

August 2, 1974

CONGRESSIONAL RECORD — SENATE

S 14205

kota, Ray of Iowa, Bond of Missouri, Bowen of Indiana, and Docking of Kansas.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD.

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

RESOLUTION ON DISASTER PAYMENTS

Whereas food production and the need for adequate food reserves are not only an opportunity but an obligation of the midwest states, and

Whereas the interest of all the people are best served by sound agricultural policies which will guarantee adequate food supplies at reasonable prices, and

Whereas present drought conditions prevailing in many of our states are threatening the stability of our food producing plant, and

Whereas we find that certain parts of the present Farm Act wanting in some areas,

Therefore, be it resolved by the members of the Midwestern Governors' Conference:

1. That the target prices for wheat and feed grains for the 1974 crop be increased by incorporating the escalator provisions in the Act immediately to meet the increased cost of farm operations and to provide a more realistic disaster payment to our farmers threatened with disaster.

2. That action be taken now by Congress to re-establish the forgiveness provision, long a part of the emergency disaster loan of the Farmers Home Administration, to provide meaningful assistance to farmers and ranchers threatened with economic ruin as the result of natural disaster.

THE PETROLEUM SITUATION

Mr. BARTLETT. Mr. President, I would like to call to the attention of my colleagues a recent release by the Chase Manhattan Bank entitled, "The Petroleum Situation."

Briefly, the energy economics division of the Chase Manhattan Bank points out that some abnormal factors influenced the group's earnings in the first quarter of this year. For instance, the accounting procedures requiring that inventories be treated on a first-in, first-out basis has accounted for well over half of the worldwide increase in profits.

The Chase Manhattan Bank goes on to say that—

A conservative estimate indicates that the entire increase in profits reported by the group of companies in the first quarter will not be sufficient to offset the additional cost of replacing the inventories.

Even though the devaluation of the dollar influenced the growth of profits in 1973 more than any other factor, the effect of devaluation in the first quarter profits contributed no more than 10 percent of the growth in profits.

And because devaluation occurred during the first quarter of last year, it will no longer have an impact on the growth of earnings.

Another point raised is that—

Although the group's total capital expenditures were nearly twice as large as a year earlier, most of the increased spending was concentrated in the United States. In the first quarter of last year, the group invested 1.3 billion dollars in the United States and 1.6 billion in the rest of the world. But this year it spent 3.2 billion dollars in the United States and 1.6 billion elsewhere.

Capital expenditures in the United States were more than twice as large as profits. There has been a 146-percent increase in capital spending in the United States.

It is also significant to note that the group's direct taxes in the first quarter increased 109 percent to \$10.5 billion. In addition, the group paid \$7.5 billion in the form of sales taxes, excise taxes, and lease bonus payments. Therefore, the total receipts of governments amounted to \$18 billion—nearly four times the \$4.6 billion the group retained in net earnings.

The Chase Manhattan Bank made a most basic observation when it said—

All the costs of doing business must be paid, of course, and, because taxes and other payments to government are among the various costs of doing business, they naturally must be reflected in the price consumers pay for all goods and services. To some degree, the net earnings of the group of petroleum companies contribute to the price consumers must pay for petroleum. But the contribution of taxes and other payments to government in the first quarter was nearly four times as great as consumers don't know that, of course, because they're rarely told. Why they are not is a curious matter, because if they were they obviously would have a better and healthier perspective. And surely, that would be in the national interest.

Mr. President, I ask unanimous consent that a portion of the pamphlet by the Chase Manhattan Bank entitled "The Petroleum Situation" be printed in the RECORD.

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

PROFITS, TAXES AND CAPITAL EXPENDITURES

Most of the petroleum companies comprising this Bank's large study group have now reported the results of their financial performance in the first quarter of this year. As expected, the group as a whole recorded large year-to-year increases in net earnings, new capital investment, and taxes paid.

Compared with a year ago, the combined profits of the group on a worldwide basis were up 111 percent. Within the United States alone the group achieved a gain of 43 percent. And in the rest of the world the increase amounted to 167 percent.

Some of the abnormal factors that influenced the group's earnings so much in 1973 continued to play a major role in the first quarter of this year. For instance, well over half of the worldwide increase in profits can be traced to accounting procedures involving inventories. Petroleum companies are required by the governments of many importing nations to carry very large inventories as a safety measure. These governments also insist that inventories be treated on a first-in, first-out basis for taxing purposes. In other words, the petroleum companies are required to apply the cost of inventories acquired months earlier to their current revenue. Under this system, radical changes in the cost of inventories—either up or down—will have a major impact upon profits.

And that's exactly what happened in the first quarter of this year. At the beginning of the year the governments of most of the world's leading petroleum producing nations dictated very large increases in the price of crude oil. As a result, the average price of crude oil in the first quarter was more than twice as high as in late 1973. And, the true market value of all oil held in storage increased as a direct consequence. Therefore, the difference between the value and the cost of the oil was much larger than usual. And, because of the accounting system the

companies were required to use, that abnormally large difference caused profits to be much larger than usual too. Had the governments reduced the price of crude oil instead of raising it, the value of inventories would have declined and profits would have been depressed as a consequence.

The abnormal gain in profits is likely to be of short duration. As the lowest cost inventories are depleted, they will have to be replaced with oil of much higher cost. In fact, a conservative estimate indicates that the entire increase in profits reported by the group of companies in the first quarter will not be sufficient to offset the additional cost of replacing the inventories. And it is conceivable that the group may experience a decline in profits in the near future. If that happens, it will be most interesting to see if the decline is accorded the same degree of attention as the gain in the first quarter.

In the United States the tax authorities permit the last-in, first-out method of inventory accounting. And, for the most part, the companies in the group use that procedure. If they had been allowed to utilize it outside the United States as well, the growth of their worldwide profits in the first quarter would have been less than half as large.

In 1973, the growth of profits was influenced by devaluation of the dollar more than by any other factor. But, in the first quarter of this year the effect of devaluation was much diminished. No more than 10 percent of the growth in profits can be attributed to it. Because the devaluation occurred during the first quarter last year, it will no longer have an impact on the growth of earnings for the remainder of this year.

