be escalated still further, and at the Atlanta headquarters of the Student Nonviolent Coordinating Committee and the Southern Christian Leadership Conference where the general view is that the Nation should withdraw its troops from Vietnam.

In Birmingham, Ala., more than 80 social, business, and labor organizations have adopted an entire division—the Big Red One—and are peppering the troops and friendly Vietnamese with mail and gifts.

Quietly Accepted

Al Stanton, city editor of the Birmingham News, believes that the city had accepted the President's decision quietly, as one that was inevitable. Had he not taken it, Mr. Stanton said, the criticism would probably have been widespread.

A week ago, before President Johnson announced his decision to resume the bombings, Senator JOHN STENNIS appeared before the legislature and produced rather-ringing applause by calling for intensified efforts in Vietnam even if this were to lead to full scale Red Chinese involvement. In this event, Senator STENNIS favored stopping the hordes of Red Chinese coolies with every weapon we have.

"One reason the legislators applauded Senator STENNIS' speech was that they do not see much that they can do to stop civil rights activity," said a veteran Mississippi reporter today. "So this seems to make them want to stop the Communists just that much more."

While there is disenchantment with the war among student committee and leadership conference workers, Negroes in general appear to share the prevailing white view. A Little Rock dentist, Dr. Garman Freeman, said he thought that most Negroes—whether middle class or poor—were not greatly informed on Vietnam issues, but were supporting the war because "it is something Uncle Sam is doing."

Tendency Toward Suspicion

In Columbia, S.C., Jim McAden, executive director of the South Carolina Textile Manu-

facturers Association, said that although the State "tends to be suspicious of anything Lyndon Johnson does," it is accepting his judgment on Vietnam because it has a "patriotic heritage and will fight over something and is glad to do it."

The general view appears to bear out a recent study of old public opinion polls by Alfred O. Hero, Jr., in a recent book, "The Southerner in World Affairs."

Mr. Hero said that in the period before World War II and in periods of tension with Communist countries since then, Southerners were quicker to give their support to military objectives that were residents of other regions.

They were less likely, too, than residents of other regions to withdraw their support because of increased drafting and taxation.

"To be perfectly frank, the average person is not real informed on the issues," said Barney Weeks, president of the Alabama Labor Council, "but he is for winning the doggone thing."

Bombing is backed

(By Martin Waldron)

HOUSTON, Feb. 2.—President Johnson's decision to resume bombing of North Vietnam has the overwhelming approval of residents of Texas and Oklahoma. But the war itself has much less support.

Opinion leaders in the two States agree that the average citizen believes that bombing of military targets in North Vietnam will bring the war to an end sooner, and this is what they want, but if the war intensifies, residents of both States will give full backing to it.

Both Texas and Oklahoma have strong military traditions and regularly furnish large numbers of volunteers for the armed services.

"The whole Southwest is somewhat militarily oriented," said Charles L. Bennett, managing editor of the Daily Oklahoman, Oklahoma City. "Military service to many people still is the most honorable profession."

Mr. Bennett said that Oklahomans had been showing "a growing impatience at the lull in the bombing" when peace moves by this country were frustrated.

Community leaders in a dozen cities in the two States agreed that the Vietnam war is the most misunderstood war in the Nation's history. Julius Carter, editor of a Houston weekly newspaper, the Forward Times, which says it is the "key to Houston's Negro market," said: "Not only do not the average citizens not understand this war, a lot of Ph. D.'s don't. I don't myself. Most people don't even know where the front is."

Pickets in Houston

A group of students picketed in downtown Houston yesterday in protest of the resumption of bombing. They carried signs outside the Tenneco Building for several hours, and took a lot of verbal abuse from passersby, some of them stopped automobiles to curse them. The pickets said they chose the Tenneco Building because two subsidiaries of the company which owns the building manufacture napalm.

This was the only organized protest against the resumption of bombing in the two States.

The Texas and Oklahoma daily newspapers had generally called for a resumption of bombing, and labeled it afterward as the only choice President Johnson had. Some editorials have said that the United States had not gone far enough. The Daily Oklahoman called for bombing of Hanoi.

In Austin, a leader of the Texas liberal community, Ronnie Dugger, said he frankly did not know what the majority of people in his area thought. "Among those I know, there is a sense of melancholy."

In central Texas, and in the area around El Paso, both of which are centers of retired military personnel, the support of the resumption of bombing is very strong. Where

Brazos Electric Power Cooperative: Hollis A. Dalton, Manager, 2404 Le Salle, Waco, Tex.; Miss Margaret Walsworth, 2721 Herring Avenue, Waco, Tex.; Mr. Howard Gray III, 3901 Old Robinson Road, Waco, Tex.

Cap Rock Electric Cooperative: O. B. Bryan, Manager, Post Office Box 158, Stanton, Tex.; Miss Brenda Dyson, Post Office Box 631, Stanton, Tex.; Mr. Mike Springer, Post Office Box 38, Lenora, Tex.

Central Texas Electric Cooperative: W. C. McWilliams, Manager, Post Office Box 553, Fredericksburg, Tex.; Miss Rebecca Hopson, Valley Spring Route, Llano, Tex.; Mr. Stephen Mutschink, Post Office Box 628, Mason, Tex.

