VANCE NOMINATION

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

NOMINATION OF HON. CYRUS R. VANCE TO BE SECRETARY OF STATE

JANUARY 11, 1977

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VANCE NOMINATION

TUESDAY, JANUARY 11, 1977

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

The committee met, pursuant to notice, at 10:05 a.m., in room 4221, Dirksen Senate Office Building, Hon. John Sparkman, chairman of the committee, presiding.

Present: Senators Sparkman, Church, Pell, McGovern, Humphrey, Clark, Biden, Matsunaga, Zorinsky, Case, Javits, Percy and Danforth.

Also Present: Senator Moynihan.

Also Present: Mr. Pat Holt, chief of staff.

The CHAIRMAN. Let the committee come to order, please.

OPENING STATEMENT

The Foreign Relations Committee of the Senate meets this morning to consider the prospective nomination of Mr. Cyrus R. Vance to be the next Secretary of State of the United States.

Mr. Vance is no stranger to any of this committee's members, or to Capitol Hill, or to the executive branch of Government. I personally have known him for at least 20 years. In fact, back in the late 1950's, he worked as a staff member of the Senate Armed Services Committee and also on the Special Committee on Space and Astronautics.

I am sure that experience bodes well for our mutual relationships in the future.

In addition, he has served in the U.S. Navy, also as Secretary of the Army and as Deputy Secretary of Defense. He was one of President Johnson's negotiators at the Paris Peace Talks and served as the President's special representative during various crises in Panama, the Dominican Republic, Cyprus, and South Korea.

Other special assignments found Mr. Vance representing the President during those terrible days in the late 1960's when urban strife broke out in the streets of Detroit and Washington, D.C.

During the past few months I have given a fair amount of thought to the events of the past few years. We have seen the end of the Post-World War II era, the end of Vietnam, and Watergate. On January 20 the United States will inaugurate a new President and see the birth of a new administration. This provides a new opportunity to put the divisions of the past behind us and to develop a foreign policy based on a sober assessment of the national interests and the national capabilities of the United States.

We must first give our attention in my judgment to the economic malaise which threatens the underpinnings of the Western World. Scarcely less urgent are our relations with the Soviet Union, with

China, and the problem of how to gain control of nuclear energy—not only the overgrowing capability of the super powers for global destruction, but also the ever-spreading proliferation of nuclear weapons.

I want to assure you, Mr. Secretary, that in grappling with these and other problems you will find this committee a willing and cooperative partner. I emphasize "partner," as the agent of the Senate in performing special foreign policy functions given to the Senate by the Constitution.

I am confident also, Mr. Secretary, that you will find the committee nonpartisan. If we differ, it will not be for partisan reasons. I am encouraged to believe, however, that working together we can develop a greater consensus than has existed.

With that positive outlook, Mr. Vance, I welcome you to the Foreign Relations Committee.

Before we hear from you, however, I am sure that your long-time friend, and mine, the ranking minority member of the Foreign Relations Committee, Clifford Case of New Jersey, would want to say a word. Unfortunately Cliff has not yet come in, but he will be here later and we will give him an opportunity to say something at that time.

We, as I say, are very glad to have you. I notice you are flanked by your two New York Senators, each one of whom wishes to say something on your behalf.

I will first call on the senior Senator, Senator Javits, who, by the way, is a member of this committee.

STATEMENT OF HON. JACOB JAVITS, U.S. SENATOR FROM NEW YORK

Senator JAVITS. Thank you, Mr. Chairman.

From a lifetime of experience and relationship in the profession of the law and in the public domain, where I have encountered Cyrus Vance as the President's negotiator and in many other capacities, I commend him highly to the committee.

His life's story is very open and he has been submitted to questioning many, many times. I can affirm the fact that he is one of New York City's most eminent sons. He is a tremendous factor in the morale and the moral character of the city. To give the committee one example, we are all deeply concerned about the future of New York and who will be the next mayor. When I came to make a list of the eminent citizens that should be consulted by me insofar as I was going to try to be helpful on that subject, Cy Vance headed the list. I think that is the measure of the man.

Now, Mr. Chairman, I wish to promise you that this will not diminish the intensity with which I shall question the nominee. But as to his fitness and ability to be the Secretary of State of the United States, I can only say that Jimmy Carter has done well.

Thank you.

The CHAIRMAN. Thank you, Senator Javits.

We are glad to welcome to the committee this morning the junior Senator from New York, Senator Moynihan.

I have told this story on our old friend, Pat Moynihan. I got a letter from him one day and when it came in, I thought to myself, "Well,

good. He is going to say he wants to get on the Foreign Relations Committee." When I read the letter my feathers fell because he was asking my support on the selecting committee to put him on the Finance Committee.

Regardless of that, we are very glad to hear from you at this time, Senator Moynihan.

STATEMENT OF HON. PATRICK MOYNIHAN, U.S. SENATOR FROM NEW YORK

Senator MOYNIHAN. Thank you, Mr. Chairman.

Mr. Chairman, you have heard how bad things are in New York. It is not just that some of us can't afford to be on the Foreign Relations Committee, but it has reached the point where people would rather be Secretary of State than mayor of that city [laughter] that would suggest some extremity.

I would scarcely add to your remarks and to those of Senator Javits, sir. I would simply like to make the one further comment that Cyrus Vance is not merely a distinguished New Yorker. He is a member of the New York Bar and for the past 2 years has been president of the bar, a distinction which has added to its eminence, perhaps, rather than to his.

It is a great honor to join Senator Javits in sponsoring my friend to this committee. He is indeed a distinguished American.

The CHAIRMAN. Thank you very much.

10-MINUTE RULE

Let me say to the members of this committee that we will be operating under the 10-minute rule this morning. Please keep your eyes on these lights over here [indicating]. You will see that the green light gives you the go-ahead. When the one in the middle, the yellow light, comes on, it is a warning that you have 1 minute more. When the red light comes on, that cuts you off.

If we will do that, we will be able to go around the table pretty well.

Senator CHURCH. Mr. Chairman, do the lights limit our questions or Mr. Vance's answers?

[General laughter.]

The CHAIRMAN. It includes both.

[General laughter.]

The CHAIRMAN. When Senator Case comes in, I will ask him to make some opening remarks.

MR. VANCE'S BIOGRAPHICAL SKETCH

We do have Mr. Vance's biographical sketch and that will be placed in the record.

[The information referred to follows:]

BIOGRAPHICAL SKETCH OF CYRUS VANCE

Vance, Cyrus Roberts, B.A., LL. B.; American lawyer and fmr. government official; 27 March 1917, Clarksburg, W. Va.; *s.* of John Carl and Amy Roberts Vance; *m.* Gracie Elsie Sloane 1947; one *s.* four *d.*; ed. Kent School and Yale Univ.

Lieutenant, U.S. Navy 42–46; Asst. to Pres. The Mead Corpn. 46–47; Simpson, Thacher and Bartlett, N.Y. (law firm) 47–61, Partner 56–61, 69–; Special Counsel, Preparedness Investigating Subcttee., Cttee on Armed Services of the U.S. Senate 57–60; Consulting Counsel to Special Cttee. on Space and Astronautics, U.S. Senate 58; Gen. Counsel, Dept. of Defense 61–62; Chair. Cttee. Adjudication of Claims of the Admin. Conf. of the U.S. 61–62; Sec. of the Army 62–64; Dep. Sec. of Defense 64–67; Pres. Johnson's Special Envoy on Cyprus Situation 67, on Korean Situation 68; negotiator at Paris talks on Viet-nam 68–69; Dir. Pan American World Airways 69–; Chair. Board of Rockefeller Foundation; Pres. Bar Assen. of City of N.Y. 74—; mem. Board of IBM (Int. Business Machines Corpn.), New York Times Co.; mem. U.S. Supreme Court, American Bar Assen., N.Y., State Bar Assn.; Fellow, American Coll. Trial Lawyers; Medal of Freedom 69.

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Telephone: 212–483–9000.

Source: International Who's Who, 1976–77, Fortieth Edition.

MR. VANCE'S FINANCIAL STATEMENT

Do we have a financial statement of our candidate on file?

Mr. HOLT. Yes, Mr. Chairman.

The CHAIRMAN. That financial statement will be held by the committee. It is confidential. Any member may examine it here in the committee room. We do not allow it to leave the committee room. It will be placed in our confidential files and kept there. I think the rule we usually observe is we keep it there for the time that the Secretary serves and for 2 years thereafter. That will be observed.

We had Secretary Vance before us informally yesterday afternoon. I think we questioned him rather closely. However, there will, of course, be questions that we will want to put on the public record.

Senator Church, would you please start off?

Senator CHURCH. Thank you, Mr. Chairman.

POSSIBLE CHANGES IN U.S. FOREIGN POLICY

Mr. Vance, we have just come through an election campaign in which there was a lively debate on foreign policy matters. I think as a result of the election there is the expectation that the new President will be initiating changes in American foreign policy.

I wonder if you might headline for the committee what you think some of those changes may be, and what your own view may be respecting that.

STATEMENT OF CYRUS VANCE, NOMINEE TO BE SECRETARY OF STATE OF THE UNITED STATES OF AMERICA

Mr. VANCE. Thank you very much, Senator Church. I would be very happy to do that.

First, let me start by briefly sketching what I would consider to be the fundamental policy principles which one could expect to guide the development of foreign policy during the next administration.

Let me say that in doing this I run the risk of vastly oversimplifying the problem. But with that caveat at the outset, let me try.

The first principle is the maintenance of peace. This depends upon healthy alliances, American strength, creative efforts to facilitate the resolution of regional disputes, as, for example, the problems of the Middle East. In this connection I think we must remember that Amer-

ican strength and leadership abroad proceed first from a strong America at home—strong in our economy, strong in our cohesiveness, strong in our confidence and our commitment to fundamental values.

The second principle is a public confidence in our foreign policy requires confidence in how those policies are made. This, in my judgment, has at the heart of it a close and cooperative relationship between the executive branch and the legislative branch. I do not believe that we can develop or properly implement American foreign policy without the closest cooperation between these two branches of the Government.

I pledge myself and this administration to that end.

Next, I believe that we must have openness, and toward that end all that can properly be disclosed in open sessions should be disclosed in open sessions. There will obviously be times when things cannot be, but the guiding principle will be that we will try and be as much open as possible. I know that the President-elect intends to communicate openly with the American people through the process of fireside chats in discussing foreign policy as well as domestic policy.

I intend to meet once a month with the press, if not more often because of special circumstances, and hold a press conference to discuss with them whatever questions they may have.

The third principle is the need for clear, easily understood, substantive priorities that will contribute to building the world that we want to live in. I have four particularly in mind.

First is a strengthening of cooperation among our allies. This is central to everything else.

Second, East-West relations are critical because they affect the question of world peace. In my judgment we should pursue the lessening of tensions with the Soviet Union in an active and aggressive way, particularly in the area of the reduction and control of nuclear weapons.

Further, I believe that we should seek a clearer understanding between the U.S. and the Soviet Union on the meaning of détente so that we understand better how each of us perceives the process to operate. I think this is possible and can be done. In saying this, I do not believe that we will not continue to have political competition. I think indeed that we will have political competition with the Soviet Union. But I do think it is important to have a better understanding of what the ground rules are and what we can expect of each other.

Let me note that I do not think that the preoccupation with these vitally important issues should so dominate our foreign policy that we neglect other critical issues which are growing increasingly important.

Let me turn to them.

These I consider to be of cardinal importance: I believe we must keep our eyes fixed on long-term objectives as well as on immediate political crises. These long-term objectives include control of nuclear arms and nuclear proliferation, economic development and the dignity of the developing world, energy, food, population, environment, and conventional arms transfers.

These are the global issues which will determine how the next generation lives, and even whether it lives.

I note, as all of you know better than I, that foreign policy is increasingly intertwined with economic policy. These sets of intertwined issues in my judgment are going to be some of the most important and complex issues with which we will be dealing in the years ahead. Indeed, I believe as we look over the next 5 to 10 years, we may find that these issues will be replacing many of the security issues which have so dominated the foreign policy agenda in the last 10 or 20 years as the most important issues with which we have to deal.

Finally, we must have policies based upon fundamental values. In particular, we must stand for human rights. Without being interventionist I believe we can make this concern a major focus of our foreign policy calculations.

I apologize for the condensation of these many and complex problems. But perhaps this will serve as a basis from which to start our discussion.

COMMENDATION OF MR. VANCE'S STATEMENT

Senator CHURCH. Thank you very much, Mr. Vance. You have done us a service by using the first question as an opportunity to present is précis form what would otherwise be an opening statement. My chairman tells me that my 10 minutes will run from this point. But I will, at this moment, defer to any opening remarks that Senator Case may wish to make before I continue.

The CHAIRMAN. Let me say this before Senator Case speaks.

I do think this is a very fine opening statement. I had understood that he did not have an opening statement. We will count this as such. I think it might be very well for us to have a copy inserted in the Congressional Record. I think it will be very fine to make this available to all of the readers of the Congressional Record.

Pat, would you please see to it that that be done?

Mr. HOLT. [Nods affirmatively.]

The CHAIRMAN. Now I will call on Senator Case for any opening remarks he may wish to make.

STATEMENT OF SENATOR CASE

Senator CASE. Thank you, Mr. Chairman, and thank you, my colleague from Idaho.

Mr. Secretary, I shall not, for reasons, which I guess ought be obvious to everybody, indulge in an explication of the reasons for my satisfaction with the President-elect's recommendation of you to us for this important job. My satisfaction runs very deep on both personal grounds and on grounds related to my convictions. He could not have done better for the sake of the country and for the sake of the world.

Thank you, Mr. Chairman.

The CHAIRMAN. All right. Senator Church, you may start your 10 minutes.

Senator CHURCH. Thank you, Mr. Chairman.

Before I begin my questions, I just wanted to join in the sentiment that has been expressed by Senator Case. I feel the same way and I am sure the other members of the committee join in that. We offer our best wishes for your success.

Senator PELL. We do, indeed.

Mr. VANCE. Thank you very much.

CHARACTER OF GOVERNMENTS WE SUPPORT WITH AID PROGRAMS

Senator CHURCH. We know the big burden you are assuming.

I would like to go to the last point you made in connection with the major objectives of foreign policy as you envision them. That point has to do with policies that are based on fundamental values.

This came up time and time again during the foreign policy debates during the recent national campaign. I for one am very happy that you have listed this as a point of departure for your own policy because I think that our foreign policy should reflect our values as a country. If we are going to mean anything to the world, we have to be true to ourselves.

I would hope that this will translate into some refusal on the part of the administration to continue to extend military and economic aid to regimes that are systematically engaged in the repression of human rights, at least in the absence of overriding considerations of national security that might require us to adopt a different policy. Do I understand that by placing greater emphasis upon these fundamental values we can expect that your administration of the State Department will take into greater account the kinds of governments we are supplying aid to in the future?

Mr. VANCE. Yes; you can.

Matters of human rights will be given a greater emphasis with respect to those decisions. But I think it is important to make the point that you did; namely, that there are cases in which the security aspects are of overriding importance and that that has to be borne in mind.

Senator CHURCH. Of course.

I can think of many countries to which we have given large amounts of aid under previous administrations that have had little or no impact upon the national security of the United States. I am encouraged by your statement that more attention will be given in the future to the nature and the character of the governments which we support with our aid programs.

FUTURE POLICY CONCERNING COVERT OPERATIONS

Mr. Vance, the other side of the coin in the matter of human rights and fundamental values has to do with the methods that we use. Everyone knows today that under both Democratic and Republican Presidents in our recent past we have intervened through covert operations in many countries with a will, indeed with a zeal. Now these covert operations were unconnected with the gathering of central intelligence information, but were secret undertakings in foreign lands to manipulate political events in ways thought to be advantageous to the United States.

Our methods were justified on the grounds that we must use them because the Russians do. They have embraced all of the black arts of covert operations—bribery, false propaganda, physical coercion, abduction, indeed even attempted assassination of foreign leaders.

I don't know how we can be true to our own values as a country and continue to believe that it is our right to use such methods; though again, I recognize that in extremity a nation must do what is needed to assure its own survival. But we are not discussing cases of extremity, and the habit of the past has been to intervene in these ways in the affairs of other lands, even when the objective was purely technical.

Now I would like your own view on this. If method is the essence of whether or not we do adhere to our professed values as a nation, what are your views and what will be your policy as Secretary of State when it comes to decisions with respect to secret interventions in the affairs of other lands?

Mr. VANCE. I am very happy to give my views on this.

Let me say by way of background that these kinds of covert actions have been going on for a long time. They were going on when I was in the Government, and I was part of the oversight committee at one point in connection with them. So I have thought long and carefully about this subject.

I have come to the conclusion that covert actions—and I distinguish between covert collection of intelligence on the one part and covert actions against other countries, and I am talking about the latter—I am convinced that covert action against other countries should be carried out only in the most extraordinary circumstances. I believe that procedures should be established so that if there is a proposal to carry out a covert action, that it first has to be passed upon by a committee of the senior Cabinet officers, to include the Secretary of State, the Secretary of Defense, the National Security Adviser, and importantly in my judgment, the Attorney General of the United States.

I feel very strongly that the Attorney General of the United States should participate in the decisionmaking process by which the decision is arrived at which goes to the President of the United States. I think then that the President of the United States should personally approve in writing saying that he believes this to be vital to the national security and so endorse the carrying forward of this extraordinary circumstance.

I then feel that notice should be given in advance to the appropriate committee or committees of the Congress so that they can provide their views to the President if they disagree with the proposal.

I do not believe that the Congress should have a veto in that regard because I think that splits the responsibility. But I think that it is very likely that if the congressional committee said to the President, "We want to come in to see you as we have great concern for what is being proposed here," this would have great weight with any President as to whether he would then go forward with the operation.

Finally, I believe there should be an adequate monitoring system so that once a covert action is approved, one keeps on top of it to determine what is happening, how it is proceeding, and whether it should be terminated.

Unfortunately, experience in the past has shown that these develop a life of their own. Once started they are hard to turn back.

Senator CHURCH. I am very much reassured by your answer, Mr. Vance. I think it reflects conclusions that were reached by my own

committee investigating the intelligence services. Now that the Senate is possessed of a permanent Intelligence Committee, I think what you have said is in line with the prevailing view on that committee, and indeed, in the Senate itself, where the decision was taken to establish that prevention.

My time is up. Let me just end with this comment.

When you establish a test, the one you have suggested, that covert operations be undertaken only in the most extraordinary circumstances, it is well to keep in mind that in our kind of society, sooner or later, as long as we are a free society, the covert operation is going to come into service in some line. It has not met so exacting a standard.

Once it surfaces it does grave injury to the good name and reputation of the United States throughout the world.

Mr. VANCE. I agree.

Senator CHURCH. Thank you very much.

The CHAIRMAN. Senator Case.

Senator CASE. I shall forego questioning at this time, Mr. Chairman.

The CHAIRMAN. Senator Pell.

Senator PELL. Thank you, Mr. Chairman.

FUTURE SHIFT IN FOREIGN POLICY

I would like to return to the thrust of Senator Church's question and examine the areas of difference in our foreign policy. I think you are probably one of the few who was at the San Francisco Conference. In looking back over the last 30 years to see whether or not our foreign policy has been a success, we can have varied responses. From the viewpoint of avoiding nuclear holocaust, it has worked. We are all still here on the planet Earth.

But on the other hand in the last 30 years we have seen the will for international cooperation decrease; we have seen nuclear proliferation and the danger of nuclear holocaust vastly increase; we have seen human rights no better off and in many countries worse off. I am among those who believe and hope that we will see a sharp shift in foreign policy.

In this regard I am delighted at your appointment. My regard, admiration and affection for you are tremendous. I wonder if you see in specific terms a reduction coming in our bilateral interventions and commitments around the world—we have at present half a million people overseas—and perhaps an expansion in our cultural relations with the exchange of peoples. Do you see any shifts coming?

Mr. VANCE. With respect to the importance of the economic and social problems, I think it is clear, as I tried to indicate earlier, that these are obviously going to become of increasing importance as we move through the years ahead. With respect to the question of reduction of forces abroad, I think this will depend on a number of ongoing negotiations and on the general change in climate with respect to the resolution of problems through negotiation, rather than through conflict in the military sense.

For example, I think it is of utmost importance that we make progress in the ongoing SALT talks and that we early set an agenda for SALT III where we would seek further progress, and most particularly the further reduction of nuclear weapons. I place very high

priority on the MBFR [mutual and balanced force reduction] talks going on in Vienna, which have been going on for 3 years now without a great deal of progress, which would lead to the reduction of conventional forces in the central area of Europe.

I think we have to find a way to give greater thrust to those talks and see if we cannot move them forward. If that were done, then that would lead to a reduction of forces.

In the long run, I think we are looking to a reduction of forces in the Korean area. We have a security commitment there. That area is of vital importance to us and to our allies. The Japanese place great importance upon this. Therefore, any actions which we might take with respect to the reduction in forces in that area would have to be approached carefully with full discussion with the Japanese and the South Koreans.

But in the long run I see the possibility of reduction of forces there. I also see the necessity to review our base structures overseas together with other elements of the Defense Department to see whether or not further reductions can be made. As a matter of fact, some considerable progress has been made in the last 10 years. The major bases have been reduced by some 100; the minor bases have been reduced, as I recall it, by some 1,000 over that period of time. But I think it is proper to take a fresh look.

We must remain strong. We must be able to cope with contingencies which may arise under unforeseen circumstances. But that is not incompatible with doing the kinds of things I have just mentioned.

Senator PELL. Thank you.

I think the reduction in bases has been perhaps at the behest of Congress as much as of the executive branch in the past years. Records would show we still have 305 major bases and 1,428 other bases scattered outside the United States.

LAW OF THE SEA CONFERENCE

Talking about the 70 percent of the Earth covered by the oceans, I am wondering what your plans are regarding the Law of the Sea Conference. It has not received the high-level attention it should. We see spillage from oil tankers, the development of military bases in the Indian Ocean and the increasing economic exploitation of the ocean provoking an increasing interest of the inhabitants of the Earth in the oceans.

What are your plans with regard to that?

Mr. VANCE. I think the Law of the Sea Conference is of fundamental importance. It is one of the most significant negotiations that this country has ever been involved in because of the vast area it encompasses and the vast number of problems which come within its ambit.

Currently it is bogged down on several very important issues. My recollection is that it will reconvene some time in March or April.

We are in the process even now, before January 20, in starting our work to review what can be done to try and resolve those remaining problems. I think it would be a very unfortunate, indeed almost disastrous, event if we were not able to come up with some new ideas that might be used to resolve these remaining issues, the most difficult of which is deep seabed mining. We are going to do everything within

our power, and I would expect that with the cooperation of this committee we could search out ideas so that we could develop a constructive program that might be advanced at the next meeting of the Law of the Sea Conference.

REQUIRING INTERNATIONAL ENVIRONMENTAL IMPACT STATEMENTS

Senator PELL. I introduced a resolution last August calling upon the then administration to take the initiative in proposing a multilateral negotiation of treaties requiring international environmental impact statements for any major project likely to have a significant, harmful effect on the environment of another nation—somewhat like our national environmental impact statements.

I will be reintroducing this resolution in this Congress and was wondering what your reactions are to the thought of having an international environmental impact statement in a treaty or convention?

Mr. VANCE. I would like to study it; but offhand it seems to me to make sense.

Senator PELL. Thank you.

BILATERAL TREATIES WITH TURKEY AND GREECE

The other, very specific, question is in connection with Greece and Turkey.

As you know, the Turks are now using American weapons, in violation of American law, in their occupation of Cyprus. The Congress has been reluctant to move ahead with a proposed 4-year treaty. The administration insisted on sending it up even though it was warned it would not get it through in this past Congress.

What are your views, Mr. Secretary-designate, with regard to whether we should forge ahead with these 4-year bilateral treaties with Turkey and Greece, or whether we ought to merely continue as we have with 1-year treaties within the general context of NATO?

If we do go ahead with 4-year treaties with those two nations, all of the other nations will be lining up with their hands out afterwards.

Mr. VANCE. Let me say first that this is an area in which I have had some considerable background in the past and an area in which I have a great interest. I believe it is of great importance to the United States to maintain good relations with Greece and Turkey and strengthen them. I think we should stand ready as both allies and friends to help these countries ease their differences.

In that connection I might note that I am encouraged to see that on the problems of the Aegean, both the air rights problems and the seabed resources problems, talks are now going on in Geneva and Berne. The results so far are encouraging.

Now, with respect to Cyprus, I think it is clear as clear can be that a just and durable solution to that problem is perhaps even more important than it was before.

In the weeks ahead we are going to be involved in a search for new ideas which might help to bring some meaningful progress in the Cyprus problem. In this we will, of course, expect to consult with the Congress, both the members of this committee and the Members of the House, both of whom have had considerable experience in this area. With respect to the defense cooperation agreements to which you

referred, we are examining the matter carefully. I would prefer at this point not to comment until I have had a chance to take a look at them in the full context.

Senator PELL. Thank you.

I would hope your conclusion would be that we would not continue as we have, but would examine each of these on its own merit.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Javits.

Senator JAVITS. Mr. Vance, I realize for myself and my own questioning the difficulty you have in answering detailed questions on future policy. The President-elect has not been sworn in, you have not been confirmed, and I can understand that you would want to look these things over, notwithstanding your experience.

I think we are entitled, however, to inquire into your own thinking, philosophy, and outlook in order to determine whether you should be confirmed. Therefore, the questions I will ask will be directed toward that end.

I have no desire—and stop me if I err—to ask you about what you are going to do in a specific case or about a specific country.

MAINTAINING CLOSENESS OF RELATIONS WITH CONGRESS

You said, and I listened very carefully, you pledged yourself and this administration to close and cooperative relations between the executive branch and the legislative branch.

Mr. Secretary-to-be, you have addressed yourself to probably the most historic element in American foreign policy of our time, because from 1940 to 1965, Congress did not run the foreign policy; the President did, in the main, except for the Vandenberg period, when he happened to agree with the President on the U.N., et cetera.

Our authority dried up in respect to the war power, in respect to the difference between treaties and executive agreements, and in respect of the claims of executive privilege which knew no bounds when the President told us that he does not have to tell us anything about anything, and even in the making of major decisions, as for example, the invasion of Cambodia.

You are just as sophisticated as we are. In a sense you are our agent. The President does not appear here; you do. We confirm you, not the President. He is very much at arm's length with us if he wishes to be.

Will you tell us, therefore, how you intend, as the Secretary of State, to maintain the closeness of relations with the Congress—and we are the arm of the Congress and the Senate—which will give the American people these assurances that Jimmy Carter promised them, that we would have an open foreign policy, et cetera.

With all respect, while I may welcome the fireside chats and will listen to them, that is just his position. He is going to tell what he has done or is going to do and he is going to tell what he likes and what he does not like. But we can cross-examine you if we get you often enough and if you come clean enough with us.

I would like to know your feeling on that subject.

Mr. VANCE. First, let me say that I will come completely clean with you. Of that you can be assured.

Second, I said to the committee yesterday in the executive session that anytime any member of the committee has any question they want to put to me, I would hope they would pick up the phone and call me.

Senator CASE. Will you give us your telephone number the way President-elect Carter did? [General laughter.]

Mr. VANCE. Yes.

I will respond immediately, come over and meet with you to discuss it if you so desire.

Second, I would hope that you would feel free to do that with the senior members of the staff, the Deputy, who will be my alter ego, and the Under Secretaries.

Also, I indicated that I would be happy at the pleasure of the committee to come on a regular basis. Yesterday we had some discussion about what would be the appropriate kind of time, and we spoke about the possibility of it being every 2 months to just come, sit with you, and discuss with you any questions which you may have on your mind and wished to raise.

In addition to those procedures, as I have indicated, we are going to seek out your views on many of these thorny issues which we face because we need those views. I take as an indication one of the best examples of executive legislative cooperation, is what happened in the Seventh Special Session where a speech delivered by Secretary Kissinger was worked out in a fully cooperative fashion, as I understand it, between the Congress and the Secretary. As a result of that, I think a major step forward was made in the development of new and constructive ideas in dealing with the problems which were raised by the demands for a new international economic order. There were many, many good concrete proposals that were in the U.S. proposal. I indicated I would be very happy at an early date to come and talk to the committee here about where we stand on each one of those proposals: What the implementation has been, which ones have not yet been fully implemented, and what can be done. It is that kind of process in which I would hope we could engage.

SECRETARY'S AND CONGRESS' ACCESS TO INFORMATION

Senator JAVITS. I like that very much. You almost disarm me because I was one of the operators of that particular committee that was advising Dr. Kissinger along with Senator McGee and others.

I would like to pursue that for one moment. You know, we have had an example of a Secretary testifying before us just before an invasion that was going to take place with U.S. forces and not telling us about it either because we did not ask him specifically, "Are you going to invade Cambodia tomorrow," or because we didn't know, or because he didn't know, which is even more critical.

To what extent as to your tone and disposition—because we have had a very gifted Secretary of State in the last years in Henry Kissinger where tone accounted for a great deal—to what extent will you fight to see that you are able to, informed about, as well as permitted to, give to the Congress what it is entitled to know, and that you will not be taken over by the White House, or the National Security Council, or the Pentagon, all of which compete with every Secretary of State and will, whether you think so or not, compete very ardently with you?

Mr. VANCE. First let me say I have no question but that I will be fully informed on everything.

Second, if informed, I commit to you that I simply will not mislead you.

Senator JAVITS. You are a man of great honor and credit. That is one of the things we have all said, and I was probably the first to say it in this hearing. It is critically important, Mr. Secretary, that this matter be approached in this very sophisticated way. From your experience in the Government I really feel that there is a very good likelihood that this is the way it will go. But I can tell you from my own experience, which is perhaps as long or even longer than yours, that you are going to have to fight for it. It is not going to be automatic. Therefore, your assurances, and my hope that you will are critical.

JUDICIAL REVIEW OF EXECUTIVE PRIVILEGE

The other question I would like to ask you on this subject concerns executive privilege. You are a highly skilled lawyer. Executive privilege was testified to before us for years as something absolute. The President could tell us or not, as he chose. Of course, you know what happened with Richard Nixon.

The courts have now said that executive privilege is subject to judicial review, that it does not automatically prevail against the assertion of a congressional subpena.

Do you and—if you can tell us—does the President accept that as what will determine his action; because conceivably a President can defy that and ask the Supreme Court how many battalions it has to enforce its mandate?

Mr. VANCE. I have not discussed this subject with the President-elect and therefore I cannot speak for the President-elect.

With respect to the question of executive privilege, I think it is an action which should be taken sparingly; but there may be cases where executive privilege should be involved.

Let me say, for example, I think on questions of people being asked what their personal views are, clearly they ought to be required to give their personal views when they are before the Congress. I think it is a different question, though, when people who are junior are asked, "What was your recommendation?" I think that presents a different set of circumstances because, when you get into the question of what were recommendations rather than personal views, that tends to inhibit the process of free and full discussion.

I ran into this question when the issue was raised when I was in the Pentagon. At that point we had a debate with the congressional committe involved, the Armed Services Committee, as to whether or not we should do this. We took the position after talking to President Kennedy, that we should not. So, I draw that distinction.

But in sum, I am saying that I think executive privileges should be used very sparingly. It is the President's privilege and he is the one who decides when it is used.

Senator JAVITS. My time is up, but just to complete that question, Should he be guided by the decisions of the courts, which we now have?

Mr. VANCE. I think the answer is "Yes."

Senator JAVITS. Thank you, Mr. Chairman.

The CHAIRMAN. Senator McGovern.

Senator McGovern. Mr. Vance, I share the views of my colleagues about your fine qualities as a person and your integrity.

Mr. Vance. Thank you.

MR. VANCE'S INVOLVEMENT WITH VIETNAM AND CAMBODIA POLICY

Senator McGovern. Four years ago we were considering the nomination of Mr. Kissinger as Secretary of State. I had enjoyed, as did the other members of the committee, a fine personal relationship with him and I especially admired his efforts in the Middle East. But I voted against his confirmation as Secretary of State. I think mine was the only dissenting vote. I did that for reasons I outlined to him the night before on the grounds that I felt some protest should be registered, even if nothing more than a moral and symbolic protest, against his long involvement with our policy in Vietnam and Cambodia.

Since you were also involved in that policy, I wonder that, if I was justified in that vote 4 years ago, why I should vote for your confirmation today?

Mr. Vance. Let me speak a bit about Vietnam. Let me say that in the light of hindsight I believe it was a mistake to intervene in Vietnam. Second, let me say that I know that I made more than my share of mistakes. I think, however, that we have learned a number of lessons as a result of the Vietnam experience and hopefully I am the wiser for these. Some of the lessons I think we learned are—well, let me tick them off because I have thought considerably about this. I think we erred in trying to prop up a series of regimes that lacked popular support. I think we erred in not realizing that we could not create Western-type institutions in other nations with different cultures.

Third, I think we failed to have the clear and lasting support of our allies in connection with that undertaking.

Fourth, I think we did not understand the limitations of military power against a guerrilla force in that kind of environment.