For many years, including 1973, the group's earnings in the United States have been much too small relative to its needs for capital investment. Profits in the first quarter of this year, however, were more realistic. The 43 percent gain over a year earlier reflected for the most part changes in the price of crude oil. In August of last year the United States government imposed a so-called two tiered price system. The price of old oil was controlled but the price of newly found oil was permitted to respond to competitive market forces. Then in December of last year the government raised the controlled price of old oil by one dollar per barrel to bring it somewhat more in line with the realities of the market place. As a result of these actions, the average price of crude oil in the United States was nearly twice as high as a year earlier, although still substantially below the price of foreign oil.

Historically, there has been a consistent relationship between the group's profits and its capital expenditures—they rise and fall together. That relationship was continued in the first quarter when the rise in profits was closely matched by an increase in capital spending. But, the relationship was by no means uniform on a worldwide basis. Although, the group's total capital expenditures were nearly twice as large as a year earlier, most of the increased spending was concentrated in the United States. In the first quarter of last year, the group invested 1.3 billion dollars in the United States and 1.4 billion in the rest of the world. But this year it spent 3.2 billion dollars in the United States and 1.6 billion elsewhere.

Although the group earned only 31 percent of its worldwide profits in the United States, it nevertheless allocated as much as 86 percent of its over-all capital spending to that Nation. As a result, its capital expenditures in the United States were fully two and a quarter times as large as its profits. That notable action by the companies clearly reflects the more realistic level of petroleum prices and also the hope that earnings will be allowed to continue to improve enough to

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support an adequate level of capital spending.

The 146 percent increase in capital spending in the United States was the most significant development thus far of all the efforts to increase the nation's energy supply. And, new investment can continue to increase, the prospects for a growing supply of energy will become much brighter. Unfortunately, however, the general public is not likely to become aware of the significance of the increased capital spending simply because it lacks the shock effect to be considered newsworthy.

Another significant development likely to go virtually unnoticed is the huge increase in the amount for taxes paid by the group even though many governments—and the people they represent in theory—benefited handsomely as a result.

The group's direct taxes on the first quarter amounted to 10.5 billion dollars—109 percent more than a year earlier. In addition, governments received 7.5 billion dollars from the group in the form of sales taxes, excise taxes, and lease bonus payments. The total receipts of governments, therefore, amounted to 18 billion dollars—nearly four times the 4.5 billion dollars the group retained as net earnings in the United States alone government took in 9 billion dollars—more than four times the 1.4 billion dollars the group of companies earned in the United States.

All the costs of doing business must be paid, of course, and, because taxes and other payments to government are among the various costs of doing business, they naturally must be reflected in the price consumers pay for all goods and services. To some degree, the net earnings of the group of petroleum companies contribute to the price consumers must pay for petroleum. But the contribution of taxes and other payments to government in the first quarter was nearly four times as great. Consumers don't know that, of course, because they're rarely told. Why they are not is a curious matter, because if they were they obviously would have a better and healthier perspective. And, surely, that would be in the national interest.

JOHN G. WINGER,
RICHARD C. SPURLING,
RICHARD S. DOSIAS,
NORMA J. ANDERSON.

NATIONAL HOSIERY WEEK

Mr. ERVIN, Mr. President, the fourth annual National Hosiery Week will be held September 8-14, 1974, and is expected to be by far the largest such celebration to date.

National Hosiery Week is a project of the National Association of Hosiery Manufacturers and its member companies, which includes the producers of 90 percent of the Nation's hosiery and major industry suppliers.

National Hosiery Week will be celebrated by these companies as well as by thousands of retailers across the country. The retailers, including some of the nation's largest chains, will participate with special displays and promotions of hosiery products.

The aim of National Hosiery Week is to educate the consumer to the wide variety of hosiery available to meet his or her special needs. Whether these focus on the latest fashion or are primarily functional, today's hosiery counter contains something to suit almost every situation.

To help in this educational and promotional endeavor, the National Association of Hosiery Manufacturers has pro-

vided retailers with an idea kit, including a colorful display poster, lapel badges for employees and theme ideas. The association will also be highlighting National Hosiery Week through its media contacts.

The hosiery industry is a valuable contributor to the Nation's economy. In 1973, it employed 89,800 persons in 390 companies operating 521 plants. Many of these are small businesses.

During the year, these mills produced more than 2.7 billion pairs of hosiery, including socks of all sizes and women's pantyhose and stockings. Of this total, 93.2 percent was produced in the South. North Carolina alone accounted for 46.9 percent of the total production. Other major hosiery producing States include Tennessee, South Carolina, Georgia, Pennsylvania, Alabama, and Virginia. Hosiery mills also are located in 20 other States and Puerto Rico.

A RESPONSE TO AMBASSADOR MARTIN

Mr. MCGOVERN. Mr. President, there are many disturbing signs that the Nixon administration is not withdrawing from Indochina, but is instead reverting to the kind of hidden intervention which got us involved there in the first place.

The fact that the administration has proposed \$3.7 billion in fiscal year 1975 Indochina foreign aid, more than it has asked for the rest of the world combined, is in and of itself a cause for alarm.

But beyond that, there have been more and more news reports indicating that U.S. personnel are playing a direct role in internal Indochinese affairs. And I think the time has come for Congress to act as decisively as possible to insure that we are not being dragged back into Indochina without our knowledge.

One of the most comprehensive surveys of American involvement in South Vietnam appeared in the New York Times of February 25, 1974, in an article authored by David Shipler. Mr. Shipler reported that U.S. personnel continue to advise Thieu's army and air force, and that without these U.S. advisers Thieu's military forces could not function; that U.S. CIA personnel were continuing to work with the South Vietnamese national police, in violation of both the Paris agreement and congressional directives; and that the U.S. Embassy in Saigon was attempting to keep the Western press from having free access to Americans working under Government contract or direct hire in South Vietnam.

Our Ambassador to South Vietnam, Mr. Graham Martin, responded to Shipler's piece with a strongly worded attack questioning Shipler's motives, as well as his facts. Mr. Martin attempted to picture Shipler as being part of some sort of a Hanoi-directed conspiracy, and I am sure that approach struck many commentators as unbalanced at the time. His refutation of Shipler's charges without supporting evidence did little to demonstrate that Shipler was wrong.

Mr. Shipler's detailed article and Mr. Martin's attack further raised my concern at the time about our continuing involvement in South Vietnam.

