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# CHRISTIAN SCIENCE MONITOR

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CPYRGHT



Department of State Photo

**Roger Hilsman, Assistant Secretary for Far Eastern Affairs: 'Crises Take a Little Longer'**

## Decisions... Decisions...

By Robert R. Brunn

*Staff Correspondent of The Christian Science Monitor*

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Washington

What else takes up your day?

**W**ALKING INTO ROGER HILSMAN'S office in the State Department my first reaction was that he has a thrust of jaw which bespeaks action. A correct impression. This newly appointed Assistant Secretary of State for Far Eastern Affairs led 300 men as an OSS guerrilla leader in Burma in World War II, in warfare that required quick intelligence and a tough body.

Both qualities are so important in the policy battle in the Hilsman corner of "State" where he still deals with Burma, and even more so at the moment with South Vietnam, Laos and Thailand.

Other parts of your day, after you have met these initial problems: The Ambassador from the Philippines might have an appointment with you to raise a problem of trade and the tariff barriers. You might have a meeting with the Ambassador of Thailand, who might come in on a problem in connection with SEATO. You might call in one of the ambassadors to make a demarche to him about some problem dealing with his country. You might have a meeting with the Secretary of Defense. You have to defend or help defend the request for foreign aid. You have to defend your own budget for your Far East missions abroad. You might have a meeting with the Secretary of State.

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Vietnam, Laos, and Thailand.

But we ignored policy in our talk. This interview tries to sketch in Mr. Hilsman's **Sanitized Approved For Release CIA-RDP75-00001R000300280037-5**  
Let's begin:

**I assume you don't exactly work a 35-hour week?**

Well, I get to the office about 8 in the morning, or 8:15. I rarely get home before 8 or 9 at night. This is normal times, not crisis times. Saturdays are just like any other day. And Sundays I generally have to take some stuff home to work on, if I don't have to come to the office — which I frequently do.

As a matter of fact, in my old job as director of the Department of Intelligence and Research, I remember on Sunday, Oct. 14, was the day that the U-2's were flying over Cuba and found the missiles. I had that day at home. I didn't have another day off, including Thanksgiving or Christmas.

**Or Sundays?**

Or Sundays, until Christmas Day. In other words, from Oct. 14 through Christmas Day, I worked at least 8 and usually 12 or 14 hours every day, all the time. That is a crisis period.

**Well, what is your normal regimen?**

In the normal time, the first thing you do when you arrive at the office you are given a whole sheaf of cables that have come in overnight from all the posts in your area abroad. You have got to read these for your own information to see how events are going.

There are decisions to be made, questions to be answered, problems to be settled in every cable. Generally speaking, the officers in charge of Laos, Vietnam, the Philippines, Japan, and so forth consult with you about specific problems.

Many of these you can decide yourself, and you can issue instructions to the field and get a cable off to your ambassador and tell him how to handle the problem, or you might be calling the Pentagon or the AID agency to ask them to do something to meet this particular problem, orchestrating the different instrumentalities of foreign policy.

**When do you go to Secretary Rusk with problems?**

Other problems require the decision by the Secretary of State, and you write him a brief memorandum or seek an appointment with him, or call him on the telephone, presenting in brief, concise form the nature of the problem and your recommendations for handling it and get his decision, when you can.

Some of it requires a decision by the President. You might have a meeting with the President, in which case you would have an appointment with the President along with the Secretary of State or the Secretary of Defense.

It might be a joint meeting, an NSC [National Security Council] meeting, on a problem in your area.

**Making policy can be quite complex, can't it?**

Yes, powerful though the United States is, it is not so powerful that it can dictate the course of history. There are other actors involved, and what they do has a bearing on events. Some things happen that nobody has any control of, spontaneous things. There is a crop failure in a country, or a man is shot, or there is an airplane crash. One of the great tragedies, for example, in the Philippines was the premature passing of Magsaysay.