These are some of the lessons that I think we have learned. I must say that I think the motivation in the initial involvement was not one based upon evil motives. I think it was based upon misjudgments and mistakes as we went along.

Senator McGovern. I agree with that.

Mr. Vance. I think I have learned, as have others, from some of those tragic events.

Senator McGovern. You said in reply to Senator Javits' question about how you were going to deal with this committee that you would never be a part of any deception or any effort to mislead this committee.

WAS CONGRESS MISLED ABOUT GULF OF TONKIN?

Whenever I am asked about the vote which I most regret as a Senator, I say the Gulf of Tonkin vote. I think that was a mistaken vote. But, in all fairness to the all but two Senators who voted for that resolution, we were deceived by the administration as to what happened in the Gulf of Tonkin resolution. There is strong evidence now that this whole matter was fabricated by the administration.

In looking back on that incident, do you feel the Congress was misled at the time we supported the Gulf of Tonkin resolution?

Mr. VANCE. I do not believe so. I do not believe it was fabricated. On the basis of the information we had at that time and on which we had to act those appeared to be the facts.

Certainly I can tell us as far as I was concerned, and I believe as far as Bob McNamara was concerned, we accepted and believed those facts as true facts.

Senator MCGOVERN. Are you saying, Mr. Vance, that there was an unprovoked attack by the North Vietnamese against the American destroyers? This is what the Congress was told and on that basis we supported the resolution.

Mr. VANCE. I said it appeared to be; when we had the information, that appeared to be the case.

Now one can argue as to whether or not the sending of that reconnaissance mission up there did not itself act as a provocation. It was not intended to act as a provocation.

U.S. DENIAL OF VIETNAM'S ADMISSION TO THE UNITED NATIONS

Senator MCGOVERN. We obviously cannot change that situation. But there are certain things about our involvement in Vietnam that we can change. One is our response to the application of Vietnam for admission to the United Nations. I was there as an American delegate last fall and it was very embarrassing to see a little country apply for admission to the United Nations and then have a powerful country like the United States exercise a veto. Traditionally that has not been the American policy. We used to condemn the Soviets when they vetoed the admission of countries because they did not approve of certain of their policies. As a matter of fact, we went on record as supporting the Vandenberg resolution in 1948 saying the veto power should not be used for the purpose of denying admission to another country. It does not mean that we have to agree with them. But it does mean that these are bilateral differences that ought not be inflicted upon the United Nations.

I am wondering whether you can commit the new administration on this point and what your personal inclination would be on the question of whether we ought to use the veto power, as we have in the past, to deny Vietnam's admission.

Mr. VANCE. Let me answer your question by first giving a little background so that you will see how I get to where I finally end up.

First, I believe that moving toward normalization of relations between the United States and Vietnam is in the interest of both countrys.

Second, I acknowledge the fact that there is an impediment at this point with respect to the question of a full accounting of those missing in action. I have noted from the report of the Montgomery committee that they have stated that they presume there are no Americans who are still captive. However, they did recommend that we pursue the matter with the Vietnamese, the Laotians, and the Cambodians.

My personal view is that we can expect to do so. With respect to the question of aid, I also note that the Montgomery committee recommends that consideration be given to humanitarian assistance, not reparations. We will consider this recommendation.

Now, specifically on the question of admission, I would hope that this would not arise until we are able to get to work with the Vietnamese on the question of our bilateral relations and trying to move them toward normalization.

NORMALIZATION OF RELATIONS WITH CUBA

Senator McGovern. On that same general principle, in trying to normalize relations with Vietnam, would not the same consideration prevail with reference to Cuba, Mr. Vance? Here we are in a situation where we are pursuing trade and détente, better relations with the two most powerful Communist countries, Communist China and the Soviet Union. Why should we not have the same kind of policy toward Cuba? Does the boycott, the embargo, the diplomatic isolation of this little country make any sense in light of present realities?

Mr. Vance. I think the boycott has been obviously in effect. With respect to the basic question, I think if Cuba is willing to live within the international system, then we ought to seek ways to find whether we can eliminate the impediments which exist between us and try to move toward normalization.

WASHINGTON POST ARTICLES ON MAJOR FOREIGN POLICY CONCERNS

Senator McGovern. My time is up, Mr. Secretary. I want to urge you, if you have not already done so, to look at the lead articles in the last three issues of the Sunday "Outlook" section of the Washington Post; one by Mr. Greider on December 26; one by Mr. William Shawcross on January 2; and one by Lowenthal on January 9. These deal with three major foreign policy concerns.

I would like to make those three articles a part of the record, Mr. Chairman.

The Chairman. Without objection, that will be done. [See appendix.]

The Chairman. Senator Percy.

NONPARTISANSHIP OF COMMITTEE

Senator Percy. Mr. Vance, I would like to join my colleagues in welcoming you. Perhaps this is the most placid and easy-going session you will have before this committee. I think, no matter how much we might differ on certain crucial issues as you go down the path, we can verify that this committee will be totally nonpartisan. In my years of service on it under Republican Presidents I have never, ever seen my colleagues on the other side of the aisle take a position that was partisan in nature. They had differences of opinion which were genuine in nature. I think we can reassure you of that.

EFFECT OF LEGISLATIVE DIFFERENCES

Second, I think we are all very concerned about the fact that we have in a sense put the world in a difficult position in many countries by having a sharp difference of opinion between the executive branch of Government and the legislative, the Congress, on such as Vietnam, Turkey-Greece, the Mideast, and on Southern Africa and our policies

there. It is to the detriment of the United States that we did this. I certainly commend you and I commend President-elect Carter for reaching out and wanting to meet in depth with us next week for a full day meeting—an unusual session I believe.

The CHAIRMAN. It is tomorrow, not next week.

Senator CHURCH. Be careful or you will miss it.

Senator PERCY. I think it is a reaching out attempt to anticipate these problems. I hope we will not have that kind of confusion in the future.

NATIONAL ENERGY CONSERVATION PROGRAM

I have a guest this morning, Jacques Cousteau, who is right behind you. He is one of the world's most eminent philosophers and marine experts. In our conservations this morning he characterized the world's problems as three: population, food, and energy. In the first two the United States does not have much of a problem, but we do have one with respect to energy. This does touch on foreign policy even though Mr. Schlesinger will deal heavily with it. It affects our foreign policy.

It is his estimate that we could cut our consumption by 20 percent. It is my feeling in going through every OPEC country that they want us to conserve it. They do not want us to drain off their reserves as fast as we are, to burn them up and consume it, squander it in the wasteful way that we are. Just take a day like today with the cold temperatures all over the country. We are heating the outdoors with our lack of insulation. We are wasting and squandering fuel that cannot be replaced.

Do you place a very high priority on a national energy conservation program in this country, that we should lead the world in this respect?

Mr. VANCE. I certainly do.

I think one of the most important tasks we have is to come up and come up soon with an energy policy, an important elements of which would be a conservation program. I think we simply cannot continue the way we have, without any policy, as I see it, and with really very little being done on the whole conservation issue. We are just simply going to fail in trying to deal with this problem unless we come to grips with it and come to grips with it soon.

UNILATERAL WITHDRAWAL OF U.S. TROOPS FROM EUROPE

Senator PERCY. I was out of the room with Mr. Cousteau, unfortunately, when Senator Javits questioned you. He is an expert on NATO and Europe. Perhaps he asked this question.

There always is concern with a new administration as to whether we are going to unilaterally withdraw troops from Europe. I have great reverence and respect for Senator Mansfield and his resolution, but have spent most of my time fighting it right down the line. I thought it would be disastrous for us to unilaterally withdraw our forces from Europe.

What will be the position of the Carter administration and of Secretary of State Vance on this?

Mr. VANCE. There has been no position developed by the Carter administration.

I can tell you what my position is. I have stated it many times. It is that at this point we should not unilaterally withdraw any other sub-

stantial forces from NATO; that we must, however, at the same time put more steam behind the Vienna talks where we are seeking mutual force reductions between ourselves and the Warsaw Pact.

WITHDRAWAL OF U.S. FORCES FROM SOUTH KOREA

Senator PERCY. The question has already been asked concerning withdrawal of forces from South Korea. A statement was made by President-elect Carter that during the course of the administration he intended to withdraw forces from South Korea.

Having been in Japan within the last couple of weeks I know you know there is concern about this.

Mr. VANCE. Yes, I do.

Senator PERCY. I sent to you a seven point proposal which was the best I could develop at the time. I do not know whether or not you have yet had a chance to see it.

Is this something that will be done gradually, thoughtfully, certainly with emphasis on ground forces and not air forces, where the North has a two-to-one supremacy over the South, and done in such a way as to in no way encourage Kim to move south, just as we certainly must use every influence we have to restrain Park from engaging in an activity which would somehow involve us?

Mr. VANCE. The answer is clearly yes.

First of all, Governor Carter made it clear in his campaign in a number of statements that he was talking about only ground forces, that he recognized the disparity particularly in air forces; and secondly, with respect to the withdrawal of ground forces he indicated that this would have to be over a phased basis and only after full and careful discussions with not only the South Koreans, but also with the Japanese, who have a great interest, as all of us know, in this question.

We have a security treaty with South Korea. That is a solemn obligation of our Nation. We will in any discussions proceed with prudence and caution.

Senator PERCY. Thank you very much.

WILL U.S. POLICY TOWARD NEAR EAST TILT?

I have worked closely with Senator McGovern in his capacity as Chairman of the Subcommittee on the Middle East. I was the ranking Republican on that subcommittee. During the Nixon administration there was a definite tilt toward Pakistan and a great animosity toward India.

Is there going to be any tilt in the Carter administration that you know of? My own observation is that the Near East is making remarkable progress on its own, without the intervention of the super powers. Problems that existed between Iran and Afghanistan, between Afghanistan and Pakistan, and India and Pakistan have made remarkable progress under their own leadership to de-escalate the high tension that existed in that area.

Are we going to be tilting in any direction, or are we going to use our good offices to deal even-handedly in an effort to cooperate and support the initiative which I think they are quite competent of taking themselves to resolve those problems?

Mr. VANCE. Let me say that I agree. I think considerable progress has been made recently in lessening the tensions between those two countries. Although we have not yet had the chance to consider this as an incoming government, my own position is one which would favor even-handedness.

RESTORATION OF WORD "DÉTENTE"

Senator PERCY. Will the word "détente" be restored to full standing and grace? It is a French derivative and means lessening of tension. Mr. Brezhnev has said he sees no alternative to détente, no acceptable alternative. I don't happen to think there is either.

Can we use it without offending anyone now or do you prefer some other terminology?

Mr. VANCE. No, I certainly do not. I said the other day that as far as I was concerned the word was back in the vocabulary. I think we have to have a clear definition, as I indicated earlier, in this session as to what is expected of each side under a policy of détente. But I fully support the proposition that we must seek ways to reduce tensions, not only in the area of strategic arms, but in other areas, including trade, cultural exchanges, et cetera.

QUESTION OF SOVIET MILITARY SUPERIORITY

Senator PERCY. Within the confines of security can you give the public in this open hearing your assessment as to whether or not the Soviet Union has at this time military superiority over the United States or whether they plan to achieve military superiority over the United States?

Mr. VANCE. Let me answer the first part of your question first.

I think in certain areas we are superior to them; in other areas they are superior to us. I think overall there is a rough parity between the two countries.

With respect to the question on intention, I have not had the benefit of seeing any intelligence estimates. The whole business of intention is a very "iffy" kind of thing anyway.

Senator PERCY. My time is up. I hope I can remain for at least a brief second round.

The CHAIRMAN. Senator Zorinsky.

Senator ZORINSKY. Thank you, Mr. Chairman.

Mr. Secretary, I have a couple of items here I would like to ask about.

CONTRIBUTION OF U.S. ALLIES TO COLLECTIVE SECURITY

Since World War II the collective security has been a basic principle of U.S. foreign policy and effective arrangements depend upon the contribution of our allies.

How can we be sure that the members of security alliances in which the United States participates share more equitably the burdens and responsibilities in keeping with their capabilities?

Mr. VANCE. This is a very difficult problem with which we have been wrestling over the years. We were concerned with this problem when I was with the Government in the 1960's and I think people have been continuing to wrestle with it ever since.

I am not sure that we are ever going to find a perfect way of dealing with the problem.

One of the ways that I think might be helpful is if we could find, insofar as NATO is concerned, a way of making more progress in the area of standardization of weapons systems. This, I think, could both help in reducing costs and help in terms of the atmosphere, in terms of getting others to carry their fair share of the burden.

I don't promise any clear and simple answer to the problem because I think it is a very, very difficult one. It depends upon political problems, which vary in each of the nations. When you get a country like Great Britain which has the terrific financial and economic problems they now have and are having to cut back, these factors are obviously going to have an effect. There are these kinds of extraneous factors which are brought into play and they are terribly difficult to control and deal with.

Senator ZORINSKY. In other words, Mr. Vance, what you are saying is it should be parallel to the economic wherewithal at a given point in history as to what the nations can and cannot afford to do?

Mr. VANCE. I think what we ought to try to do is to set equitable shares and have people try to live up to their equitable shares. But I think the practicalities of the economic situations are going to affect the ultimate result.

SPENDING IMPACT OF U.S. FOREIGN POLICY COMMITMENTS

Senator ZORINSKY. Speaking of expenditures, foreign policy comprises a relatively small part of the Federal budget. But it has a great impact as it results in substantial spending in other budgetary areas. For example, we are told that certain military force levels and weapons systems are required to support commitments we make through foreign policy. Are the U.S. foreign policy commitments, in your estimation, in tune with the reality of our capabilities, our national priorities, and are they consistent in your estimation, with our current national interests?

Mr. VANCE. Let me give you what I think is in my judgment, unfortunately, an unsatisfactory answer.

I have not had a chance to review all of these factors to arrive at the proper kind of answer for you and I apologize because of that.

Insofar as our foreign policy commitments are concerned, I think that we can spend whatever is required to carry out the foreign policy commitment. The question is, are those foreign policy commitments the right commitments. That is what I am not prepared to say at this point because I simply do not know and will not until I have had a chance, along with others in the new administration to review this and come to a conclusion.

AGRICULTURE AS BARGAINING TOOL

Senator ZORINSKY. Mr. Secretary, would you hesitate at all to use agriculture as a bargaining tool or weapon, so to speak, concerning our relations with foreign countries?

Mr. VANCE. I will give you my personal views on this. I have a personal and moral concern on the use of food for a bargaining weapon.

Senator ZORINSKY. I am glad to hear that.

Thank you, Mr. Vance.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Danforth.

COMMENDATION OF MR. VANCE

Senator DANFORTH. Mr. Vance, I have not know you for 20 years as has the chairman of this committee, but I have had the privilege of working with you for the last 3½ years on a fairly regular basis and I wish to share in the other fine comments made about you.

I cannot imagine a nomination which would be better for Secretary of State. You have an enormous ability and dedication to principle.

Mr. VANCE. Thank you.

ENFORCEMENT OF BASKET III PART OF HELSINSKI AGREEMENT

Senator DANFORTH. I would like to ask some questions about some comments that were made during the campaign so as to try to determine what the implications of those statements would be for America's foreign policy in the future.

In the second debate President-elect Carter said in the case of the Helsinki agreement,

> It may have been a good agreement at the beginning, but we have failed to enforce the so-called Basket-III part, which insures the right of people to migrate, to join their families, to be free to speak out.

What plans does the new administration have to enforce the Basket-III part of the Helsinki agreement?

Mr. VANCE. On the Basket III question there will be a conference in Belgrade this summer, at which time the follow-on group will be meeting. We have a good deal of work to do between us, the executive branch and the Congress, in working out what the proposals are and what the items are that we want to put on the agenda with respect to Basket III.

As you know, Senator Danforth, there is now a committee which has been created which consists of six Members of the Senate, as I recall it, and six Members of the House. They have recently made a trip to Europe and have prepared a report, which I have not yet had time to read, in which they make recommendations in this area.

Senator CASE. Would the Senator permit an intervention at this point?

Senator DANFORTH. Of course.

Senator CASE. One of the issues, a relatively minor thing which I would not have brought up by itself, that is involved in that commission or committee is the question of participation by the executive branch. There is a provision also, in addition to the congressional members, for executive branch members, and they have not yet been appointed. I wonder if on that score you have any thoughts at this time?

Mr. VANCE. I do not have any at this time. I have heard that that is the case and I want to find out more about why it is, what the problem is, why that has not been done.

Having said that, Senator, in general let me say that I think that Basket III is part of an agreement reached by the nations to the Helsinki Conference. It exists as a commitment, even though not a

treaty commitment, and it is something we should not let lie fallow, but should pursue.

Senator DANFORTH. However, food, as you pointed out to Senator Zorinsky, would not be used as a means for enforcing Basket III.

Is that correct?

Mr. VANCE. As far as I am personally concerned, I have problems with that. But I do not know what the Government position will be.

SUPPLYING ARMS TO EGYPT

Senator DANFORTH. During the campaign President-elect Carter stated that he was opposed to supplying arms to Egypt. Do you agree with that position?

Mr. VANCE. The only request that I know that we have gotten from Egypt is for the C–130's, which have already been given.

With respect to the question of supplying arms to the Middle East, I think we have to look at several criteria, if and when we do get requests:

First, what are the security requirements of the country which is requesting those particular arms; second, will the provision of those arms upset the balance in the Middle East; and third, what will the action to be taken do with respect to the question of moving the parties toward a peaceful settlement?

We are irrevocably committed to the proposition that insofar as Israel is concerned we will supply the arms necessary for her security. That is a historic commitment which we have and we will stand behind that.

With respect to Saudi Arabia and to Jordan, we have a long-standing bilateral relationship under which we have provided arms to them from time to time. Again, I think you are going to have to judge any future requests against the kind of criteria I am talking about.

Senator DANFORTH. You would not at this time rule out supplying arms to Egypt?

Mr. VANCE. I don't rule it out.

DENIAL OF HUMAN FREEDOM IN EASTERN EUROPE AND SOVIET UNION

Senator DANFORTH. In a speech before B'nai B'rith in Washington on September 8, the President-elect said,

> We also regret our Government's continuing failure to oppose the denial of human freedom in Eastern Europe and the Soviet Union. The Republican Administration with the Sonnenfeld statement has shown a lack of sensitivity to the craving of Eastern European people for greater independence. That is unacceptable.

What will the new administration do with respect to satisfying the cravings of Eastern European people for greater independence?

Mr. VANCE. We have not reached that point yet, and I simply cannot give you an answer.

ARAB BOYCOTT OF U.S. BUSINESSES

Senator DANFORTH. What is the position of the new administration with respect to preventing or slowing down the boycott of American businesses by Arab countries?

Mr. VANCE. Again, there are no positions of the administration at this point because we simply cannot properly have a definitive position before the inauguration.

Let me speak on the question of the boycott, however. Governor Carter has made clear his moral repugnance at boycotts related to discrimination on the basis of race and religion. I share that view. Governor Carter has stated that he pledged full enforcement of existing legislation, including the amendments made to the Tax Reform Act. But with regard to any new proposals, I, and I am sure the new administration when it comes in, would like time to study them in the context of our overall Middle East objectives.

POSSIBILITY OF LIMITED NUCLEAR WAR

Senator DANFORTH. Do you believe that there can be such a thing as a limited nuclear war with tactical nuclear weapons?

Mr. VANCE. I doubt it.

Senator DANFORTH. Would you base a foreign policy and a defense policy on that doubt?

Mr. VANCE. That is an extremely complex question. I am not quite sure what you mean by, "Would you base a foreign policy on it?"

Perhaps you could elucidate?

Senator DANFORTH. For example, for the defense of Europe or South Korea, would you favor now, as far as setting up our defense posture, relying on tactical nuclear weapons?

Mr. VANCE. The position which I have personally stated on this is that at this point I would not withdraw any tactical nuclear weapons from Europe. The reason for that is that this is one of the elements which is part of the bargaining which is going on in connection with the mutual balanced force reduction talks. I think at this point to talk about withdrawing tactical nuclear weapons just does not make sense.

Senator CASE. Would you permit just a word on that?

Senator DANFORTH. Please.

Senator CASE. That does not exclude consideration of the question of security of the weapons that are already there?

Mr. VANCE. Not a bit. It does not exclude that at all because that is an exceedingly important question, Senator Case.

PICKING NEW AMBASSADORS

Senator DANFORTH. Just one more question in the last minute, Mr. Vance.

In Louisville, in 1975, Governor Carter said this:

> When I go into an embassy in South America or Central America or Europe and see sitting as our ambassador, our representative there, a fat, bloated, ignorant, rich, major contributor to a presidential campaign, who cannot even speak the language of the country in which he serves, and who knows even less about our own country and our consciousness and our ideals and our motivation, it is an insult to me and to the people of America and to the people of that country.

Can I assume from this that our new crop of ambassadors will speak the language of the country and will be skinny?

[General laughter.]

Mr. VANCE. I would hope so.

Seriously, though, let me say that with respect to ambassadors, I think we ought to pick the best possible people, regardless of their background, and whether they come from the Foreign Service or outside the Foreign Service. The current ratios are, I think, about 70 to 30; that is, 70 percent from the Foreign Service and 30 percent from outside. Whether that would remain the ratio, or whether it would be something different, a lesser ratio, I cannot even guess at this point because it will depend upon the relative individuals who come before Governor Carter and me.

In making those determinations, what we are committed to is having the best possible people. Certainly one of the very important elements will be their ability to speak the language. It should not be totally overriding, though, if we had somebody who for many other reasons was ideal for the post, particularly with some of the languages which are so difficult to speak, such as Russian.

The CHAIRMAN. Is that all, Senator Danforth.

Senator DANFORTH. Yes, thank you, Mr. Chairman.

The CHAIRMAN. Senator Matsunaga.

Senator MATSUNAGA. Thank you, Mr. Chairman.

Mr. Vance, I, too, wish to join my colleagues in congratulating you upon your nomination.

EUROPE-ASIA ORIENTATION OF U.S. FOREIGN POLICY

As you no doubt will agree, and understandably so, American foreign policy has been European-oriented over the years. As I say, this is understandable. But even here in America we find generally that the populus is European oriented.

I will give an example. When Mr. Nixon made that history-making trip to Peking, for a while every time I would go to a social function some friendly stranger would come up to me and ask me, "Are you Chinese?" Of course, I was being asked the question so frequently that I developed a stock answer. Every time I was asked, "Are you Chinese," I would say, "No, I'm sorry, but I am not. But I had an uncle who was a Peking Tom."

When I made that crack over in Dayton, Ohio, after Mayor McGuinness—I believe his name was McGuinness—who is a black person, introduced me; he was sitting next to me—when I said, "No, I am not; but I had an uncle who was a Peking Tom," he looked up at me and said, "An Uncle Tom, eh?'

Yesterday, in our executive session, I expressed some concern over the complete absence of any matter on the agenda pertaining to a U.S.-Japan relationship, which indicated to me a continuance of the European-oriented American policy. Of course, there has been some indication, as was recently announced by President-elect Jimmy Carter, that he intended to send the Vice President to the Far East and that he himself intended to attend an international trade conference in Japan. But the President himself will be relying on your advice as Secretary of State.

I would like to know what your views are in relation to this Europe-Asia orientation of our policy.

Mr. VANCE. I think whatever may have been the case in the past with respect to orientation, there can be no question that the Pacific

and the countries in the Pacific and other parts of the world, such as Africa, Latin America, are of fundamental importance in connection with our foreign policy.

Certainly, more specifically with respect to Japan, it is really the cornerstone of our policy in the Pacific area. I can assure you, despite the fact that by error it was left off that tentative agenda which we had and is now on the agenda, that our relationships with the Japanese will be of highest priority. We have all kinds of important reasons for that: our trade relationships; the position that Japan plays in that part of the world; its importance as one of the leading industrial nations; and many other critical reasons.

So, insofar as my own views are concerned, I consider Japan to be one of the core allies, one of the key countries, and will expect it to be treated as such in connection with our foreign policy.

Senator MATSUNAGA. Excuse me for not having looked into your biography as much as I should have. Have you personally spent any time in Asia?

Mr. VANCE. Yes; I have been there several times, including China.

Senator MATSUNAGA. Will you have any specialists, someone who has spent considerable time there and who understands the people out there advising you?

Mr. VANCE. Yes.

We will have not only the people in the Department, but I intend to have consultants as well in that area, as I am going to do with respect to other areas, such as the Soviet Union.

Senator MATSUNAGA. I may be out of line, here, but if you cannot so state publicly, would you later give me the names of some of these persons?

Mr. VANCE. Yes, indeed. I would be glad to.

ISSUE OF TWO CHINAS

Senator MATSUNAGA. With reference to the thorny issue of the two Chinas, what do you believe our policy should be, especially with relation to Taiwan, more commonly known as the Republic of China, vis-a-vis the People's Republic of China?

Mr. VANCE. First, I believe that our policy with respect to the People's Republic of China should be one based on the guiding principles bilaterally and which are set forth in the Shanghai communique.

I myself believe that our goal should be normalization of relations with the People's Republic of China.

As to the pace and mode of achieving that goal, insofar as I am concerned, that requires further thought and study, and it is already in process within our national security system.

With respect to the question of Taiwan, one of the factors I think we have to take into consideration in dealing with the question of pace and mode is the security of the people of Taiwan.

DEPARTMENT OF PEACE

Senator MATSUNAGA. One of my fondest hopes ever since coming to Congress 14 years ago has been the establishment of a Department of Peace at the Cabinet level. The biggest opposition has come from the Department of State.

I would like, as a Member of this Congress and as a citizen of this great country of ours to see the United States become the first nation in the world to have within its governmental structure a department at Cabinet level solely dedicated to the pursuit of peace. If we do this I think we can truly establish ourselves as the leading nation of the world once again.

I would like to know your views on this.

Mr. VANCE. I tried to indicate my views at the outset when I said that I thought the first principle—in talking about what our foreign policy principles should be—is the maintenance of peace. So it comes to the top of my list.

Now, as to whether or not one needs a separate department for that, I would like to meet with you, to read what you have written on this, and to discuss it seriously with you. It seems to me that this ought to be the main business of the State Department, the maintenance of peace.

Senator MATSUNAGA. I might say that just before Mr. Nixon left office he indicated support of the measure. Of course, I do hope that that is no indication of the future of the bill which I will be pursuing.

Thank you very much. I see my time is up.

The CHAIRMAN. Senator Clark.

Senator CLARK. Thank you, Mr. Chairman.

COMMENDATION OF MR. VANCE

Mr. Vance, I want to join with the others in praising both your background and your experience. I particularly want to compliment you on the very fundamental policy initiatives you described in answer to Senator Church's questions, most specifically on the attitude toward covert activities, the idea of a more open foreign policy, basic honesty, better American-Soviet relations. Certainly if you are able to live up to most of these goals, this committee, this Congress, and this country are going to be very deeply indebted to you and you will certainly have our support.

U.S. POLICY TOWARD AFRICA

You spoke at that time generally about the principles of American foreign policy. I would like to ask you about the application of those principles in the specific case of the U.S. policy toward Africa.

It is my general impression of recent African history that during the period, let us say the first 25 years after World War II, from 1945 to 1970, that we were greatly admired in that continent. They were gaining their own independence. We had ourselves been a colony and gained our independence. So we were looked at, I think, as the chief force in the world for independence, liberty, and equality.

Then we got involved in the Vietnam war—let's say preoccupied with it as far as Africa was concerned. More importantly, in 1970 we began to follow a different policy which we now all agree was the policy known as National Security Study Memorandum 39, adopted by President Nixon and his Security Council adviser, Henry Kissinger. That was a policy which was largely one of quiet cooperation with the white minority regimes in southern Africa and a more isolated attitude toward those who were opposed to those regimes.

We seem to have changed that policy, though we followed it for about 7½ years. We seem to have changed it about 7½ months ago—the so-called Lusaka policy.

I have found in my travels in Africa that we have lost most of the credibility that we had in the immediate postwar period, these 25 years from 1945 to 1975. In other words, it has in 7½ months of wise policy been hard to offset 7½ years of very unwise policy. We don't have very much credibility there.

Yet, each of the heads of state, or the people that I have talked to, look toward the Carter administration, the new administration, with enormous hope that these principles we promote in the world, that we stand for—political liberty and equality—are going to be restored in our policy toward Africa.

My question is what is there in your attitude, in your new administration, to give them some hope, particularly in the cases of Rhodesia, Namibia, and South Africa itself that these policies will be followed?

Can you be somewhat specific about your own attitudes and ideas about how these general principles will be applied to these three cases?

Mr. VANCE. First, let me go to Southern Rhodesia.

With respect to Southern Rhodesia, my own personal view is that we must firmly support majority rule; and to assist in helping this come into being as rapidly and peacefully as possible, hopefully with assurances for the rights of the minority.

I believe we should support the current negotiations that are being carried out by Ivor Richards on behalf of the British, where he is launching his new initiatives and is discussing them with the various leaders throughout Africa—the frontline presidents, the nationalist leaders, as well as Mr. Smith and Mr. Vorster.

I think that it would not be appropriate for me to go into the details in this session of the subjects or the points contained in that new initiative. I think we ought to give every support and help that we can to the British in this area.

With respect to South Africa, I believe that the new administration should express by word and action its opposition to apartheid and support equal political, social, and economic rights for all. I think we are going to have to review our current policy in order to insure that it is consistent with our opposition to apartheid.

I believe that it may be possible for American business operating in South Africa to help in moving the situation in a constructive way and I think we ought to meet and discuss this with the American business community.

With respect to Namibia, it is my position that we should firmly support independence for Namibia, and I hope that it can be brought about at the earliest time by peaceful means. It is a difficult problem; I recognize that. All of these are difficult problems and I don't want to minimize in any way the difficulties involved.

With respect to the current situation in the discussions on the Namibian question, some progress was made, but it looks at the moment as if there is not much progress taking place.

I would hope that we may be able to develop ways which might help to contribute to the solution of that problem.

Senator CLARK. If I might ask more specifically with regard to South Africa, since the Nationalist Party came to power almost 30 years ago there was established, as you know, a very strong apartheid system. We have from time to time vocally expressed our opposition to that. But you indicated that the new administration's policy would be to vocally and in action reflect our disapproval of that apartheid regime. If that apartheid regime does not bring about some kind of significant change in some reasonable time, is it fair to assume that our relationship with them will become increasingly isolated?

Mr. VANCE. I am not sure it is appropriate for me to respond to that at this point. I would prefer to defer it.

Senator CLARK. Could you say anything about your own attitude toward an organization of recognition for Angola?

Mr. VANCE. Again, there like elsewhere I would hope we could find ways to move toward normalization. I basically am a person who believes that the establishment of relations with other countries so that there is contact between them is, in general, a very positive thing and an objective that one should seek.

Senator CLARK. I see I have 1 minute left.

REPEAL OF BYRD AMENDMENT

Today many of us in both the House and the Senate are introducing a bill to repeal the Byrd amendment. We think that will extend the right signal in terms of the negotiations that are taking place in Geneva.

Has the new administration decided, or do you intend to support the repeal of the Byrd amendment?

Mr. VANCE. I would support it.

Senator CLARK. Thank you.

The CHAIRMAN. Senator Biden.

U.S. POLICY CONCERNING SITUATION IN SOUTH AFRICA

Senator BIDEN. Thank you very much, Mr. Chairman.

I would hope that at some future time that you feel appropriate, Mr. Secretary, you would be able to discuss in more detail the situation in southern Africa, and particularly whether or not it should be administration policy to "cool" our relations with South Africa—I strongly feel it should be—in the event that South Africa does not make some significant departure from its present apartheid policy.

Mr. VANCE. I would be delighted to do that at some date after the 20th.

COMMENDATION OF MR. VANCE

Senator BIDEN. Needless to say, I commend President-elect Carter for nominating you as Secretary of State. I wish to commend you for taking the time to make yourself available, not only today, but prior to this committee's hearing, not only to me but I suspect also to most of the members of the committee. I would like you to know that in spite of the fact that we are in a new Congress and I have rapidly risen in seniority, I still get to ask questions last. I think age is really the active criterion. [General laughter.]

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QUESTION OF STEMMING NUCLEAR PROLIFERATION

There are two things I wish to discuss if I may. I will be brief. One subject is the area of nuclear proliferation.

Usually when that subject is discussed—and it has been discussed by members of past administrations and witnesses in this room who are now prospective members of the new administration—in the Arms Control Subcommittee, of which I am a member, we always got around to talking about the Nonproliferation Treaty. Quite frankly, I am not sure that is the central issue on the question of whether that will stem nuclear proliferation. Mine is more of a policy question. I have been new in coming to this, since I am basically new around here, but I have the strong belief that we are really not going to do much about nuclear proliferation until the President of the United States, decides in a singular manner that it is going to be one of the top priorities in his or her administration.

I guess the question I have is, will you encourage the President of the United States to make this one of the top priorities, the question of proliferation and what we do about it. Will this be one of the priorities of your incoming administration?

Mr. VANCE. The answer is unequivocally "Yes."

Senator BIDEN. I am delighted to hear it.

Mr. VANCE. You will note that the first major speech that the President-elect made in the foreign affairs field, I think during his campaign, was in the area of nuclear proliferation and the problems of nuclear energy. Specifically with respect to our department, this is a subject in which I have been very interested over the years. I have participated in a number of conferences and have chaired one this past year in this particular area.