Coleman County Electric Cooperative: C. L. Newton, Manager, Post Office Box 860, Coleman, Tex.; Miss Linda Kasbert, Post Office Box 124, Miles, Tex.; Mr. Ronnie Droll, Route 1, Box 92, Rowena, Tex.; Miss Cheryl Beck, Post Office Box 296, Valera, Tex.

Comanche County Electric Cooperative: W. J. Parks, Manager, Post Office Box 553, Comanche, Tex.; Miss Martha Fanning, 1100 North Houston St., Comanche, Tex.; Mr. Troy Lee Hatcher, Jr., Post Office Box 292, Moran, Tex.

Deaf Smith County Electric Cooperative: Leo Forrest, Manager, Post Office Box 753, Hereford, Tex.; Miss Joyce Bezner, Route 1, Hereford, Tex.; Mr. Jerry Alberant, Post Office Box 105, Nazareth, Tex.

Deep East Texas Electric Cooperative: D. N. Beasley, Manager, Post Office Drawer N, San Augustine, Tex.; Miss Susann Ramsey, Post Office Box 00, San Augustine, Tex.; Mr. Boyer Taylor, Post Office Box 135, Tenaha, Tex.

Denton County Electric Cooperative: Bill R. Collins, Manager, Post Office Box 699, Denton, Tex.; Miss Bobby Ann Thompson, Post Office Box 392, Frisco, Tex.; Mr. Jack Highfill, Post Office Box 194, Valley View, Tex.

DeWitt County Electric Cooperative: Fain McDougal, Manager, Post Office Box 231, Gro, Tex.; Miss Claudia Arnold, Route 4, Rocktown, Tex.; Mr. Charles Mueller, Route 2, Box 25, Yorktown, Tex.

Dickens County Electric Cooperative: Lloyd Hindman, Manager, Post Office Box 1104, Spur, Tex.; Miss Gloria Moerno, Route 1, Box K1, Spur, Tex.; Mr. Larry Powell, Post Office Box 235, Spur, Tex.

Fayette Electric Cooperative: John F. Luecke, Manager, Post Office Box 298, La Grange, Tex.; Miss Barbara Miller, 1230 East Eblin Street, La Grange, Tex.; Miss Glenda Zappe, 123 Kroschell Street, Hallettsville, Tex.; Mr. Robert Fikac, Route 1, Box 187, Shiner, Tex.; Mr. Marvin L. Moerbe, Route 1, La Grange, Tex.

Fannin County Electric Cooperative: J. W. Cunningham, Manager, Post Office Drawer 250, Bonham, Tex.; Miss Raylene Warnell, Route 1, Bonham, Tex.; Mr. Terry Brent, Route 2, Wolfe City, Tex.

Farmers Electric Cooperative: Joe Lytle, Manager, Post Office Box 1037, Greenville, Tex.; Miss Shirley King, 512 Lee Street, Sulphur Springs, Tex.; Mr. Danny Bonner, Jr., 914 N. Davis Street, Sulphur Springs, Tex.

Guadalupe Valley Electric Cooperative: O. W. Davis, Manager, Post Office Box 118, Gonzales, Tex.; Miss Jane Jahns, Route 2, Box 152, Marion, Tex.

Hall County Electric Cooperative: J. W. Coppedge, Manager, Post Office Box 1020, Memphis, Tex.; Miss Linda Simpson, 717 N. 16th Street, Memphis, Tex.; Mr. Royce Pigg, Star Route, Quitaque, Tex.

J-A-C Electric Cooperative: James E. Fields, Manager, Post Office Box Drawer B, Bluegrove, Tex.; Miss Suzanne Lindeman, Post Office Box 24, Windthorst, Tex.; Mr. David Murray, Post Office Box 86, Byers, Tex.

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McCulloch Electric Cooperative: B. C. Broad, Manager, Post Office Box 271, Brady, Tex.; Miss Vicki Gamblin, Route 1, Placid, Tex.; Mr. Terry Traweek, 900 North Bridge Street, Brady, Tex.

Magic Valley Electric Cooperative: Lee R. Gandy, Manager, Post Office Box 267, Mercedes, Tex.; Miss Claudia Bagley, Post Office Box 42, Rio Hondo, Tex.; Mr. Alan L. Johnson, Route 1, Santa Rosa, Tex.

Medina Electric Cooperative: James N. Myers, Manager, 2308 18th Street, Hondo, Tex.; Miss Jewelretta Keswick, 1415 North 7th Avenue, Crystal City, Tex.; Mr. John M. Seifert, Box 208, Route 1, Hondo, Tex.; Mr. Lyle Thomas Stein, Route 1, Box 66, Hondo, Tex.

Mid-South Electric Cooperative: Curtis F. Maynard, Manager, Post Office Box 822, Navasota, Tex.; Miss Becky Floyd, Route 2, Box 100, Navasota, Tex.; Mr. Jimmy Weaver, 204 Rottelo Street, Navasota, Tex.