You're not always in a position where your leverage on events is complete, and also you're dealing with very complicated matters where the United States may have several goals, not all of which it can achieve. If it wants to achieve goal Number A, it may be done only by sacrificing something of goal Number B. You have to pick and choose which of the goals, and to which extent, you want to achieve — different and conflicting goals, you see.

Some of our goals are conflicting. You know, a very simple one is you want peace, but you don't want it at the cost of sacrificing our nation. So there are times when you can't have both, you see. You have got to give up the goal of peace in order to achieve the goal of the continuing existence of our nation or the continuing of our national security or our national objectives. This is a very simple illustration of what happens all the time.

But this makes it difficult to win a football game, you see. You can't keep score very well. It's a little more complicated than in football where you win or lose.

You might have a meeting with the Senate Foreign Relations Committee Subcommittee on Far Eastern Affairs. For example, I remember, I testified about recent events in Vietnam. The Senate wanted to hear what had been happening there, what we were doing about it, what our policy was.

I find that you also have dealings with American businessmen who have interests abroad, who have problems and need help. You're doing this all day.

Frequently I come to my office at 8, finish with the initial batch of cables at 9, and between Congress and foreign ambassadors and meetings with the Secretary and the President, there are days when I don't get back to my desk until 6, and then must begin the normal routine, less-than-urgent, less-than-crisis work of the day. That is one of the reasons you don't get home until late.

**How does your family fit into this marathon day?**

The interesting part on the family side is that it's perfectly true that your family makes some enormous sacrifices. I remember once my wife, after a year of the new administration, read somewhere that somebody was saying the President had asked us

## Meet Mr. Hilsman

not what the country could do for us but what we could do for the country. My wife snorted, and said, "Well, I know what I'm being asked to do for my country."

Because it's not only that she has to do all the things that a husband would normally do around the house if you were only there — learning to be an electrician and a plumber and all the rest of this. As well as dealings with the children in ways that the father would normally be involved in — but she has responsibilities of entertaining foreign visitors coming from our area, of participating in various activities connected with the area. She is expected to help on, for example, women's problems or children's problems in the Far Eastern countries and to do what she can to help. So she leads an enormously busy life too.

But the really interesting thing about it all is that my children, even my 6-year old, and my 12-year old girls and my 14-year old boy, have a feeling of serving their country in their own way.

**You've mentioned the secretaries and your staff and what a fine, loyal crowd they are. What about them?**

You know it's not really surprising that the senior officers of the department are spending 12-18 hours a day without complaint, because they have a feeling of participating in great events, and you just don't complain when your country asks you to serve.

But the thing that impresses me are the secretaries and the girls who probably don't have the same feeling of being in on the decision-making process. But yet the way they work without overtime pay—frequently 60-70 hours a week without overtime pay and without complaint. I think they really deserve an enormous plug.

**You're a newcomer to the department of course. This performance was actually a surprise?**

I'm terribly impressed, as not really being part of the foreign service, not a career fellow, not a foreign service officer but a presidential appointee, at the dedication and the hard work of the people.

Also, I have gone to places like Vientiane, which is a small place, in a backward part of the world and watched the wives and children of foreign service officers coping with problems of no electricity or running water or anything else we have here. The wives of the foreign service officers in Vientiane, for example, have had to band together and teach their own children and build a school of their own, you see, with the wives being the teachers. They are making enormous sacrifices.

**Next Week: Meet Dr. Glenn Archer, lawyer and Protestants and Other Americans United for Separation of Church and State.**

# BUSINESS and FINANCE

## Ottawa Dilutes Sales Tax

By the Associated Press

**Ottawa**  
Canadian Finance Minister Valter Gordon has knocked a \$115 million hole in his June 13 budget with a major retreat from its controversial sales tax on building materials and production machinery.

In a statement in the House of Commons Monday night that brought opposition jeers of "chicken," Mr. Gordon waded down the 11 percent tax to an immediate 4 percent. He said it would increase in two stages to 11 percent by Jan. 1, 1965.