Insofar as the emphasis to be given in the Department, I am in the process of adding to the responsibilities of the Under Secretary for Security Affairs the responsibility for arms transfers and for nuclear proliferation. We will then have centered at the Under Secretary level the questions of security assistance, military assistance, arms transfers, and nuclear proliferation. The purpose of that was to put together these interrelated issues and to have a focus for them in the Government at a level where they are going to get the kind of attention which they deserve.

I am convinced, having talked to Governor Carter about this on many, many occasions, that this is of the highest priority as far as he is concerned.

Senator BIDEN. I am delighted to hear that.

I have several specific questions, but it might be more appropriate to leave those for a later hearing.

However, I do wish to commend you in your answer and hope that both multilateral and bilateral negotiations will be initiated regarding that issue. What we have been doing in that area has been ridiculous.

ROLE OF U.S. AMBASSADORS REGARDING CIA ACTIVITIES

At any rate, to shift the field completely, I, along with Senator Case, am a member of the Intelligence Committee. One of the questions that has come up in this committee and in that committee is the question of the role of the U.S. ambassadors in those countries and how much and to what event they should be informed.

As you probably know, the U.S. Congress passed legislation, the essence of which is, and I quote, "Under the direction of the President the Ambassador shall have the responsibility for the direction, coordination, and the supervision of all U.S. Government offices and employees in that country, except for personnel under the command of the U.S. Military Commander," and it goes on. But that is, I think, the governing section.

There are other committees that we are on and there are nominating sessions going on right now which necessitated my being late, but I understand that you mentioned, in regard to some comment made by Senator Church on covert activities, that you thought they should not be the order of the day but done only in extreme circumstances when national security was at stake. In light of that and in light of the fact that I think there has been and could be demonstrated a failure to fully implement the intent of the congressional legislation, I am wondering whether or not you would comment on how you view the role of the U.S. ambassadors abroad with regard to the activities of the CIA in particular.

Mr. VANCE. I think the Ambassador is and should be the individual who has responsibility for everything in that country, including the activities of the Agency, and that he should have available to him any and all information that he requests.

Senator BIDEN. I am delighted with that answer. In that regard it seems to me, as I said earlier, that there is a clear indication that this legislation and the intention just expresed have not been put into effect. I am not sure it is appropriate at this moment; I think it is, Mr. Chairman, but I hope you will correct me if it is not. I would like to ask that you look into whether or not there have been policy guidelines put forward and whether or not you would report back to this committee at a relatively early date to insure us that the legislative intent is being implemented by your department.

Mr. VANCE. I would be delighted to.

Senator BIDEN. I would appreciate that very much.

I notice that one of the most distinguished members of the committee came in, Senator Humphrey. I know that he has not asked any questions and I will yield the remainder of my time to Senator Humphrey.

Senator CHURCH [presiding]. Senator Humphrey.

Senator HUMPHREY. Mr. Secretary-designate, we had a good visit yesterday and I think much of what I wished to discuss with you was discussed in our session yesterday afternoon. I have areas of interest because of my responsibilities in this committee that I want to concentrate on for just a few minutes.

AID ADMINISTRATION'S NEED OF REHABILITATION

The AID administration needs rehabilitation if we are going to keep a bilateral program. It needs refreshment in terms of spirit and I think a very careful examination of personnel. The AID program is still a part of our overall national security program. I am afraid that in recent years, despite the efforts of Mr. Parker—and I think he tried to do a very good job—the AID administration as such has been gripped with a certain degree of political arteriosclerosis. I would trust that we might get the system rejuvenated a bit. I want you to give it personal attention, if I may respectfully request that.

You indicated to us yesterday your choices in a new administrator for AID. What we need is someone who really is a tough administrator and who will see that this problem is really followed through. This is something we will discuss when the AID program comes before us. I believe we do not have to reauthorize this year. I think we only had a 2-year authorization. Am I correct in that? Let's see—I think we do have to reauthorize this year.

Mr. VANCE. Yes. I think that is right.

Senator HUMPHREY. So we will be expecting you to review the administrative structure of AID.

I have been told that the personnel continues to get older, that there has been no new flow because they have been cutting back on personnel on the basis of attrition, and when they needed extra people, they went out into the field and brought back the retirees. I think the time is at hand to try to get some new thought, new interest in this program. We have laid down certain guidelines; we have laid down new directions in the AID program after very careful examination by this committee. It started out with Senator Aiken and me rewriting the AID bill several years ago. We then rewrote the entire AID bill as a committee bill. So we have laid down pretty well what we think ought to be in that program.

ARMS TRANSFER ISSUE

The second item of interest is the arms transfer issue. This is a $10- to $12-billion industry right now in the United States and any effort to curb it runs into tremendous lobbying efforts on the part of manufacturers and distributors of armaments. We ran into that here as we were trying to write a bill. We run into it any time we review arms sales.

Yesterday you may recall we spoke of the necessity of having closer cooperation before the decision is made as to arms sales, before the letters of offer are made and then made available to this committee.

I am interested in what the new administration's arms sales policy will be, for example, towards a country like Iran, a friendly country. I want to make clear that I understand the importance of Iran in the politics of the modern world. I have no hostility. To the contrary, I sense a friendliness towards Iran.

But we have been tying in the most sophisticated type of weaponry in that country, as you may know, Mr. Secretary.

Mr. VANCE. Yes.

Senator HUMPHREY. It is weaponry which our own technical personnel find difficult to operate. Much of it has not even been fully tested by our own military.

The National Security Council was to have made a review, if I recollect, of our arms sales policy in the Persian Gulf. Are you familiar with that review?

Mr. VANCE. I am familiar with the fact that it was ordered.

Senator HUMPHREY. I hope it will be given priority attention because it is my judgment that before we approve or act on any other major arms transfers or sales we should have that review before us.

This was a very high level policy review of the National Security Council.

I notice that the Iranians are having some difficulty. Their oil production is down; oil sales are down; the cost of weaponry goes up, even though we understand that they can pay for it. But over the long run I think it is a fact that our military sales to Iran have had a very decided effect on the price of petroleum from Iran. In other words, we create our own inflation by our arms sales.

I want a very careful review. We need a very, very careful and prudent review of arms sales policy in the Persian Gulf. We had some difficulty over the Saudi Arabian sales over there.

Again, it is not a question of whether sales should be made, but of what types of weapons, their capacity, and their ability to handle this weaponry. To pay for it is perhaps a secondary item because they have control over oil, which makes it possible, obviously, for them to pay. We are grateful of course, to the Saudi Arabians for their moderate and cooperative attitude on oil prices.

NUCLEAR TESTING

Finally, Mr. Secretary, arms control, which is part of this committee's jurisdiction, is an important matter. You have heard about our concern on nuclear proliferation. I think the issue is broader than that. The whole subject of arms control gets down into our relationships with the Soviet Union, our nuclear testing.

Have you, as an individual, or has the incoming administration as a policy matter, come to any decision on nuclear testing, on lowering the threshold, for example, or banning all nuclear tests?

Would you address yourself to that?

Mr. VANCE. Yes. I would be glad to address myself to that.

During the Presidential campaign, Governor Carter indicated that he was in favor of seeking to negotiate with the Soviet Union a comprehensive test ban for an approximate period initially of 5 years. I support that and would certainly expect that this proposal would be one of the major initiatives that would be put in the hands of the Arms Control and Disarmament Agency, together with other elements of Government concerned, to do the necessary work in preparation for consideration of that matter.

So, I think the answer is a very clear one on that: Yes; that is a matter where already the President-elect has indicated his very strong convictions, which I share.

RELATIONSHIP BETWEEN ARMS TRANSFERS AND ARMS CONTROL

Senator HUMPHREY. Do I understand that you feel there is a direct relationship between arms transfers, in terms of military sales, and arms control?

Mr. VANCE. I do.

Senator HUMPHREY. The focus has to be, then, does it not, in the State Department, where the agencies of Government, in this instance the Pantagon, on the matter of arms transfers must recognize that the legislative authority rests in this committee? The administrative authority rests in the State Department, is that correct?

Mr. VANCE. That is correct. That is why I am in the process of implementing the reorganization of responsibility within the Depart-

ment, to bring the focus into one place so it can be more effectively discharged.

FOCAL POINT FOR INTERNATIONAL ECONOMIC POLICY

Senator HUMPHREY. Finally, Mr. Secretary, I know that you have commented upon international economic policy. Senator Church and others might have questioned you about this.

I happen to believe, and I have so told the President-elect Carter in my visits with him, that I consider international economic policy the highest priority. It is the new arena of diplomacy and has taken on proportions that are far beyond anything we have known in the past.

We have had increasing evidence of conflict between Treasury and State on economic policy. I wonder, has the administration finally resolved where the focal point for projection of the formulation of and the production of international economic policy will be?

Mr. VANCE. Yes. I think we have worked out a very satisfactory arrangement for that. We are putting together what is called an economic working group. The principals in it consist of the Secretary of Treasury, Secretary of State, the Director of the Office of Management and Budget, the Chief of the Council of Economic Advisers, and two representatives from the White House—one from the National Security staff and one from the domestic side.

This group will deal with all problems of both domestic and international import, because the two simply cannot be separated any more.

Senator HUMPHREY. I agree.

Mr. VANCE. The working relationships between all of us who are involved in this I think are very good. I am encouraged that we can make some real progress.

Senator HUMPHREY. But will the State Department be the coordinator and the central force in this? I mean, it is wonderful to have these coordinating groups. They all meet together and coordinate and then they go their own separate ways. We have seen this in the past. Who is going to speak, outside of the President, in terms of the international economic policy?

Mr. VANCE. I would think it would be the President, me, and the Secretary of the Treasury—depending upon the particular forum, on where the discussions are going on.

Senator HUMPHREY. Will there have been an agreed-upon policy for the spokesmen to speak?

Mr. VANCE. There will. Unquestionably.

Senator HUMPHREY. We have not had that lately.

Senator CASE. I am glad the Senator is emphasizing this because there is no question that for the future, if we have to say one thing is more important than another, I think our economic relations with the rest of the world are probably the most important, and that the Department of State has to be, I think, paramount in its involvement in this area. This is not a question of banking, primarily. It is a question of great international relationships.

I beg my colleague's pardon for interrupting, but I wanted to underscore his statement. This is reflected, in a sense, in this committee's determination to maintain its own interest in the matter as a matter of foreign relations.

Mr. VANCE. May I just say a word on that?

Senator HUMPHREY. Please.

Mr. VANCE. I agree fully with this, and that is why I am terribly pleased that Richard Cooper, Professor Cooper, has agreed to serve as the Under Secretary for Economic Affairs in the State Department. He is enormously experienced and talented in this area. Others in the Government wanted him to come to help them; but in a cooperative way we said, "Where can this best fit and contribute most?" Everybody agreed that State was where he was most needed, and that is where he is going.

Senator HUMPHREY. Mr. Chairman, might I say that my tardiness was due to the fact that Congressman Bergland was up for Secretary of Agriculture and he happens to be from Minnesota. We are a great agricultural State and have a great interest in agricultural policy, including international agricultural policy. I wanted to spend some time there to make sure that he was received with all of the accolades which he richly deserves.

Thank you very much.

Mr. VANCE. Thank you.

Senator CHURCH. Are you finished, Senator Humphrey?

Senator HUMPHREY. Yes.

Senator CHURCH. Thank you very much, Senator.

COMMITTEE'S AUTHORITY TO INQUIRE INTO FOREIGN ECONOMIC POLICY

Mr. Vance, you have two Under Secretaries that have been established by law—an Under Secretary of State for Political Affairs and an Under Secretary of State for Economic Affairs. Would you agree with me that these are the two sides of the foreign policy coin?

Mr. VANCE. Yes; they are. But I would not downgrade the importance of the Under Secretary of State for Security Affairs, which now includes not only security affairs, but also arms transfers and proliferation matters.

Senator CHURCH. So we should view it as a triangle, then, because I think that the national security aspect is equally important and I had lumped it within the political.

Mr. VANCE. Yes.

Senator CHURCH. If you view it as a triangle, does it not follow that this committee could not discharge its responsibility to help shape and monitor the foreign policy of the United States if it had no authority to inquire into economics abroad?

Mr. VANCE. I'm sorry, but I did not understand your question.

Senator CHURCH. My question is would you not agree that if this committee, which is charged with monitoring and helping to shape foreign policy, could not do its job if it lacked the authority to inquire into foreign economic policy questions?

You agree with that?

Senator PERCY. Senator Church, would you yield on that point?

Senator CHURCH. Yes, Senator Percy.

Senator PERCY. This is of great importance to this committee. This committee helped, and I introduced legislation, to create a full time Under Secretary of State for Economic Affairs, not conceiving that we

could conduct our affairs in this country or abroad without that kind of attention.

Is it not true that increasingly economics will be important to the State Department?

Mr. VANCE. No doubt about it.

Senator PERCY. We are becoming a have-not Nation. The oil companies have testified in this room that they can no longer deal on pricing, even, if all is done by Governments. Cartels are being created in bauxite and other raw materials on which we are dependent. It is a matter of foreign policy, not just a financial operation.

In your judgment is it not important that the two be bound integrally together?

Mr. VANCE. Yes.

Senator PERCY. Thank you, sir.

Senator CHURCH. We are now about ready for the second round. I notice it is 20 minutes after 12, but I do want to accommodate Senators who have waited.

If it is all right, we will now proceed with the second round of questions and I will recognize Senator Case.

Senator CASE. Thank you, Mr. Chairman.

QUESTIONS FOR THE RECORD

I have no questions to ask on the second round except to say that I should like to have a couple of questions answered for the record which I shall submit to your later. [See appendix.]

Mr. VANCE. Of course.

Senator CHURCH. Thank you, Senator Case.

Senator Pell.

Senator HUMPHREY. Mr. Secretary, Mr. Chairman, please excuse me. We have a Democratic conference and I am supposed to be there, so I am going to leave you now. I fear it may look like I am being discourteous, but I assure you I am not. I wish I could stay.

Senator CHURCH. I might say that because of the Democratic conference scheduled to take place at 12:30, we must recess after the questioning of Mr. Vance has been completed. The committee will adjourn until 2 o'clock this afternoon when we will hear the other witnesses who are scheduled to testify.

We will recess after we have completed the questioning of Mr. Vance.

Senator Pell.

Senator PELL. Thank you, Mr. Chairman.

PROPER SCOPE OF EXECUTIVE AGREEMENTS

What would be your view, Mr. Vance, as to the proper scope of executive agreements as against treaties?

The current State Department view, stated by the legal adviser, is that the President has independent constitutional authority to enter into international agreements, and that the choice of the instrumentality, whether by executive agreement or by treaty, lies exclusively with the President.

Will the new administration adhere to this practice, or alter it? As you know, it is a bone of some contention with us.

Mr. VANCE. I realize it is a bone of contention. I have not looked into it from the legal standpoint. But I gather there are constitutional issues involved in this question on which I would like to inform myself before attempting to answer that question.

I would hope that this kind of question will not come up often and that with frequent and more steady cooperation we can avoid that kind of confrontation.

Senator PELL. Thank you.

I have several very short and specific questions.

BUREAU OF OCEAN AFFAIRS

Until recently the Bureau of Ocean Affairs had a very short shrift in the Department. The post of Assistant Secretary was not filled. Then it was filled by a lady who held that total function was one related to energy. Then it was not filled again for many months.

The present Assistant Secretary, Mr. Irving, is doing an excellent job. I understand he will be replaced by Congresswoman Mink. How do you see this Bureau moving ahead and securing its rightful place in the Department, representing, as it does, 70 percent of the earth's surface, as opposed to other geographic bureaus, which combined represent 30 percent? It ought to be treated at least like geographic bureaus.

Mr. VANCE. I think it should be treated like the geographical bureaus. To that end I have asked that the Under Secretary for Security Affairs and Proliferation Affairs act as the Dutch uncle and make sure that the problems of that bureau get up and——

Senator PELL. You mean Dutch aunt, don't you?

Mr. VANCE. Yes, Dutch aunt. [General laughter.]

And that they get the kind of daily consideration they need. Of course, the Assistant Secretary has access to me at any time that she wants. But on a day-to-day basis, it should get the kind of day-in and day-out supervision and help, and for this I think it is better to have this Dutch aunt.

Senator PELL. Will you give the new Chief of the Bureau supervision over the law of the sea negotiations; or do you consider that as a separate function?

Mr. VANCE. I have not yet decided that.

POISONING OF U.S. EMBASSY IN MOSCOW

Senator PELL. Considering the poisoning of our Embassy in Moscow by the Russian microwaves, have you followed this and what can be done about it?

Mr. VANCE. I read a memorandum on that this morning. I gather this subject is one of discussion with the Soviet Union at this point. I think we ought to see what response we get to that. However, it is a subject with which I have real concern, because it is a question of health of individuals working for the U.S. Government. I will make sure it gets the proper supervision and attention.

Senator PELL. That is why I asked the question. I recognize the nature of the things going on, but I felt it would be good for the Service to know we are concerned and interested.

Mr. VANCE. Yes.

POLICY OF NOT NEGOTIATING WITH TERRORISTS

Senator PELL. Finally, the Department has a policy of not negotiating with terrorists in the event that they capture an American diplomat, or negotiating at all. Many people consider this policy to be rigid.

What is your own view of this policy?

Mr. VANCE. Again, we have set up a review in the NSC of the question of terrorism and what our policy should be. We have set a timetable for the development of the papers on that. It is an important subject and done where, I think, we ought to have a policy.

SHOOT-TO-KILL POLICY REGARDING TERRORISM

Senator PELL. Following up on that though, my understanding is that it is being increasingly realized that when terrorists succeed, and yet one or two of them are captured, that then provides the grounds for another terrorist incident to get those people in turn, out of jail. Therefore nations should probably shoot to kill rather than arresting and holding.

Wouldn't this be a pretty good policy for all nations to follow, to avoid the bail-outs of captives which provides an excuse to hijack another plane and risk more innocent people?

Mr. VANCE. I am not sure in all circumstances that it is.

Senator PELL. But it is perhaps a direction that ought to be considered?

Mr. VANCE. It is one we would take a look at.

Senator PELL. Thank you, Mr. Vance.

Senator CHURCH. Senator Javits.

Senator JAVITS. If you would please allow me 5 minutes.

Senator CHURCH. Surely.

Senator JAVITS. I just have two questions. We will, I am sure, be seeing a lot of you.

OBSERVANCE OF WAR POWERS ACT

One is a line of questioning I pursued before. After all, the end of foreign policy is to keep the peace, and the failure of foreign policy is to resort to war. Therefore, I call your attention to what you already know, the War Powers Act, a totally new law since you were previously on the scene here.

Mr. VANCE. Yes.

Senator JAVITS. Section III reads as follows—

> The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or situations where imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until the U.S. Armed Forces are no longer engaged in hostilities, or have been removed from such situation.

Do you or the new administration see any problem with the good-faith observance of that law?

Mr. VANCE. I do not.

Senator JAVITS. Do you challenge it under the Constitution as to the President's power?

Mr. VANCE. No.

Senator JAVITS. Would you, therefore, undertake to confer with this committee as to what methodology and guidelines have already been worked out with the State Department and what the new administration would like to work out in respect of the implementation of this generally regarded very critical aspect of the new policy of our country?

Mr. VANCE. I will.

U.S. ATTITUDE TOWARD AGGRESSIVE ACTION TOWARD YUGOSLAVIA

Senator JAVITS. The other thing concerns the line of questioning which Senator Danforth had for you, that is, the question of what Governor Carter had promised or said in the campaign.

We are not playing with that as a minority, but it is important because it is not just campaign rhetoric. He is an honest and sincere man and now he will be the President. What he said will count very heavily. So, if it is going to stand, we ought to know; if it is going to change—and I hope he will feel very free to change or further define these—then we ought to know that, too.

There are two additions to what Senator Danforth asked and I will name them both because I want to economize on time. One is Yugoslavia, that is, our attitude toward any aggressive action toward Yugoslavia. I have just been there and my reports have been going through the mill. It is my profound conviction that if the nationalities stay together, we will not face that danger of some application of the Brezhnev doctrine to Yugoslavia. But if they should fall apart—our great effort, in my judgment, should be to keep them together—but if they fall apart, we may be in great danger.

If you want to answer that now, OK. If not, I certainly hope that at the earliest time the new administration's policy may be stated about whether it is or is not, what Governor Carter said in the debates—that is one.

PANAMA CANAL SITUATION

The other question concerns the Panama Canal, the same proposition. I personally happen to believe in the Kissinger-Tack principles. You know as well as I do that this is the dominant political question in Latin America as far as the United States is concerned.

By the way, Latin America has not been mentioned here this morning. That is what they always complain about, that we are always talking about every other place but our nearest neighbor, Latin America.

So, his spelling out what he meant when he said that he is going to see to our sovereign right there, whatever that may mean and however his language was, I would strongly urge the Secretary-designate that this be clarified.

Mr. VANCE. Let me speak to the latter.

I think we have not discussed the former adequately enough to give you a definitive answer.

With respect to the Panama Canal situation, as I have stated publicly on several occasions, I believe this to be one of the most important and pressing issues which the new administration will face. This is, as you indicated, being watched with great care and interest,

not only in Panama, but in Latin America, and indeed in the whole Third World.

It is my view that we should reopen the negotiations at a very early point and seek to resolve the remaining issues promptly. I think this is important both from the standpoint of security and access to the canal, and to the situation in Panama. Also, it is of great symbolic importance to the Third World and to how we will be viewed in the upcoming discussions in the so-called North-South dialog we will be entering into in several other fora.

Senator JAVITS. Every word you have just uttered is going to be weighed. So, I must ask you just one other question to make it crystal clear.

Does that mean that you are going to open up the negotiations so that the Tack-Kissinger principles are up for renogatiation, or that you accept what has been done, to wit the Tack-Kissinger principles, and that you are going ahead to negotiate within a context which the United States has already agreed to?

Mr. VANCE. I cannot state what the position is going to be. I can only state my own position, and I have publicly stated it; that is, I accept the Tack-Kissinger principles. I cannot speak for the new administration.

Senator JAVITS. Good. Thank you very much.

Thank you, Mr. Chairman.

Senator CHURCH. Senator Percy.

Senator PERCY. Mr. Secretary-designate, I should first like to ask about the Middle East.

On November 17, 1976, Maj. Gen. Ariel Sharon urged the Israeli Government to hold talks with the Palestinians.

Mr. VANCE. To do what?

RECOMMENDED ISRAELI GOVERNMENT TALKS WITH PALESTINIANS

Senator PERCY. He urged the Israeli Government to hold talks with the Palestinians concerning a Middle East settlement. I would like to couple that with a comment that out of a recent meeting of the PLO [Palestinian Liberation Organization] and nonofficial Israeli personalities came a report that the PLO is now prepared to recognize Israel's sovereignty in exchange for a Palestinian state in Israeli administered territory.

There are two questions: Would you care to comment on General Sharon's recommendation to the Israeli Government that it hold talks with the Palestinians, possibly in Geneva? Second, are you able to give us any information as to the realiability of the report that talks have already taken place between the PLO and Israel nonofficial personalities?

Mr. VANCE. The answer is I cannot give you information with respect to the latter. With respect to the other questions you have asked, let me state I think it is clear that the legitimate interests of the Palestinian people must be dealt with in any ultimate solution of the Middle East problem. However, I would also note that so long as the PLO refuses to recognize Israel's right to exist, the recognition of the PLO is something I would not recommend.

Senator PERCY. Identical to the position that I took publicly 2 years ago, I certainly concur with you. I think initiative must come from

the PLO. They must be realistic, as every other Arab country now has become. Privately, some of them even openly, will now recognize the right of Israel to exist. With that assurance I think some progress can be made.

NEW PEACE INITIATIVE IN MIDDLE EAST

Did you say the time is running out and that possibly the climate is now ripe to move ahead and take an initiative in seeking peace in the Middle East? In asking that question, I would like, Mr. Chairman, to put on the record once again my tremendous admiration for what Secretary Kissinger has accomplished over a period of years in this area, to really find a basis for peace and to put us into a position to enable us to be a factor, the factor as both sides see it now, in trying to bring peace about. They did need some third force to intervene, and we have put ourselves in that position and are looked to by both sides as the only ones capable of helping to bring peace.

Do you feel that the time is right now to move ahead and take a new initiative and put this very high on our agenda?

Mr. VANCE. There is no question that it must be very, very high on our agenda. Recent statements by various Arab leaders and by Prime Minister Rabin all indicate interest in progress in the Middle East. As we all know, that is a very difficult and thorny path to walk. But clearly it must be at the top of our agenda, and one to which we must address ourselves immediately.

POLITICAL CONDITION IN ISRAEL

Senator PERCY. Some time ago—I think it was early 1974—in talking with most of the leaders of the Arab world—I guess all of them—they constantly pointed out that one of the greatest deterrents to peace and the ability to work out peace was the political weakness of Prime Minister Rabin. Not one of them spoke against him. They simply said he could not deliver because of the divided political conditions, which realistically we many times have in this country. He is in even more weakened condition right now.

Is the political condition in Israel going to hold up until they have elections and move ahead with finding a basis for a stable and lasting peace? What is our timetable? Can we, for instance, look forward to some successful negotiations this year?

Mr. VANCE. I cannot give you a timetable. There is no question but that the political situation in Israel is a complicating factor. I do not think, however, that the fact that there will not be elections until May means that no progress can be made in beginning to explore the possibilities during that interim period.

Senator PERCY. Thank you.

POSSIBILITY OF OIL PRICE INCREASE

I would like your comments on oil and OPEC.

It looks as though with a little more movement toward economics rather than politics that market factors may start to take hold, if you truly believe them. There is a split in OPEC on the issue of pricing.

What are the prospects for continued Saudi and United Arab Emirates leadership in holding price increases down? I think they fully recognize that an increase at this time might have a disastrous setback for economic recovery and would be a disastrous burden on third world developing countries and would add to world inflation, which would hurt all of the OPEC countries.

Is there a possibility that those facts of life will become apparent to other OPEC countries and that we will not face again in July this threat of what I consider to be a disastrous possible price increase?

Mr. VANCE. I don't know what they are going to do in July. It would be a pure guess on my part to try to answer that question.

I was encouraged to see the action taken by the Saudis and by the Emirates. I think it was a very wise action in light of what the implications would have been for the economic situation, particularly in Europe.

I think one of the important facts that is going to bear on all of this is what we do here, with respect to an energy policy. We have to get at that. That may have an effect upon what happens in the Middle East.

Senator PERCY. I could not agree with you more on that.

LINKAGE BETWEEN MIDDLE EAST PEACE AND OIL PRICING

Do you see also that if we move aggressively ahead with an energy policy in this country, with a high priority on conservation and alternate energy sources, with which all oil-producting countries are in a sense in agreement—many of them would like to keep their oil in the ground since it will some day be worth $100 a barrel to them, rather than, as one of them said giving it away today at $11.51—do you see also a linkage, however, that if we can move ahead with peace in the Middle East, it will have a material effect and strengthen the hands of those who want to provide stability of pricing in July for the forthcoming OPEC meeting?

Mr. VANCE. I don't know. All I can say is we have made no commitments in connection with any discussions; but the Saudi Minister of Petroleum has indicated that in his mind there may be some linkage. But there was absolutely no commitment by either the incoming or outgoing administration.

Senator PERCY. If we could see progress and could see an initiative undertaken by the United States for peace in the Middle East through Geneva or whatever format by July, and see an initiative, a prospect and a hope for it, and also see some prospect for hope to bring together north-south and the conflict that we have with them, and see that we can somehow work together toward a common objective, would this in turn help stabilize that situation to a degree—at least not hurt it?

Mr. VANCE. At least it would not hurt.

U.S., JAPANESE AND GERMAN CONSULTATIVE EFFORT TOWARD ECONOMIC RECOVERY

Senator PERCY. There has been some discussion in economic policy circles of trying to orchestrate a general economic recovery through a consultative effort between Japan, the United States, and Germany, to get the economic engines of these three powerful countries going.

Do you feel such an effort is realistic, and in general, what importance do you place on the coordination of policy, economic policy, between the United States, Japan, and Germany on other leading countries? Would you foresee a continued need for economic summitry?

Mr. VANCE. I would.

I think it is essential that there be coordination among the various countries which have been involved in economic summits before. With respect specifically to the economic stimulus package to which you have referred, there has not been time for anybody in the new administration to discuss this with either Germany or Japan. But obviously this will be a subject of discussion.

Senator PERCY. I have just two questions. My time is up, Mr. Chairman, and I will wait until after Senator Danforth and you have asked yours.

Senator CHURCH. I have no further questions.

Senator DANFORTH. I have but one question; please feel free to proceed.

Senator PERCY. No. You go ahead.

Senator CHURCH. All right, Senator Danforth.

ALLEGED ILLEGAL ACTIVITIES SPONSORED BY SOUTH KOREAN GOVERNMENT

Senator DANFORTH. Mr. Vance, there have been serious allegations of illegal activities sponsored by the South Korean Government within the United States, including bribes within the Congress. If those allegations are true, what significance would that have for American policy toward South Korea?

Mr. VANCE. Clearly that cannot help but erode support in the United States for South Korea.

Senator DANFORTH. Would it have any effect with respect to our obligation to defend South Korea?

Mr. VANCE. No. A security treaty is a security treaty.

Senator DANFORTH. The decision on whether or not to withdraw ground troops from South Korea would be based on factors other than this development?

Mr. VANCE. I think the answer to that question is "yes." It would have to be.

Senator DANFORTH. Do you see how the United States can present itself as being a standard of morality in the world without having some kind of reaction to this factor?

Mr. VANCE. I think it is likely that some sort of reaction will have to be made with respect to that. On the other hand, no one is blameless in these matters and I suppose it has to be weighed very carefully when you decide what the action is that is going to be taken.

Senator DANFORTH. It is very difficult to talk morality in terms of foreign policy.

Mr. VANCE. It is.

Senator DANFORTH. As you pointed out, I think in answer to a question by Senator Pell, we do have certain strategic interests, military interests, defense interests, and we have to weigh those very, very carefully. South Korea, I take it, is important on its own terms and also because of the perception in Japan of our relationship with South Korea. However, it is difficult to imagine, is it not, a more obvious

case in which the United States should say something, than with respect to the corruption which exists apparently not only within South Korea, but which has spread from South Korea into the very capital of our country.

Mr. VANCE. There is no question that there has to be, when the facts are determined and if they are determined—as you indicate, they are allegations—that this is the case. This is a very strong condemnation.

The question I thought you were asking was what do you do then with respect to the security side of the equation.

Senator DANFORTH. Yes; is there a relationship between their action and our policy, other than, say, a verbal condemnation which would be forthcoming from us?

Mr. VANCE. I think this is a matter we are going to have to look at very, very carefully. I think I have answered it as best I can—the first question you put to me.

Senator CHURCH. Thank you, Senator Danforth.

Senator Percy.

U.S. ROLE IN INTERNATIONAL FINANCIAL INSTITUTIONS

Senator PERCY. My final question is on the economic area.

We are, along with many other developed countries, absolutely committed to a general concept that we have an obligation and a duty to developing underdeveloped countries overseas. I am very distressed that, for instance, we are as a Nation now $55 million in arrears on our pledged contribution to the International Development Association, the soft loan window of the World Bank. Do you see an increasing role for the United States in existing international finance institutions in relationship to our bilateral programs? What kind of factors should be considered in determining this?

Mr. VANCE. Yes; I do.

I think this is of fundamental importance. I think we must pay up our back obligations and I think we must increase the amount which we are putting into the international financial institutions. I believe they should be the basic source of capital going into the developing countries.

EMPHASIS ON GROWING NEEDS OF LDC'S

Senator PERCY. Having been in Japan and Europe I have met with most of the major industrialists in this country in the past 2 months. I am really very concerned about where we are going to get this stimulus. I am not so sure tax is going to do it entirely.

Is there any possibility in your mind that we not only morally would be doing the right thing, but that we might really be providing a stimulus to economic recovery and to get the engines going again if we could place an emphasis upon the growing needs of the LDC's?

Mr. VANCE. I think the answer is "yes."

Senator PERCY. We should work with OPEC countries who have cash running out their ears. We should work with them and find ways to provide our backup, our technology, our know-how, our goods, financing; use their financing to kind of help stimulate the kind of economic recovery that certain countries, such as Saudi Arabia, Kuwait and others, want to see happen. They do not want to see the condition

of a million unemployed in Japan and a million unemployed in France, England on its back, and the United States with 8 million unemployed. Is this not a way to act not only in our own interest, but to do both the right thing and help economic recovery worldwide?

Mr. VANCE. The answer is "yes." I think one of the major problems to be faced, and one to be faced very promptly, is what we do about the question of debt restructure. It is a very important and difficult question that is going to come up as early as March or April.

Senator PERCY. Well, our expert on that is our own colleague now, Senator Moynihan.

EFFECT OF CURRENT POLITICAL UPHEAVAL IN PEOPLE'S REPUBLIC OF CHINA

With respect to East Asia, do you expect the current political upheaval in the People's Republic of China to slow the progress of the normalization of Sino-American relations?