Midwest Electric Cooperative: Johnny Ammons, Manager, Post Office Box 517, Roby, Tex.; Miss Dinah Lovett, Route 1, Rotan, Tex.; Mr. William Deknight, 2203 45th Street, Snyder, Tex.

Tri-County Electric Cooperative: W. C. Casparis, Jr., Manager, 600 N.W. Parkway, Azle, Tex.; Miss Gwendol Wood, Route 1, Box 111, Azle, Tex.; Mr. Charles Lewis, Route 1, Box 91H, Keller, Tex.; Mr. Russell Cotton, Route 1, Box 303, Mineral Wells, Tex.

Wharton County Electric Cooperative: K. A. Crawford, Manager, Post Office Box 911, El Campo, Tex.; Miss Michele Gibson, Post Office Box 1252, El Campo, Tex.; Mr. Arthur Keinath, 310 Blue Creek Road, El Campo, Tex.

Wood County Electric Cooperative: V. B. Shaw, Manager, Post Office Box 398, Quitman, Tex.; Miss Quita Russell, Post Office Box 1802, Hawkins, Tex.; Mr. Steve Lacy, 404 North Pacific St., Mineola, Tex.

North Plains Electric Cooperative: Earl Waide, Manager, Post Office Box 550, Perryton, Tex.; Mr. Tom Zenor, Post Office Box 36, Higgins, Tex.

Federales Electric Cooperative: Mr. Tom Hutchinson, Assistant to President, Post Office Box 9032, Austin, Tex.; Miss Beth Barton, Post Office Box 236, Bertham, Tex.; Mr. Eric McKinney, Post Office Box 157, Johnson City, Tex.

Rita Blanca Electric Cooperative: Mr. R. L. Elliott, Jr., Manager, Post Office Box 990, Dalhart, Tex.; Miss Uzanne Dixon, Post Office Box 37, Morse, Tex.; Mr. Tommy Nisbett, 1405 Peach Avenue, Dalhart, Tex.

San Bernard Electric Cooperative: Mr. G. R. Schumann, Manager, Post Office Box 158, Bellville, Tex.; Miss Sandy Criswell, Post Office Box 254, Sheridan, Tex.; Miss Elizabeth Ilse, Route 2, Box 408, Columbus, Tex.; Mr. Francis Hagendorf, Post Office Box 275, Sheridan, Tex.

THE COMMERCIAL IMPORT PROGRAM IN VIETNAM

Mr. MONDALE. Mr. President, there have been a number of newspaper arti-

cles recently about the problems which have developed in our commercial import program in Vietnam, carried out by our Agency for International Development. A particularly perceptive series has been written by Charles W. Bailey, correspondent for the Minneapolis Tribune and the Des Moines Register.

As Bailey points out, the objective of this program is to fight against rapid inflation in Vietnam, which can threaten stability, particularly in the cities, in a very serious way. Our increased involvement in Vietnam has inevitably generated unprecedented demands on the economy there, and by shipping a large number of goods there for commercial sale we hope to soak up excess buying power and keep prices down.

As one might expect in a program of this magnitude, there have been very serious problems. Chuck Bailey's analysis of these problems is worthy of the attention of the entire Senate, so I ask unanimous consent that several of his articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, May 7, 1966]

CZAR WILL PROBE PX BLACK MARKET IN SOUTH VIETNAM

(By Charles W. Bailey, Minneapolis Tribune Staff Correspondent)

WASHINGTON, D.C.—The Defense Department, increasingly concerned over widespread black marketeering of military Post Exchange goods sent to South Viet Nam, has named a "czar" to investigate and where necessary clean up the situation.

Thomas D. Morris, assistant secretary of defense, has been named "Mr. Black Marketeer"—in the words of a Pentagon spokesman Friday—in an effort to clamp down on a problem that could cause the administration considerable embarrassment.

The thriving black market in PX goods is the most highly visible, though probably not the most serious, symptoms of the theft, diversion and lack of control which have plagued United States military and foreign aid shipments to Viet Nam.

Diversion and theft of United States aid shipments, including goods purchased by Vietnamese businessmen with United States financing under the so-called Commodity Import Program (CIP), is under intensive investigation by civilian authorities, who have dispatched several dozen investigators to Saigon, South Viet Nam, in recent weeks.

Ironically, the Defense Department appointment of its own black market "czar" follows by less than three months the naming of a similar official by the South Vietnamese government at the insistence of President Johnson and other top U.S. leaders during the Honolulu conference.

It has been no secret in Saigon that the influx of PX supplies for U.S. troops has fed a thriving black market. Sidewalk vendors there offer radios, liquor, canned food, cigarettes, clothing, bed sheets and other items—many bearing Post Exchange price tags—for sale in hundreds of open-air booths.

The PX black market drew fire this week from Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, chairman of the Senate Foreign Relations Committee and a persistent critic of the war in Viet Nam.

FULBRIGHT said that "30,000 containers of hair spray were sent to Viet Nam in March... it seems reasonable to suppose that this item has found its way to the black market."

Anyone walking down Saigon sidewalks can confirm that hair spray is a popular item

in the open-air black market. But Fulbright, according to highly knowledgeable official sources, seriously understated the magnitude of the shipments.