### Tax Withdrawn

He also exempted schools and universities completely from the tax on building materials and opened a big loophole in his original plan to push foreign-controlled companies into selling a minimum 25 percent ownership to Canadians.

It was the second major slash executed by the freshman Finance Minister on his maiden budget speech. On June 19, he lopped off the budget's plan for a 30 percent tax on large stock sales to foreign investors, aimed at halting United States take-overs of Canadian firms.

Mr. Gordon made both alterations under heavy pressure and a deluge of complaints from legislators and the business community. Observers could recall no previous federal budget being so widely changed by the government.

The minister indicated these and other changes would increase the deficit for the 1963-64 fiscal year to \$655 million, only \$54 million less than the last year of Conservative government. Mr. Gordon's original forecast was a deficit of \$585 million.

Mr. Gordon outlined this alteration in his original budget scheme of tax incentives and penalties to encourage a minimum 25 percent Canadian ownership in foreign-controlled corporations:

A company's status will be determined by the ownership of its shares during the 60 days preceding the company's tax year.

Also, a company can meet the minimum 25 percent Canadian standard if its shares are listed on a Canadian stock exchange and not more than 75 percent of its voting stock is owned by a foreign shareholder and others associated with him.

### Demands Voiced

Presumably this will mean that the other 25 percent of the shares can be owned by anyone, including foreign investors not connected with the parent firm. But the requirement that the Canadian subsidiary's stock be traded on a Canadian stock exchange would provide the opportunity for partial Canadian ownership.

In announcing the changes,

Mr. Gordon acknowledged that there had been a deluge of demands for the government to withdraw the sales tax on building materials and production machinery.

He said the government "cannot accept such pleas to eliminate the tax" but that its timing "can be adjusted in a way that will synchronize with the needs of the economy over a longer period."

He said the tax will rise to 8 percent on April 1, 1964, and to the full 11 percent at the end of that year. Those who have already paid the full 11 percent rate since the tax was effected June 13 will receive refunds, he said.

## Economic Outlook For '63 'Moderate'

By the Associated Press

### New York

The Federal Reserve Bank of New York says that early returns for June suggest continued though moderate strength in the economy.

The bank's Monthly Review indicated a substantial rise in auto assemblies in June and a decline in steel ingot production.

"Although manufacturers' inventory expectations point to some slowdown in their over-all rate of stock accumulation in the third quarter this slackening may be offset by increases in outlays for plant and equipment," the bank said.

"Various measures have been suggested to deal directly with the problems created by a large influx of teen-agers. An increase in the skills and training of the labor force will in itself contribute to economic growth but in turn an expanding economy is required if direct measures are to be effective."

## Contract for Export

# Australian Iron

By Albert E. Norman  
Australia-New Zealand Correspondent of  
The Christian Science Monitor

### Sydney

Australian and American mining companies are scheduled soon to sign the first major export contract for iron ore from western Australia. Vast new deposits have been discovered in the area since 1960.

The contract covers more than 5,000,000 tons of ore from the Talling Range, 100 miles from the western port of Geraldton.

Japanese steel mills which have been negotiating the contract were reported to have proposed a price of \$12.6 per ton on a cost and freight basis. This was 30 cents below the price asked by the Australian-American partners, which includes the Australian Western Mining Corporation and Home-shake Mining and Hanna Mining corporations of the United States.

### Competition Seen

Western Mining holds 50 percent of the group interest and the American companies 25 percent. The group stands to gain around \$60,000,000 on the Talling Range contract with exports spread over a seven-year period.

The paring of 30 cents a ton from the price of Talling ore by the Japanese negotiators reflected the sharply competitive state of the international iron-ore market.

There has been much criticism lately of the federal government's policy in not lifting before 1960 its iron-ore export ban, introduced in 1938, to conserve Australia's then known iron ore reserves.