Mr. VANCE. There are no indications that it will. It is the stated principle of the Chinese that they adhere to the principles of the Shanghai communique insofar as our bilateral relations are concerned, and to the principles previously enunciated by Chairman Mao before his death.

DISCUSSIONS WITH SOVIET UNION ABOUT LIMITING MIDDLE EAST ARMS

Senator PERCY. Would you care to answer in executive session some time in the future, or now, whether you have any thoughts in mind of talking with the Soviet Union about the possibility of limitations on the quantities and sophistication of arms that both countries send to the Middle East?

Mr. VANCE. I would be perfectly willing to answer that in open session.

I think this is one of the questions we clearly should talk with them about. As you know, a number of the private nonprofit scientific groups in both countries have discussed this matter on a number of occasions. The answer that has always been given up to now is that such limitations must depend upon a political settlement in the Middle East. But it is clearly a very important question and cuts across the problem of arms transfers generally.

Senator PERCY. I was not here when Senator Clark asked his questions on southern Africa. We were both down there. I presume he covered Rhodesia thoroughly.

Mr. VANCE. He did.

U.S. ROLE IN NAMIBIA

Senator PERCY. In your judgment, is there a real role for the United States to play in Namibia in seeing that we do try to end the trusteeship now that South Africa has imposed upon them over the objections of every nation on earth, and move them toward independence, even if it includes the SWAPO—Southwest Africa People's Organization—about which Vorster is not very enthusiastic? But he says that if they want SWAPO involved, they have no objection. Can we play a real role? In essence, should we place this fairly high in

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priority to bring about a resolution of that agonizing and three-decade-old problem?

Mr. VANCE. I talked to Senator Clark about this issue. I indicated to him that I thought it might be possible for us to play a role in this area and that our objectives should be to encourage the independence of Namibia by peaceful means at the earliest possible opportunity. I reviewed the fact that the negotiations had seemed to come to a standstill at this point, but that perhaps there were ways that might be found to start them going again.

U.S. OBJECTIVE WITH JAPANESE CONCERNING 200-MILE LIMIT

Senator PERCY. Finally, I am sure that Senator Pell went into the law of the sea. In Japan two deep issues were involved—South Korea and our position there, and the law of the sea and its deep effect upon them. They are really very dependent upon fish.

Is it your statement that we are going to sit down with the Japanese, that we will be equitable and not arbitrary about this and draw the line and say, "Get out of the 200-mile limit when it becomes effective;" that we will work out with them what our end objective is, to preserve supplies? That is what we are trying to do. We are not trying to hold it to ourselves. We are trying to stop the depletion that is now going on, such as in whales.

It is happening in all of the sea. Is it our objective to sit down with our friends in Japan in an understanding way and work this out?

Mr. VANCE. Yes, and with the Canadians as well.

Senator PERCY. Fine.

COMMENDATION OF MR. VANCE

I would like to say, Mr. Chairman, that without equivocation I intend to cast an enthusiastic vote for confirmation of Mr. Vance. This is not only based on my years of working relationship, but I think his simply magnificient response to our questions here this morning. I have looked over carefully your confidential financial statement. I think it is impeccable. I have only one question with respect to one aspect of it. I would like to ask that in private. If we could meet after this session, I can dispose of it.

Mr. VANCE. Of course.

Senator CHURCH. I do not sense, Mr. Vance, that your nomination is in deep trouble. [General laughter.]

PRICE OF U.S. INSISTENCE ON RIGHT TO INTERVENE

I do think, however, that you said something quite quietly that touched me to the core.

In your colloquy with Senator Danforth and your response to how we treat the delicate problem that is presented to us by the charges of illegal, improper, and corrupt activities by the South Korean Government in this city, you very quietly said, "After all, none of us are blameless." I thought that underscored in a very vivid way the price we pay for our own insistence upon our right to intervene in the affairs of other countries in these very ways. We paid for it in the use of the same methods in our own politics during the Watergate

period. We paid for it in the transgressions and the disregard for the law and the arrogance of power that was so clear in our investigation of the CIA and the FBI. We now pay for it as the chickens come home to roost in this country, as other governments begin to penetrate our own country and serious questions arise as to the activities of the secret police of foreign governments in this country in connection with certain murders that have occurred in recent months.

So, it is a fearful price that we pay—and we pay, and we pay, and we pay.

You have already discovered, if you did not know it beforehand, that this forum is used for two purposes by members of this committee. One is to ask questions and the other is to offer the answers to those questions. [General laughter.]

Tomorrow you will give us an opportunity as members of this committee to gather with the members of the House International Relations Committee to meet with you for the purpose of offering our answers. You are going o spend all day, together with the President-elect, listening to us.

So, I will hold my ammunition until tomorrow, Mr. Vance. I will keep my powder dry.

Thank you so much for coming.

We appreciate your time and your answers.

Mr. VANCE. Thank you, Mr. Chairman.

Senator CHURCH. These hearings will continue at 2 o'clock this afternoon.

[Whereupon, at 12:58 p.m., the committee recessed, to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION

Senator CHURCH [presiding]. This hearing will come to order.

TEN-MINUTE RULE

During the afternoon session this committee will adhere to the same 10-minute rule by the Senators in their questioning, and the witnesses who are scheduled to be heard this afternoon should limit their presentations to 10 minutes so that we can complete the list of witnesses scheduled to be heard.

The first witness is Mr. Edward Korry, former Ambassador to Ethiopia and to Chile.

STATEMENT OF HON. EDWARD KORRY, FORMER AMBASSADOR TO ETHIOPIA AND TO CHILE

Ambassador KORRY. Mr. Chairman, before I begin, I would like to say that there are matters I wish to raise in this statement that are of a delicate nature because in part they refer to proceedings in front of a grand jury and under the jurisdiction of the Justice Department. They also refer to foreign countries.

I would prefer to read the statement as I wrote it, with certain omissions. So that there is no mistake, I would like to further explain that when I asked previously if there were any ground rules, the

answer I received from the staff was "No," there were none. I did not realize there was a 10-minute limitation, and this may run 20 minutes.

Senator CHURCH. Mr. Korry, if it runs 20 minutes, that is fine. Our purpose is not to limit you, but try to get all of the witnesses heard.

Ambassador KORRY. Thank you very much.

I shall begin today, Mr. Chairman, with reference to my years in Chile as U.S. Ambassador because Mr. Vance was directly and indirectly involved in my experiences of the past 10 years—in many different ways, as I shall specifically demonstrate—and because they concern four areas of public interest which I hold to be pertinent to the nominee's qualifications and suitability for the highest Cabinet post:

First. Morality in our foreign policy, a subject repeatedly stressed the past year by Mr. Vance and by President-elect Carter, who invoked the word "Chile" more times—seven—in his debate on foreign affairs with President Ford, than any other issue;

Second. The potential for improper pressures on the new Secretary of State by private interests and by foreign powers if the matters I intend to put on the record today were to continue to be concealed from this Senate committee and the public;

Third. The accountability of all those paid by the public for their actions as Government servants, including Mr. Vance;

Fourth. The future policies of the United States toward the Soviet Union, the so-called Euro-Communist regimes which may soon emerge, the Third World, and related areas of domestic policy.

I come here as one who recalls with pride the unanimous affirmative recommendations accorded me by the Foreign Relations Committee in 1973 and 1967. I come as one unattached to any political party and who is proud that he could serve the Presidency of this country under both a Kennedy and a Nixon without ever giving a cent in political contributions to either. The organization of which I am still a member is the Council of Foreign Relations, of which David Rockefeller is the president and Mr. Vance a director.

I come here too as one who has unswervingly refused the repeated efforts, starting in 1973, of the Ambassadors in Washington and at the United Nations of the present military regime in Chile, to meet with me—as one who spurned all invitations from that Government's consulates and embassies because, as I stated on national television and to university audiences in 1974, it was a harsh dictatorship and fascist in character.

I come here, too, as one who has campaigned—successfully I might add—this past year to gain the attention of, and action by, the Attorney General and the Justice Department—and more recently a grand jury—and as one who shall be pursuing in the courts in the near future some of the outstanding matters to which I shall allude today.

POTENTIAL FOR IMPROPER PRESSURES ON NEW SECRETARY OF STATE

If I may illustrate the second point of the four I listed as matters of public interest—"the potential for improper pressures"—let me give here a few pertinent examples of what I have in mind.

I wrote Attorney General Levi on March 25, 1976, to request that the Justice Department investigate the crimes which I alleged were being concealed from the public on the pretext that all 6½ hours of my sworn testimony of February 24, 1976, and the supportive documents, given to an executive hearing of the Senate Select Committee on Intelligence were unpublishable for reasons of national security.

I had given that testimony and the documents only after being assured repeatedly by the committee's staff and counsel a year ago that it all would be made public after my review for deletion of the few sentences concerning national security. In May the Attorney General referred my complaint to the Criminal Division of the Justice Department, and in June I made these three specific charges in a sworn deposition of 62 pages to two attorneys of the criminal division who came to my home:

One, that high officials of the Kennedy, Johnson, and Nixon administrations——

Senator CHURCH. Excuse me, please. Do you have a copy of your statement which I might use to follow you?

Ambassador KORRY. Yes, sir. I do.

Senator CHURCH. Thank you.

Ambassador KORRY. One, that high officials of the Kennedy, Johnson, and Nixon administrations and of the ITT Co. and possibly other firms, had committed perjury in their testimony concerning Chile before Senate committees;

Two, that ITT had defrauded the public of some $90 million—the exact amount was some $94 million—by concealing evidence and by lying in order to win payment of the insurance against expropriation of its Chilean properties which it held with the Government agency, OPIC;

Three, that certain Senators, their staffs and counsels, had conspired to obstruct justice in the above-cited matters and had conspired to deprive me of my inalienable civil rights as an American.

A Federal grand jury in Washington is actively pursuing the first two charges as a direct result of my appeal to the impeccable Mr. Levi; unless the incoming administration maneuvers to quash prosecution by the Justice Department on some pretext or another, unless a political process supersedes a legal process, I have good reason to anticipate that indictments will be handed down.

I raise these matters today not merely because I believe it imperative that the public finally have the truth about Chile, but because it is far more important that they perceive what the "mess in Washington"—to use President-elect Carter's words—is all about, how their Government really works. I want the Senate and the public to hear the details of what in a different context Grover Cleveland referred to as "the cohesive ties of public plunder" or what some more charitable observers in today's context might term, "the cohesive ties of public blunder—the brazen abuse of public power, of public trust, of public confidence."

Since Mr. Vance, as I shall illustrate, has played a not unimportant role in the fashioning of some of these ties and since he has also contributed to the concealment of them, I shall now raise some of the questions which convinced me that my only recourse was the Attorney General and the Justice Department.

For example, how does it come about that a Senate committee cloaks my testimony in the mantle of national security as soon as I submit documents to it on March 23, 1976, to prove my charges, yet Harold Geneen, ITT's chairman of the board, immediately discovers enough about my evidence to change his sworn testimony before a Senate committee in 1973—to wit, his denial that ITT delivered $350,000 to the opponents of Salvador Allende in 1970 to prevent the accession of power of the Chilean president-elect?

How does it happen that Mr. Geneen only discovers the falseness of his testimony of 3 years earlier, and announces a few weeks later, this discovery to ITT's annual shareholders' meeting in Phoenix, Ariz., that such a payment was in fact probably made?

How does it come about that ITT could engage as a lobbyist in 1972 Mr. Fred Dutton, one of President Kennedy's top White House assistants, and that Mr. Dutton, inter alia, whispered around these precincts information designed to discredit me and to exculpate ITT?

How does it happen that Senators and their staffs can suppress for years the evidence that ITT had been integrated in White House covert political operations in various countries for many years—that in fact, Attorney General Robert F. Kennedy, as the overseer of the so-called special group in the White House and his successors in the Johnson administration coordinated their covert political planning with those of the members of the business group for Latin America, a group established by David Rockefeller in 1963 at the specific request of President John F. Kennedy—that, in fact, Attorney General Robert F. Kennedy thereby legitimized the bribery of foreign officials, the funnelling of funds to foreign political parties and similar practices by some multinationals for which all multinationals are now held responsible, as the practitioners of original sin?

Another example, the Anaconda Copper Co. won a judgment in 1975 against the taxpayer for $154 million in payment of its Government insurance policy against expropriation in Chile. I intend to prove, by the way, that ITT should be held liable for that payment, not the American public, and for another $67 million as well paid to Kennecott Copper.

But now I wish to ask only how does it come about that Anaconda was represented in the secret 1975 proceedings for this enormous claim by Louis Oberdorfer, Deputy to Attorney General Robert Kennedy? And, even more intriguing, how does it come about that Ralph Dungan, one of President Kennedy's top assistants in the White House and the man who oversaw for both Presidents Kennedy and Johnson the massive undertaking by CIA, AID, and various private companies and organizations to prevent Allende from being elected in 1964, and the man who, upon Allende's defeat, was immediately sent to Chile in October 1964, to be the U.S. Ambassador to the government of Eduardo Frei, and the man who then arranged for a commitment of almost $2 billion—billion—of taxpayer money to 9 million Chileans in just 3 years including $600 million in very questionable guarantees to ITT, Anaconda, and other companies, Kennecott among them—one-fourth the worldwide total of such U.S. guarantees by 1967—how does it come about that he shows up as a character witness for Anaconda in those secret proceedings, and for a company he repeatedly told me was run by—his words—"mean bastards", and for a company for

which I refused to appear as a witness despite intense, unpleasant pressures by Mr. Obedorfer, the former Deputy Attorney General, when I insisted on being a witness for the public?

EXAMPLES OF POTENTIAL FOR IMPROPER PRESSURES

How does it come about, Mr. Chairman, that the only portion of my secret testimony to the select committee on February 24, 1976, which I considered to fall into an area of national security and which I deleted from the version destined for the public—the name of a cabinet minister of Chile through whom CIA funds were funnelled—that this fact, along with other portions of my testimony were immediately made known to Gabriel Valdes, the former Foreign Minister of Chile and now a high U.N. official in charge of dispensing huge amounts of public funds—mostly U.S. taxpayer funds—to Latin America, and that he, in turn, immediately reported on these matters to the Christian Democratic Party leadership in Santiago, Chile, as well as other groups?

I am particularly incensed, Mr. Chairman, because I had earned the undying enmity of Mr. Valdes in 1969, when a trusted emissary of his, one Armando Urribe, then the Minister Counselor of the Chilean Embassy in Washington and later Allende's Ambassador to Peking, spent 5 unsuccessful hours in my home seeking futilely to convince me to have the United States support Mr. Valdes' bid for the Presidency of Chile. Dean Rusk, when he was Secretary of State, by the way, told me when I went to Chile for the first time that Mr. Valdes was one of the slipperiest men in he world. That is his quote.

I should add here that Mr. Allende's campaign manager asked me for $1 million in 1970, that the man Valdes was seeking to supplant, Mr. Tomic, the candidate of the Christian Democrats, through his campaign manager asked me for $1 million in 1970, that the rightist candidate, Mr. Alessandri, through an unceasing campaign via multinationals, Chilean politicians and even the CIA, hammered on me for more than 2 years in futile search of U.S. support.

The culmination of this conservative effort was a proposal made to the State Department on April 10, 1970, by the board chairman of Anaconda, Mr. J. Parkinson, and by the president of the aforementioned multinational group chaired by David Rockefeller, Mr. Jose de Cubas, and now known as the Council of the Americas. They asked the United States to join the multinationals, as in the Kennedy-Johnson era, to defeat Allende and, in this case, to support the Conservative candidate, Mr. Alessandri.

These men offered $500,000 to the proposed common kitty at that time. On April 28, 1970, immediately after being informed by a State Department pouched secret memorandum of conversation on this secret proposition, I sent a blistering cable of opposition. That cable, in turn, prompted the State Department, in an official letter, to "applaud the destruction you wrought on the Anaconda presentation."

Mr. Geneen of ITT was then a member of the executive committee of the Council for Latin America. ITT had on its board Mr. John McCone, the Director of the CIA under Presidents Kennedy and Johnson. Mr. McCone also served as a consultant to his successor and good friend Mr. Richard Helms, the Director of our intelligence com-

munity under Presidents Johnson and Nixon. ITT immediately launched its own campaign in the spring of 1970 to win White House support for a major covert campaign on behalf of Mr. Alessandri.

I was subjected to the most intense, incessant pressures from the CIA and its Chilean allies to have the United States commit its covert support to their candidate. I refused even though I abhorred the Marxist-Leninist forces represented by Allende and even though I had excellent—indeed unchallenged—grounds for knowing that Allende intended to treat the United States as "public enemy No. 1" as he had stated in his campaign.

By the way, long after the disclosures about CIA actions in Chile came out, Mr. Helms, Mr. Colby and Dr. Kissinger all said that the reason Allende won was that I had blocked the covert funding of Mr. Alessandri. That is absolute hogwash.

I permitted a total of CIA and Chile expenditures in the 1970 Presidential election program of $425,000—the only new program being $390,000 for an anti-Communist propaganda campaign which was embarrassingly stale and self-damaging. The remaining moneys were spent on programs initiated at the direction of my predecessor, Mr. Dungan. The total sum, $425,000, was a derisory amount when compared to the tens of millions spent through the CIA, through AID—in contradiction of its legislative authority—through the Roman Catholic structure in Chile in ways that transgressed the American constitutional separation of church and state and through other entities to defeat Allende in 1963–64.

So that there is no mistake about what I am stating, the documented fact is that many millions in taxpayer funds were channeled to Jesuit-led organizations in Chile at the urging of the White House and these transfers in AID, CIA and foreign funds were made knowingly in response to written appeals from Roman Catholic prelates in Chile who said they needed the money "to oppose laicism, Protestantism and Communism"—laicism being a reference to the large Radical Party of Chile, an anticlerical but centrist and democratic party then; Protestantism being a reference to the swarm of American missionaries arriving in Chile and gaining tens of thousands of adherents; and Communism being a reference to the forces represented by Allende.

It was the reaction of the Radical Party to such White House-Catholic Church links that led to that party's leadership making a secret deal with the Communist Party of Chile in 1967, to its funding thereafter from the Soviet Union and to the election of Allende in 1970. Allende won by 1.3 percent and that Radical Party delivered more than 5 percent.

You should also be aware that upon arrival in Chile I broke, on my own authority and initiative, the political relationship with the church by refusing to call upon the cardinal of Chile for 3 years and by cutting off contact in that period with the key Jesuits.

In the years 1963–67, Mr. Vance was the Deputy Secretary of Defense, deputy to Mr. MacNamara; a man who, I can state from personal knowledge, knew a great deal about the matters I have just discussed and will raise here.

U.S. EFFORT TO REACH MODUS VIVENDI WITH ALLENDE

I briefed both Mr. MacNamara and Mr. Vance in the years following my departure from Chile on critical aspects of U.S. policy,

the most important of which—documented, I might add, in hundreds of State Department cables and other official papers—was the unprecedented, unceasing effort made by the United States, at my urging and initiative, to reach almost any kind of modus vivendi with Allende.

The culmination of this 7 month effort was the offer made to Allende in mid-1971 to have the U.S. Treasury guaranty bonds which Allende's government would issue—bonds which would otherwise have been worthless, bonds which Allende's government would issue for 25 year term at low interest in payment equal to slightly more than that portion of Anaconda, Kennecott and ITT properties which the taxpayer had insured. In other words, I was proposing with the support of the Secretary of State, Mr. Rogers, of Assistant Secretary of State, Charles Meyer and of Henry Kissinger—and without the knowledge of Mr. Nixon—a way for Allende to nationalize these major American corporations at very low cost, at a fraction of the book value, so that the American taxpayers would not be left holding the bag for the large payments they now are making to the corporations.

At the same time I offered the Allende government, if it would negotiate in good faith, on behalf of the State Department the further inducement of loans and credits from Export-Import Bank and United States support for loans from such international institutions as the World Bank and the Inter-American Development Bank. (Mayor Beame and Governor Carey—Mr. Vance's good friend—of New York sought exactly the same deal from President Ford in 1976 and were turned down flatly yet we proposed it to a government controlled by Marxist-Leninist.)

Only when Allende rejected this offer in September 1971—spurned it on the grounds that any compromise with "imperialism" would weaken his revolution—only when he then traded the duplicitous ways to the Soviet Union, only then did any appreciable money—as your investigation, Mr. Chairman, showed—begin to flow into Chile through the CIA to keep alive the Christian Democratic Party, the Nacional Party, segments of the Radical Party and their press outlets.

QUESTIONS FOR MR. VANCE

Now my questions for Mr. Vance are the following:

Did he not know in 1975, if not much earlier, of the fact of our unprecedented offer to Allende? Mr. MacNamara knew, and I know Mr. Vance knew.

Did he not know a great deal of the historical basis for the United States fears of Allende—that he represented, in the words of President Kennedy, "a second Soviet bridgehead in the hemisphere" and did he not know of the covert actions launched by the White House to prevent Allende's accession to power in 1964?

Did he not know, as a former Deputy Defense Secretary, as a former Secretary of the Army and as one who had reached the very apex of the foreign policy establishment, that the Joint Chiefs of Staff had immediately upon Allende's election in 1970 issued a report sounding their alarm as to the likely strategic consequences—that, contrary to my view (they were correct and I wrong) Allende would offer modernized facilities to the Soviet Navy thus striking at a particularly

vulnerable South Pacific underbelly, an area which the latest version of the Soviet nuclear submarines wished to prowl, an area of not only vital concern to the United States and its Pacific allies but to the People's Republic of China. Indeed, it was Allende's close ties to the Soviet Union—his efforts to persuade the Chilean military to accept incredible amounts of Soviet weaponry offered by Moscow—that contributed to the Chinese decision to have normal relations with the present military junta in Santiago, to offer it $58 million in credits and to ask Allende's Ambassador, the aforementioned Mr. Armando Urribe, to leave the country immediately after Allende's downfall.

Now why would Mr. Vance, with his insider's knowledge, prefer for the United States to be depicted throughout the world as a Nazi-like bullyboy acting through a runaway CIA against an "innocent" Social Democrat, Mr. Allende, rather than have the full truth on the record? Why would he prefer this blackening of his country, this damage to its interests, this echoing of a line of propaganda first emitted by Moscow radio?

I shall suggest the answers as I proceed.

Let us first consider Brazil.

Did Mr. Vance, as the second highest defense official in the land, not know of President Johnson's order in early 1964 to assemble a task force of naval and airborne units to intervene in Brazil's internal affairs? Was he unaware that this task force headed south even as the leftist government of Brazil led by the late João Goulart was being overthrown by a military government?

Even more interesting, would Mr. Vance claim ignorance of the efforts made, with the knowledge and collusion of the CIA, by American members of the Business Group for Latin America—the same group headed by David Rockefeller which played such a key role in stopping Allende in Chile that same 1964—to support the overthrow of Goulart and its replacement by the military? In the event that anyone in this room doubts the accuracy of these statements, they can turn to the documents recently declassified at the Lyndon B. Johnson Library in Austin, Tex., and to two volumes I brought along.

"THE ALLIANCE THAT FAILED"

First, I read from a book co-authored by Jerome B. Levinson, the Chief Counsel of the Senate Committee on Multinationals chaired by Senator Frank Church of Idaho, and by Juan de Onis, a correspondent then and now of the New York Times in South America. Mr. Levinson was Deputy Director of AID in Brazil in 1964, an official who boasts today as then of his hyperactive quest of truth.

I quote from pages 88 and 89 of his book entitled "The Alliance That Failed." There will be asterisks in this. The full text is in my full statement.

This is entitled "Brazil: Round two."

"President Goulart's failure to implement an economic stabilization agreement concluded between Brazil's finance minister and David Bell in 1963 had led the United States to suspend virtually all economic assistance to the Brazilian federal government. * * * By early 1964 the U.S. Government was deeply concerned about reports of growing Communist influence in Goulart's government and the labor unions that were his base of support.

"During the week before the military moved to oust Goulart, two huge civic marches for 'God, nation, and family' took place in Sao Paulo and Belo Horizonte, the capitals of the states where the insurrection began. United States businessmen resident in Brazil, who were in close contact with the CIA representatives there, helped to organize and finance these demonstrations.

"On March 25, the day of the Sao Paulo civic march, a complaint within the Brazilian Marine Corps over the alleged inadequacy of food escalated into a mutiny led by a young corporal. (The press luridly paralleled this event with the Potemkin mutiny in Russia in 1917.) Goulart refused demands of Navy officers that the mutineers be severely punished, and on the night of March 29, at a meeting of the Association of Brazilian Army Sergeants, he delivered a speech that seemed to be pitting the sergeants against their officers. On the morning of March 31 the liberal newspaper Correio da Manha ran an editorial entitled 'Fora!' ('Out!'), which signaled that the end was near. In the state of Minas Gerais, General Olympio Mourao Filho and Governor Jose Magalhaes Pinto went on the radio to announce that the revolution to save Brazil from communism had begun.

"It turned out to be virtually bloodless. At the president's residence in Rio, Santiago Dantas, Goulart's former finance minister, told Goulart that the United States had promised the Brazilian conspirators to support a 'free government' established in opposition to the Goulart regime. This opposition government-in-arms was to have been set up in Sao Paulo if Goulart had managed to hang on in Rio.

"Sao Paulo businessmen have confirmed that early in 1964 Ambassador Lincoln Gordon was told of the plan to establish this government and was asked whether the United States would assist the Sao Paulo rebels."

Gordon replied he would put the issue to Washington.

Then Mr. Levinson has a very intriguing footnote in view of his later actions and statements. "Whether this assistance was in fact promised or merely represented by the conspirators as promised is not clear. In any case, Goulart's government fell with surprisingly little resistance. It did not need an external push."

Why would Mr. Levinson be so ready to attest to the failure of Goulart and yet rewrite history totally to exculpate Mr. Allende in the same circumstances?

In any case, it was at this time when Mr. Levinson described, of course, that the Defense Department was assembling the task force and moving it southward to be on hand in case the ouster of Goulart had not been bloodless and in the event leftists had opposed the ouster.

1967 HISTORY OF COUNCIL FOR LATIN AMERICA

Now I quote from the second document. This is not a public document and it took a great deal of trouble to get my hands on. It is a history of the Council for Latin America prepared for but not distributed by the Council in 1967. It is entitled "More Than Profits, the Story of Business Civic Action in Latin America"; its author is a former CIA agent who was then working as a top official for the Council.

I quote from pages 72, 73, and 74.

A redoubtable hard core of Brazilian businessmen went into the opposition to Goulart and Communism. They organized themselves into the innocuous sound-

ing Institute of Social Research and Studies (IPES) and played various roles in the resistance according to their respective situations and temperaments.

In Rio de Janeiro, the businessmen members of IPES-Rio assumed the political generalship of the democratic forces. They ran the intelligence operations that spotted forthcoming Communist moves. They gave aid and comfort to military men whom Goulart drove into early retirement. They bailed out opposition publishers and broadcasters whose enterprises were deep in debt. They prepared draft laws, speeches, strategy and tactics by which the democratic deputies in the Federal Congress blocked move after move of a Goulart administration bent on the seizure of total power. They encouraged the mounting protest movement of the Brazilian women which was to play such a decisive part in convincing the cautious armed forces that public opinion did want them to throw the Red rascals out. The members of IPES in Rio did all this subtly, suavely, diplomatically, always leaving the door open for Goulart to re-enter the lists of legitimacy and constitutionality, never breaking off negotiations with the government until the government made it absolutely impossible to talk and had to be overthrown if Brazilian liberty was to be kept alive.

IPES in Sao Paulo followed a different but complementary line. IPES-Sao Paulo frankly raised a war chest to fight Goulart. With some $50,000 a month it supported a staff of 65 political action specialists who trained and supervised anti-Communist activitists in the labor and student movements, guided the work of the democratic women, prepared propaganda leaflets and penetrated Communist organizations.

* * * Almost without exception, foreign businessmen in Rio de Janeiro remained stubbornly aloof from IPES, arguing that it was too "political" for comfort. * * * In soberer and more self-protective Sao Paulo, the foreign attitude was quite different. While some substantial foreign enterprises shared their Rio colleagues' concerns and, incredibly enough, called IPES "subversive" a great many companies saw matters more clearly. They formed the Fund for Social Action whose moral support to the Brazilians of IPES was fully valuable as its sizable financial contributions to IPES action programs. The Fund formula also showed sophistication: since Fund money simply went to IPES, foreigners could not be proved to have suported specific Brazilian activities nor could Brazilian activists be specifically tarred with the brush of foreign assistance.

PRECEDENTS FOR 1973 ALLENDE OUSTER SUGGESTED

Now I put it to you, Mr. Chairman, is there not a direct link between these actions of 1964 and those taken by the Nixon-Mitchell team in the White House in 1970 to engage the CIA in the grotesque, mad plot with the Chilean military behind my back and behind the State Department's? Was there not an almost mirror image of what occurred in the overthrow of Goulart in Brazil in 1964 and what occurred in Chile in 1973 when Allende was ousted? Even the naval mutiny incident described by Mr. Levinson is almost an exact replica. And for the record, I think it was not—not—the CIA (and I may be wrong since I left Chile 2 years earlier) but I have good reason to believe that Brazilians and other Latin Americans were advising the Chilean generals who were responsible for this repetition of history.

Mr. Vance is a lawyer. He understands the meaning of precedent. Is there not a precedent—indeed many precedents—provided by the administrations he served at a very high, complicit level for the crimes committed by the Nixon-Mitchell team? Even in the despicable Watergate episode? Even then, how would he dispute Mr. Ken Kesey, the author of "One Flew Over the Cuckoo's Nest," who said on public television recently that Mr. Nixon was a "ritualistic sacrifice"? Didn't Mr. Kesey have in mind the system of old boy networks—of say, a Mr. Geneen, Mr. McCone, Mr. Helms, the brothers Bundy, Mr. Rockefeller, and even a Mr. Vance (and I want to emphasize here that I am not accusing the nominee or Mr. Rockefeller or the Bundys of any

prosecutable crime). I am only referring to linkages designed to be self-serving, self-perpetuating, and self-protective linkages which gave us Vietnam in the 1960's, assassination plots, and the dark legacies of all manner of covert operations.

OTHER COUNTRIES' KNOWLEDGE OF CHILEAN STORY

The Soviet Union knows in detail almost the entire story of Chile as it really happened, not the case study on Chile issued by the staff of the select committee on December 4, 1975. Indeed, the Soviet Union advised Allende in early 1973—and promptly informed our Government—to come to terms with Nixon rather than plunge recklessly toward certain economic and political disaster, rather than count upon the $500,000,000 in hard currency which Allende had personally sought in Moscow from Mr. Brezhnev. The Soviets, as I, did not wish to envenom relations with the United States over Chile; it preferred, as I, to seek ways to diminish tensions between our two countries.

Castro, like his Soviet friends, also is aware of what occurred in Chile in 1963–73 and why Latin America had such a fatal fascination for the Kennedys, why it led them into assassination plots and other weird doings. So do important members of the Italian Communist and Socialist parties as do a great many statesmen and diplomats in Western Europe.

Let me insert here a curious thing, Mr. Chairman. The only time in Chile anyone suggested the assassination to me was a Western European ambassador which I promptly reported as you know from my secret testimony to the State Department as a maniac idea and it was I who turned in to the lameduck Frei government the name of the assassin most likely to kill Allende and who after his capture tried to kill Allende 2 years later, Major Arturo Marshall.

Why then should the U.S. public not know? Even more to the point today in this room, what conclusions will the U.S.S.R. draw about the United States, about its Secretary of State, as a result of this strange, perverse betrayal of truth, this traducing of our press, of our public, of our Senate? Is it any wonder that the Kremlin and other governing groups take an increasingly cynical view of Washington and of this country?

Is it not like that of Sparta in the decline of Athens? Is it any wonder that they heap praise on say, Mr. Don Kendall, the man who helped to persuade Mr. Nixon to engage in the 1970 military plot in Chile, a member with Mr. Geneen of the Executive Committee of the Council for Latin America in 1970, and today the principal multinational spokesman in this country for "détente"? To take the connection one step further, is it proper for Mr. Kendall to engage as his firm's vice president Mr. Deke DeLoach, the former deputy to J. Edgar Hoover, a man whose mind is chock-ablock with the secrets gleaned about Congressmen, Senators, bureaucrats and other Americans as a result of the work of the FBI?

What, may I ask, can the Japanese and West German Governments, for example, conclude about this Government and this nominee when it learns that the bribery of Allende and of his government by ITT and other multinationals was deliberately concealed from the Senate and the public but, as soon as I testified to it in secret the same men

rushed into print the leaks about the Lockheed bribery so devastating potentially to the tranquility of these two allied democracies?

MR. KORRY'S APPEALS FOR SUPPORT

I appealed to Mr. Vance on December 26, 1975. He was one of seven distinguished Americans to whom I wrote for support. In my letter, while I attach as an appendix to this statement, I explained that the Senate select committee had issued two reports—on assassination and on Chile—in which my name is invoked often in ways that gravely, and I believe dishonesty, unfairly and criminally impugn my integrity, morality and honor without having given me a single opportunity to testify.