Recently, however, I received some further comments on this controversy from Mr. Shipler. Reading through Mr. Shipler's answer to Ambassador Martin, I find myself more than concerned. I am now more convinced than ever that urgent congressional action is called for to stop our head-long rush to reinvolvement in South Vietnam.

Mr. Shipler begins by pointing out that a close reading of Mr. Martin's response reveals a fairly close agreement on a number of major points in Shipler's piece, namely that:

U.S. military aid and advisors are indispensable to Thieu's fighting forces and military logistics system;

Americans often continue to give advice to South Vietnamese military personnel; and

Our Central Intelligence Agency continues to maintain close relations with South Vietnam's national police, who often refer to American personnel in the field as "police advisers."

Mr. Shipler then goes on to set out the major points of disagreement with Mr. Martin, making clear that Mr. Martin was more inclined to play with words than to offer substantive refutation of Mr. Shipler's points.

In my opinion, however, Mr. Shipler's most serious point is that Ambassador Martin has systematically attempted to prevent the New York Times from freely interviewing American officials in South Vietnam, and has himself categorically refused to talk with New York Times reporters.

Mr. Shipler is not the only journalist to report on this attempt to keep the American people from learning what is happening in South Vietnam. On January 30, 1974, for example, the Christian Science Monitor reported that Ambassador Martin—

is trying to discourage any publicity concerning the American presence here . . . Major General John E. Murray, the chief of the Defense Attache Office . . . was recently told to stop giving interviews.

More recently the Chicago Tribune, hardly a critic of U.S. involvement in Indochina, reported on June 9, 1974, that:

An integral aspect of Martin's unremitting support of the government here is his continuing effort to restrict the flow of information from official American sources to the press. Reporters now must channel all their requests for briefings . . . for the Ambassador's approval. The Ambassador rarely approves meetings between reporters and officials in the office of the defense attache.

There are indications, moreover, that Ambassador Martin has also hampered attempts by duly constituted General Accounting Office investigators to find out what is happening in Saigon. In March 1974, for example, Senator KENNEDY revealed that Ambassador Martin was trying to restrict GAO access to Embassy files and even going so far as to censor its communications with its home office.

Mr. President, we learn daily of hidden activities undertaken in Indochina during the past 5 years. Senator HUGHES, for example, has revealed the administration's deliberate falsification of records presented the U.S. Congress to cover up its secret bombing in Cambodia,

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that the administration was sending U.S. Forces on cross-border operations into Laos and Cambodia in 1971 and 1972 in direct violation of congressional laws, and that the administration also falsified bombing records on B-52 raids in northern Laos.

Given this record, any further attempts to restrict the flow of information reaching the American press and Congress cannot be tolerated. It is clear that unless Congress takes the most strenuous actions to find out just what the administration and Mr. Martin are up to in Indochina, we may never know—or at least not know until it is too late.

I urge all Members of Congress to read Mr. Shipler's response to Ambassador Martin with care. For if even some of Mr. Shipler's reports are true, we may once again find ourselves directly involved in Vietnam, just as our failure to stop such hidden intervention between 1954 and 1960 led to the Vietnam tragedy we have already suffered.

I ask unanimous consent that Mr. Shipler's response to Ambassador Martin be printed in the RECORD.

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

RESPONSE TO AMBASSADOR GRAHAM A. MARTIN'S CABLE

Most of the central facts and major points contained in my article describing U.S. military aid to South Vietnam are left entirely intact—and in some cases, even confirmed—by Ambassador Martin's cable. Before responding in detail to the issues of disagreement, therefore, I should like to underline the points on which we are apparently agreed.

1. United States military aid is indispensable to South Vietnam's capacity to wage war, either offensively or defensively. American contract personnel are involved not only in training, but also in performing highly-skilled jobs that are essential to the maintenance of complex weaponry.

In paragraph 12 of his cable, Mr. Martin writes of the General Electric technicians, "This is normal practice. GE provides the same service to the USAF. Some jet components are of such complexity that only the manufacturer has the expertise to repair them." He acknowledges that the GE contract is "mainly an American work situation with less emphasis on Vietnamese training". The same is true with the Lycoming, Cessna, Northrop and part of the Lear-Siegler contracts, among others, but he does not deal with those. He takes no issue at all with a most telling piece of testimony to the importance of these American employees: the fact that their work hours had to be altered to respond to a military situation. My report that the Americans were placed on 12-hour shifts, at high overtime rates, to get the maximum number of aircraft ready to fly in case of an attack over Tet, is left untouched by Mr. Martin. Furthermore, his assertion in paragraph 14 that "within a very short time frame American instructors can and will be wholly withdrawn," does nothing to outweigh his earlier acknowledgement that "only the manufacturer has the expertise to repair" complex equipment. Perhaps instructors will be withdrawn (although he does not deny my report that the reduction of contractors has ceased and the number has remained steady in recent months) but the most important American personnel with the longest-term duties are not instructors. They are engineers and technicians, many of them known in the trade as "tech reps" who, by the Ambassador's own account, are essential even to the United States Air Force and can be

expected to be around South Vietnam as long as the complicated weaponry is.

2. American aid and personnel are essential components of the South Vietnamese military logistics system. Americans assist the Vietnamese in selecting military equipment to be supplied. In paragraph 16, Mr. Martin concedes that the Defense Department official who was quoted as saying, "We Vietnamized the fighting, but we never Vietnamized logistics," made, as the Ambassador puts it, "a correct statement." In paragraph 18, commenting on my report that American personnel "not only see that the South Vietnamese get the equipment and ammunition they ask for but also advise them on what to ask for," Mr. Martin tries to effect a contradiction, but it ends up as a bureaucratic sounding euphemism meaning essentially the same thing—"The DAO (Defense Attaché's Office) assists the Vietnamese to relate their needs to U.S. supply sources."

3. Reports on the efficiency of South Vietnamese military units, written after joint inspections by U.S. and South Vietnamese personnel, are conveyed to the South Vietnamese. That the American assessments of South Vietnamese military performance are given to the South Vietnamese military commanders, perhaps providing some sort of indirect advice.