Shipments of hair spray to South Viet Nam—destined for PX counters but often diverted to sidewalk stalls—have been running at a level of more than 140,000 containers a month for the past four or five months, these sources say.

There are fewer than 800 women in all of South Viet Nam authorized to purchase goods in U.S. Post Exchanges, the sources say—nurses, dependents of non-government U.S. personnel with PX privileges, and a handful of Vietnamese dependents of military men.

Thus the monthly consignments of hair spray would provide close to 200 cans of hair spray per month for each woman authorized to obtain it. The fact is that hair spray is a standard gift for GIs to give to their Vietnamese girl friends.

A Defense Department spokesman confirmed yesterday that Morris had been given the black market "czar" assignment by Deputy Defense Secretary Cyrus Vance. The spokesman said that Vance acted after receiving "some reports" on the situation following his recent inspection trip to Vietnam.

The spokesman said Vance also has ordered each service secretary—Army, Navy and Air Force—to give him a monthly report on actions taken by them to curb black marketeering, currency dealings, and similar illegal activities.

Morris, who is assistant secretary of defense for manpower, was chosen by Vance because his responsibilities cut across inter-service lines, the spokesman said.

[From the Des Moines (Iowa) Register, May 10, 1966]

TEAM SEEKS TO END VIET MISUSE

(By Charles Bailey, of the Register's Washington bureau)

WASHINGTON, D.C.—Foreign aid officials, spurred by evidence of major misuse of American aid to South Viet Nam, are hastily increasing their efforts to control the nearly \$500 million worth of U.S.-financed goods shipped each year to Saigon.

An entire new 27-man "special projects team" has been set up in the U.S. aid mission headquarters in Saigon, along with extra auditors and inspectors, in an effort to prevent further diversion of aid shipments by profiteering merchants or agents of the Communist Viet Cong.

The stepped-up policing efforts of the Agency for International Development (AID), which handles economic assistance programs, parallel the action of the Defense Department, which has appointed a "czar" to crack down on black marketing in military post exchange goods and currency.

The military and civilian enforcement drive apparently resulted, at least in part, from investigations conducted in recent weeks by the Inspector-General's office of the State Department. This office has formal policing authority only over the AID programs, but in addition has pointed up black marketeering activities in military PX supplies as well.

It was the curiosity of an official in the Inspector-General's office that resulted in the interception of 50 tons of a highly-explosive chemical compound bound for Saigon. The compound had been purchased by a Vietnamese importer—purportedly for use in making rubber-soled tennis shoes—under a program financed by AID.

COMPLICATED NAME

The inspector's curiosity as to the apparent huge demand for tennis shoes, plus the complicated chemical name of the compound, led to his initial inquiry, subsequent tests by the Naval Ordnance Laboratory

showed the compound—trade-named "Unicel-100" and known chemically as "dinitro-pentamethylene tetramine"—to be almost as powerful as TNT.

A similar, though less lethal, item recently turned back from its Saigon destination was its silver nitrate. It was questioned, and then canceled, because it seemed likely to have been purchased as a "money maker"—a nonessential import designed solely for the enrichment of the importer.

Silver nitrate can be melted down—"in the back of any shack," as one official put it—and it yields half of its original weight in pure silver.

Because the financing arrangements under the U.S.-backed Commodity Import Program (CIP) allow a Vietnamese importer to buy goods at an exchange of 60 piastres to the dollar, instead of the going black-market rate of 180 to 200 piastres per dollar now prevalent in Saigon, the potential for profit in such a manipulation is large.

Even if half the silver nitrate is lost in the conversion process, the importer would be left with a tidy profit when he sold his solid silver, in the form of ashtrays or spoons, on the Saigon market.

In addition, conversion of the unstable piastre into something as "hard" and thus stable as silver, particularly at a low pegged piastre price, gives a Vietnamese a chance to enrich himself in real, inflation-proof terms.

TARGET OF DEMANDS

According to an AID spokesman, the agency has been the target in the last few days of demands from both Congress and the White House for details of past losses and future control plans. The White House inquiries, the spokesman said, had become especially insistent, and he added: "There seems to be a real flap over this."

As for Congress, a House subcommittee headed by Representative JOHN MOSS, Democrat of California, arrived in Saigon last weekend to look into the diversion problem. It carries a special agreement giving it authority to probe military as well as AID programs.

The AID agency Monday was unable to provide specific information on the new tougher program of "end-use" auditing—that is, the checking of goods sent to Viet Nam under the CIP program to determine whether they have been used for the purposes stated in the import application.

But an AID spokesman did provide this run-down on the new control measures being instituted:

A "special projects team," consisting of 20 AID officials and seven experts from the U.S. Bureau of Customs, has been set up in Saigon to see what happens to shipments after they arrive. This team will be strengthened by another 10 men within two months.

Two additional "management inspectors"—empowered to call for records on any transaction—have been assigned to Saigon to join the two already there.

Five additional staff auditors have been assigned to the Saigon AID Mission to join the 13 already there, and another 17 auditors are to be added "as soon as possible."

The AID spokesman added that one or the other of the two top officials of the Inspector-General's office—Director Kenneth Mansfield and his deputy, Howard E. Haugerud—has been in Saigon "most of the time" in recent weeks, investigating the situation.