I attached to these seven appeals my correspondence with the committee's counsel. I also gave the details of two chilling events of that week just before Christmas. One was the prediction from a very knowledgeable Washington democrat, an attorney whose advice I had sought on how to get in to testify. His reply, after scouting this place, was that I would know anguish beyond anything I had ever experienced if I persisted in my efforts to vindicate myself. He was correct. He said that the staffs of the select committee and of the Committee on Multinationals would be very vindictive if I did not abandon my efforts to get the truth before the Senate and the public.

MR. KORRY'S APPEARANCE BEFORE MULTINATIONAL SUBCOMMITTEE

Senator CHURCH. Really, Mr. Korry, the record is clear on all this. You did appear before the Multinational Subcommittee.

Mr. KORRY. I beg your pardon. I only appeared after the issue of the two reports.

Senator CHURCH. You appeared before the Multinational Subcommittee.

Mr. KORRY. I did not, sir.

Senator CHURCH. You did.

Mr. KORRY. I beg your pardon.

Senator CHURCH. I don't care when it was. You appeared in public.

Mr. KORRY. After the two reports were issued. That is what I objected to. I was called on December 4 and the two reports were issued.

Senator CHURCH. Mr. Korry, I beg your pardon. When the subcommittee was investigating the ITT case in 1973 you did appear before the subcommittee. We issued our report on the ITT following those hearings. You did appear and had an opportunity to testify in public. You repeatedly asked to tell your case to the public. You then invoked a relationship of confidentiality.

Mr. KORRY. I did not, sir.

Senator CHURCH. The record is there.

Mr. KORRY. I beg your pardon, sir.

Senator CHURCH. You have your own idea of the record and your own charges which impugn everybody's integrity with whom you have had any contact in either the legislative branch or the executive branch.

Mr. KORRY. Not until they impugned mine, sir.

Senator CHURCH. Nobody impugned your integrity. You were given a full opportunity to appear and testify. You refused to appear and testify at that time in public or to respond to questions. I can read you right from the record.

Mr. KORRY. I wish you would.

Senator CHURCH. Well, I will.

Mr. KORRY. But may I say one thing. I testified under oath that your counsel tried to suborn my testimony.

Senator CHURCH. Oh, well, Mr. Korry.

Mr. KORRY. I brought those charges to the attention of the Criminal Division of the Justice Department.

Senator CHURCH. We are not interested in your charges. You can bring anything to the attention of the Justice Department that you wish. But the Subcommittee on Multinational Corporations and the Intelligence Committee, both over which I preside, turned over all the information on the ITT hearings because we felt that there was a basis and we turned over all the information that the Justice Department requested in the Intelligence Committee over to the Justice Department for the purposes of the grand jury to which you refer. I don't know what your connection with that was and I don't care, but I do know that the committees over which I presided have done their duty and all of the information that we have that suggested the possibility of perjury was turned over to the Justice Department.

Now you have already testified for 50 minutes from your 20-minute statement and we are about halfway through.

Mr. KORRY. I have 12 more pages.

Senator CHURCH. You have been given a great deal of latitude by this committee and by those committees that I have chaired in the past.

Mr. KORRY. Yes.

Senator CHURCH. You have been deprived of nothing. You have been deprived of no rights at all.

Mr. KORRY. Mr. Chairman——

MR. KORRY'S INDICTMENTS OF INTEGRITY QUESTIONED

Senator CHURCH. I must say that your indictments of the integrity of the committee and those that you have named in your report simply have no basis in the record at all. They just cannot be substantiated, and I don't see anything to be gained by this kind of onslaught against the committee and against the executive branch and every other part of the Government with which you have been connected.

Now you have charged this committee or the Intelligence Committee and the Subcommittee on Multinational Corporations with a coverup. You said we were attempting to cover up the role of the Kennedy and Johnson administrations in the area of intervention with Allende in Chile. There is just no basis for that.

Mr. KORRY. I assume we will make public secret testimony of February 26, 1976.

Senator CHURCH. I will on the very subject of coverup. For example, on page 156 of the report issued by the Senate select committee, the study relating to Chile, the committee says:

Covert American activity was a factor in almost every major election in Chile in the decade between 1963 and 1973. In several instances the United States

intervention was massive. The 1964 presidential election was the most prominent example in a large-scale election project. The Central Intelligence Agency spent more than $2.6 million in the selection of a Christian Democrat to the presidency of Marxist Salvadore Allende.

That all has to do with the 1964 election. We did our best to get the facts out. We did our level best. It just does not happen that you are the only honest men in this country.

Mr. KORRY. I am not saying I am the only honest man.

Senator CHURCH. You are impugning the integrity of this committee and you have done it again and again and again in statements that are not supportable in the record. I just don't think that that is justified. I think you have a persecution complex.

Mr. KORRY. Thank you, Mr. Chairman. I assume that when I take these matters to the courts that you will be willing to testify under oath.

Sentaor CHURCH. Mr. Korry, all of the evidence——

Mr. KORRY. You have immunity and I do not.

Senator CHURCH. All of the evidence that these committees took has been turned over to the grand jury. I will respond to any inquiry from the grand jury just as you will or any other citizen.

Mr. KORRY. And I assume you will testify in civil court.

Senator CHURCH. This is ridiculous. We will let the Justice Department bring such charges.

Mr. KORRY. I am bringing charges in civil court.

Senator CHURCH. Very well.

Mr. KORRY. I assume you will yield your immunity.

Senator CHURCH. Mr. Korry, I am not going to get into that.

Mr. KORRY. Let me continue with my statement.

Senator CHURCH. I am not going to engage in a contest of this sort because the charges are completely baseless.

Mr. KORRY. The second was a telephone call——

Senator CHURCH. What does this have to do with Mr. Vance?

Mr. KORRY. I will get to it; it is the next sentence.

APPEALS FOR SUPPORT BY MR. KORRY

The second was a telephone call a few minutes later from Jack Anderson. He said that sources on the select committee staff had tipped him that same weekend to my supposed ties to ITT, a scurrilous invention which this one time Mr. Anderson had the prudence to ask me about before rushing into print.

In my covering note to Mr. Vance I said I was not only addressing him as one who had known me fairly well in various capacities but as the president of the Bar Association of the City of New York. Mr. Vance never acknowledged my letter. Mr. George Ball, on the other hand, informed me he had spoken to Senator Church, the chairman of the Select and Multinational Committees. Mr. Elie Abel, the distinguished journalist who is the dean of the Columbia University School of Journalism, telephoned A. M. Rosenthal, the then managing editor of the New York Times, and James Greenfield, the then foreign editor of the Times. As a result of this latter intervention, Mr. Greenfield invited me to lunch on, appropriately enough, Friday, February 13, at the Century Club in New York. During that lunch Mr. Greenfield told me and others who passed by his table and paid him homage that

I had been the victim of an assault on my civil rights and that the Times intended to do a story about it.

Mr. Vance, also a member of the Century and a director of the New York Times, approached our table at the end of our lunch and greeted us both in very friendly fashion. When he discovered that it was my treatment by the select committee that was under discussion he said, and this is verbatim, "The trouble with you, Ed, is that you do not know the difference between a political process and a legal process." I retorted immediately to the effect that the trouble with him was that he did not understand that such an interpretation by an eminent lawyer had led to the crimes committed by so many lawyers in the Watergate and related matters. That was the end of that conversation.

The Times did, in fact, dispatch a reporter full time to my story in late February. John Burns, a recent Times recruit after 5 years of service in China for a Canadian newspaper, concluded after several days that the Times should do a major story not only about the lesser civil rights complaint but about the far more important objective facts of what had occurred in Chile. At that point Mr. Burns was suddenly offered by Mr. Greenfield the assignment of Times correspondent in South Africa. He accepted.

Before his departure for that post, however, Mr. Burns called me in May to say—as I can corroborate—that he had written a very lengthy story, that it would probably be published very shortly, that I had been badly mistreated and that he wished me to know of his sympathy. To this date his eight column story has never seen the light of day nor any part of it. Indeed, it was only when, by fortuitous circumstance, a young, persistent, vigorous, courageous reporter from the Wilmington (Delaware) News Journal, Joe Trento, telephoned in November to inquire into certain CIA actions he was investigating on a fund for investigative reporting, an organization of which Mr. Woodward and Mr. Bernstein are directors, that a chain of events began which led both the Times and the Washington Post to give their audiences, for the first time, the slightest inkling of my efforts to get on the record the provable, documented facts about Chile.

On November 28 and December 19 the News Journal published a total of five full pages in two stories by Mr. Trento, including two front page banner headlines. Even more remarkable considering that a major focus was on ITT and its alleged fraud and perjury is the fact that this newspaper is owned by the Dupont family. Apparently it has an independence which the Times cannot match.

Following the hand delivery to Mr. Rosenthal at the Times of the second of these two News-Journal stories, Mr. Seymour Hersh, the Times' so-called expert on intelligence matters, telephoned to ask and to receive permission to interview me at my home that night, December 21. His interview of 4 hours—until almost 2 a.m.—led to the publication by Mr. Hersh of extraordinarily selective and minimal portions of the interview and of the documents I provided him. He suppressed totally most of the critical elements.

QUESTIONS FOR MR. VANCE

Now the questions I have for Mr. Vance are these:

What did he mean by the distinction he made between a political and a legal process? Does he really feel that a Senate committee can or

should lie to the American public because of the intellectual dishonesty of its staff and counsel? Or even of some of its members? Does he mean that a Senate committee had the right to issue reports impugning a key witness without even addressing to him—I am talking about the Select Committee—a single question about the discrediting material concerning that witness which they inserted into their reports?

Would Mr. Vance argue that partisanship excuses any action in the Congress—the doctrine so disgracefully carried out by Mr. Nixon and his friends? Would he argue that Senate staff and counsel are totally unaccountable even if they violate every precept of the Bill of Rights, of justice, of simple decency? Why then not the CIA or the FBI?

Is Mr. Vance aware, by the way, that his frend, Mr. F. A. O. Schwartz, chief counsel of the select committee, has bragged of his success in convincing newsmen not to publish any of my allegations on the grounds that I was mentally unbalanced? At a time, incidentally, that Mr. Ball took me to Europe as his deputy and that the Young Men's Christian Association hired me as consultant and various other activities.

Is Mr. Vance aware that a staff member of the Senate Select Committee, still serving the Senate on the Oversight Committee, offered a newsman recently an improper means to learn the names of American newspersons who had worked for the CIA if that newsman would only desist from writing about the coverup by the Senate Select Committee?

Is not Mr. Vance aware, as I believe he is, that Mr. F. A. O. Schwartz admitted to a meeting of the bar association of the city of New York on November 16, 1976, that I should have been called as a witness prior to the issuance of the two reports by the committee in November and December of 1975?

Is Mr. Vance not aware that Senator Church claimed in a public hearing on December 4, 1975, that the only reason I had not been called as a witness was that the staff had concluded, as I had always maintained, that I had "no knowledge of the so-called track II" (the plot hatched by Nixon, the CIA and dissident Chilean generals in 1970)? As the recent president of a bar association——

MR. KORRY'S LACK OF OPPORTUNITY TO PRESENT CASE QUESTIONED

Senator CHURCH. That is what we were investigating.

Mr. KORRY. That is not true.

Senator CHURCH. It is true. That is precisely what we were investigating in connection with the assassination question and that is what we dealt with in the assassination report and you had nothing to give us on that.

Mr. KORRY. I beg your pardon. Mr. Chairman, I beg your pardon. Mr. Treviton has admitted——

Senator CHURCH. I am not going to get into an argument, but the fact is that we did. We interviewed you in private and you didn't have any knowledge on this thing that we were looking at. And that is why we didn't call you in public. Later you came as a public witness. You submitted a 29-page statement which was all published in the public record of the committee. To say that you have been deprived of your opportunity to present your case is just simply not true.

Mr. KORRY. I just want to say two things. Mr. Treviton has admitted that he conveniently forgot the mention of my meeting with Mr. Nixon on the week of track II in the Oval Office and that is not in his report and that is why I could not get a summary of his report for 8 months. I, too, was forewarned by the staff director of your committee—without your knowledge probably—Mr. Miller, that I had 10 minutes to speak, no longer, and keep it that way when I appeared that day. Now that is not a proper time in which to answer two reports in which my name has been repeatedly dragged through the mud.

Now I will go on if I may.

QUESTIONS FOR MR. VANCE

As the recent president of a bar association which has the most active civil rights committee, does Mr. Vance believe it normal, proper, or even legal for a Senate committee to issue extremely damaging information about someone without even allowing that person to be questioned first under oath? Does not such a process smack of the Moscow trials?

Even more pertinent to someone who spent 20 years in news work, was Mr. Vance not fully cognizant of the effects of his statement February 13 on Mr. Greenfield? Did he not take into account that Mr. Greenfield had also served in the Kennedy and Johnson administrations as a very well informed individual positioned in a place to hear of covert as well as overt operations? Is it not a fact that Mr. Greenfield wrote Vietnam speeches for Mr. MacNamara early in the war? Did he not serve as Deputy Assistant Secretary for Public Affairs and Assistant Secretary in the Kennedy and Johnson administrations?

I shall skip in my prepared statement to another point.

BETRAYAL OF FIRST AMENDMENT

In the event that anyone in this room takes lightly what I am raising here, it is another of those "cohesive ties" to which I referred earlier. I have in mind why and how it came about that Congressman Harrington, a Kennedy Democrat from Massachusetts, arranged through Mr. Jerry Levinson of the Multinational Committee to leak to Levinson's good friend, Mr. Seymour Hersh of the Times, his account of the egregious testimony of early 1974 by Mr. William Colby on the so-called U.S. "destabilization" effort in Chile. I have in mind how Hersh and the Times did me great damage in his first stories by writing, without even attempting to contact me, a series of falsehoods which the public record of Senate proceedings of 1973 showed to be outright lies. Moreover, in his first story he indicated that I was Ambassador to Chile when Allende fell in 1973 even though I had departed Chile 2 years earlier.

A very few despicable newsmen have, thanks to the protective silence of men such as the nominee, been able to engage in a most sinister form of bribery by Senate employees—by people paid by the taxpayers. These Senate men have indulged in what the CIA is taught as the so-called control process by which an agent is recruited, molded, and exploited. Newsmen such as Mr. Hersh and Mr. Larry Stern of the Washington Post could be fed a steady stream of official secrets—in effect, the information which would increase their standing, their salaries, their notoriety, and their natural ideological convictions and,

in return, they would remain silent about evidence or allegations which might incriminate their informants or damage their political and other interests. In return they also put into print the the most damaging possible information about me.

The courts allow me to seek redress for such conduct and I shall but as one who was an organizer for the American Newspaper Guild at the United Press in 1946, as a reporter and editor for two decades, I want you, gentlemen, and the nominee to understand the depth of my revulsion at this betrayal of the first amendment, this sullying and despoiling of a profession which enjoys a freedom from which all other political freedoms flow.

FINAL RELATIONSHIP WITH MR. VANCE

One final relationship with Mr. Vance which I shall place on the record and which pertains to morality and responsibility in public life. This is when I was president of the United Nations Association and he was a member of the equivalent of its executive committee government.

CONCLUSION

I will conclude now by saying that I was ready to account to the select committee for all my actions in Chile. Indeed I had the mistaken conviction that I could only render such a complete accounting to a Senate committee operating in the equivalent of a post-Watergate morality. That conviction came in part from my sense of gratitude to a murdered President I had cherished, to a President who had plucked me from well deserved obscurity and enabled me to repay some of the enormous debt I felt to this country for the opportunities it had afforded me, to a man with whose ends in Chile and in Latin America—the strengthening of progressive democratic forces such as those represented by Eduardo Frei—I agreed wholeheartedly. Equally important to me then was that I not eliminate from the political scene of Chile a man such as Frei by providing a full report of his actions, or of his party's or of his friends, in the years 1963–1973 or even more recently.

No one is without his flaws, certainly not I, and certainly not presidents who must make very complex and delicate decisions in order to preserve democracy. I still believe that the kind of democracy that Frei represented in Chile was the kind of system that the overwhelming majority of Americans believed in—a rational, moderate, progress in an atmosphere, above all of political freedom where every individual counts, where justice for all is guaranteed equally—for a Mr. Geneen as well as the urban impoverished who may have to steal to survive, for a Mr. McCone as well as, say, an industrial spy, for a Mr. Vance as well as the taxpayer whose interests he again wishes to represent.

I have covered the four areas of public interest I listed at the outset.

If nothing else. I hope that my statement today will serve to sharpen Mr. Vance's awareness and responsiveness to the rights of every American, that it will also encourage every American to defend his inalienable rights, to use his wondrous capacity to think and to act to hold off the frightening encroaching power of those in Washington who occasionally, if not often, put partisanship above all else, that it may

arouse the interest of Americans, particularly the media, in history that they will comprehend what George Kenyon means when he speaks of the fatal American disease—historical amnesia; that they will understand, as I hope Mr. Vance will, that no nation can survive as a democracy, let alone prosper, if its actions derive from lies, myths, self-delusion and self-demeaning hypocrisy if its highest representatives and bureaucrats have to perpetuate those such things to survive.

Thank you very much.

[Mr. Korry's prepared statement follows:]

PREPARED STATEMENT OF EDWARD M. KORRY

I shall begin today, Mr. Chairman, with references to my years in Chile as US Ambassador because Mr. Vance was directly and indirectly involved in my experiences of the past ten years—in many different ways, as I shall, specifically demonstrate—and because they concern four areas of public interest which I hold to be pertinent to the nominee's qualifications and suitability for the highest Cabinet post:

First, morality in our foreign policy, a subject repeatedly stressed the past year by Mr. Vane and by President-elect Carter who revoked "Chile" more times—seven—in his debate on foreign affairs with President Ford, than any other issue.

Second, the potential for improper pressures on the new Secretary of State by private interests and by foreign powers if the matters I intend to put on the record today were to continue to be concealed from the Senate Committee and the public.

Third, the accountability of all those paid by the public for their actions as government servants.

Fourth, the future policies of the United States towards the Soviet Union, the "Eurocommunist" regimes which may soon emerge, the Third World and related areas of domestic policy.

I come here as one who recalls with pride the unanimous affirmative recommendations accorded me by the Foreign Relations Committee in 1963 and in 1967. I come as one unattached to any political party and who is proud that he could serve the presidency of this country under both a Kennedy and a Nixon without ever giving a cent in political contributions to either.

I come here too as one who has unswervingly refused the repeated efforts, starting in 1973, of the Ambassadors in Washington and at the United Nations of the present military regime in Chile, to meet with me—as one who spurned all invitations from that government's consulates and embassies because, as I stated on national television and to university audiences in 1974, it was a harsh dictatorship and fascist in character. I come here too as one who has campaigned—successfully I might add—this past year to gain the attention of, and action by, the Attorney General and the Justice Department—and more recently a Grand Jury—and as one who shall be pursuing in the courts in the near future some of the outstanding matters to which I shall refer today.

If I may illustrate the second point of the four I listed as matters of public interest—"the potential for improper pressures"—let me give here a few pertinent examples of what I have in mind.

I wrote Attorney General Levi on March 25, 1976, to request that the Justice Department investigate the crimes which I alleged were being concealed from the public on the pretext that all six and a half hours of my sworn testimony of February 24, 1976, and supportive documents, given to an executive hearing of the Senate Select Committee on Intelligence were unpublishable for reasons of "national security." I had given that testimony and the documents only after being assured repeatedly by Committee's Staff and Counsel that it all would be made public after my review for deletion of the few sentences concerning national security. In May, the Attorney General referred my complaint to the Criminal Division of the Justice Department, and in June I made these three specific charges in a sworn deposition of 62 pages to two attorneys of the Criminal Division who came to my home:

One, that high officials of the Kennedy, Johnson and Nixon Administrations, and of the ITT Company and possibly other firms, had committed perjury in their testimony concerning Chile before Senate Committees;

Two, that ITT had defrauded the public of some $90,000,000 by concealing evidence and by lying in order to win payment of the insurance against expropriation of its Chilean properties which it held with the government agency, OPIC.

Three, that certain Senators, their staffs and Counsels had conspired to obstruct justice in the above cited matters and had conspired to deprive me of my inalienable civil rights as an American.

A Federal Grand Jury in Washington is actively pursuing the first two charges as a direct result of my appeal to the impeccable Mr. Levi, unless the incoming Administration maneuvers to quash prosecution by the Justice Department on some pretext or another, I have good reason to anticipate that indictments will be handed down.

I raise these matters today not merely because I believe it imperative that the public finally have the truth about Chile, but because it is far more important that they perceive what the "mess in Washington," to use President-elect Carter's words, is all about, how their government really works; I want the Senate and the public to hear the details of what is a different context Grover Cleveland referred to as "the cohesive ties of public plunder" or what some more charitable observers in today's context might term "the cohesive ties of public blunder—the brazen abuse of public power, of public trust, of public confidence". Since Mr. Vance, as I shall illustrate, has played a not unimportant role in the fashioning of these ties and since he has also contributed to the concealment of them, I shall now raise some of the questions which convinced me that my only recourse was the Attorney General and the Justice Department.

For example, how does it come about that a Senate Committee cloaks my testimony in the mantle of "national security" as soon as I submit documents to it on March 23, 1976, to prove my charges, yet Harold Geneen, ITT's Chairman of the Board, immediately discovers enough about my evidence to change his sworn testimony before a Senate Committee in 1973—to wit, his denial that ITT delivered $350,000 to the opponents of Salvador Allende in 1970 to prevent the accession to power of the Chilean president-elect? How does it happen that Mr. Geneen only discovers the falseness of his testimony of three years earlier, and announces a few weeks later, on May 12, 1976, this discovery to ITT's annual shareholders' meeting—that such a payment was in fact "probably" made? How does it come about that ITT could engage as a lobbyist in 1972 Mr. Fred Dutton, one of President Kennedy's top White House assistants, and that Mr. Dutton, inter alia, whispered around these precincts information designed to discredit me and to exculpate ITT? How does it happen that Senators and their staffs can suppress for years the evidence that ITT had been integrated in White House covert political operations in various countries for many years—that in fact, Attorney General Robert F. Kennedy as the overseer of the socalled "special group" in the White House and his successors in the Johnson Administration coordinated their covert political planning with those of members of the Business Group for Latin America, a group established by David Rockefeller in 1963 at the specific request of President John F. Kennedy—that, in fact, Attorney General Robert F. Kennedy thereby legitimized the bribery of foreign officials, the funnelling of funds to foreign political parties and similar practices by some multinationals for which all multinationals are now held responsible as the practitioners of original sin?

Another example, the Anaconda Copper Company won a judgment in 1975 against the taxpayer for $154,000,000 in payment of its government insurance policy against expropriation in Chile. (I intend to prove, by the way, that ITT should be held liable for this payment, not the American public, and for another $67,000,000 as well paid to Kennecott Copper.) But now I wish to ask only how does it come about that Anaconda was represented in the secret 1975 proceedings for this enormous claim by Louis Oberdorfer, deputy to Attorney General Robert Kennedy? And even more intriguing, how does it come about that Ralph Dungan, one of President Kennedy's top assistants in the White House and the man who oversaw for both Presidents Kennedy and Johnson the massive undertaking by CIA and various private companies and organizations to prevent Allende from being elected in 1964, and the man who, upon Allende's defeat, was immediately sent to Chile in October 1964 to be the US Ambassador to the government of Eduardo Frei, and the man who then arranged for a commitment of almost two billion dollars of taxpayer money to the nine million Chileans in just three years including $600,000,000 in very questionable guaranties to ITT, Kennecott, Anaconda and other companies—one fourth the world-wide total of such US guaranties by 1967—how does it come about that he shows up as a character witness for Anaconda in those secret proceedings? For a company he

repeatedly told me was run by "mean bastards" and for a company for which I refused to appear as a witness despite intense, unpleasant pressures by Mr. Oberdorfer, the former deputy Attorney General, when I insisted on being a witness for the public.

How does it come about, Mr. Chairman, that the only portion of my secret testimony to the Select Committee on February 24, 1976, which I considered to fall into an area of "national security" and which I deleted from the version destined for the public—the name of a cabinet minister of Chile through whom CIA funds were funnelled—that this fact, along with other portions of my testimony were immediately made known to Gabriel Valdes, the former Foreign Minister of Chile and now a high UN official in charge of dispensing huge amounts of public funds—mostly US taxpayer funds—to Latin America, and that he, in turn, immediately reported on these matters to the Christian Democratic party leadership in Santiago, Chile as well as other groups? (I am particularly incensed, Mr. Chairman, because I had earned the undying enmity of Mr. Valdes in 1969 when a trusted emissary of his, one Armando Urribe, then the Minister Counselor of the Chilean Embassy in Washington and later Allende's Ambassador to Peking, spent five unsuccessful hours in my home seeking futilely to convince me to have the US support Mr. Valdes' bid for the Presidency of Chile; I should add here that Mr. Allende's campaign manager asked me for $1,000,000, that the man Valdes was seeking to supplant, Mr. Tomic, the candidate of the Christian Democrats, through his campaign manager asked me for $1,000,000 in 1970, that the rightist candidate, through an unceasing campaign via multinationals, Chilean politicians, and even the CIA, hammered on me for more than two years in futile search of US support.)

The culmination of this conservative effort was a proposal made to the State Department on April 10, 1970, by the Board Chairman of Anaconda, Mr. J. Parkinson, and by the President Mr. Jose de Cubas, of the afore-mentioned multinational group chaired by David Rockefeller, then renamed the Council for Latin America and now known as the Council of the Americas. They asked the US to join the multinationals, as in the Kennedy-Johnson era, to defeat Allende and, in this case, to support the conservative candidate, Mr. Alessandri. These men offered $500,000 to the proposed common kitty at that time. On April 28, 1970, immediately after being informed by a State Department pouched Memorandum of Conversation on this secret proposition, I sent a blistering cable of opposition. That cable, in turn, prompted the State Department, in an official letter, to "applaud the destruction you wrought on the Anaconda presentation".

Mr. Geneen of ITT was then a member of the Executive Committee of the Council for Latin America. ITT had on its Board Mr. John McCone, the director of the CIA under Presidents Kennedy and Johnson; Mr. McCone also served as a consultant to his successor and good friend, Mr. Richard Helms, the director of our intelligence community under Presidents Johnson and Nixon. ITT immediately launched its own campaign in the spring of 1970 to win White House support for a major covert campaign on behalf of Mr. Alessandri and I was subjected to the most intense, incessant pressures from the CIA and its Chilean allies to have the US commit its covert support to their candidate. I refused. I permitted a total CIA expenditure in Chile in the 1970 presidential program of $435,000—the only new program being $390,000 for an anti-communist propaganda campaign which was embarrassingly stale and self-damaging. The remaining monies were spent on programs initiated at the direction of my predecessor, Mr. Dungan. The total sum—$425,000—was a derisory amount when compared to the tens of millions spent through the CIA, through AID—in contradiction of its legislative authority—through the Roman Catholic structure in Chile—in ways that transgressed the American constitutional separation of church and state—and through other entities to defeat Allende in 1963–64. So that there is no mistake about what I am stating,

So that there is no mistake about what I am stating, the documented fact is that many millions in taxpayer funds were channeled to Jesuit-led organizations in Chile at the urging of the White House, and these transfers in AID, CIA and foreign funds were made knowingly in response to written appeals from Roman Catholic prelates in Chile who said they needed the money "to oppose laicism, Protestantism and Communism"—laicism being a reference to the large Radical Party of Chile, an anti-clerical but centrist and democratic party then; Protestantism being a reference to the swarm of American missionaries arriving in Chile and gaining tens of thousands of adherents; and communism being a reference to the forces represented by Allende. It was the reaction of the Radical

Party to such White House-Catholic Church links that led to that party's leadership making a secret deal with the Communist Party of Chile in 1967, to its funding thereafter from the Soviet Union and to the election of Allende in 1970. Allende won by 1.3 percent and that Radical Party delivered more than 5 percent. You should also be aware that upon arrival in Chile I broke, on my own authority and initiative, the political relationship with the Church by refusing to call upon the Cardinal of Chile for three years and by cutting off contact in that period with the key Jesuits.

In the years 1963–67 Mr. Vance was the deputy Secretary of Defense, deputy to Mr. MacNamara, a man who, I can state from personal knowledge, knew a great deal about the matters I have just discussed and will raise here. I briefed both Mr. MacNamara and Mr. Vance in the years following my departure from Chile on critical aspects of US policy, the most important of which—documented, I might add, in hundreds of State Departments cables and other official papers—was the unprecedented, unceasing effort made by the United States, at my urging and initiative, to reach almost any kind of modus vivendi with Allende. The culmination of this seven months effort was the offer made to Allende in mid-1971 to have the US Treasury guaranty bonds which Allende's government would issue—bonds which would otherwise have been worthless, bonds which Allende's government would issue for 25 year term at low interest in payment equal to slightly more than that portion of Anaconda, Kennecott and ITT properties which the taxpayer had insured. In other words, I was proposing with the support of the Secretary of State Mr. Rogers, of Assistant Secretary of State Charles Meyer and of Henry Kissinger—and without the knowledge of Mr. Nixon—a way for Allende to nationalize these major American corporations at very low cost, at a fraction of the book value, so that the American taxpayer would not be left holding the bag for the large payments they now are making to the corporations. At the same time, I offered the Allende government, on behalf of the State Department, the further inducement of loans and credits from Export-Import Bank and US support for loans from such international institutions as the World Bank and the InterAmerican Development Bank. (Mayor Beame and Governor Carey—Mr. Vance's good friend—of New York sought exactly the same deal from President Ford in 1976 and were turned down flatly yet we proposed it to a government controlled by Marxist-Leninists.) Only when Allende rejected this offer in September 1971—spurned it on the grounds that any compromise with "imperialism" would weaken his revolution—only when he then traded the duplicitous ways to the Soviet Union, only then did any appreciable money begin to flow into Chile through the CIA to keep alive the Christian Democratic Party, the Nacional Party, segments of the Radical Party, and their press outlets. Now my questions for Mr. Vance are the following:

Did he not know in 1975, if not much earlier, of the fact of our unprecedented offer to Allende?

Did he not know a great deal of the historical basis for US fears of Allende—that he represented, in the words of President Kennedy, "a second Soviet bridgehead in the hemisphere"—and did he not know of the covert actions launched by the White House to prevent Allende's accession to power in 1964?

Did he not know, as a former Deputy Defense Secretary, as a former Secretary of the Army and as one who had reached the very apex of the foreign policy Establishment, that the Joint Chiefs of Staff had immediately upon Allende's election in 1970 issued a report sounding their alarm as to the likely strategic consequences—that, contrary to my view (they were correct and I wrong) Allende would offer modernized facilities to the Soviet Navy thus striking at a particularly vulnerable South Pacific underbelly—an area which the latest version of Soviet nuclear submarines wished to prowl, an area of not only vital concern to the United States and its Pacific allies but to the Peoples Republic of China. Indeed, it was Allende's close ties to the Soviet Union—his efforts to persuade the Chilean military to accept incredible amounts of Soviet weaponry offered by Moscow—that contributed to the Chinese decision to have normal relations with the present military junta in Santiago, to offer it $58,000,000 in credits, and to ask Allende's Ambassador, the aforementioned Mr. Armando Urribe, to leave the country immediately.

Now, why would Mr. Vance, with his insider's knowledge, prefer for the United States to be depicted throughout the world as a Nazi-like bullyboy acting through a runaway CIA against an "innocent" Social Democrat, Mr. Allende, rather than have the full truth on the record? Why would he prefer this blackening of

his country, this damage to its interests, this echoing of a line of propaganda first emitted by Moscow Radio?

I shall suggest the answers as I proceed.

Let us first consider Brazil.

Did Mr. Vance, as the second highest defense official in the land, not know of President Johnson's order in early 1964 to assemble a task force of naval and airborne units to intervene in Brazil's internal affairs? Was he unaware that this task force headed south even as the leftist government of Brazil led by the late Joano Goulart was being overthrown by a military government? Even more interesting, would Mr. Vance claim ignorance of the efforts made, with the knowledge and collusion of the CIA, by American members of the Business Group for Latin America—the group headed by David Rockefeller which played such a key role in stopping Allende in Chile that same 1964—to support the overthrow of Goulart and its replacement by the military? In the event that anyone in this room doubts the accuracy of these statements they can turn to the documents recently declassified at the Lyndon B. Johnson Library in Austin, Texas, and to two volumes I brought along.

First, I read from a book co-authored by Jerome B. Levinson, the chief Counsel of the Senate Committee on Multinationals chaired by Senator Frank Church of Idaho, and by Juan de Onis, a correspondent then and now of the New York Times in South America. Mr. Levinson was deputy Director of AID in Brazil in 1964, an official who boasts of his hyper-active quest of truth:

I quote from pages 88, 89 of his book entitled "The Alliance That Failed."