While reacting strongly to the word "advice," Ambassador Martin nevertheless lets the basic facts stand. In paragraph 19 he writes, "It should be noted that in some cases, U.S. law requires that audits and end-use inspections be conducted by joint U.S./Vietnamese teams. It is not uncommon for an American and South Vietnamese to make an inspection or auditing tour of a military unit together. This is often required procedure." He does not argue with my finding that copies of these efficiency reports are given to Lieut. Gen. Dong Van Khuyen, head of the Logistics Command for the South Vietnamese Joint General Staff.

4. The Central Intelligence Agency maintains close relations with the South Vietnamese National Police, routinely asking the police to gather certain intelligence, then advising them on how to analyze the raw data.

In paragraph 22, Mr. Martin writes, "Certainly, it is true that C.I.A. officers connected with the Embassy meet routinely with police officials. It is hoped that this practice is followed at every Embassy in the world in a continuing effort to keep senior officials of the U.S. as well informed and as currently informed as possible." Mr. Martin does not deny my report based on conversations with two very high-ranking police officials, that the C.I.A. asks the police to gather intelligence, then helps the police make the analysis. He argues that the C.I.A. men do not give advice, but it seems clear that to suggest areas of police inquiry and to suggest ways of interpreting the data constitutes advice of an important kind.

5. Certain American officials in the provinces are referred to as "police advisers" by police officers themselves. Mr. Martin writes in paragraph 23, "That Americans in the provinces maintaining contact with local police officials may, out of habit, still be called 'advisers' does not in any way change the fact that there are no American advisers, formal or informal, of under any device or cover." But Mr. Martin offers no counter-evidence of just what those Americans do when they are "maintaining contact" with the police officials. The police say they give advice.

6. Zealous Americans in the field may occasionally give military advice.

Mr. Martin objects to the suggestion that such advice is ever given, but he does not address himself to the specific incident I reported, in which a well-placed Embassy official told me of a boastful American official in one province describing how he had suggested a military sweep through a communist-held area. This official, who is extremely

well-informed, said such incidents are not uncommon, adding that given old habits, they are to be expected. Mr. Martin acknowledges the habitual use of the term "co van," meaning "adviser," but he declines to deal with the issue of the habitual relationships that sometimes persist as surely in fact as in language.

The fundamental points of disagreement, then, are less on the facts than on the meaning of the facts. Had Ambassador Martin responded to my repeated requests during a period of six weeks that he allow his views to be reflected in this article, then the report would have dealt thoroughly with his interpretations of the facts, of the military situation, of the meaning of the Paris accords and of the continuing American responsibility in Vietnam. Mr. Martin's steadfast determination to see that no United States official offered his views for inclusion in a major article on such an important subject accomplished nothing except to deny the Nixon Administration the opportunity to explain its policies and to provide information to justify its policies. Such views, as expressed in Mr. Martin's cable, would have been most welcome, for they would have enriched the article by giving the American public further insights into the Administration's posture in South Vietnam.

It is disingenuous for the Ambassador to say that he perceived some bias in my questioning as I went about researching this article, and therefore decided not to allow any officials to talk to me. I never had the opportunity to ask any substantive questions at all of any official. We never got past the point of asking for interviews of requesting some statistics. The Embassy's Press Attache, John F. Hogan, Jr., either rejected my requests for interviews or failed to reply to them, and this was the case from the outset. At one point, at the very beginning of my work on this project, I asked for interviews with Defense contractors. The request went unanswered for several days, then was passed to Robert Mueller, who was filling in for Mr. Hogan, who was out of the country. After several more days of delay, I asked Mr. Mueller about the request, and he replied, "They don't want you to interview contractors." (I ultimately saw contractors just by going onto airbases myself and meeting them on the job). This rebuff came without my having asked a single substantive question.

Ambassador Martin attempts to discredit in advance any questioning of the United States role in South Vietnam, whether in the press or in Congress, by implying that such discussion is merely the fruit of a Hanoi propaganda campaign aimed at reducing American aid. It is difficult to know what to add to all that has been said about McCarthyism and Stalinism since the 1950's, except that efforts to blot out dissent and debate by linking it to the enemy are no more attractive now than they were then. It is hard to see which Americans Mr. Martin thinks will find his method of attack convincing in 1974.

I do not care what Hanoi wants. I do not care what Saigon wants. I do not care what Washington wants. I care only what the reader wants. He wants the truth. And insofar as I am able to see and hear and perceive the truth, that is what I will give him. I am the reader's advocate, nobody else's. I do not write for effect or impact. I write to catch a bit of reality and pass it on. Then the reader must take the truth into his own hands and do with it what he may.

I am not as certain as Mr. Martin about the effects of my article on Congress. I am not at all convinced that documenting the essential nature of American aid to South Vietnam will persuade members of Congress to reduce the aid. The article cuts both ways; in detailing the importance of the military assistance, it also gives strong arguments to those who want to see the aid continued to

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maintain the strength and viability of the South Vietnamese Government. In any case, I have no interest in seeing Congress do one thing or another.

It is worth noting that one of the Embassy's top Hanoi-watchers, a well-informed man who reads North Vietnamese newspapers, analyzes North Vietnamese and Vietcong radio broadcasts, examines prisoner and defector interrogations and keeps abreast of intelligence reports, told me several days after Ambassador Martin's cable had been made public that he had never heard of this alleged plan of propaganda by Hanoi.

Ambassador Martin's other arguments fall into several major categories.

THE EXTENT AND IMPORTANCE OF AMERICAN AID

Although, as noted previously, Mr. Martin confirms or leaves unchallenged many of the most important findings of the article—those that document the crucial nature of American military aid to South Vietnam, he simultaneously tries to portray the assistance as somehow less essential, less important, less a part of the South Vietnamese military effort than I describe it. This is the fundamental self-contradiction that marks the Ambassador's entire cable. He denies in his paragraph 6 that Americans are integral to the South Vietnamese logistics system, then in paragraph 16 acknowledges the accuracy of the Defense Department official's statement, "We Vietnamized the fighting, but we never Vietnamized logistics." He denies, in paragraph 14, my finding that a long-term American presence will be necessary if the South Vietnamese are to have continued use of their complex weapons, but in paragraph 12 confirms that only the manufacturers can repair complex components, adding that they do the same for the United States Air Force. He insists, in effect, that the South Vietnamese will be able to take care of their own equipment themselves "within a very short time frame," which he does not specify. And yet he contends, in the next sentence, that Hanoi is campaigning for Congress to cut off this aid to facilitate a Communist victory. The Ambassador cannot have it both ways. Either the American military aid is vital to the South Vietnamese Government or it is not.