### Delays Charged

Continuance of this ban, it is argued, discouraged prospecting and delayed the certain discovery of new important de-

posits. The recent mass coveries would have cleared much sooner, critics tend.

Dr. John A. Dunn, chief mineral economist of the federal Bureau of Mines, for one, had been confident for years that the western regions of Australia still thinly populated, prove to be among the leading iron ore provinces.

Before his retirement Dr. Dunn accompanied parliamentarians on the present Minister of National Development, Seamus Spooner, to the Pilbara region. He there pointed out the evidence.

Despite this on-the-spot demonstration, the federal government would not agree to proposals from the Western Australian State government to liberalize the federal ban.

In 1960, however, the government relaxed its ban sufficiently to encourage prospecting. Almost immediately new deposits of high-grade ore were discovered in the region, as forecast by Dr. Dunn. These represent thousands of millions of tons of high-grade iron ore. As Senator Dunn recently put it: "Even if we do not know the full extent of the reserves. . ."

### Other Sources Found

Not only were these western discoveries made, other big deposits were discovered in a spread across the northern arc of the Australian continent.

Australia is not the only country to make recent discoveries of iron ore. For one, has massive reserves and Japanese steel mills put capital into this industry. This was done when

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# Experts Join For Development

By Ralph Nader

Special to The Christian Science Monitor

### Washington, D. C.

Where could one expect to find meeting together international bankers and economists, anthropologists, exporters and importers, embassy attachés, development consultants, representatives of various United States departments and agencies, UN officials and leaders of the many voluntary and civic organizations?

Most likely at one of the conferences sponsored by the

The membership society reflects its purpose consists of people engaged in international development are administrators, economists, engineers, educators, officers, lawyers, technicians and others working in various countries and associated voluntary organizations.

One of SID's founders, Hambidge, described the "encompassing an ext



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conferences sponsored by the Society for International Development (SID). Located at 1720 Rhode Island Avenue in Washington, is filling a unique function by serving as an intellectual and professional bridge for individuals and organizations, both private and public, engaged in the development of the Asian, African, and Latin-American continents.

**Urgent Need Posed**

The involvement of so many diverse human and material energies in this momentous endeavor is itself posing an urgent need for intercommunication.

According to Andrew Rice, executive secretary of this non-profit, educational association, the value of exchanging knowledge and experience by practitioners and scholars is a proven factor in speeding development progress.

But much more needs to be done along these lines in the light of the explosive growth of development undertakings and studies.

"encompassing an extraordinary wealth of talent, experience and expertise" Journal Publishing  
There are three dozen institutional members, 200 leading universities, 100 foundations, corporations, and groups. Two patrons—contributing \$1000 or more—are the Inter-American Development Bank and World Bank.

The society is currently publishing a quarterly International Development Review. Suppose a business who exports capital money began leafing through the Review on urgent issues. He would find across an article, dozens of industrial facilities in Honduras, estimates of the scale of investment in United States.

Or articles on small countries will alert him to opportunities now being overlooked for lack of awareness of their role in these emerging economies.

Other reports will alert him of the broader cultural and political environment in which he must be taken into account to operate with maximum effectiveness. Contributors to the review are scholars, national civil servants, private consultants, and government officials, and business.

**Conferences Sponsored**

A second activity of the society is the annual international forum dealing with a particular cluster of international problems. The 1963 conference was held in March at Cornell University.

"What Makes Development Happen" was the title of the first forum, which seminars and a book were dedicated for the benefit of the 500 conference attendees.

Also, there are SID chapters in four states and several countries in Asia. These chapters, through their meetings, seminars, and programs, are in touch with the overseas community, considering subjects of mutual importance.

Other activities of the society include planned are the formation of student chapters at universities, a feasibility study of a technical and economic information service, and the publication of the Review.

The myriad facets of international development require closer coordination of efforts. It is known about the procedure, and the enthusiastic responses to the Review indicate that the society has touched a common practical need.

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