Since there are about 375 employees in the U.S. AID Mission in Saigon, the current 47-man complement of inspectors, investigators and auditors amounts to about one person in eight in the mission. When the additional policing personnel now planned arrive, the proportion will be nearly one in five—a measure of the gravity with which the problem is now viewed.

[From the Des Moines Register, May 14, 1966]
FEAR REDS GOT U.S. EXPLOSIVE—SEE POSSIBLE USE BY VIET TERRORISTS—CHEMICAL WAS SENT TO PRIVATE FIRMS

(By Charles Bailey, of the Register's Washington bureau)

WASHINGTON, D.C.—At least 100 tons of a highly explosive chemical compound were delivered to private merchants in South Viet Nam under U.S. aid programs before suspicious investigators discovered its potential value to Communist terrorists.

The agency for International Development, (AID), which administers the economic assistance program under which the chemical was shipped, is now trying to find out whether the compound—purportedly imported to Saigon for use in making rubber-soled tennis shoes—was diverted to the Viet Cong. It is suspected that it was.

AUDIT ORDERED

An "end-use" audit has been ordered on the 100 tons of Unicel-100 and Unicel-DN—two variants of the same compound. They were shipped before State Department inspectors learned of the compound's explosive properties last month.

In addition to the 100 tons, an AID spokesman said Friday that undetermined additional amounts were purchased by Vietnamese merchants, with U.S. financing, from manufacturers in Japan and Formosa.

Tests of Unicel-100, made after an official of the State Department Inspector-General's Office questioned a 50-ton shipment, revealed the compound to be nearly as powerful an explosive as T.N.T. A single pound, packed into a bicycle hand-pump and simply fused, could wreck a building, officials said.

(The most recent terrorist blast in Saigon reportedly was caused by a bomb attached to a bicycle.)

The 50-ton shipment of Unicel was stopped in mid-ocean. But the 100 tons shipped under earlier authorizations already had arrived in Saigon and had been picked up by the merchants who bought it under the AID Commodity Import Program, which finances purchases—at a favorable rate of exchange—by Vietnamese businessmen.

The program subsidizes the import of goods, with the aim of providing materials needed to strengthen the economy of South Viet Nam without feeding the inflation that recently has become a major problem there.

But recent investigations, such as the one that turned up shipments of Unicel so large they obviously were not for the stated purpose of making tennis shoe soles more flexible and springy, have indicated widespread misuse and diversion of U.S.-financed goods.

Such misuse involves not only diversion of goods to the Communists—as suspected in the case of the Unicel and such other materials as drugs, steel and cement—but also its conversion in "money-making" projects—such as the melting down of silver nitrate into pure silver for hoarding or resale.

AID spokesmen said Friday that the list of specific "end-use" audits ordered in the current crackdown is classified because the agency does not want it known which items are being checked. But they said that both Unicel and silver nitrate are among the commodities being checked.

A spokesman said he was "sure" that no more Unicel would be authorized for shipment to South Viet Nam regardless of the audit findings. As for silver nitrate, he suggested that the current stop order would be maintained until investigations are complete.

The discovery of such incidents as the Unicel shipment, plus increasing congressional concern over the operation of the Commodity Import Program, have resulted in a drastic step-up in auditing and policing procedures.

But the task of checking the \$420 million in goods shipped under the program in the

last two years, and of preventing misuse of the equal amount programmed for the next 12 months, will keep auditors busy for weeks or months, officials say.

Special emphasis will be put on checks of so-called "critical" goods—materials which would be of special use to the Communists. In addition to drugs—especially antibiotics—this list includes chemicals, small hand tools and such machine tools as lathes which can be used in making arms.

Of the \$370 million in goods being shipped this year under the Commodity Import Program, almost \$71 million is industrial machinery and equipment. Chemicals and pharmaceuticals account for another \$43 million. Iron and steel products shipped this year are valued at \$72 million, while motor vehicles and parts are listed at \$18 million.

[From the Minneapolis Tribune, May 14, 1966]

INFLATION COULD WIPE OUT ALL GAINS IN VIETNAM

(By Charles W. Bailey, Minneapolis Tribune staff correspondent)

WASHINGTON, D.C.—Behind the furore over black marketeering, currency manipulation and diversion of United States financed aid in Viet Nam lies one central concern: The fear that rampant inflation could wipe out every bit of dearly-bought economic and political progress in that shaky nation.

Inflation is traditionally a problem for developing nations, where each economic advance may trigger a rise in demand that outstrips the capacity to meet it. It is doubly troublesome in Viet Nam because of the huge impact of American military and war-connected spending there.

The piastre, South Viet Nam's currency unit, has so weakened in recent months that it is now valued on the free market in Saigon at more than 180 to the dollar—compared to official exchange rates ranging down to 60 to the dollar for some American-financed official transactions.

The big United States build-up has made an already bad situation worse. American contractors pay wages to construction workers well above local scales. American military personnel, diplomats, correspondents and others bid up the scale of rents in Saigon.

Hundreds of thousands of dollars in United States military pay is dumped each month into the economy, sending consumer goods prices sky-high for already hard-pressed Vietnamese.