A great gap between official labels and hard reality runs through Mr. Martin's discussion of the American civilian contract employees. In his paragraph 4, for example, he describes Ray Harris as a "cleaner of parts," part of a group whose job is "to teach the South Vietnamese." His title is a misnomer. He prepares parts for welding by manipulating a tiny grinder with the dexterity of a surgeon. When I saw him he was sitting in a row of men along a workbench, simply working on a part. He was not teaching anyone, and he told me that although instruction is part of his job, he spends a great deal of his time in "production," a standard term among contractors that means "doing the job yourself," as opposed to "training."

What Ambassador Martin has evidently been told about the degree of training vs. American maintenance, the proficiency of the trainees, the role of the American contractors and other aspects of the work situation is at great variance with what one sees with his own eyes and what he is told by the men on the flight lines and in the repair shops of the South Vietnamese military bases. Those who actually do the work—both Americans and South Vietnamese—are considerably less optimistic than Mr. Martin's experts about the length of time needed for self-sufficiency. Nevertheless, had Mr. Martin made his own assessments or those of his experts available, they would have been reported thoroughly in the article.

In paragraph 18, Mr. Martin states that since the date of my visit to the Bien Hoa engine shop was Jan. 21, the day before Tet,

and a payday, "it is likely that many Vietnamese had taken time off." First, all South Vietnamese armed forces were placed on full alert during that period in anticipation of a possible North Vietnamese attack. So if any Vietnamese air force men had taken time off, they were AWOL. Secondly, one might legitimately ask about the propriety of placing highly-paid Americans on 12-hour-a-day shifts with overtime while the air force men they are supposed to be training are not there. The Ambassador's assertion here simply falls of its own weight. At the end of this paragraph, he misquotes my article, stating, "According to the shop manager, it is preposterous to state that not a Vietnamese was in sight." Quite right, and I made no such statement. I wrote the final assembly line had only Americans working, with no Vietnamese. And that is the case. Our photographs show it. I gave no such description that applied to the rest of the shop.

In paragraph 8, Mr. Martin says that "none of the RLOs [Regional Liaison Officers] is qualified" to give military advice. And yet in paragraph 19, he says they "report on RVNAV efficiency." If they are qualified to report on military efficiency, then they are certainly qualified to give advice. Contrary to Mr. Martin's description of these men as having little or no combat experience, Gerald E. Kosh, a Regional Liaison Officer taken prisoner by the Chinese during the Paracels battle, won a bronze star and a purple heart when he was a U.S. Army captain in Vietnam. The Ambassador's suggestion that South Vietnam officers would probably not heed American advice coincides with my findings, discussed in my 49th paragraph.

In paragraph 7, Mr. Martin calculates the dollar value of military aid differently from the way the Pentagon does. The Embassy told me that it did not know how much military aid was being provided to South Vietnam, so The Times Washington Bureau obtained the figures from the Pentagon, where officials also suggested that most of the increase would be going for ammunition since the expenditure had been higher than anticipated. Mr. Martin's imprecise figure of 20 to 50 per cent less expenditure than during "the last year of the war" contrasts with information provided to me in January by John F. Hogan Jr., the Ambassador's press officer, who quoted General John E. Murray, Defense Attache in Saigon, as saying that the level of resupply in 1973 was only 25 per cent below that of 1972. If the United States is observing the Paris Agreement and is replacing only ammunition that has been used or destroyed, then the rate of resupply should roughly equal the rate of expenditure. Is Ambassador Martin saying that the expenditure may be considerably lower than the resupply? If so, that raises additional questions about the adherence of the United States to the one-for-one replacement rule.

In paragraph 27, the Ambassador responds to an ICCS official's conclusion that the United States has not been observing the one-for-one rule. Mr. Martin tries to avoid a direct disagreement with the official, writing instead, "The ICCS official was quite right, but not in the way Shipley implies." Of course it is not my implication that is the issue, but that of the ICCS official, who was saying clearly that he believed the United States was giving the South Vietnamese more than they were entitled to. Mr. Martin contends that the opposite is true. The United States, he writes, "unfortunately has not been able in one single category to provide one-for-one replacements of all the material lost by the GVN while defending itself from continuing NVA/VC aggression since the cease-fire." This is brand new information, and would have been included in the original article had Mr. Martin given it out beforehand. In January, the Embassy refused to respond to a series of questions about resupply, one of which asked whether

the Government had asked for anything that had then not been provided.

In October, the Embassy did respond to the same questions, but listed only 9 tanks as having not been replaced. Now Mr. Martin's new information adds another tangle to the issue. If, as he says, ammunition expenditure was possibly as much as 50 per cent less than the previous year, and if as Gen. Murray says, resupply was only 25 per cent less, how then could the United States be falling short of one-for-one replacement, at least of ammunition?

In paragraph 26, Mr. Martin does not explain how an airplane that is considerably more maneuverable and that flies at the speed of mach 1.6 can be—under the Paris Agreement—"of the same characteristics and properties" as a plane that flies at mach 1.4 with less maneuverability. Nowhere does the Paris Agreement say that the "same characteristics and properties" criterion is waived if the lost weapon "is no longer available."

In any event, the United States supplies every rifle, airplane, jeep, truck, mortar, bullet, bomb and artillery shell used by the South Vietnamese armed forces. It pays for every gallon of fuel, every spare part, every uniform, canteen and two-way radio. Mr. Martin's denial notwithstanding, it provides two forms of economic aid that do pour money into the Government's defense budget, which pays troops' salaries. One is the Commercial Import Program, budgeted at \$276-million during 1973. Under the program, a Vietnamese importer orders some goods, such as steel, through the United States Government, which then buys the commodities with dollars, sells them to the importer for Vietnamese piasters and turns the piasters over to the South Vietnamese Government for use throughout its budget. Fifty-three per cent of the Government's 1973 budget went for defense. The second program is Public Law 480, or "Food for Peace," in which the United States provides food by means of a similar mechanism as 80 per cent of the piasters are placed directly into the South Vietnamese defense budget. The remaining 20 per cent are used to pay the Commercial Import Program, except that U.S. mission expenses in Vietnam, PL-480 totaled \$143-million in 1973.