Brazil: Round two

President Goulart's failure to implement an economic stabilization agreement concluded between Brazil's finance minister and David Bell in 1963 had led the United States to suspend virtually all economic assistance to the Brazilian federal government. Adopting an "islands of sanity" strategy, the U.S. mission made loans instead to the major state governments that appeared to offer a political counterpoise to Goulart's increasingly reckless populism. In general these loans were technically sound, but through them the U.S. assistance program under the Alliance served U.S. political and security interests in Brazil. By early 1964 the U.S. government was deeply concerned about reports of growing communist influence in Goulart's government and the labor unions that were his base of support.

During the week before the military moved to oust Goulart, two huge civic marches for "God, nation, and family" took place in São Paulo and Belo Horizonte, the capitals of the states where the insurrection began. U.S. businessmen resident in Brazil, who were in close contact with the CIA representatives there, helped to organize and finance these demonstrations.

On March 25, the day of the São Paulo civic march, a complaint within the Brazilian Marine Corps over the alleged inadequacy of food escalated into a mutiny led by a young corporal. (The press luridly paralleled this event with the Potemkin mutiny in Russia in 1917.) Goulart refused demands of Navy officers that the mutineers be severely punished, and on the night of March 29, at a meeting of the Association of Brazilian Army Sergeants, he delivered a speech that seemed to be pitting the sergeants against their officers. On the morning of March 31 the liberal newspaper *Correio da Manha* ran an editorial entitled "*Fora!*" ("Out!"), which signaled that the end was near. In the state of Minas Gerais, General Olympio Mourão Filho and Governor José Magalhães Pinto went on the radio to announce that the revolution to save Brazil from communism had begun.

It turned out to be virtually bloodless. At the president's residence in Rio, Santiago Dantas, Goulart's former finance minister, told Goulart that the United States had promised the Brazilian conspirators to support a "free government" established in opposition to the Goulart regime.[8] This opposition government-in-arms was to have been set up in São Paulo if Goulart had managed to hang on in Rio.

São Paulo businessmen have confirmed that early in 1964 Ambassador Lincoln Gordon was told of the plan to establish this government and was asked whether the United States would assist the São Paulo rebels.

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[8] Interview in Rio de Janeiro, Brazil, August 1968, with a former aide and close friend of Dantas who has asked not to be identified.

It was at this time, of course, that the Defense Department was assembling the task force and moving it southward to be on hand in case the ouster of Goulart had not been bloodless and in the event leftists had opposed the ouster.

Now I quote from the second document, a history of the Council for Latin America prepared for but *not* distributed by the Council in 1967. It is entitled "*More Than Profits*, The Story of Business Civic Action in Latin America"; its author is a former CIA agent who worked as a top official for the Council.

I quote from pages 72, 73, 74:

"Goulart and his crew were taking the piecemeal but systematic 'two steps forward and one step backward' approach to the Communization of Brazil. The country was simply too huge and too diffuse for them to swallow at one gulp. And the opposition to Communism among politicians, soldiers, women, workers and businessmen had to be broken before a take-over was possible.

"The Communists did succeed in splitting the business community in Brazil. There were multi-millionaire industrialists who helped to finance the Party and its political campaigns; they saw in the Party an instrument for personal vengeance on their competitors for economic power and social status. Other very wealthy business men became Communists out of a bored, perverse desire for adventure. Some paid various forms of blackmail to the Communist apparatus, hoping thus to be spared. Some simply sat out Brazil's civilian civil war, in uneasy comfort at home or in escapist fleshpots abroad.

"A redoubtable hard core of Brazilian businessmen went into the opposition to Goulart and Communism. They organized themselves into the innocuous sounding Institute of Social Research and Studies (IPES), and played various roles in the resistance according to their respective situations and temperaments.

"In Rio de Janeiro, which remained the real political capital of the country despite the official investiture of Brasilia, the businessmen-members of IPES-Rio assumed the political generalship of the democratic forces. They ran the intelligence operations that spotted forthcoming Communist moves under the direction of General Golberty de Couto e Silva, who was later to become the chief of President Castelo Branco's equivalent of the FBI. They gave aid and comfort to military men whom Goulart drove into early retirement; and helped them to keep their influence in the ranks alive. They bailed out opposition publishers and broadcasters whose enterprises were deep in debt to government credit institutions and who were threatened with foreclosure if they did not change their editorial line to conform to that of the Communists. They prepared draft laws, speeches, strategy and tactics by which the democratic deputies in the Federal Congress blocked move after move of a Goulart administration bent on the seizure of total power. They encouraged the mounting protest movement of the Brazilian women, which was to play such a decisive part in convincing the cautious armed forces that public opinion did want them to throw the Red rascals out. The members of IPES in Rio did all this subtly, suavely, diplomatically, always leaving the door open for Goulart to re-enter the lists of legitimacy and constitutionality, never breaking off negotiations with the government until the government made it absolutely impossible to talk and had to be overthrown if Brazilian liberty was to be kept alive.

"IPES in Sao Paulo followed a different but complementary line. The vast industrial complex of Sao Paulo is always more or less against the Brazilian national government; Paulistas want to get on, unfettered, with the practical business of production and they wish that the politicians would simply go away and leave them alone. Consequently, IPES-Sao Paulo frankly raised a war chest to fight Goulart. With some $50,000 a month, it supported a staff of 65 political action specialists who trained and supervised anti-Communist activists in the labor and student movements, guided the work of the democratic women, prepared propaganda leaflets and penetrated Communist organizations. IPES-Sao Paulo subsidized magazines which provided a forum for influential democratic intellectuals whose views the Communists refused to publish, produced films on the dangers of totalitarianism of any stripe and on the responsibilities of citizens in a democracy and carefully policed the Brazilian business community to minimize anachronistic business practices that could provide grist to the Red propaganda mill.

"Almost without exception; foreign business in Rio de Janeiro remained stubhornly aloof from IPES, arguing that it was too 'politcial' for comfort, deaf to the contention that the struggle against totalitarianism was a matter of political and economic life and death, quite distinct from self-seeking support of one faction or another in a system of live and let live. The highly politicized air of Rio, its

Viennese attitude of 'the situation is hopeless but not serious' and the foreign businessmen's rigid taboo on 'politics' all contributed to the confusion. In soberer and more self-protective Sao Paulo, the foreign attitude was quite different. While some substantial foreign enterprises shared their Rio colleagues' concerns and, incredibly enough called IPES 'subversive,' a great many companies saw matters more clearly. They formed the Fund for Social Action whose moral support to the Brazilians of IPES was fully as valuable as its sizeable financial contributions to IPES action programs. The Fund formula also showed sophistication: since Fund money simply went to IPES, foreigners could not be proved to have supported specific Brazilian activities nor could Brazilian activists be specifically tarred with the brush of foreign assistance.

"An object lesson in how safe the action of a reasonably united business community against Communists not yet entrenched could be was provided in Brazil."

Now I put it to you, Mr. Chairman, is there not a direct link between these actions of 1964 and those taken by the Nixon-Mitchell team in the White House in 1970 to engage the CIA in the grotesque, mad plot with the Chilean military behind my back and behind the State Department's? Was there not an almost mirror image of what occurred in the overthrow of Goulart in Brazil in 1964 [and what occurred] in Chile in 1973 when Allende was ousted? Even the naval mutiny incident described by Mr. Levinson is almost an exact replica. And for the record, I think it was not the CIA—and I may be wrong since I left Chile two years earlier—but I have good reasons to believe that Brazilians and other Latin Americans were advising the Chilean Generals who were responsible for this repetition of history.

Mr. Vance is a lawyer. He understands the meaning of precedent. Is there not a precedent—indeed many precedents—provided by the Administrations he served at a very high, complicit level for the crimes committed by the Nixon-Mitchell team? Even in the despicable Watergate episode? How would he dispute Mr. Ken Kesey, the author of "One Flew Over the Cuckoo's Nest," who said on public television recently that Mr. Nixon was a "ritualistic sacrifice?" Didn't Mr. Kesey have in mind the system of old boy networks—of say, a Mr. Geneen, Mr. McCone, Mr. Helms, the brothers Bundy, Mr. Rockefeller and even a Mr. Vance—(and I want to emphasize here that I am not here accusing the nominee or Mr. Rockefeller or the Bundys of any prosecutable crime) but I am only referring to linkages designed to be self-serving, self-protective and self-perpetuating, linkages which gave us Vietnam in the 1960s, assassination plots and the dark legacies of all manner of covert operation.

The Soviet Union knows in detail almost the entire story of Chile as it really occurred. Indeed, it advised Allende in early 1973—and promptly informed our government—to come to terms with Nixon rather than plunge recklessly towards certain economic and political disaster, rather than count upon the $500,000,000 in hard currency which Allende had personally sought from Mr. Brezhnev. The Soviets, as I, did not wish to envenom relations with the United States over Chile; it preferred, as I, to seek ways to diminish tensions between our two countries.

Castro, like his Soviet friends, also is aware of what occurred in Chile in 1963–1973 and why Latin America had such a fatal fascination for the Kennedys, why it led them into assassination plots and other weird doings. So do important members of the Italian Communist and Socialist parties as do a great many statesmen and diplomats in Western Europe. Why then should the US public not know? Even more to the point today in this room, what conclusions will the USSR draw about the US, about its Secretary of State, as a result of this strange, perverse betrayal of truth, this traducing of our press, of our public, of our Senate? Is it any wonder that the Kremlin and other governing groups take an increasingly cynical view of Washington and of this country?

Is it any wonder that they heap praise on say, Mr. Don Kendall, the man who helped to persuade Mr. Nixon to engage in the 1970 military plot in Chile, a member with Mr. Geneen of the Executive Committee of the Council for Latin America in 1970, and today the principal multinational spokesman in this country for "detente"? To take the connection one step further, is it proper for Mr. Kendall to engage as his firm's Vice President, Mr. Deke DeLoach, the former deputy to J. Edgar Hoover, a man whose mind is chockablock with the secrets gleaned about Congressmen, Senators and other Americans as a result of the work of the FBI?

What, may I ask, can the Japanese and West German governments, for example, conclude about this government and this nominee when it learns that

the bribery of Allende and of his government by ITT and other multinationals was deliverately concealed from the Senate and the public, but, as soon as I testified to it in secret, the same men rushed into print the leaks about the Lockheed bribery so devastating potentially to the tranquility of these two allied democracies?

I appealed to Mr. Vance on December 26, 1975. He was one of seven distinguished Americans to whom I wrote for support. In my letter, which I attach as an appendix to this statement, I explained that the Senate Select Committee had issued two reports—on Assassination and on Chile—"in which my name is invoked often in way that gravely, and I believe, dishonestly, unfairly and criminally impugn my integrity, mortality and honor without giving me a single opportunity to testify."

I attached to these seven appeals my correspondence with the Committee's Counsel. I also gave the details of two chilling events of that week. One was the prediction from a very knowledgable Washington Democrat, an attorney whose advice I had sought on how to get in to testify. His reply, after scouting this place, was that I would know "anguish beyond anything" I had ever experienced if I persisted in my efforts to vindicate myself. He was correct. He said that the staffs of the Select Committee and of the Committee on Multinationals would be "very vindictive" if I did not abandon my efforts to get the truth before the Senate and the public. The second was a telephone call, a few minutes later, from Jack Anderson. He said that sources on the Select Committee staff had tipped him that same weekend to my supposed ties to ITT, a scurrilous invention which this one time Mr. Anderson had the prudence to ask me about before rushing into print.

In my covering note to Mr. Vance, I said I was not only addressing him as one who had known me fairly well in various capacities, but as the President of the Bar Association of the City of New York. Mr. Vance never acknowledged my letter. Mr. George Ball, on the other hand, informed me he had spoken to Senator Church, the Chairman of the Select and Multinational Committees. Mr. Elie Abel, the distinguished journalist who is the Dean of the Columbia University School of Journalism, telephoned A. M. Rosenthal, the then managing editor of the New York Times, and James Greenfield, the then foreign editor of the Times. As a result of this latter intervention, Mr. Greenfield invited me to lunch on, appropriately enough, Friday, February 13th, at the Century Club in New York. During that lunch, Mr. Greenfield told me and others possibly I had been the victim of an assault on my civil rights and that the Times intended to do a story about it.

Mr. Vance, also a member of the Century and a Director of the New York Times approached our table at the end of our lunch and greeted us both in very friendly fashion. When he discovered that it was my treatment by the Select Committee that was under discussion, he said—and this is verbatim—"the trouble with you, Ed, is that you do not know the difference between a political process and a legal process." I retorted immediately that the trouble with him was that he did not understand that such an interpretation by an eminent lawyer had led to the crimes committed by so many lawyers in the Watergate and related matters. That was the end of the conversation.

The Times did, in fact, dispatch a reporter full time to my story in late February. John Burns, a recent Times recruit after five years of service in China for a Canadian newspaper, concluded after several days that the Times should do a major story not only about the lesser civil rights complaint but about the far more important objective facts of what had occurred in Chile. At that point, Mr. Burns was suddenly offered by Mr. Greenfield the assignment of Times correspondent in South Africa. He accepted. Before his departure for that post, however, Mr. Burns called me in May to say—as I can corroborate—that he had written a very lengthy story, that it would probably be published very shortly, that I had been badly mistreated and that he wished me to know of his sympathy. To this date, his eight column story has never seen the light of day nor any part of it. Indeed, it was only when, by fortutitous circumstance, a young persistent, vigorous, courageous reporter from the Wilmington (Delaware) News Journal, Joe Trento, telephoned in November to inquire into certain CIA actions he was investigating that a chain of events began which led both the Times and the Washington Post to give their audiences, for the first time, the slightest inkling of my efforts on the record the provable, documented facts about Chile.

On November 28 and December 19, the News Journal published a total of five full pages in two stories by Mr. Trento, including two front-page banner head-

lines. Even more remarkable considering that a major focus was on ITT and its alleged fraud and perjury is the fact that this newspaper is owned by the Dupont family. Apparently it has an independence which the Times cannot match. Following the hand delivery to Mr. Rosenthal at the Times of the second of these two News-Journal stories Mr. Seymour Hersh, the Times' socalled expert on intelligence matter, telephoned to ask and to receive permission to interview me at my home that night, December 21st. His interview of four hours—until almost two a.m.—led to the publication by Mr. Hersh of extraordinarily selective and minimal portions of the interview and of the documents I provided him. He suppressed totally most of the critical elements.

Now, the questions I have for Mr. Vance are these:

What did he mean by the distinction he made between a political and a legal process? Does he really feel that a Senate Committee can or should lie to the American public because of the intellectual dishonesty of its staff and Counsel? Or of some of its members? Does he mean that a Senate Committee had the right to issue reports impugning a key witness without even addressing to him a single question about the discrediting material concerning that witness which they inserted into their reports? Would Mr. Vance argue that partisanship excuses any action in the Congress—the doctrine so disgracefully carried out by Mr. Nixon and his friends? Would he argue that Senate staff and Counsel are totally unaccountable even if they violate every precept of the Bill of Rights, of justice, of simple decency? Why then not the FBI or the CIA? Is Mr. Vance aware, by the way, that his friend, Mr. F. A. O. Schwarz, Chief Counsel of the Select Committee, has bragged of his success in convincing newsmen not to publish any of my allegations on the grounds that I was mentally unbalanced? Is Mr. Vance aware that a staff member of the Senate Select Committee, still serving the Senate on the Oversight Committee, offered a newsman recently an improper means to learn the names of American newspersons who had worked for the CIA if that newsman would only desist from writing about the coverup by the Select Committee? Is not Mr. Vance aware, as I believe he is, that Mr. F. A. O. Schwarz admitted to meeting of the Bar Association of the City of New York on November 16, 1970 that I should have been called as a witness prior to the issuance of the two reports by the Committee in November and December of 1975? Is Mr. Vance not aware that Senator Church claimed in a public hearing on December 4, 1975 that "the only reason" I had not been called as a witness was that the staff had concluded, as I had always maintained, that I had "no knowledge of the socalled Track II" (the plot hatched by Nixon, the CIA and dissident Chilean generals in 1970)? As the recent President of a Bar Association which has the most active Civil Rights Committee, does Mr. Vance believe it normal, proper or even legal for a Senate Committee to issue extremely damaging information about someone without even allowing that person to be questioned first under oath? Does not such a process smack of the Moscow trials?

Even more pertinent to someone who spent 20 years in news work, was Mr. Vance not fully cognizant of the effects of his statement, as a Times director February 13 on Mr. Greenfield? Did he not take into account that Mr. Greenfield has also served in the Kennedy and Johnson Administrations as a very well-informed individual positioned in a place to hear of covert as well as overt operations? Is it not a fact that Mr. Greenfield wrote Vietnam speeches for Mr. McNamara early in the war? Did he not serve as deputy Assistant Secretary for Public Affairs and Assistant Secretary in the Kennedy and Johnson Administrations? Did he not, upon leaving government, work for a period with Continental Air which had major operations in Vietnam? What other conversations did Mr. Vance, a director of the Times, have with Mr. Greenfield or other editors, on this subject?

In the event that anyone in this room takes lightly what I am raising here, it is another of those "cohesive ties" to which I referred earlier. I have in mind why and how it came about that Congressman Harrington, a Kennedy Democrat from Massachusetts, arranged through Mr. Jerry Levinson of the Multinational Committee to leak to Levinson's good friend, Mr. Seymour Hersh of the Times, his account of the egregious testimony of early 1974 by Mr. William Colby on the socalled U.S. "destabilization" effort in Chile. I have in mind how Hersh and the Times did me great damage in his first stories by writing, without even attempting to contact me, a series of falsehoods which the public record of Senate proceedings of 1973 showed to be outright lies. Moreover, in his first story, as the Washington Post said yesterday, he indicated that I was Ambassador to Chile when Allende fell in 1973 even though I had departed Chile two years earlier.

A very few despicable newsmen have, thanks to the protective silence of such men as the nominee, been able to engage in a most sinister form of bribery by Senate employes—by people paid by the taxpayer. These Senate men have indulged in what the CIA is taught as the socalled control process by which an agent is recruited, molded and exploited. Newsmen such as Mr. Hersh of the Times and Mr. Larry Stern of the Washington Post could be fed a steady stream of official secrets—in effect, the information which would increase their standing, their salaries, their notoriety and their natural ideological convictions—and, in return, they would remain silent about evidence which might incriminate their informants or damage their political and other interests. In return they also put into print the most damaging possible information about me. The courts allow me to seek redress for such conduct, and I shall—but as one who was an organizer for the American Newspaper Guild at the United Press in 1946, and as a reporter and editor for two decades, I want you, Gentlemen, and the nominee to understand the depth of my revulsion at this betrayal of the First Amendment, this sullying and despoiling of a profession which enjoys a freedom from which all other political freedoms flow.

One final relationship with Mr. Vance which I wish to place on the record, and which pertains to morality and responsibility in public life. I was President of the Association of American Publishers (AAP) in early 1973 when the then President of the United Nations Association (UNA) Mr. Porter McKeever, now an assistant to John D. Rockefeller, launched a campaign to persuade me to be his successor. I brought to Mr. McKeever's attention my impending appearance as a witness before the Subcommittee on Multinationals of this Committee; Mr. McKeever instructed the head of the UNA's Washington office to attend that March, 1973 hearing; he took other soundings. In April, he confirmed the offer and pressed for my acceptance.

Mr. Vance was a member of the UNA's Board of Governors—the Association's Executive Committee—and also the head of its Policy Studies; moreover, as attorney for United Artists, he was close to the former Chairman of UNA's Board, Mr. Robert Benjamin of New York who with Mr. Arthur Krim, heads United Artists and who had until recently been the highest donor to the UNA. Although the Association's new Chairman, Mr. Joseph Segel, then the head of the Franklin Mint, offered all manner of financial inducements to persuade me to leave the publishers for the UNA, I decided to consult Mr. Vance in New York. Mr. Vance encouraged me to accept the post and in answer to my specific question, agreed to remain as a Governor in charge of Policy Studies for at least one more year. He turned up at the luncheon given by the Governors and its overall Chairman, former Chief Justice Warren, which welcomed me to the UNA and which had just approved the terms of my generous three year contract with the U.N.A. personally underwritten by Mr. Segel as well, and the text of the announcement which would be made to the press.

Soon after starting work at the UNA, I discovered the following:

Contrary to the "80,000 individual members" the UNA declared it had in its press release announcing my appointment, there were barely 30,000 and the organization was financially dependent on the generosity of Mr. Segel for its survival.

Mr. Segel with the knowledge of my predecessor, had arranged to give the United States Ambassador to the United Nations, Mr. Scali, $50,000 for his expenses, and although a loophole in the State Department's regulations had permitted such a transfer, the funds were being spent, I discovered, contrary to the intent of all regulations—that is, for regular entertainment of foreign diplomats at large dinners at the Waldorf Towers. Indeed, an officer of the UNA, Mrs. Jean Picker, had expressed her outrage over the entire transaction to my predecessor, and Mrs. Picker, it should be noted, is very close to Mr. Benjamin.

Not a single Black held a substantive permanent position on the staff of some 60 at the UNA, the one Black doing substantive work had a consultancy but prior to my arrival had been informed he was terminated.

The women holding substantive jobs on the staff, as they pointed out in a petition shortly after my arrival, were paid, as a matter of UNA policy, considerably less for the same work by males.

The UNA had misled, to say the least, in an unethical manner, the Ford Foundation in order to receive a matching fund grant of a substantial amount.

The UNA's Vice President in charge of Financial and related matters raised the bulk of the Association's funds at two annual dinners—in New York and Washington—by selling high cost tables to businessmen around the country

with the bait that they would "get close to a future Secretary of State"—a specific reference to Mr. Vance which, if nothing else, was as prescient a sales pitch as it was effective.

The IRS was being deliberately defrauded by several members of the UNA staff.

Both Mr. Segel and Mr. Benjamin hoped, according to the UNA's financial Vice President that their generous devotion to the UNA would lead to their being named to the U.S. delegation to the United Nations and thus earn, they believed, the permanent honorific of "Ambassador". Both in fact won their appointments after my departure in 1974 from the UNA.

I shall not review here all I sought to do to correct this situation, reminiscent of what I encountered in Chile on arrival there in 1967.

I hired a Black very soon; I equalized female pay; I slashed staff and expenses; I sent our financial man to the Administrative Counselor of the U.S. Embassy at the UN to explain why I demanded expense chits for the $50,000 which the UNA, could at least defend.

My greatest problem, however, was what to do about the members of the UNA chapters around the country. To Chief Justice Warren in Washington and to Mr. Vance in New York, I explained the sparse membership, their advanced average age, their net cost to the Association and other disadvantages, Mr. Warren urged that I not forget these "little men and women of faith", that I do everything possible to invigorate and rejuvenate this popular support. Mr. Vance echoed the view of my predecessor who described the membership as "little old men in tennis shoes" and urged me to divest the UNA of such nuisances so that it could concentrate on significant work.

I pledged to Justice Warren that I would follow his advice and I reconciled that promise with Mr. Vance's elitism by devising a strategy based on a kind of federalism and on a new popular newspaper entitled The Interdependent, which I launched and whose style and content aroused much criticism from Mr. Segel; he felt the UNA should be a press agent for the UN. The paper, like some of my cleansing of operating base annoyed Mr. Benjamin. I departed the UNA soon thereafter, and renounced almost $100,000 due on my contract so that I would not be blamed for the weakening or demise of that shaky organization. Soon thereafter, at his request, I briefed Mr. Vance on the UNA's internal operations. He pleaded total ignorance.

So much for the facts. I shall put no questions nor draw any conclusions. As an ironic postscript, however, I attach as an appendix a hand-written note by one Theodore C. Sorenson following the issuance of Volume I, No. 1 of The Interdependent.

I was ready to account to the Select Committee for all my actions in Chile. Indeed I had the mistaken conviction that I could only render such a complete accounting to a Senate committee operating in the equivalent of a Post-Watergate morality. That conviction came in part from my sense of gratitude to a murdered President I had cherished, to a President who had plucked me from well deserved obscurity and enabled me to repay some of the enormous debt I felt to this country for the opportunities it had afforded me, to a man with whose ends in Chile and in Latin America—the strengthening of progressive democratic forces such as those represented by Eduardo Frei—I agree wholeheartedly. Equally important to me then was that I not eliminate from the political scene of Chile a man such as Frei by providing a full report of his actions, or of his party's or of his friends, in the years 1963–1973 or even more recently.

No one is without his flaws, certainly not I, and certainly not presidents who must make very complex and delicate decisions in order to preserve democracy. I still believe that the kind of democracy that Frei represented in Chile was the kind of system that the overwhelming majority of Americans believe in—a rational, moderate, progress in an atmosphere, above all of political freedom where every individual counts, where justice for all is guaranteed equally—for a Mr. Geneen as well as the urban impoverished who may have to steal to survive, for a Mr. McCone as well as, say an industrial spy, for a Mr. Vance as well as the taxpayer whose interests he again wishes to represent.

I have covered the four areas of public interest I listed at the outset.

If nothing else, I hope that my statement today will serve to sharpen Mr. Vance's awareness and responsiveness to the rights of every American, that it will also encourage every Americans to defend his inalienable rights, to use his wondrous capacity to think and to act to hold off the frightening power of the state,

that it may arouse the interest of Americans, particularly the media, in history that they will comprehend what George Kennan means when he speaks of the fatal American disease—historical amnesia; that they will understand, as I hope Mr. Vance will, that no nation can survive as a democracy, let alone prosper, if its actions derive from lies, myths, self-dillusion and self-demeaning hypocrisy if its highest representatives and bureaucrats have to perpetuate those such things to to survive.

Thank you very much.

APPENDIX

BRIARCLIFF MANOR, N.Y., *December 26, 1975.*

Forgive the photocopy. I am reduced to this inelegant means of communication by the circumstances herein described. Until now I refrained from writing friends or acquaintances because I preferred not to involve others in my problems and because I believed in our system—because I assumed for the past full year that, if nothing else, post-Watergate morality would guaranty me an opportunity to be heard at least once by the Senate Select Committee on Intelligence Activities before it issued its reports, two reports in which my name is invoked often in ways that gravely and, I believe, dishonestly, unfairly and criminally impugn my integrity, morality and honor. The fact is that I was denied such an elemental opportunity to defend and absolve myself. Moreover, the Committee deliberately suppressed everything, including official cables, I submitted to it. The three enclosures to this letter speak for themselves.

1. My letter of December 19, 1975, to F. A. O. Schwartz, Chief Counsel of the Committee, and the alarming postscripts to my straight-forward appeal to this New York attorney.

2. My oral statement to the Committee December 4, when I appeared as its very last witness after its two Reports had been issued (and at an hour, five p.m., designed to reduce the chances for publicizing my statements).

3. My October 23, 1975, letter to Senator Church which I sent upon learning that the first Committee Report (Assassination with a Chilean chapter) would be issued before I could appear at a public hearing scheduled for November 4. (When Senator Church received the letter October 28, that hearing was cancelled; when no new date was set, I wrote a letter to the Editor, published in the New York Times November 14, complaining that Senator Church, as well as the President, and the CIA, was seeking to bar my public testimony; subsequently, the December 4 hearing was scheduled but I appeared after the issuance of the second Report—on Chile.)

I have been advised by one or two loyal friends that I am foolhardy to pursue this matter, that I will "lose everything", that friends with standing in the Democratic party will not budge from partisanship for some unrewarding cause involving one individual's rights, that lawyers of national renown will let sleeping principles lie, that historians are not interested in the defense of issues which are not popular in academia, that corporate directors are concerned only to escape culpability for the actions of their own multinational, that foundation overseers are devoted to one or another theory for organizing society but avert their eyes from the reality of society, even those of their own privileged organizations.

Perhaps, as the Senate staff seeks to convince me by intimidation, I shall be hurt far worse by seeking to defend myself, by not accepting the argument that I was not "really damaged" by their Reports, that I can cause too much embarrassment by poking in the ashes of their blaze. If this cynical view were valid, we live in, and you support, a society so corrupted intellectually and morally that it justifies the marauding contempt for politics, politicians and public figures which so endangers our national structure today.

Sincerely,

EDWARD M. KORRY.

POSTSCRIPTS

1. Early December 19, a Friday, I telephoned F.A.O. Schwarz, chief counsel to the Senate Select Committee, to apprise him of some of the details of my experience with his Committee and to appeal to his professional ethics as a basis for corrective action. (Schwarz had reminded me at the end of the December

4th travesty that I had convoked him and other MIT Fellows with experience as legal advisers in Africa to a session in Washington in 1966 to gain the benefit of their insights for the Report on Africa which President Johnson had commissioned me to do.)

2. Early Monday, December 22nd, a prominent Washington attorney, a friend of mine with excellent Democratic credentials, telephoned to say that if I did not abandon my efforts to vindicate myself, the staff of the Senate Select Committee and of the Senate Subcommittee on Multinationals (which Senator Church also chairs) would be "very vindictive" and would cause me "anguish beyond anything" I had yet experienced.

3. No sooner did he ring off than the columnist Jack Anderson telephoned to question me about a scurrilous allegation of my connections with ITT; Anderson said his sources on Friday afternoon, December 19th, was the staff of the Senate Select Committee and that the staff had also made a number of other allegations, no less vicious.

4. The State Department informed me December 24th that Senator Church's Committee had refused to furnish a copy, per my request, of the summary of the interview with me by Treverton last July on the grounds it never divulged unsworn statements—a rule written to protect witnesses, not to prevent them from seeing their statements. (Moreover, the press had reported that week that Schwartz had even shown Mrs. Judith Campbell Exner the FBI reports on her!)

A tremendous mass of reading material on foreign affairs crosses my desk weekly, and I rarely had time or desire to do more than I can their usually ponderous pages. Unfortunately *Vista* generally received that fate. But your new publication was so refreshing, provocative, concisely written and readable that I read it from cover to cover, learned a good deal and even raised my hopes about the usefulness of the UN—and the UNA. Congratulations and keep it up.

Sincerely,

THEODORE C. SORENSEN.

UNFAIRNESS OF CASTIGATION OF COMMITTEES

Senator CHURCH. The testimony took an hour during which you attacked Mr. Vance and this committee and the executive branch and members of the press. If I took the same view of the world that you do, I would charge you with a conspiracy to lie to this committee for saying you would take only 20 minutes. I think you have been very unfair in castigation of the committee.

I have no knowledge of other charges that you made in connection with the press and so forth, but I do know about when you were before the multinational subcommittee in 1973. That was the first time you had an opportunity to testify. You were asked to divulge whatever you knew about the Chilean affair. We were charged then with just looking at the tip of the iceberg. We learned later than there was much more involved than we had any knowledge of at the time and we were trying to get information at the time. You came as a witness at that time. I will just quote from the record of that hearing in 1973.

Senator Percy said to you at that time:

Mr. Ambassador, any time you do get into an area where you can be more candid with this committee in executive session, under the rules of the executive session, will you just simply so indicate. I have no desire to put you in a position where you are failing to be candid with us or in a position where you are doing what you consider damage to the foreign policy of the United States. I will accept you simply stating "I would like to answer that question in executive session."

Then he went on a little later to again say:

I want to give you every opportunity to respond in one of two ways, either saying that you are going to refuse specifically to answer the question or simply indicating that you feel you should answer it in executive session.

At that time we didn't go into executive session and you spoke of your confidential relation with your superiors as reason for not responding to the committee's questions. Then there was the exchange between you and Mr. Levinson who you put on the line. Mr. Levinson said, "Well, I am just trying to get for the record so we are clear as to the basis on which you are refusing to disclose information."

You replied, "I am not playing with words, I am talking about the nature of the relationships between ambassadors and their governments."

Mr. Levinson then said, "Is this a matter of moral principle?"

You said, "That is right; with me it is very deeply so."

Mr. Levinson said, "So you do not claim a legal justification for this?"

This being a refusal to answer the questions.

You replied, "I am told that there is a legal justification but that is not what I am invoking."

Mr. Levinson said, "Are you prepared to disclose this information in executive session?"

You said, "No, I am not."

Now whatever your reasons may have been then or whatever your reasons are now, surely every opportunity was afforded you by the committee to state your case at that time. When it came to the intelligence committee, we did our job as best we could. We tried to get all the facts out as best we could assemble them, as honestly and as objectively as we could report them. You had an opportunity to testify in executive session. Our staff people said at the time that we were looking into an aspect of the Chilean affair over which you said then and say now you had no knowledge. Therefore, you were not called in to a public session.

Then later you appeared in public session. The 10-minute rule was applied to all witnesses at that time but your 29-page written statement was incorporated as a part of the public record. So I think that charges of coverup and conspiracy and the rest simply are not borne out by the public record. I think if the press wants to take enough time to look at the record they will find that there was substantial opportunity.

I have no questions to ask.

Mr. KORRY. I would like to simply say one small thing in answer. Ambassador Dungan who had knowledge of track II and Ambassador Davis who succeeded me both were called by your committee while I was excluded. When you said I had no knowledge of track II, the fact is that the chain of command between the White House and the CIA certainly involved my meeting with Mr. Nixon in the White House a week before track II had its culmination.

Now what I am saying, so there is no mistake about it, is that Mr. Treviton or at least the summary of the interview which he showed to me 8 months later suppressed that vital fact. That is No. 1.