Not all the inflation can be traced to United States spending. The build-up of Vietnamese armed forces required bigger government outlays—without comparable revenue increases.

Transportation and communications were cut back by the war, thus hindering production at the very time when more was needed. A manpower shortage brought repeated wage increases as employers bid for scarce help.

With the piastre thus reeling under the impact of American spending, it is not hard to see why some Vietnamese businessmen find it attractive to manipulate United States aid programs.

A merchant who can buy a dollar's worth of silver nitrate for a "pegged" price of 6 piastres, melt it down and sell the resulting silver for upwards of 200 piastres has an automatic profit, even after the shrinkage involved in processing.

And if he chooses to hold onto the silver, he has an inflation-proof asset which can be sold for hard currency at any time—whether in Saigon or in some other country to which he has taken his silver in the form of silver or bullion.

The political effects of inflation can also be disastrous. Saigon's middle class population—the civil servants, teachers and professionals who must be counted on to play

a major role in any real national government—is progressively impoverished by inflation.

Their fixed salaries are worth less each month. They must not only compete for decent living space with the Americans but must pay more and more for it as prices go up. The cost of food, clothing, fuel, transportation—of everything—goes up.

The best simple measure of the impact of inflation is one statistic: In 1965, after some years of relative stability, consumer prices rose about 40 per cent in one year. And in some remote areas and refugee-crowded centers, prices doubled during the year.

Fighting this inflation has a high priority in the Johnson administration's over-all economic aid program for Viet Nam. The United States is financing \$370 million worth of commodity imports this year and will pay for another \$420 million worth in the coming fiscal year.

But some officials here believe that even these massive efforts are not enough. "I spent time in China after World War II," one expert said, "and I watched inflation wreck that country's economy. I'm afraid the same thing could happen in Viet Nam, and wash out everything we've done or hope to do."

This official, and some others like him, believe the ambitious plans for social and economic development which grew out of the Honolulu conference, while certainly desirable, may not be necessary as immediate objectives—at least not imperative in comparison with the greater need to choke off inflation.

The attempt to produce the "social revolution" proclaimed at Hawaii, some officials suggest, is like "trying to attach a garden hose to a fire hydrant" because Saigon's resources of time, energy and export manpower are so limited that it cannot fight a war, curb inflation and also carry out the added new tasks.

It is certain that the inflation problem is at the heart of many of this week's meetings between Ambassador Henry Cabot Lodge and his Washington superiors. It is also at the root of the stepped-up effort to control the ultimate use of the millions of dollars worth of U.S. goods being sent to Saigon.

[From the Minneapolis Tribune, May 20, 1966]

VIETCONG GETS SOME MATERIAL—U.S. BOOSTS GUARD OVER AID GOODS

(By Charles W. Bailey, Minneapolis Tribune staff correspondent)

WASHINGTON, D.C.—The head of the United States foreign aid program conceded Thursday that controls over shipments to Viet Nam have been "inadequate" and that some supplies have wound up in the hands of the Communist Viet Cong.

David Bell, administrator of the Agency for International Development (AID), said in an interview that the administration has "added greatly" to the number of officials in Saigon charged with overseeing the AID program and will "more than double" existing watchdog personnel.

As a result of newly revealed evidence of major misuse of United States-financed goods sent to South Viet Nam, an entire new 27-man "special projects team" has been set up in Saigon. Another 25 or more inspectors and auditors are to be added to this force soon, AID spokesmen said.

The stepped-up policing of AID shipments—sent to Saigon under a commodity import program now running at a \$420 million annual level—parallels action by the Defense Department, which recently appointed a "czar" to crack down on black marketeering in post exchange goods and currency.

The degree of the military crackdown remained unclear yesterday despite Defense Department statements that 41 servicemen and 70 civilians have been punished or in-

vestigated for black marketing.

A defense spokesman said that the totals cover an 18-month period, and he said that the civilian cases "remain under investigation" with no punitive action taken so far.

Bell's comments in a television interview gave only a partial picture of the step-up in AID policing activity. He said that 18 Americans are working "full-time" to oversee the program in Saigon, and that this number will be more than doubled.

Bell thus appeared to be referring only to auditors, who are primarily engaged in following through on delivery records to determine what happened to goods sent to Saigon under a program in which the U.S. government finances imports by changing Vietnamese piastres into U.S. dollars at a pegged rate of 60 to 1, far below the free-market exchange rate of 180 to 1.

Actually, the auditors—many of them newly assigned to Saigon—are only part of the check-up team sent there since recent investigations by State Department inspectors focused attention on abuses.

In addition, the 27-man "special projects team," including seven experts from the U.S. Bureau of Customs, has been put to work on the problem, and two additional "management inspectors" with broad investigatory power have been assigned to the Saigon AID mission.

AID spokesmen say that another 10 men are to be added to the "special projects" group within two months, while at least 17 more auditors are scheduled to be dispatched to Saigon as soon as they can be recruited.

Bell explained the possibility of diversion of United States-financed goods to the Communists in this way:

"When the goods have been delivered to the businessman to whom they were supposed to go open and aboveboard, then they are available in the markets, in the shops, in the stores in Saigon and other parts of Viet Nam.