CEASE-FIRE VIOLATIONS

Ever since the cease-fire went into effect on Jan. 29, 1973, American newspapers, news magazine, and radio and television newscasts have been full of eyewitness accounts by American correspondents of specific cease-fire violations initiated by both the Communists and the South Vietnamese. Newsmen have reported on interviews with villagers who have been the victims of some of these attacks, and on detailed descriptions by Government soldiers, who never seem to hesitate to tell about their offensive against Communist-held areas. Scarcely a day goes by without the wire services reporting Government announcements of military action, either by the Communists or by itself. At least several times each week, those of us in the Saigon Bureau of The Times recommend to our editors in New York that they run such stories, and the most important ones are carried routinely in the paper.

On the anniversary of the signing of the Paris Agreement, just one month before my article on American military aid, The Times ran a front-page story by the Saigon Bureau Chief, James M. Markham, reporting on the continuing war, detailing the military actions by both sides. Just a week before my story, Mr. Markham's series on his visit to a Vietcong area was published in which he described being on the receiving end of Government shelling of the Communist-held civilian village where he was staying. Not long before, a CBS television crew filmed such shelling of Vietcong vil-

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lages. Virtually every correspondent who has been in Vietcong areas has witnessed incoming Government artillery fire. The American civilian Homer Elm, an employee of Pacific Architects and Engineers who was captured by the Vietcong, described in a news conference after his release the Government shelling and bombing that hit Vietcong territory day and night. Last fall, Tom Lippman of The Washington Post witnessed napalm strikes by Government aircraft against North Vietnamese troops in Binh Dinh Province. Mr. Markham saw napalm used in Tay Ninh Province about the same time. I watched Government shelling just west of Cai Lay in the Mekong Delta. The artillery was directed against some Vietcong flags tied to some trees; there was no return fire from the Communists.

Government Regional Force troops, including a battalion commander, described to me how Government air strikes and artillery barrages culminating in ground assaults drove ill-prepared Vietcong troops from a coastal area including the village of Hoa My, which the Communists had held since the 1972 offensive. The villagers confirmed that the Government attack had taken place, and told of spending much of their lives in bunkers to avoid the frequent bombing and shelling that preceded the assault. James F. Clarity of The New York Times interviewed Government fighter pilots who told him of their bombing missions. All these incidents were reported in the press. Front-page treatment in The Times was given to the North Vietnamese attack against two Government outposts in Quang Duc Province. The Communist shelling of Bien Hoa airbase and the sabotage of the Nha Be fuel depot were all reported fully. The Government itself announced that its planes had bombed Loc Ninh, a town about 75 miles north of Saigon that serves as a Vietcong administrative headquarters. The bombers so damaged the airstrip that during the last prisoner exchange, the Government could no longer fly released prisoners in by cargo plane, as they had done last July; they had to use helicopters.

The examples go on and on. It is hard to imagine that any reasonably diligent newspaper reader or television news watcher can fail to be aware of the large number of specific cease-fire violations by both sides. An article dealing in depth with a complex subject such as United States Military aid ought not devote itself to a lengthy reiteration of previously-reported incidents, but rather summarize the general situation that the incidents reflect, placing those summaries in the context of the subject at hand. I realize that in so doing, the correspondent writes on the assumption that the reader brings to the article a certain level of knowledge and sophistication, but I think that is a safe assumption for most New York Times readers.

In this context, one of Mr. Martin's main arguments—that my article fails to document specific South Vietnamese violations—loses all significance. I summarized both Communist and South Vietnamese violations, noting that the Government would "take the offensive at times, launching intensive attacks with artillery and jet fighters against Vietcong-held territory," and observing that "Government troops . . . have been seen recently by Western correspondents spraying artillery across wide areas under Vietcong control. . . ."

As for the Communists, I wrote that they "have maintained military pressure throughout the country, mostly with artillery and rocket attacks on Government outposts and, from time to time, with devastating ground assaults against Government-held positions."

Given these sentences, high in the story, it is impossible to understand how Ambassador Martin can write, in his paragraph 8, "Since there is no mention of the thousands of NVA/VC violations of the cease-fire, the only

logical assumption is that Shipler considers it a violation of the Paris Agreement only when the GVN responds to these attacks." His entire analysis in this area is based on a serious misreading and, in one instance, a misquotation that forms the basis of a long line of argument.

That occurs first in his paragraph 10, where he misquotes my sentence that reads as follows:

"United States intelligence officials contend that continuing American aerial reconnaissance, as well as prisoner interrogation and radio monitoring, shows that the North Vietnamese have sent thousands of troops and hundreds of tanks and artillery pieces south in violation of the Paris agreements." When Mr. Martin quotes that sentence in his cable, he omits the words "troops and hundreds of." Twisting the sentence so it appears to have read, "Thousands of tanks and artillery pieces." Then he makes a convoluted analysis based on the misquote, arguing that "Shipler's use of the word 'thousands' gives the intended impression that the U.S. has exaggerated the infiltration of NVA weaponry." He comes back to capitalize on his own error later, in his paragraph 27, stating incorrectly, "Nor does he mention anywhere in his article the infiltration of combat troops from North Vietnam since the cease-fire, a fact well known to him." Actually the infiltration of troops was mentioned twice in my article, once in the high paragraph previously quoted, and later in a paragraph toward the end: "He [the Ambassador] is reported to have pressed Washington to provide new weapons for Saigon to counteract the infiltration of troops, tanks and artillery from North Vietnam since the cease-fire."

Far from attempting to convey skepticism about the U.S. intelligence reports, I tried merely to describe the manner in which they have been issued—as contentions. Simultaneously, I sought to give the reader some hard indication of the various sources of these reports— aerial reconnaissance . . . prisoner interrogation and radio monitoring," so that he could make up his own mind about them.