No. 2, the reason that I gave you the answers that I gave you in 1973 is contained on page 102 of volume 7 of the Select Committee Report of Public Hearings of December 4, 1975. In the appendix my letter to you, paragraph 3 on that page, says your counsel Mr. Levinson and I have met in Dieseldorf, Germany. I have sworn under oath subject to the laws of perjury that on more than one occasion before—

and I don't say with your knowledge, sir, I want to be clear about that—but before I ever appeared on two occasions to testify in front of the Multinational Committee, Mr. Levinson offered the kind of deal that frightened him; that is, first, I spell it out in that letter, and second, that if I would only help him to get—is the verb he used—Dr. Henry Kissinger he would handle the business about the Kennedy and Johnson years. I told him that in good conscience I could not do that.

Thank you, sir.

Senator CHURCH. Well, Mr. Korry, you presented your testimony.

Mr. KORRY. Thank you.

Senator CHURCH. You have been given a full opportunity.

Mr. KORRY. I have, and I thank you for that, sir.

Senator CHURCH. Very well.

Our next witness is Manuel D. Fierro. Welcome to the committee.

STATEMENT OF MANUEL D. FIERRO, PRESIDENT, NATIONAL CONGRESS OF HISPANIC AMERICAN CITIZENS

Mr. FIERRO. Thank you, Mr. Chairman.

Mr. Chairman, our profound thanks to you and your colleagues for providing us with this opportunity to appear before you to express some thoughts on the nomination of Mr. Vance to be Secretary of State. I appear here in my capacity as president of El Congreso—the National Congress of Hispanic American Citizens, an organization which represents the elected leadership of a diversity of groups which speak for 16 million Americans of Hispanic origin.

I also come before you as a member of the Board of Trustees of the Council on Hemispheric Affairs, an organization of prominent Americans who are concerned with U.S.-Latin American relations and who come from congressional, labor, agricultural, business, professional, and academic backgrounds. Both El Congreso and COHA are deeply concerned about the future of the inter-American relationship. Both are also apprehensive over recent American policies, and the quality of leadership which has formulated and guided these policies.

I am here to neither support or oppose Mr. Vance's candidacy. We want to see what steps he will take regarding Latin America before we will come forth with judgments regarding his qualifications. I hope to use my few minutes of time to urge upon Mr. Vance some of our perceptions regarding regional affairs and implore him, as he stands before this committee, to understand our passion and our convictions regarding these matters. We are here to establish a proprietary stake in the fate of the hemisphere.

LACK OF ADEQUATE CONSTITUENCY FOR LATIN AMERICA

We are here to let Mr. Vance know that we are vitally interested in every aspect of U.S.-Latin American policy. Speaking as an Hispanic leader, I must admit that our peoples in the past have been delinquent in establishing a proper sense of identification with our brothers and sisters to the south of us. We were too preoccupied with our own domestic sense of survival to realize as black Americans, Irish Americans, Italian Americans, Jewish Americans, and Greek

Americans—among many other ethnic groups—have realized, that an identity with one's ancestral roots augments one's self-esteem and collective power rather than diminishes it.

We have suffered from this oversight and we also admit that Latin America has as well. We intend to rectify this. Because of our past neglect, Latin American affairs in this country never have had an adequate constituency which could monitor and help to control the initiatives being put forth by regional policymakers in Washington. We look upon American complicity in such matters as the overthrow of the constitutional government of Guatemala in 1954, the Brazilian government in 1964, the Dominican intervention of 1965 and the tragic demise of the constitutional government of Chile in 1973 as evidence of the price that a nation, and the victims of the policies of that nation, pay when such a constituency is lacking.

As these acts were taking place behind a veil of secrecy and deception, our Hispanic community, like the rest of the Nation, was barely aware of what was happening. We didn't permit a sense of natural kinship to develop, or respect the processes of history which linked our fate with those of our kinsmen. Regrettably, our conduct deceived people into thinking that we were ashamed to be of Latin American descent.

HOW LATIN AMERICA HAS BEEN TREATED

For us, all of this is now ancient history. We want Mr. Vance and members of this committee to know that we are horrified by the rape which historically, and up to the present moment, has been practiced on Latin America. And we want Mr. Vance to also realize certain things that we now know as facts. We are aware that career foreign service officers look upon a transfer to the Inter-American Bureau as being tantamount to a sentence in Siberia. We look with alarm upon the fact that the Inter-American Bureau historically has had the least prestige of any of the area bureaus and that it has one of the highest turnovers in the assistant secretary category.

We realize that the position of Assistant Secretary of Inter-American Affairs often has been difficult to fill because prospective candidates are repelled by the lack of possibilities of doing a really effective job in the Bureau. We worry over the low morale within the Bureau, the mediocrity of its leadership and the inadequacy of its staffing at all levels.

We also take note that the Bureau has a long history of bringing in ambitious academicians from prestigious institutions who look upon their time spent in Washington as an opportunity to ceaselessly advance their own careers, rather than adequately serve the needs of the desperately poor who make up the bulk of the populations of Latin America. It also fills us with despair that periodically the region is worked over by men of apparent good will who peddle various varieties of snake oil by picking up some of the latest reformist language which is in the air. An example of this is the recent body of American citizens who have made highly publicized recommendations about reforming the very controversial policies of which many of them have been the architects.

Rather than with a sensitive concern, Latin America has been treated with an air of condescension and in a spirit of patronization. Mr.

Kissinger speaks of a partnership with Latin America and a special relationship. Aside from the language, we seriously ask what good has this so-called special relationship ever done for Latin America.

HISTORIC TRANSFORMATIONS WHICH HAVE TAKEN PLACE IN LATIN AMERICA

We believe that in recent years Latin American policymakers and their superiors simply have not been aware of the historic transformations which have taken place in the region. We are no longer dealing with so-called banana republics or sombrero states. We are no longer witnessing military governments which have taken power as constitutional guarantors and are merely acting as caretakers of the democratic tradition until power can be turned over to another generation of civilian leaders. We also repudiate the academic notion that has been imported into the Bureau that the military is a reliable engine of constructive change in Latin America.

We look upon the Southern Cone—Paraguay, Chile, Uruguay, Brazil, Argentina—and the despotic states of Central America, and we ask ourselves the question: are these the states to which the United States wants to extend the hand of friendship? These are deadly and venomous societies which should be quarantined rather than admitted into our inner circle. Every one of these regimes are absolutist societies that do not allow the most elemental rights to their own populations. We should identify with the suppressed populations and not their oppressors.

In the past year the Council on Hemispheric Affairs and the religious communities in this country have stood almost alone as a strong symbol of what our Nation should stand for when it comes to inter-American relations. Point me out a single Latin American who believes in basic human rights and representative institutions, who admires or identifies with the present policies or personnel of the Inter-American Bureau. As we go down the line of the Bureau's highest officials, we are hard put to find a single member who seems to be consonant with the basic aspirations of the people of Latin America or is responsive to the highest ideals of this Nation.

U.S. HISPANIC COMMUNITY IS NO LONGER A SLEEPING GIANT

We want Mr. Vance to realize that the Hispanic community in the United States is a sleeping giant no more. It is now awake, and very much awake. You will realize it is awake if uninspired choices are made in staffing Bureau positions. We will be at every confirmation hearing. And if ambassadorial positions in the region are given as payoffs to political mediocrities or career hacks, you will see us at the door of this chamber every time.

But loudest of all, you will hear from us if you attempt to foist upon this Nation an unacceptable choice as Assistant Secretary of State for Inter-American affairs. We don't want people in this position who have had anything to do with lying to congressional committes, helping to overthrow legitimate governments, or plotting to kill foreign leaders. Nor do we believe that being a business executive or a corporation lawyer are necessarily suitable backgrounds for this position. We want a person from the outside who has convictions as

well as other talents. Convictions are what is essential, not technocratic skills. Those skills have long been around in the Bureau. And we ask you: what have they done for Latin America?

ED TORRES AS ASSISTANT SECRETARY SUGGESTED

A number of my fellow trustees of the Council on Hemispheric Affairs are active candidates for the position of assistant secretaryship. They are all able men. Speaking for myself and the leadership of El Congresso, and speaking for 16 million U.S. Hispanics in this country, there is but one outstanding candidate, and his name is Esteban Torres. Ed Torres, a high official in the International Affairs Department of the United Auto Workers, is one of the leading finalists for the assistant secretary position. We publicly beseech Mr. Vance to respond honorably to the telegram sent by President-elect Carter to all designated cabinet officers last Saturday that Hispanics be placed in policy positions at the highest level.

In closing, we entreat Mr. Vance, before this committee, to realize that the decision that he makes within the next few days will have epochal impact upon our community and upon regional policy. We hope for the good of us all that he chooses wisely.

PAST INSUFFICIENT ATTENTION TO OUR HEMISPHERE

Senator CHURCH. Thank you very much, Mr. Fierro, for your statement. I agree with you that we have been prone in the past to give insufficient attention to the nations in our own hemisphere. We often look too high for things close by.

Mr. FIERRO. That is right.

Senator CHURCH. And we had better come to appreciate that our first concern should lie with our own neighbors in our own hemisphere.

Mr. FIERRO. That is right.

Senator CHURCH. I think that we both take heart from the expressed concern that Mr. Vance made known today and his response to the questions of members of this committee about the character of some of the governments that we have assisted in the past, a much more and a very refreshing reaffirmation of human rights as a central objective of American policy abroad. I just know that you would agree with those positions and I think that they may herald a better day for our relations with the Latin American countries. I hope so.

Mr. FIERRO. Well, I certainly hope so and I think that one of the concerns that we have now is simply that all the high level positions in the State Department have been filled with the exception of the Inter-American Affairs position of assistant secretaryship.

Senator CHURCH. Yes.

RESOURCE OF HISPANIC COMMUNITY

Mr. FIERRO. Additionally, when you have two Hispanics in that whole State Department above a GS-14 that have never utilized the resource of our Hispanic resource in this country to deal with Latin America, I think that is a crying shame that this country and the State Department never recognized those resources available.

Senator CHURCH. I agree with you that the large number of American citizens of the Spanish origin and of Latin American origin,

we have a great resource that we should be using to a far greater degree than has been the case in the past in the State Department.

Senator CHURCH. Thank you very much.

Mr. FIERRO. Thank you.

Mr. FIERRO. Thank you very much, Mr. Church.

Senator CHURCH. Our next witness is Mr. Eric Lerner, a representative of Fusion Energy Foundation of New York.

STATEMENT OF ERIC LERNER, REPRESENTATIVE OF FUSION ENERGY FOUNDATION

Mr. LERNER. I am testifying here today on behalf of the Fusion Energy Foundation to urge the Senate not to confirm the nomination of Cyrus Vance as Secretary of State. Mr. Vance is unfit to carry responsibility of the foreign policy of the United States: his record proves that he holds views and loyalties diametrically opposed to the actual interests of the United States.

ACHIEVING FUNDAMENTAL INTERESTS OF U.S. FOREIGN RELATIONS

If we are to competently judges whether a man is suited to hold the position of Secretary of State, we must first identify the fundamental interests that this counry must pursue in is foreign relations and then ask whether the nominee is qualified to uphold these interests.

From the founding of this country our fundamental interest has been our development as an industrial Nation and the peace and political democracy necessary for that development. At present these interests can only be carried out within a framework of a new world economic order based on rapid development and based on the achievement within the next decade of a global economy based on thermonuclear fusion power.

A look at the world economy today will explain why this is the case. The world economy most emphatically, including our own country, is at the moment being strangled by an obsolete international monetary system, a system based on the IMF and the New York banks. It is being strangled by $3 trillion to $5 trillion in debt owed to these institutions and hundreds of billions of dollars of debt service that are being diverted from productive use. In the Third World and in Europe this diversion of productive resources means mass misery and starvation; in the United States it means a stagnating economy instead of an export led boom.

The first aim of American foreign policy must be to end this dangerous crisis. To do so our Nation need merely accept the proposals already put forward by European and developing sector nations, proposals enunciated at the Colombo, Sri Lanka meeting of the Non-Aligned countries last August and repeated elsewhere.

If Cyrus Vance is interested in dealing with the debt question, then he need merely accept these proposals to sweep away the current bankrupt monetary system with the general debt moratorium and to establish a new financial system based on an international development bank which would finance at low interest major development projects, agriculture and urban, throughout the Third World. These development program would involve three-way deals—the Third World, the advanced capitalist nations and the Comecon states in massively expanded trade.

Such an essential program of economic development, which would end unemployment and stagnation within the U.S. in a matter of months, would be purely utopian unless it was coupled with an international crash program for the development of thermonuclear fusion power. The rates of expansion of the world economy generated by renewed economic development will rapidly exhaust all presently available energy supplies—only the development of fusion by the mid to late 1980's, a goal entirely possible through international collaboration, will enable us to confidently exhaust these existing resources to fuel development today.

MR. VANCE'S RECORD AND VIEWS

Now in light of those fundamental interests let us look at Mr. Vance. Mr. Vance has throughout his career acted in behalf of the interests and policies of the New York banks, especially those connected with the Rockefeller family interests and policies which are exactly the opposite of the United States. They say the debt must be paid even if this means massive misery, the destruction of population, even if this means the forcible overthrow of governments and replacement by dictatorships, even if this sets the United States on a course toward war.

That Mr. Vance represents these private interests and not those of this Nation is evidenced both by his associations and by his governmental record. Outside of government Mr. Vance has held several high ranking positions within organizations run by the Rockefeller family, organizations advocating the policies of the New York banks—a distinction shared with other members of the proposed Carter cabinet. If confirmed, he would act as part of a team capable of imposing these private interests on the policies of the U.S. Government.

Mr. Vance's views on international economic policy can be gathered from his membership on the Board of Trustees of the Rockefeller Foundation, a position shared with Michael Blumenthal, Theodore Hesburg and Lane Kirkland.

The Rockefeller Foundation, through funded projects, has consistently fostered the myth that populations must be reduced and that economic growth is impossible. The studies funded by the Rockefeller Foundation advocate the reduction of Third World imports of capital goods for development and the substitution of labor intensive production methods. These are precisely the destructive policies which would free the maximum foreign exchange resources for repayment of debt.

Vance's opinions of the value of democratic forms of government can be accurately judged from his membership in the Trilateral Commission, a private international body of bankers and politicians chaired by David Rockefeller. Mr. Vance's colleagues on the Trilateral Commission include Mr. Carter, Senator Mondale, Zbigniew Brzezinski, Mr. Blumenthal and Harold Brown, as well as several designees for State Department offices: Warren Christopher, Richard Cooper, Lucy Wilson Benson, Anthony Lake and Richard Holbrooke.

The Trilateral Commission recently sponsored a study entitled "On the Governability of the Democracies" which concluded that democratic forms of Government were outmoded. Mr. Brzezinski, who served until recently as director of the Trilateral Commission, has new been appointed as the President-elect's closest adviser and has

frequently elaborated the Commission's view on this matter, advocating for the United States, and I quote, "a symbolic presidency where functionally necessary experts replace parties and governmental bodies. The President will no longer be able to adjust and interrelate all the functionally specialized interests that will evolve and the representation in the legislative process will become far more abstracted."

With Mr. Brzezinski and Mr. Vance working together on foreign policy, and with the other key Cabinet posts held by members of the Trilateral Commission, these men will have the opportunity to put their theories of technocratic Government into practice if the Senate allows them by confirming them, and I should add that the concern of the Government of the United States dominated by the Trilateral Commission has now been expressed by such divergent political tendencies as Pravda and this morning by one of your colleagues, Senator Goldwater, at the Harold Brown hearings.

Mr. Vance's attitudes on the vital issues of war and peace are equally well indicated by his vice chairmanship of the Council on Foreign Relations, chaired by David Rockefeller. The members of this body include the men just mentioned as well as Joseph Califano and Theodore Sorenson. The CFR publication Foreign Affairs in recent issues has been publicizing the views of the Committee on the Present Danger (CPD) whose basic thesis is that the United States must prepare for war with the Soviet Union.

Now of course Mr. Vance may say that these associations are not sufficient evidence, that he opposes the policies of the CPD and is a sincere upholder of peace. However, his record in Government confirms that he is all too willing—no matter what he says—to carry out in practice the war-like policies his associates advocate. Twice Mr. Vance was the key figure in efforts to overthrow allied governments by armed force. I should say at least twice.

In 1963 a CIA supported military coup attempted to overthrow the Dominican Republic's elected Government of Juan Bosch.

In 1967 Mr. Vance coordinated in behalf of the Defense Department's U.S. liason with the NATO plan "Operation Prometheus." The Prometheus plan was a blueprint for the establishment of a military dictatorship in Greece. In April of 1967 the Greek military, with active collaboration of U.S. intelligence agencies, coordinated by Mr. Vance carried out Operation Prometheus, overthrew the Greek Government and installed the planned dictatorship.

There is also evidence that Mr. Vance was involved in U.S. participation in the Brazilian coup of 1964.

Now Mr. Vance may well say that he has repented from all these previous wrongdoings, he has repented from his previous mistakes in Vietnam, but the Senate should beware that Mr. Vance has explicitly stated that he still supports the policies and interests that forced him in the direction of such warlike actions.

If Mr. Vance is intent, as he said it is—and clearly his associations indicate them to be—if he is intent on imposing an austerity regime of conservation of energy on the world, he can do that only by repeated military coups and by policy that will lead to general confrontation with the Soviet Union.

On those grounds he should not be confirmed.

[Mr. Lerner's prepared statement follows:]

PREPARED STATEMENT OF ERIC LERNER, REPRESENTATIVE OF THE FUSION ENERGY FOUNDATION

I am testifying here today on behalf of the Fusion Energy Foundation to urge the Senate not to confirm the nomination of Cyrus Vance as Secretary of State. Mr. Vance is unfit to carry responsibility for the foreign policy of the United States: his record proves that he holds views and loyalties diametrically opposed to the actual interests of the United States.

To competently judge whether a man is suited to hold the position of Secretary of State, we must first identify the fundamental interests that this country must pursue in its foreign relations, and then ask whether the nominee is qualified to uphold these interests.

From the founding of this country, our fundamental interests have been development as an industrial nation nad the preservation of the peace and political democracy essential to that development. Presently these interests can only be served by a policy aimed at the establishment of a New World Economic Order, an economic order premised on the most rapid global development, and on the transition to a global economy based on thermonuclear fusion power within the next decade.

A look at the world economic situation today illustrates why this is the case. The world economy most emphatically including our own economy, is being strangled by an obsolete international monetary system—the system of the International Monetary Fund and of the giant New York banks. Under this system, hundreds of billions of dollars are diverted annually from productive purposes to the payment of debt service on three to five trillion dollars in debt owed, primarily, to the IMF and the New York banks. The nations of Europe and the underdeveloped sector, burdened with this debt, are massively cutting back on their imports, devastating world trade and creating mass misery and starvation throughout the Third World. As a result of this debt, the U.S. economy, instead of booming through the expansion of its export trade, is stagnating.

The first aim of American foreign policy must be to end this dangerous crisis. To do so, our nation need merely accept the proposals already put forward by European and developing sector nations, proposals enunciated by the Colombo, Sri Lanka meeting of the Non-Aligned countries last August and repeated elsewhere. These proposals advocate sweeping aside the current bankrupt international monetary system by the declaration of general debt moratoria and the establishment of a new financial and economic system based on development. This new system involves principally the setting up of an International Development Bank to fund major agricultural and urban development projects at low interest for the developing sector. These programs are to be carried out through treaties massively expanding three-way development and trade cooperation among the developing countries, the developed capitalist nations and the Comecon nations.

Such an essential program of economic development, which would end unemployment and stagnation within the U.S. in a matter of months, would be purely utopian unless it was coupled with an international crash program for the development of theromonuclear fusion power. The rates of expansion of the world economy generated by renewed economic development will rapidly exhaust all presently available energy supplies—only the development of fusion by the mid to late 1980's, a goal entirely possible through international collaboration, will enable us to confidently exhaust these existing resources to fuel development today.

This foreign policy is not only in the best tradition of the American commitment to economic and technical progress, it is the only path towards enduring peace. The policy of global economic development and three-way trade, embodies the real common interests of the United States and the Soviet Union, and if carried out would remove all potential causes of water between these countries. It is the most effective way of encouraging political democracy both here and throughout the world: Dictatorships are needed only to force populations to cut consumption to pay foreign debt, but political democracies are the necessary form to most effectively encourage rapid economic and technological growth.

Mr. Vance has throughout his career acted in behalf of the interested and policies of the New York banks, especially those connected with the Rockefeller family interests and policies which are exactly the opposite of the United States. The banking interests that Mr. Vance has labored for favor the collection of their debt over all other considerations, and the maintenance of the financial and political power which goes with that debt. The debt must be paid, even if economic development is aborted and whole populations decimated. The debt

must be paid, even if this means the forcible overthrow of allied governments and their replacement with dictatorships. The debt must be paid, even if this sets the United States on a course toward general war. In contrast to the policies of development, democracy and peace which this country must carry out, Mr. Vance and those whose interests he defends stand for genocide, dictatorship and war.

Mr. Vance's record of service in previous governmental administrations has earned him a reputation in Europe. Italian and German newspapers have characterized him as they watch closely and with concern the naming of Mr. Carter's cabinet. The London Times greeted his appointment as an indication that "the Vietnam Warhawks" were being rehabilitated for this administration. That newspaper referred to Vance's call for paratroopers in the 1967 Detroit riot as "a desperately dangerous move." The West German Frankfurter Rundschau has also questioned Vance's commitment to peace: "Vance was McNamara's deputy during the worst years of the Vietnam war, but later he won the reputation of a clever mediator . . ."

That Mr. Vance represents these private interests and not those of this nation is evidenced both by his associations and by his governmental record. Outside of government Mr. Vance has held several high ranking positions within organizations run by the Rockefeller family, organizations advocating the policies of the New York banks—a distinction shared with other members of the proposed Carter cabinet. If confirmed, he would act as part of a team capable of imposing these private interests on the policies of the U.S. government.

Mr. Vance's views on international economic policy can be gathered from his membership on the Board of Trustees of the Rockefeller Foundation, a position shared with Michael Blumenthal, Theodore Hesburg and Lane Kirkland.

The Rockefeller Foundation, through funded projects, has consistently fostered the myth that populations must be reduced and that economic growth is impossible. The studies funded by the Rockefeller Foundation advocate the reduction of Third World imports of capital goods for development and the substitution of labor intensive production methods. These are precisely the destructive policies which would free the maximum foreign exchange resources for repayment of debt.

Vance's opinions on the value of democratic forms of government can be accurately judged from his membership in the Trilateral Commission, a private international body of bankers and politicians chaired by David Rockefeller. Mr. Vance's colleagues on the Trilateral Commission, including Mr. Carter, Senator Mondale, Zbignew Brzezinski, Mr. Blumenthal and Harold Brown, as well as several designees for State Department offices: Warren Christopher, Richard Cooper, Lucy Wilson Benson, Anthony Lake and Richard Holbrooke.

The Trilateral Commission recently sponsored a study entitled "On the Governability of the Democracies" which concluded that democratic forms of government were outmoded. Mr. Brzezinski, who served until recently as director of the Trilateral Commission, has frequently elaborated the Commission's view on this matter, advocating for the United States "a symbolic presidency where functionally necessary experts replace parties and governmental bodies. The president will no longer be able to adjust and interrelate all the functionally specialized interests that will evolve and the representation in the legislative process will become far more abstracted."

With Mr. Brzezinski and Mr. Vance working together on foreign policy, and with the other key cabinet posts held by members of the Trilateral Commission, these men will have the opportunity to put their theories of technocratic government into practice, if the Senate agrees to confirm them. The Carter administration's reliance on the Trilateral Commission has not been ignored. The Soviet Union has commented on both Vance's membership in the Commission and on the goals of the Commission in its party paper, Pravda. "The people who are taking the highest posts in foreign policy, military questions and finance are from this (Trilateral) commission," Pravda said, calling the Commission "a club of strong men" formed "under the sponsor of David Rockefeller." The new administration will evidently look to "trilateral policies for a way out of the crisis at the expense of its partners, deepening even further the disagreements in the corners of the triangle (a reference to Japan, North America and Western Europe)".

Mr. Vance's attitudes on the vital issues of war and peace are equally well-indicated by his vice-chairmanship of the Council on Foreign Relations, chaired by David Rockefeller. The members of this body include the men just mentioned as well as Joseph Califano and Theodore Sorenson. The CFR publication For-

eign Affairs in recent issues has been publicizing the views of the Committee on the Present Danger, whose basic thesis is that the United States must prepare for war with the Soviet Union in the near future.

Of course Mr. Vance may say that these associations are not sufficient evidence, that he opposes the policies of the CPD and is a sincere upholder of peace. However, his record in government confirms that he is all too willing to carry out in practice the warlike policies his associates advocate. Twice Mr. Vance was the key figure in efforts to overthrow allied governments by armed force. In 1963, a CIA-supported military coup attempted to overthrow the Dominican Republic's elected government of Juan Bosch. Two years later, the coup attempt was massively resisted by the population of that country and a civil war broke out. Mr. Vance, then Deputy Secretary of Defense, supervised the dispatch of warships and U.S. Marines to the Dominican Republic, under the pretext of evacuating American citizens—an intervention which prevented the victory of pro-Bosch forces in that civil war. Vance, the acting "mediator," imposed on the country's provisional president Balaguer, a vice president under the Trujillio dictatorship, who murdered or imprisoned his opposition and who remains in power today.

In 1967, Mr. Vance coordinated in behalf of the Defense Department's U.S. liaison, with the NATO plan "Operation Prometheus." The Prometheus plan was a blueprint for the establishment of a military dictatorship in Greece. In April of 1967, the Greek military, with active collaboration of U.S. Intelligence agencies, coordinated by Mr. Vance carried out Operation Prometheus, overthrew the Greek government and installed the planned dictatorship.

Mr. Vance's role in the Vietnam war is well-known. Throughout his tenure in the Defense Department, Vance acted as a consistent advocate of escalation of warfare in Vietnam and an opponent of any moves toward peace.

The question the Senate must ask is: can a man with such associations and such a record as Cyrus Vance be trusted to act in the interest of the United States? The only reasonable answer is no.

In that testimony has been presented here demonstrating Mr. Vance's unsuitability for the office of Secretary of State, the committee should prove for itself by asking him the following questions:

(1) Do you, Mr. Vance, agree with the opinions expressed by Mr. Zbigniew Brezinski, designated National Security Advisor to the President, and the Trilateral Commission, that democratic forms of government are outmoded and must be replaced by technocratic dictatorships?

(2) Do you, Mr. Vance, believe that the U.S. must enforce the retainment of underdeveloped countries debt at any cost or would you agree to general debt moratoria?

(3) Could you explain how your long time association with the Rockefeller financial interests—Council on Foreign Relations the Trilateral Commission—would not affect your ability to best judge the interests of the United States government which would be general debt moratoria for the underdeveloped countries and advancement of U.S. participation in multilateral trade deals, and not the interests of those banks?

Senator CHURCH. Thank you very much, Mr. Lerner, for your testimony.

Mr. LERNER. Do you have any questions?

Senator CHURCH. I don't believe I have.

Mr. E. Stanley Rittenhouse, legislative aide for the Liberty Lobby.

STATEMENT OF E. STANLEY RITTENHOUSE, LEGISLATIVE AIDE, LIBERTY LOBBY

Mr. RITTENHOUSE. Mr. Chairman, you will have to forgive me for my laryngitis but that is the expense of winter here.

I certainly do appreciate the opportunity of coming and testifying before the committee regarding the nomination of Cyrus Vance. If the Senate were to confirm the nomination of Cyrus R. Vance to be Secretary of State, he would take the following oath of office:

I, Cyrus R. Vance, do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic;

that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

DISSOLVING OF U.S. NATIONAL SOVEREIGNTY SUGGESTED

To violate the allegiance owed to one's sovereign or state is a betrayal on one's country. To favor a one-world government is to do so at the expense of America's sovereignty. It is impossible to maintain our national sovereignty and be a member of a one-world government at the same time. When a soldier takes up arms, for example, in defense of his country, he is defending its sovereignty.

To quote The Spotlight (December 20, 1976):

Vance is a Bilderberg participant, a member of the Council on Foreign Relations (he is either now or has been the following: Vice Chairman of the Board of the CFR, member of the Executive Committee and a Director), a member of the Trilateral Commission and of the board of directors for the Rockefeller Foundation.

The above organizations are heavily influenced by the Rockefellers and jointly promote an international socialism. Their goal, as often articulated through the CFR, is a concentration of power that would result in a world government. The overlap of membership is revealing; Carter himself is a member of the Trilateral Commission.

You might ask, what are the goals of the CFR?

To quote the CFR on its goal: "The United States must strive to build a new international order including states labeling themselves socialist to maintain and gradually increase the authority of the UN."

I might point out that Nelson Rockefeller has pointed out that we need a new world order. All this must be accomplished at the expense of our sovereignty.

The October 1976 issue of Foreign Affairs, a CFR publication, says regarding trilateralism:

It is time therefore to consider the creation of a new institution, patterned instead after the Human Rights Commission of the Council of Europe, working under a charter similar to the European Convention on Human Rights, with guaranteed access and subpoena power and recognized standing in both national and international courts of law, and with the power to recommend sanctions which governments would undertake to enforce against either lesser officials acting on their own, or collectively, against violator governments. Such an institution would be outside the framework of the United Nations, but its express purpose would be to make effective the basic principles of the Universal Declaraion (another one-world document). It would be open to any state willing to incur the rather far-reaching obligations of membership.

It should be pointed out that the far-reaching obligations of membership referred to above, of course, mandate dissolving national sovereignty.

Colonel Curtis B. Dall, Liberty Lobby's chairman, testified during the confirmation hearings on Nelson Rockefeller that:

For all of his mature years, Nelson Rockefeller has been a constant and dedicated promoter of a one-world socialist government at the expense of the sovereignty of these United States . . . Faced as we are today with a life and death struggle, we should bear in mind that no one group in this country since the turn of the century has caused more damage in divers areas and more debasement of our culture and shining heritage than the Rockefeller group.

Mr. Vance is part of that group. Remember, he is on the board of directors for the Rockefeller Foundation.

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MR. VANCE'S FAVORING OF DÉTENTE

These groups all favor trade and aid with the enemy. Mr. Vance, as does Mr. Rockefeller, wants close ties with the Soviets. He testified to that effect today. Mr. Kissinger called it détente.

"The very survival of the United States is threatened by the Soviet military buildup," states Navy Secretary J. William Middendorf II.

Quoting former Defense Secretary Melvin R. Laird:

> The facts are that, in recent months, the USSR—secretly and openly—has repeatedly committed deliberate acts that mock detente and threaten the free world . . . Clearly, we must shed any lingering illusions we may have that the Russians have abandoned their determination to undermine Western democracy and impose their system upon the world.

But Vance still has these lingering illusions as witness his advocacy of détente.

Only today Vance was asked by a Spotlight reporter, Mark Lockman, whether he agreed with Henry Kissinger's recent statement that the Soviet Union is not striving for military superiority over the United States and Mr. Vance said, yes, he did agree with Mr. Kissinger's statement. Now that runs completely contrary to the latest CIA report stating that the military of the Soviet Union does want to gain superiority.

I quote the Washington Star of January 2, 1977: "The annual estimate of annual military intentions finds that the Kremlin is seeking to obtain superiority over U.S. military forces." Evidently Vance does not believe that CIA report.

I would also like to quote Admiral U. S. Grant Sharp when he warned his fellow Americans:

> The American people need to be informed of the unprecedented Soviet buildup of military capability. They need to understand that the Soviets intend to use detente to facilitate progress toward ultimate dominance of the West.
>
> The American people must be jarred out of their euphoria and made to realize that our way of life is threatened. The downward trend of our defense posture must be reversed. We have the ability and the technology to defend ourselves—but we must also have the will! We must wake up and get on with the job if we are to survive as a free nation!

Alexandr Sholzhenitsyn declared:

> I wouldn't be surprised at the sudden and imminent fall of the West . . . The situation is such—the Soviet Union's economy is on such a war footing—that even if it were the unanimous opinion of all of the members of the Politburo not to start a war, this would no longer be in their power.

I fully concur with Alexandr Sohzhenitsyn. In fact, I personally believe that we are being blackmailed by the Soviet military this very moment.

Mr. Vance is a promoter of détente. But détente is nothing more than surrender on the installment plan. Détente to the Communists is just another word. This year it is détente; last year it was peaceful coexistence; next year it will be something else.

I might point out the American people are getting fed up with détente. I refer to when President Ford said, "We will not use the word détente" prior to the election. In other words, they all know what they ought to be. It is too bad after the election they don't follow through.

Theodore Roosevelt's comment on internationalists who profess to love all nations as their own:

The American who loves other countries as he loves his own is like the man who loves other women as he loves his wife. I do not regard him as high-minded; I regard him as rotten. We have no room in this country for 50–50 Americans. He who is not with us absolutely is against us and should be treated as an alien and sent out of the country.

All I can add to that is amen.

As you may know, Mr. Vance worked under Mr. McNamara, the former Secretary of Defense, and of course he was instrumental in muzzling the military from speaking out against the enemy, the Communists.