"Then they may be purchased by someone who is really acting for the Viet Cong and they may be smuggled through the lines, so to speak—as you know, there isn't any front line in Viet Nam—out to the Viet Cong in their jungle bases."

Bell conceded that "to some extent" charges that United States-financed concrete was being used by the Viet Cong to build tunnels in its jungle redoubts were true.

Cement, he said, could be purchased in Saigon by a Viet Cong agent and smuggled into the jungle. "We haven't adequate data to answer the question of how much of this there is," he said.

To counter this diversion, Bell said, a "major police program," including road blocks, control points on waterways and other checkpoints is being developed.

[From the Des Moines Register, May 24, 1966]
How U.S. AID FOR VIET GOES TO RED TAXES—
REVEAL HEAVY LOSS OF GOODS

(By Charles Bailey, of the Register's Washington bureau)

WASHINGTON, D.C.—State Department investigators have uncovered substantial losses of U.S. foreign aid goods being shipped to out-lying points in Viet Nam—apparently through outright theft by haulers or in the form of taxes exacted by the Communist Viet Cong.

The losses—which include cement, aluminum sheet roofing and food—ranged from 16 to 42 per cent of shipments leaving central depots in Saigon, according to spot checks made in seven South Vietnamese provinces.

This latest disclosure of trouble in massive American aid to Viet Nam came in an unpublished report by Secretary of State Dean Rusk to the Senate Foreign Relations Committee.

The report also cited a number of other examples of problems in Viet Nam which have been brought to light by the department's inspector general's office. These included black marketeering, currency manipulation, opium smuggling and questionable administration of a variety of aid programs.

CHECKS BY U.S.

While previous revelations have pointed up the looseness of controls in programs involving private Vietnamese merchants who receive goods under U.S. aid programs, the details of intransigent losses revealed Monday indicate similar problems in direct government-operated aid efforts as well.

More than a year ago, the inspector general's office—charged with overseeing all U.S. aid programs—ran checks on commodities being shipped from Saigon to provincial towns under the so-called counter-insurgency program.

Rusk reported to the Senate committee that the probes "developed figures showing apparent significant discrepancies between the amounts of commodities leaving Saigon and the amounts arriving in the provinces."

Specific figures, not included in Rusk's report, tell the story more vividly.

Investigators checked records to find out how much cement, aluminum sheeting, wheat and vegetable oil were shipped in one year from central warehouses in Saigon to An Xuyen Province, in the Mekong Delta near the Cambodian border.

REVEAL LOSSES

They then checked provincial records in An Xuyen to find out how much was delivered, allowing for truck and barge shipments known to have been captured outright by the Communist Viet Cong between the national and provincial capitals.

The results of the check showed these figures:

Of 9,000 bags of cement shipped and not seized by the Viet Cong outright, only 7,367 bags reached the provincial warehouse—a loss of 1,633 bags, or 18.1 per cent.

Of 26,793 gallons of vegetable oil shipped from Saigon, only 15,446 gallons were checked into the provincial warehouse—a loss of 11,347 gallons, or 42.3 per cent, with a value of \$24,800.

Of 8,020 bags of wheat that left Saigon, only 6,363 reached the An Xuyen warehouse—a loss of 1,657 bags, or 20.7 per cent, with a value of \$18,740.

Of 7,938 sheets of aluminum roofing material shipped from Saigon, only 6,843 arrived in the province—a loss of 1,445 sheets, or 18.2 per cent.

Officials said that similar spot-checks in six other provinces yielded comparable statistics. There are 43 provinces in South Viet Nam, so the total loss through this kind of diversion was obviously substantial.

Those familiar with the investigation said Monday that two factors undoubtedly accounted for most of the losses between Saigon and the provinces—either outright theft or taxes by the Viet Cong as the price of allowing the transporters to proceed in safety.

[From the Des Moines Register, May 25, 1966]

BID TO BUILD VIET BREWERY WITH U.S. AID—BUT OFFICIAL BLOCKED \$4-MILLION PLANT

(By Charles Bailey, of the Register's Washington bureau)

WASHINGTON, D.C.—U.S. officials in Saigon sought to finance the operations of a private Vietnamese brewery with \$4 million in American funds under a foreign aid program intended to provide only "essential" goods, officials reported Tuesday.

The proposed transaction was stopped by the State Department's inspector general, who refused to allow the use of U.S. dollars for importing malt and hops to be used in making beer.

Details of the case, obtained by The Des Moines Register Tuesday, provide new examples of the confusion and lack of controls which have plagued U.S. aid efforts in Viet Nam.

The malt-hops case also illustrates another problem plaguing U.S. foreign aid programs—the difficulty of persuading American aid officials to seek ways of utilizing the huge and still-growing amounts of local currencies piled up in various nations as payment for American food shipments.

The Vietnamese malt-hops issue arose in 1965 when officials in the U.S. aid mission in Saigon asked Washington for a waiver of rules limiting the outlay of aid funds under the so-called Commodity Import Program (CIP) to "essential" goods.