Mr. Martin's description of the military situation can be found in his paragraphs 4 and 8. "The course [of the war] is set by the continuous and continuing Communist buildup and efforts of the RVNAF to protect the population, land and resources under GVN control at time of the cease-fire from actual military attacks mounted by the other side." Then he says that South Vietnam's offensive actions were "retaliatory strikes such as the ones made after the Communists shelled the Bien Hoa air base and later destroyed the Nha Be petroleum storage tanks . . . the GVN has publicly announced policy of taking retaliatory action whenever the NVA/VC forces so attack GVN installations." These statements, of course, duplicate those of the Government and parallel those of the Communists, whose propaganda since the cease-fire has hinged on the theme that their military strikes are merely "punishments" for the "Saigon Administration's land-grabbing operations." Neither side's propaganda is at all convincing, for if we were to accept both versions, it would mean that nobody is really violating the cease-fire at all. Obviously, both sides are.

THE SPIRIT OF THE PARIS AGREEMENT

Mr. Martin writes that Hanoi's sense of the accord's spirit was "that the Americans would deliver South Vietnam bound hand and foot into their hands." That may have been Hanoi's idea, but, curiously, the Ambassador gives us no indication of Washington's view of the spirit of the agreement. Instead, he simply sets up a straw man and knocks it down. The best sense of the agreement's spirit, as it relates to the United States, is probably found in Chapter VIII of

the accord itself, part of which reads as follows:

"The United States anticipates that this Agreement will usher in an era of reconciliation with the Democratic Republic of Vietnam as with all the peoples of Indochina. In pursuance of its traditional policy, the United States will contribute to healing the wounds of war and to postwar reconstruction of the Democratic Republic of Vietnam and throughout Indochina . . . this will ensure stable peace in Vietnam and contribute to the preservation of lasting peace in Indochina and Southeast Asia."

The United States might argue that the Paris Agreement was too visionary, that its goals were elusive from the start, that its language was falsely optimistic as a description of U.S. expectations. It is clear from Ambassador Martin's cable that the United States does not anticipate "an era of reconciliation." But certainly as long as the document exists, a correspondent cannot be blamed for using it as a benchmark against which to measure the behavior of the signatories.

Since the cease-fire, the course of the war has been set less by the use of infantrymen on ground sweeps than by the use of relatively long-range weapons. At dusk, firebases routinely begin shelling communist areas, whether or not an attack has been launched. Communists send rockets or artillery into Government areas. Government planes fly scores of bombing missions a day. Lately the Government has been on a series of "mini-offensives" that attempt to clear areas of Communist troops, and these offensives depend entirely on heavy bombing and artillery attacks, followed by sweeps of troops. This kind of war could not be carried on without enormous supplies of ammunition and highly-skilled technicians to maintain the machines. For this, the United States support is essential. The Pentagon released figures recently that show that under the one-for-one replacement in the first year after the cease-fire, the United States provided 54,291 five-hundred-pound bombs, for example, and 25,172 two-hundred-fifty-pound bombs. That is a lot of bombing. There were also 5,810 napalm bombs, 111,786 aerial rockets, 26,792,100 rounds of 7.62 mm machine-gun ammunition, 689,464 rounds of 20mm ammunition, and 180,412 tons of ground ammunition, which includes artillery shells and small arms. This gives some idea of the extent of the fighting, especially if, as Mr. Martin asserts, the expenditure has exceeded the one-for-one replacement capability of the United States.

POLITICAL RECONCILIATION

Again, Ambassador Martin could have had his analysis of the political situation in South Vietnam made part of my article had he chosen to do so. In the absence of his views, I relied on those of other diplomats in Saigon who have watched events closely; many of their versions differs from Mr. Martin's. Again, too, the Ambassador's argument is more with the provisions of the Paris Agreement than with me. It is the Paris Agreement that provides for all the freedoms necessary to genuinely democratic elections. If the Communists are using the tactic, as Mr. Martin puts it, "to insist on the items enumerated by Shipler—particularly access to the press," then they are merely invoking the Paris Agreement. If the Ambassador disagrees with the provisions of the Paris Agreement then he should say so. Chapter IV, Article 11 reads as follows:

"Immediately after the cease-fire, the two South Vietnamese parties will:

Achieve national reconciliation and concord, end hatred and enmity, prohibit all acts of reprisal and discrimination against individuals or organizations that have collaborated with one side of the other;

Ensure the democratic liberties of the people: personal freedom, freedom of speech,

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freedom of the press, freedom of meeting, freedom of organization, freedom of political activities, freedom of belief, freedom of movement, freedom of residence, freedom of work, right to property ownership and right to free enterprise."

The events in the political sphere since the cease-fire are precisely as I described them in my story. Mr. Thieu has offered elections, but without the freedom to meet, organize, have views disseminated in the press, etc. If Ambassador Martin is correct that the Communists would get only 10 percent of the vote, why is Mr. Thieu hesitating to allow them to campaign in an election? It is as if the Republicans told the Democrats that they could run, but that no newspaper or radio or television station could report their views or even carry the names of their candidates, that no candidate could pass out leaflets, buy advertising or hold rallies without being arrested or subjecting his followers to arrest, that nobody in Democratic strongholds could vote and that the Republicans would supervise the polling places, count the ballots and announce the results. At the present time, Communists and suspected Communists are still being arrested and imprisoned in South Vietnam—anyone can walk into the Military Field Court in Saigon and watch their trials. Meetings of opposition Deputies are routinely broken up by the police. The Vietcong are no more tolerant of dissent, and one might argue that truly free elections just cannot happen in this country. But it is just wrong to say that the Government is proceeding in accord with the Paris Agreement, and I doubt that Mr. Martin really believes that.

MISCELLANEOUS POINTS OF DISAGREEMENT

These are brief responses to the additional points of Mr. Martin's following paragraphs:

Para. 12—Within 10 days after writing this cable, Mr. Martin apparently changed his mind about the importance of Russian and Chinese resupply limits. In an on-the-record interview with Philip A. McCombs of the Washington Post, he said that the Soviet Union and China "are not resupplying with massive weapons of war as they have continuously over the past years." His other point about less ammunition needed for fixed targets is well taken, and would have been mentioned in the story if he had allowed me to interview him or his subordinates.

Para. 15—The main point of including contractors' political observations was not to report on Vietnamese attitudes, but on the views of the Americans, and to give the reader some insight into the relationships that exist among the Americans and the Vietnamese whom they are supposed to be teaching and helping. That must have been clear to most intelligent readers.

Para. 17—The fact that DAO had planned to dismantle itself came from Mrs. Ann Bottorff, public affairs spokeswoman for DAO. Mr. Martin's figure of 1,015 DAO employees conflicts with the figure provided by John F. Hogan, Jr., the Ambassador's Press Attaché. He gave me a Xeroxed, typed sheet of paper listing the number of Americans in each department. The figure for DAO was 1,147, which we rounded off to 1,150. His paper also listed 4,000 contract employees as of July 1, 1973. I wrote originally that the current figure of 2,800 was "down from 4,000 last July." This was changed on the copy desk to "down 2,200 since July." Obviously the figure should have been 1,200—the difference between 2,800 and 4,000. Apparently there was a subtraction error or a typographical error on the desk. In any case, Mr. Hogan's figures still contradict Mr. Martin's.

Para. 24—Torture by police and arrest of political dissidents have been documented frequently in the past, and will be so again in the near future. Two non-communist dis-

sidents in particular have been written about by the press recently—Tran Ngoc Chau and Huynh Tan Mam.

Para. 25—After I telephoned Ernie Bush, director of Computer Science Corporation, to ask for an interview (which he said he was willing to give) he informed me that he had been told by John W. Holmes, United States Agency for International Development official in charge of the Information System Center, that he (Bush) could not speak with me until he obtained approval from John F. Hogan. I spoke with Mr. Holmes on the phone, and he confirmed that his superior, whom he did not name, had ordered Mr. Bush to deny me an interview unless approved by Mr. Hogan. I spoke to Mr. Hogan, and Mr. Holmes said he would also speak to Mr. Hogan, but Mr. Hogan never gave his permission. Apparently the Ambassador was never informed of this, for he denies in his cable that the Embassy ordered any contractor to refuse to see me. The Lear-Siegler incident took place in Danang, where Virgil L. Norman, Lear-Siegler's manager on Danang airbase, told me regretfully that his company had been ordered by DAO not to give the press any information, and that such a stipulation was even written into the company's contract with the Defense Department.

Para. 27—Mr. Martin's lengthy recitation of the Government position here does nothing to change the fact that neither side has been willing to let the ICOS function, either in inspections or in auditing incoming war material.

Para. 28—Ambassador Dubrow was answering my specific question about whether Mr. Martin or General Murray had indicated that they were pressing Saigon to observe the cease-fire. His answer is reported in full, and I don't think it conflicts with Mr. Martin's version of his answer.

DAVID K. SHIPLEY.

Saigon, March 22, 1974.

NEW AMTRAK SERVICE: A TRIBUTE TO SENATOR TAFT

MR. HUGH SCOTT, Mr. President, I would like to take this opportunity to express my sincere gratitude to my distinguished colleague and friend, Senator ROBERT TAFT, for the leadership he provided in the effort to initiate Amtrak rail passenger service between Boston and Chicago via Erie, Pa. and Cleveland and Toledo, Ohio.

The proposal for this train was Senator TAFT's, and since last October he has worked hard to demonstrate the economic and technical feasibility of the water level route. I am pleased to say that he had the support of myself, Senator RICHARD SCHWEIKER, other members of the Pennsylvania congressional delegation and the Pennsylvania Department of Transportation.

Senator TAFT was in the forefront of this movement from the beginning. He called and chaired the meeting on March 20 of this year, where the supporters of this service, myself included, presented our views to the Secretary of Transportation, Claude S. Brinegar. Senator TAFT also did extensive research to prove that the necessary passenger equipment was available to run the train.

The June 27 announcement that the U.S. Department of Transportation had designated Boston-to-Chicago as the experimental Amtrak route for this year was a well deserved triumph for Senator TAFT, and for all of those Members of Congress who worked with him for this

designation. We owe him our sincere thanks for his leadership.

ADDRESS BY SENATOR JOHN SHERMAN COOPER AT COMMENCEMENT EXERCISES, GEORGETOWN UNIVERSITY LAW CENTER.

MR. ALLEN, Mr. President, one of the ablest and most distinguished Senators ever to serve in the U.S. Senate was the Honorable John Sherman Cooper of Kentucky, who retired from the Senate in January 1973, greatly admired and revered by his colleagues and by the people of his State and Nation whom he had served so well.

The Senate has missed Senator Cooper, his towering intellect, his noble character, his lofty ideals, and his wise counsel.

Recently, Senator Cooper was honored by Georgetown University which conferred on him its honorary doctor of laws degree. On this occasion Senator Cooper delivered the commencement address on a subject that is most timely in the light of the tremendous problems facing the Congress and the Nation.

Since Senator Cooper cannot now give us the benefit of his views in a speech delivered in this forum, the next best thing would be to have a speech by him printed in the RECORD where all Senators may see and read it, and where it can be read by historians, political scientists, and other interested citizens. I ask, therefore, unanimous consent that Senator Cooper's speech together with a copy of the honorary degree conferred on Senator Cooper by Georgetown University Law Center be printed in the RECORD.

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

THE HONORABLE JOHN SHERMAN COOPER
THE PRESIDENT AND DIRECTORS OF GEORGETOWN
COLLEGE, TO ALL WHO SHALL VIEW THIS
DOCUMENT: GREETINGS AND PEACE IN THE
LORD

We honor a man today whose career has shown that the opportunity for public service is a privilege to be cherished, not a chore to be avoided. A skilled lawyer, he has served in all branches of our government as a member of the legislature and judge in his native Commonwealth, as a member of our armed forces in the fight against Nazi aggression, as an Ambassador as well as a trusted advisor to both parties in the field of foreign affairs and finally as a senior and respected member of the Senate of the United States. All of these duties he carried out with courage and with a dignity that has been enhanced, not diminished, by a good sense of humor and a deep sense of personal humility.

Most importantly he has carried out these duties with a deep-grained sense of personal integrity which has been a source of inspiration to all who have worked with him. His life has made it clear that he is "one who is above doing a mean, cowardly or dishonest action, whatever might be the temptation; one who forms his own standard of right and will not swerve from it; one who regards the opinions of the world much but his own self respect more."

We are now living in a time when the atmosphere is such that many young people are shunning public service. If the republic is to survive, this must not continue to be the case. Georgetown University honors itself by honoring one who has shown that this need not be the case, one who has spent most