ARTIFICIALLY LOW

[Under the CIP, private Vietnamese businessmen receive goods purchased here with government dollars. They pay for the goods with Vietnamese piastres, at an artificially low rate of exchange.

[The piastres are then used in Viet Nam on joint U.S.-Vietnamese government projects, so the cost of the goods shipped under CIP is fully borne by U. S. public funds.]

The inspector general's office, in the State Department—charged with checking the operation of all overseas U.S. assistance programs—questioned the waiver application on several grounds.

First, it saw no reason to waive the essential-goods-only rule for a project involving the production of beer.

Second, it found the proposal objectionable on the ground that malt and hops were commodities which have to be imported into the U. S. to meet the full needs of brewers here. Thus the transaction would have further increased net import requirements in the United States and would thus tend to worsen our balance-of-payments problem.

FIVE-MILLION-DOLLAR CREDIT

Third, the inspector general pointed out that South Vietnamese officials already had available a \$5 million credit from West Germany, an exporter of the desired goods, but had not drawn on that credit.

Fourth, the inspector general pointed out that the United States owned about \$250 million worth of Yugoslavian currency, as a result of Food-for-Peace sales to that nation, and that this might be used to purchase the malt and hops, since Yugoslavia is an exporter of the commodities.

Official sources here said Tuesday that the inspector general sought to persuade aid officials in Washington to explore these alternate methods of financing, but that the aid officials refused and continued to press for a waiver that would permit use of U.S. dollars under CIP.

But the inspector general again refused the waiver, and this time provided the required written notice to the secretary of state which made the refusal final.

The upshot, informed sources said, was that the Vietnamese financed the malt-hops imports out of their own foreign exchange resources rather than using U.S. aid funds to pay for them.

According to official sources here, the case—despite the action of the inspector general in preventing a \$4 million U.S. outlay to pay for beer production—points up several problems.

INDIANA'S SECOND NATIONAL MEMORIAL—GEORGE ROGERS CLARK AT VINCENNES

Mr. HARTKE. Mr. President, I would like to call attention to my bill, S. 2886, the George Rogers Clark Memorial bill, upon which the Senate Interior Committee has concluded hearings. June 7 the

House unanimously passed H.R. 9599, the companion bill introduced by my own Congressman WINFIELD K. DENTON, Democrat, Eighth District, Indiana.

I ask unanimous consent to include my testimony on S. 2886 in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR VANCE HARTKE ON S. 2886, GEORGE ROGERS CLARK MEMORIAL, SENATE INTERIOR COMMITTEE, JUNE 8, 1966

Mr. Chairman, I am very pleased to appear before your Committee. I want to express my appreciation for your willingness to act so swiftly for the creation of Indiana's second National Memorial.

We Hoosiers have great pride in our historical heritage which includes the names of George Rogers Clark, William Henry Harrison and Abraham Lincoln, as well as many others.

S. 2886 authorizes the Secretary of the Interior to accept from the State of Indiana the George Rogers Clark Memorial at the historic site on the Wabash River, now the city of Vincennes, and enter into cooperative agreements with the owners of other historical buildings.

One of these properties is the two-room frame building which served as the first capitol of the Indiana Territory and as the seat of the territorial court from 1800-1813 where many decisions on land policy, Indian relations and military affairs were determined.

Another of the properties is the Francis Xavier Catholic Church. The present building dates from 1824-1834 and is the same tract of ground on which, in 1749 was erected the first rough log cabin church to serve the French and Spanish settlers when Vincennes was the western outpost of our country. At that time, this western outpost was Fort Sackville, a British Fort until 1779 when Lt. Colonel George Rogers Clarke captured and renamed it Fort Patrick Henry.

Grouseland, the home of William Henry Harrison, is the third property which we had hoped to include. It is owned by the Daughters of the American Revolution, who, I am informed, do not wish it to be part of the National Memorial. However, they have assured the House Committee by telegram that the building will remain open to the public and that the D.A.R. will continue to maintain it. I would like for their telegram to become part of this record.

I urge that the Committee favorably consider S. 2886 so that the area of Vincennes, which is so beautifully depicted by Maurice Thompson's novel, *Alice of Old Vincennes*, can be elevated as it should be, to national recognition. I appreciate the overwhelming passage by the House of Representatives of the George Rogers Clark Memorial bill, and congratulate my own Congressman, WINFIELD K. DENTON, for his fine work in guiding the measure through the House.

I would like to say a few more words about Vincennes, in Knox County, Indiana.

The George Rogers Clark Memorial is a domed structure supported by 17 Doric columns. It contains a bronze statue of Clark and murals depicting his career and the history of the old Northwest Territory. This Memorial was first dedicated by President Franklin Delano Roosevelt in 1936.

It was at Vincennes that the Lincoln family, with young Abe, crossed over the Wabash River into Illinois. Vincennes is the point at which the proposed Lincoln Trail National Parkway crosses into Illinois toward Springfield. This proposed National Parkway originates at the Lincoln birthplace in Hodgenville, Kentucky, and passes through the Lincoln Boyhood National Memorial in Spencer County, Indiana. I mention the Lincoln Trail National Parkway for I am certain the Interior Department, as well as



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