Now Lloyd Shearer said, "There is little doubt that McNamara has influenced Vance more than any other individual in government."

Will he favor a policy of disarmament as did McNamara? Will he favor trading with the enemy, giving them technological, financial, and military aid and comfort as his previous record indicates? Will Vance continue Kissinger's policy of merging America and her people into the goal and programs of the Soviet Union?

Nationally syndicated columnist Paul Scott has reported:

Before the Senate Foreign Relations Committee acts . . . on the nomination of Cyrus Vance as the new Secretary of State, the lawmakers should thoroughly question him about his connection with two international groups that favor the establishment of a loosely knitted world government.

The first is his membership in the recently formed international citizens' action organization called "New Directions," the brain-child of Robert S. McNamara, President of the World Bank, who was Secretary of Defense in the Kennedy and Johnson Administrations and Vance's former boss.

The publicly stated goal of the organization is to galvanize citizen support and pressures internationally to formulate population control, food, energy and *détente with the Soviet Union* (emphasis added).

With all of the above in mind, can Mr. Vance take the oath of office "without mental reservation or purpose of evasion"? If he takes this oath and is a Bilderberger, he is a liar for one contradicts the other, and I am referring to the sovereignty issue. Either he renounces trilateralism and the goals of the Bilderbergers and the CFR, or he should refuse to take the oath of office. It is one or the other; he cannot serve both masters, and remember the oath states that, "I will affirm or I will support and defend the Constitution of the United States against all enemies, foreign and domestic."

It is either nationalism or a one world; it is as simple as that.

MR. VANCE'S APPROACH TO VIETNAM WAR

Mr. Vance's approach to the Vietnam war was to be a no-win warmonger with a miserable record when it came to taking positive steps to end the war through victory. Instead of advocating victory, a solution that would have taken 6 to 8 weeks, he elected to drag it out with a no-win, accommodate-the-enemy policy resulting in the death of more than 55,000 American men and more than 250,000 wounded and/or maimed for life. I might point out on the issue of victory in Vietnam, when I was running for Congress in 1968 up in Pennsylvania, I had two colonels come to me on separate occasions who had just come from Vietnam and said, "Will you please make this an issue." He said, "We can end the war in 6 to 8 weeks if we but bomb four powerplants and block the harbor." And he said, "We can do it with normal weap-

ons. We would not need nuclear weapons and we could do it with no loss of civilian life."

Since that time I have heard Adm. John McCain say that we could have won that war in 4 weeks and he was Admiral of the Pacific Fleet with more than a million men under him. Senator Barry Goldwater and others have said the same thing. It will take eternity for Mr. Vance to wash the blood off his hands.

You see, Mr. Vance betrayed the trust of those fighting men in their Government leaders and thus perfidy was very much an issue of the Vietnam war.

"NO" VOTE URGED

Instead of confirming a Rockefeller internationalist and an America-laster as Mr. Vance is, we need an American nationalist, an America-firster. But we will never get such a leader if the appointee is a participant in trilateral commission meetings, Bilderberg conferences, and holds high positions in the CFR.

It is a travesty and a fraud to consider this man's qualifications without considering the truth about whom he is meant to serve. The American public is rapidly becoming aware of the reality behind the fraud of our so-called foreign policy. We demand a foreign policy that serves the interests of the people of the United States and one that puts America first and not the one that takes the money and the blood of the people to serve the interests of the parasitical super-rich internationalists who know no loyalty except to their own pocketbooks.

Liberty lobby urges a "no" vote on Cyrus Vance.

Thank you again for this opportunity to appear today and present our views.

[Mr. Rittenhouse's prepared statement follows:]

PREPARED STATEMENT OF E. STANLEY RITTENHOUSE, LEGISLATIVE AIDE, LIBERTY LOBBY

Mr. Chairman and members of the committee, I am E. Stanley Rittenhouse, Legislative Aide for Liberty Lobby. I appreciate this opportunity to appear today and present the views of Liberty Lobby's nearly 25,000-member Board of Policy, as well as the approximately quarter of a million readers of our weekly newspaper, The Spotlight.

If you gentlemen were to confirm the nomination of Cyrus R. Vance to be Secretary of State, he would take the following oath of office:

I, Cyrus R. Vance, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

To violate the allegiance owed to one's sovereign or state is a betrayal of one's country. To favor a one-world government is to do so at the expense of America's sovereignty. It is impossible to maintain our national sovereignty and be a member of a one-world government at the same time. When a soldier takes up arms in defense of his country, he is defending its sovereignty.

To quote The Spotlight (Dec. 20, 1976):

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The above organizations are heavily influenced by the Rockefellers and jointly promote an international socialism. Their goal, as often articulated through the

CFR, is a concentration of power that would result in a world government. The overlap of membership is revealing; Carter himself is a member of the Trilateral Commission.

There are generally two levels of command for these groups: a "board of directors," the ruling body dominated by such international financiers as the Rockefellers and Rothschilds, and the "officers" who direct day-to-day operations. The officers serve as a cover for the board, and it is the second level of the world government advocates who end up out in the open as top government leaders. Cyrus Vance falls into this second level category.

It was the same Cyrus Vance who met in utmost secrecy with a dozen or so second-echelon government officials in the late 1960's. This secret "non-group" included such notable leftists as Walt Rostow, Averell Harriman and Robert Strange McNamara.

At this time Vance was on the negotiating team with Harriman laying the groundwork for the surrender to the communist North Vietnamese. Today, Vance is still advocating "world detente."

To quote the CFR on its goal: "The U.S. must strive to build a new international order including states labeling themselves 'socialist' to maintain and gradually increase the authority of the UN."

The October 1976 issue of Foreign Affairs, a CFR publication, says regarding Trilateralism:

It is time therefore to consider the creation of a new institution, patterned instead after the Human Rights Commission of the Council of Europe, working under a charter similar to the European Convention on Human Rights, with guaranteed access and subpoena power and recognized standing in both national and international courts of law, and with the power to recommend sanctions which governments would undertake to enforce against either lesser officials acting on their own, or collectively, against violator governments. Such an institution would be outside the framework of the United Nations, but its express purpose would be to make effective the basic principles of the Universal Declaration (another one-world document). It would be open to any state willing to incur the rather far-reaching obligations of membership.

It should be pointed out that the "far-reaching obligations of membership" referred to above of course mandate dissolving national sovereignty.

One becomes a member or participant of all of the above organizations by invitation only. They all advocate and put forth great effort to bring about a world government. Mr. Vance is part of that effort. The seed money for these groups has come from the Rockefeller crowd.

Col. Curtis B. Dall, Liberty Lobby's chairman, testified during the confirmation hearings on Nelson Rockefeller that "for all of his mature years, Nelson Rockefeller has been a constant and dedicated promoter of a one-world socialist government at the expense of the sovereignty of these United States . . . Faced as we are today with a life and death struggle, we should bear in mind that no one group in this country since the turn of the century has caused more damage in divers areas and more debasement of our culture and shining heritage than the Rockefeller group."

Mr. Vance is part of that group.

These groups all favor trade and aid with the enemy. Mr. Vance, as does Mr. Rockefeller, wants close ties with the Soviets. Mr. Kissinger calls it détente.

"The very survival of the United States is threatened by the Soviet military buildup," states Navy Secretary J. William Middendorf II.

"The facts are that, in recent months, the USSR—secretly and openly—has repeatedly committed deliberate acts that mock détente and threaten the free world . . . Clearly, we must shed any lingering illusions we may have that the Russians have abandoned their determination to undermine Western democracy and imposed their system upon the world," observes former Defense Secretary Melvin R. Laird. But Vance still has these "lingering illusions" as witness his advocacy of détente.

Admiral U.S. Grand Sharp has warned his fellow Americans:

"The American people need to be informed of the unprecedented Soviet buildup of military capability. They need to understand that the Soviets intend to use détente to facilitate progress toward ultimate dominance of the West.

"The American people must be jarred out of their euphoria and made to realize that our way of life is threatened. The downward trend of our defense posture must be reversed. We have the ability and the technology to defend

ourselves—but we must also have the will! We must wake up and get on with the job if we are to survive as a free nation!"

Alexandr Solzhenitsyn declared:

"I wouldn't be surprised at the sudden and imminent fall of the West . . . The situation is such—the Soviet Union's economy is on such a war footing—that even if it were the unanimous opinion of all the members of the Politburo not to start a war, this would no longer be in their power."

Mr. Vance will be a continuation of Mr. Kissinger. The two are closely linked with the Rockefellers, are members of the one-world organizations, and pursue identical policies regarding foreign affairs. The Panama Canal situation is a classic example.

Mr. Vance is a promoter of detente. But detente is nothing more than surrender on the installment plan. Detente to the communists is just another word. This year it is detente; last year it was peaceful coexistence; next year it will be something else.

Theodore Roosevelt's comment on internationalists who profess to love all nations as their own:

"The American who loves other countries as he loves his own is like the man who loves other women as he loves his wife. I do not regard him as high-minded; I regard his as rotten. We have no room in this country for 50–50 Americans. He who is not with us absolutely is against us and should be treated as an alien and sent out of the country."

Adam Yarmolinsky, whose parents had been mixed up in communist and communist-front activities since the 1920's, as well as his own avowed communist associations, strongly recommended Vance as a negatiator in dealing with the North Vietnamese communists. Mr. Yarmolinsky observed, "He's an excellent negotiator . . ." And that has been our problem over the years—we have negotiated away our position and our strength. This was the same Adam Yarmolinsky who teamed with former Defense Secretary Robert Strange McNamara to muzzle the military from publicly speaking out against the enemy.

Lloyd Shearer, editor of Parade, pointed out regarding Vance's former boss, "There is little doubt that McNamara has influenced Vance more than any other individual in government."

Will he favor a policy of disarmament as did McNamara? Will he favor trading with the enemy, giving them technological, financial and military aid and comfort as his previous record indicates? Will Vance continue Kissinger's policy of merging America and her people into the goal and programs of the Soviet Union?

Nationally syndicated columnist Paul Scott has reported:

"Before the Senate Foreign Relations Committee acts . . . on the nomination of Cyrus Vance as the new Secretary of State, the lawmakers should thoroughly question him about his connections with two international groups that favor the establishment of a loosely knitted world government.

"The first is his membership in the recently formed international citizens action organization called 'NEW DIRECTIONS,' the brain-child of Robert S. McNamara, President of the World Bank, who was Secretary of Defense in the Kennedy and Johnson Administrations and Vance's former boss.

"The publicly stated goal of the organization is to galvanize citizen support and pressures internationally to formulate population control, food, energy and *detente with the Soviet Union* (emphasis added)."

It has been reported that Mr. Vance favors the same disarmament measures as advocated by Moscow. (SALT II talks are an instrument used by the Soviets to curb our armament program while they increase theirs.) The difference is that Moscow uses this to entrap naive, ill-informed and blind American leaders so that we will disarm ourselves while they, the enemy, ever increase their armament and military superiority over us. This has been recently reported in the latest CIA report which states that the situation is very "grim."

Concerning he CIA report, the Washington Star (Jan. 2, 1977) observed, "The annual estimate of Soviet military intentions finds that the Kremlin is seeking to attain superiority over U.S. military forces . . ."

Liberty Lobby has been sounding the alarm for more than 20 years and now the latest CIA report confirms our fears. It is now evident that the late Sen. Joseph McCarthy was right. Who knows what price the future generations will be forced to pay due to our yielding to the communist propaganda and disregarding Senator McCarthy's warnings? Why add to that price and make the burden even greater for our future generations to bear by continuing to build up the Soviet communists via Mr. Vance's policies?

With all of the above in mind, can Mr. Vance take the oath of office "without mental reservation or purpose of evasion"? If he takes this oath and is a Bilderberger, he is a liar for one contradicts the other. Either he renounces Trilateralism and the goals of the Bilderbergers and the CFR, or he should refuse to take the oath of office. It is one or the other . . . he cannot serve both masters!!!

Mr. Vance's approach to the Vietnam War was to be a no-win war-monger with a miserable record when it came to taking positive steps to end the war through victory. Instead of advocating victory, a solution that would have taken six to eight weeks (as pointed out to me by two colonels who had just returned, Admiral John McCain, Sen. Barry Goldwater and others), he elected to drag it out with a no-win, accommodate-the-enemy policy resulting in the death of more than 55,000 American men and more than 250,000 wounded and/or maimed for life. It will take eternity for Mr. Vance to wash the blood off his hands. He betrayed the trust of those fighting men in their government leaders and thus perfidy was very much an issue of the Vietnam War.

Instead of confirming a Rockefeller internationalist and an American-laster as Mr. Vance is (as indicated above), we need an American nationalist, an America-firster. But we will never get such a leader if the appointee is a participant in Trilateral Commission meetings, Bilderberg Conferences and holds high positions in the CFR.

Yes, Mr. Vance is an agent of the world financial oligarchy with particular ties with Rockefeller forces who run our foreign policy for their private financial end and not the best interests of America. Liberty Lobby would not support him because he was a right-winger nor oppose Vance because he was a left-winger but we oppose him because he is a money-winger, a Rockefeller money-winger. We trust that sincere liberals will unite with us in opposing this hypocrite because the only interest he has is to serve his masters in Wall Street and to continue the process of milking the American taxpayer for the benefit of the super-rich internationalists.

It is a travesty and a fraud to consider this man's qualifications without considering the truth about whom he is meant to serve. The American public is rapidly becoming aware of he reality behind the fraud of our so-called foreign policy. We demand a foreign policy that serves the interests of the people of the U.S. and not a policy that takes the money and the blood of the people to serve the interests of the parasitical super-rich internationalists who know no loyalty except to their own pocketbooks.

Liberty Lobby urges a "No" vote on Cyrus Vance.

Thank you again for this opportunity to appear today and present our views.

Senator CHURCH. Certainly, Mr. Rittenhouse.

I have no questions.

Our next witness is Mr. Richard Cohen, of the National Committee of the U.S. Labor Party.

STATEMENT OF RICHARD COHEN, NATIONAL COMMITTEE OF THE U.S. LABOR PARTY

Mr. COHEN. The statement I have submitted is simply relative as a pedigree as to the background of Mr. Vance and the statement that I will give now will be extremely brief and to the point.

POLICIES MR. VANCE AFFORDS US

It has been documented by several witnesses and I believe it is well documented on the public record what Mr. Vance's affiliations are. He is a member of the Trilateral Commission and New York Times and many other organizations that cross penetrate with the Trilateral Commission. The Trilateral policy was formulated in late 1973 and following that clearly intersects with the interests of one interest group, namely the New York banks and investment houses, and Mr. Vance's long career has demonstrated that in fact is his interest.

Now if we place on the political map of today the interests of those institutions above all else two things, either one of two things, will occur. Either at maximum that if Mr. Vance's policies are followed out, the Trilateral policies, it will lead to an early thermonuclear confrontation and very probably a thermonuclear war with the Soviet Union. At minimum, the rest of the world outside of the United States facing that prospect will aline itself around the new international monetary system which will evoke greatest levels of prosperity, unheralding levels of prosperity, and industrial growth and development in those sectors while the U.S sector will remain in a rapidly depressed state.

And at that point the American citizenry and various industrial forces will be forced to recognize the situation that they are in and accommodate to the new world system.

Now I would like to point out one significant fact which I think has been covered generally in the press coverage and varied statements by political figures over the past periods as to the recent OPEC meeting and that is beyond the Saudi agreement to limit its price rise. It has also announced that it will initiate an unheralded expansion in the production of oil in that country and I believe the emirates will follow suit.

Now is the advanced sector is in a generally depressed state, that is industrial production is not increasing, one must immediately ask what is the Saudi motive, what is the emirate motive? Who do they intend to sell this oil to?

Well, it is extremely clear over the immediately preceding period that the Saudis have been engaged with several European nations and companies in deals, oil for technology deals which form the infrastructure of a new world economy, the most prominent deal being the Libya Fiat operation which involves a trilateral arrangement with the Soviet Union in terms of increased trade.

Now as that unfolds, one must take into account what occurred over the past 2 weeks and that is the Italian intention and action which followed to peg the price of their gold to the market price which gives them an increased amount of capital for investment and it is tantamount to a debt moritorium.

Similarly the Soviet Union has announced for the first time last October that it has put the ruble, the transfer ruble out to the West as a potential currency, a rollback ruble system.

Now as the developments occur and industrial forces outside of the United States recognize the intention of the Carter government and of their advances, it is very clear that this initial motion will soon evolve into a new international monetary system. At this point there are essentially two international monetary systems operating and competing with each other. If that does not occur, then the demands of the New York bank and investment houses to secure the present LDC, outstanding LDC debt, either directly or indirectly will rapidly lead to changes of governments in the Third World sector and in the Western European sector which will be viewed by the Soviet Union as a crushing defeat or penetration of their forward, political forward defense structure, and at that point we will sit at the brink of thermonuclear destruction.

NOT ENDORSING MR. VANCE URGED

These are the policies that Mr. Vance affords us. Now the committee has a decision to make. It will rest on the committee whether Mr. Vance is selected as the Secretary of State. He will follow these policies. These policies will lead to either one of two things, early thermonuclear destruction or a depreciation in the United States while the entire globe enjoys the greatest levels of prosperity.

I urge the committee not to endorse Cyrus Vance for the position of Secretary of State.

[Mr. Cohen's prepared statement follows:]

PREPARED STATEMENT OF RICHARD COHEN, NATIONAL COMMITTEE OF THE U.S. LABOR PARTY

Vance is a ranking member of the UN Association Committee, the Rockefeller Foundation-funded counter organization to the Committee on the Present Danger. As retired General Ridgeway, a member of both groups, has said, "There is fundamentally no difference between the two organizations."

While the CPD and its members, like Eugene Rostow and Carter advisor James Rodney Schlesinger, vocally advocate a policy of massive arms buildup in preparation for military conflict, the UN Association Committee advocates a sounding out of the Soviets' position with a "Let's negotiate" line on the Strategic Arms Limitation Talks and the Mutual Balanced Force Reduction Talks—within the context of a massive arms buildup in preparation for a military confrontation. Vance's only role in foreign policy will be to wave the carrot of peaceful negotiation in front of the Soviets' nose, while war-monger Schlesinger, prepares to press the thermonuclear button.

Vance is nevertheless well-practiced in the art of "Utopian" war-making and diplomacy, having served as President John F. Kennedy's Secretary of the Army and later, under President Johnson, as the traveling troubleshooter assigned to such international hotspots as Greece during the 1967 NATO coup d'état, Cyprus, South Vietnam, the Dominican Republic, Panama, and South Korea. In fact, Vance was Wall Street's commanding officer in charge of the 1967 coup in Greece, which was code-named Operation Prometheus. With fellow Democrat Averell Harriman, Vance was the chief U.S. negotiator during the 1968–69 Paris Peace Conference on Vietnam, which he sabotaged with inflexible demands.

As the special advisor to the Carter campaign staff and member of the Democratic Party National Committee's Foreign Policy Task Force; Vance served as the primary conduit for the policies worked out at planning sessions of the Trilateral Commission and the Council on Foreign Relations, of which he is a member. Vance is counted among Rockefeller's top international policy formulators. As a member of the Board of Directors of the New York Times, Vance sees to it that these policy formulations are transformed into Rockefeller's version of the news and the appropriate psychological warfare campaigns against the U.S. population.

His international activities interface closely with his positions as a member of the Board of Directors of the Rockefeller Foundation and as a partner in the Wall Street law firm of Simpson, Thatcher and Bartlett. The firm represents the Wall Street investment concern of Goldman Sachs which houses such criminals as Henry Fowler, a founding member of the Committee on the Present Danger, and Ray Cline of the Center for Strategic and International Studies. Representing the genocide side of Carter's policy of war and fascism, the firm's other major client is the Lehman Brothers investment house. Lehman partner George Ball is a public advocate of Third World triage policies, endorsing William Paddock's program for the elimination of 30 million Mexican citizens.

Senator CHURCH. Thank you, Mr. Cohen.

Is Mr. Abram Eisenman here? Well, if not, that concludes our list of witnesses.

We have a letter from Mr. Joseph Leib which will be included in the record as part of this proceedings. [See Appendix.]

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Senator CHURCH. That concludes the hearings of the committee this afternoon.

[Whereupon, at 3:55 p.m. the committee adjourned subject to the call of the Chair.]

APPENDIX

Mr. Vance's Responses to Additional Questions for the Record From Senator Case

Question 1. There have been indications that the Cuban government is interested in normalization of relations with the U.S.

Do you think that the atmosphere for such efforts might be improved if the Castro government released Huber Matos and let him rejoin his family in the United States?

Answer. Yes, the release of Mr. Matos would help the process of normalization of relations with Cuba. The Cuban Government holds a number of other political prisoners including some American citizens. The release of these political prisoners as a gesture of goodwill and as a humanitarian act would be one indication that Cuba is seriously interested in starting a dialogue with the United States.

Question 2. What is your view on whether the Helsinki Accord gives the U.S. a standing to raise human rights matters with the Soviet Union, especially those involving reunification of families by emigration to non-signatories such as Israel as well as to signatory nations?

Answer. The question of whether the Helsinki Accord gives the U.S. standing to raise human rights matters with the Soviet Union involving emigration to non-signatories is a complex legal issue which I have not been able to consider. Reunification of families clearly falls under the provisions of Basket III. I can state now that the Carter Administration will vigorously pursue human rights matters with the Soviet Union which come under the terms of the Helsinki Accord. We will also discuss other human rights problems with the Soviets which are of concern to American citizens.

Question 3. How broadly do you interpret Principle VII of the Helsinki Accord, "Respect for human rights, and fundamental freedoms, including the freedom of thought, conscience, religion or belief." Does this principle give signatory nations the right to raise questions concerning alleged violations of rights of minority groups?

Answer. Principle VII—"respect for human rights, and fundamental freedoms, including the freedom of thought, conscience, religion or belief" can be interpreted very broadly. That is how I see it. The real problem, however, is encouraging the other signatory nations—who may not share the same traditional respect for these rights—to interpret it as we might. It would seem to me that signing the Final Act—including Principle VII—imposes an obligation on all signatory states to expect that other signatories, including the United States, might raise questions about any and all violations of human rights and fundamental freedoms.

Question 4. Mr. Vance, President-elect Carter addressed the Platform Committee of the Democratic Party last June. On the subject of the Middle East he said, and I quote, "This country (the U.S.A.) should never attempt to impose a settlement on Israel, nor should we force Israel to make territorial concessions which are detrimental to her security. We should attempt to promote direct negotiations between Israel and her neighbors. Israel must be allowed to live within defensible borders." Do you subscribe to this statement, and will you work to bring the Arab states into a situation where they would negotiate directly with Israel?

Answer. I fully agree that a settlement of local conflicts imposed by outside powers against the will of one or both of the sides to the dispute will have little chance of succeeding. To be durable, a Middle East settlement must be regarded by all parties as one in which they have a sufficient vested interest to want to keep the arrangement intact. Similarly, this is the compelling argument for negotiations between the parties, since through the give and take of negotiations the parties build up a stake in and acceptance of the resulting agreement. There have been negotiations between the parties in the past few years, in part through

the good offices of the United States and in part around the negotiating table. I would expect such negotiations to continue according to whatever pattern promised the best prospects for success and was agreed to by the parties themselves.

The parties to the Middle East dispute, in accepting United Nations Security Council Resolution 338, have accepted the principle of negotiations between them. They have, moreover, in the recent past emphasized their desire to have such negotiations take place and the United States will continue its efforts to help get this process started.

By the same token, we have no intention of forcing Israel to make territorial concessions that are detrimental to her security. Security Council Resolution 242 has set forth the principles upon which such negotiations should be based, and has been accepted as such by the parties. It is true that the parties have differing interpretations of Resolution 242, and the ultimate objective of negotiations is to achieve a peace settlement that reconciles those differences.

Question 5. Last year the United States sold billions of dollars worth of arms to Saudi Arabia and Kuwait. We even began a supply relationship with Egypt by selling her six C–130 cargo planes. She has now indicated she wants 14 more. And there has been talk about increasing the volume of arms to Egypt this year to include such offensive weaponry as F–5 fighter aircraft, Sidewinder air-to-air missiles, TOW anti-tank missiles and advanced radar equipment.

In an address in April, President-elect Carter said: "I do not believe arms sales buy lasting friends. I am concerned with the way in which our country, as well as the Soviet Union, Britain and France, have poured arms into certain Arab countries far beyond their legitimate needs for defense—5 or 6 times more than Israel receives. This headlong rush for weapons increases the chance of war. It postpones peace negotiations. It defers development. It erodes security.

"That is why it would not be wise at this time to supply strike weapons to Egypt, despite that nation's recent signs of friendship for the United States. With its vast population and deep poverty, Egypt needs housing and jobs and health care far more than offensive weapons such as tanks and planes and missiles."

Mr. Vance, what is your position on supplying arms to the Arab states? Will the new Administration place high priority on developing and executing a coherent arms sale policy throughout the Middle East and, indeed, throughout the world?

Answer. I have stated previously we must examine arms requests from Middle East states in a broader context, and look at three basic questions:

Are the arms necessary to meet the legitimate security requirements of the requesting country?

Will the arms requested upset the critically important military balance in the region?

How will the sale affect movement toward a peace settlement?

I can assure you that the new Administration places the highest priority on developing a sound and coherent arms transfer policy throughout the world, and particularly to troubled areas such as the Middle East. We will also be considering new procedures and organizational arrangements for effectively implementing such a policy.

JANUARY 10, 1977.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I would like the opportunity to testify against the nomination of Mr. Cyrus S. Vance as Secretary of State.

If your Committee is interested I would like to present documentary evidence that Mr. Vance while he was Secretary of the Army not only refused but used his offices to prevent an investigation of serious charges presented to him by a high ranking member of the Senate regarding a fraudulent Army discharge, plus the removal of important documents from the file which Secretary of War Stimson stated was once in the files, and Mr. Vance's cover up of the mysterious death, if not murder of a soldier involved in the case.

Thank you for your consideration.

Respectfully yours,

JOSEPH LEIB.

[From the Congressional Record]

PROPOSING THAT A CIVILIAN CONGRESSIONAL MEDAL BE AWARDED JOSEPH LEIB FOR SPONSORING LEGISLATION THAT SAVED THE GOVERNMENT OVER $36,000,000,000

Mr. Speaker, there have been a number of articles in the Congressional Record and in the Nation's newspapers relative to the distinguished service rendered by Joseph Leib in behalf of the United States Government, particularly in sponsoring legislation that ultimately saved the taxpayers over $36,000,000,000.

Leib has labored tirelessly and without compensation for many humanitarian causes and as Robert St. John, noted radio commentator said, over NBC on December 8, 1943, "This young man has never received the recognition that he deserves."

We in America have always lived under the philosophy of giving credit where credit is due.

In this connection I believe that our Government has not rendered full justice in this case, and therefore, I respectfully propose for consideration awarding a civilian Congressional Medal to Joseph Leib, 3908 North Fourth Street, Arlington, Va., for distinguished and meritorious service to the United States Government beyond the call of duty.

Mr. Speaker, several articles have been published in the Congressional Record giving an authoritative as well as a comprehensive account of the incidents behind this case, which I believe corroborate the reasons for the above-mentioned proposal.

On April 25, 1950, Representative W. Kingsland Macy, of New York covered the matter in detail which appeared in the Record under the title: "This Nation should honor Leib for the crusade that saved the Government over $36,000,000,000."

Senator Styles Bridges, of New Hampshire, on May 10, 1943, placed in the Record a statement regarding the activities of Mr. Leib "which contributed to the war effort."

And in the Record of January 27, 1947, Representative Raymond S. Springer of Indiana, discussed the history and origin of the Truman committee and its relation to Mr. Leib.

The indexes of the Congressional Record list many other explanatory articles far too numerous to mention here.

Proper recognition for Mr. Leib's unselfish and splendid public service has long been overdue and it is respectfully hoped that action will be taken by the Congress to award one who has contributed so much to this Nation, not only in playing such a vital role in presenting legislation that saved the American taxpayers such a fabulous sum of money—but also for his untiring efforts in correcting defective production methods of planes for the Armed Forces and his work in aircraft accident prevention during the recent world war.

This activity alone saved many lives—for which every American should be duly grateful.

82D CONGRESS
1ST SESSION

H. J. RES. 66

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1951

Mr. SAYLOR introduced the following joint resolution; which was referred to the Committee on Armed Services

JOINT RESOLUTION

To authorize the presentation of a civilian Medal of Honor to Joseph Leib.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to present, in the name of Congress, a Medal of Honor to Joseph Leib, 3908 North Fourth Street, Arlington, Virginia, in recognition of his unselfish and patriotic work in the passage of certain legislation that ultimately saved the United States Government over $36,000,000,000, and for his tireless efforts that brought about the revamping of the wartime Army Air Corps Safety Bureau, and for his undaunted fight that corrected defective production methods of airplanes for the Armed Forces during World War II.

THIS NATION SHOULD HONOR LEIB FOR HIS CRUSADE THAT SAVED THE GOVERNMENT OVER $36,000,000,000

EXTENSION OF REMARKS OF HON. W. KINGSLAND MACY OF NEW YORK IN THE HOUSE OF REPRESENTATIVES, TUESDAY, APRIL 25, 1950

Mr. MACY. Mr. Speaker, it is unbelievable that this great Nation has done nothing officially to honor a young man whose efforts brought about measures that saved the American taxpayers an estimated $36,000,000,000.

It is a story that every citizen should know, but, unfortunately, because of greediness and jealousy the incidents behind the narration have never been fully or properly publicized.

On April 12, 1945, the Washington Star carried an Associated Press dispatch stating that the War Department had officially reported to Congress that because of the Renegotiation Act the Government had saved over $36,000,000,000 in rebates of excessive war-contract profits.

Here are some interesting facts behind this untold story:

Late in December 1940, Ray Henle, ace radio commentator, while he was the Washington correspondent for the Pittsburgh Post-Gazette, sent a telegram to his editors regarding a certain sensational war-fraud case.

Mr. Henle sent this telegram after he had a discussion with Joseph Leib free-lance writer, in Washington, D.C.

With the assistance of Sam O'Neal, who at that time was the Washington correspondent for the St. Louis Star-Times, later publicity director of the Democratic National Committee, the matter was brought to the attention of the Department of Justice.

On January 4, 1941, they made their first call upon the Attorney General, Robert Jackson, now a member of the Supreme Court; Wendell Berge, then Assistant Attorney General; and other Department officials.

This was followed up with other calls to the Department on January 9, 14, 15, 16, and 23, 1941. Nevertheless, the Justice Department refused to take any action on the case at that time.

When these negotiations proved fruitless Lieb sent the following letter to every Member of the United States Senate in the hope of bringing the case out into the open. The message read:

"JANUARY 6, 1941.

"MY DEAR MEMBER OF CONGRESS: Several days ago I conferred with Department of Justice officials relative to profiteering and frauds in defense and war contracts. The Washington correspondent of the St. Louis Star-Times assisted me in presenting amazing evidence in connection with this matter.

"It is becoming increasingly evident that the Congress should set up an investigating committee to watch over possible frauds against the Government, and I trust that you will give this suggestion your careful consideration and attention.

"Should you care for further information, please advise. With many thanks.

"Very truly yours,

"JOSEPH LIEB."

Then Lieb followed this letter up with personal calls upon a number of Senators, including Harry S. Truman, now President of the United States.

Five weeks later—and this is important—on February 13, 1941, Senator Truman introduced his resolution calling for the creation of a defense investigating committee. This measure was approved by the Senate on April 1, 1941. Mr. Truman immediately became chairman of the committee that was soon to skyrocket him into national fame—into the Vice Presidency and then into the White House itself.

With fear that the statute of limitations would run out on war frauds, Lieb got a bill introduced, H.R. 4916, Seventy-seventh Congress, first session, which called for the suspension during time of war or national emergency the running of any Statute of Limitations on prosecutions for Federal offenses. This bill was introduced on May 29, 1941.

He pleaded with several Members of the House Judiciary Committee, and finally on November 26, 1941 the long delayed hearing was held. The only witnesses were Congresswoman Jeanette Rankin, who introduced the bill, Mr. Lieb, and Mr. Alexander Holtzoff, Special Assistant Attorney General. The Justice Department opposed this piece of legislation complaining that it was to broad, but on January 28, 1942, after much agitation they submitted to Congress, H.R. 6484, applicable only to certain offenses. It became law on August 24, 1942, with the able assistance of Walker Stone, chief editorial writer for the Scripps-Howard newspapers.

Anticipating the passage of the bill the Department of Justice created a war-fraud unit and Federal grand juries began holding hearings.

Mr. Lieb continued his campaign demanding review of war contracts. The exposure of a number of cases caused the Congress to insert a clause in the supplemental national defense appropriation bill of April 4, 1942 permitting the renegotiation of war contracts.

Thus, came the savings of billions of dollars on taxpayers money.

Some of this story has already been told in previous pages of the Congressional Record, and Mr. Speaker, I would like at this time to repeat parts of this story by other Members of the Congress as follows:

JOSEPH LIEB

(Extension of remarks of Hon. Styles Bridges, of New Hampshire, in the Senate of the United States, Monday, May 10 (legislative day of Monday, May 3), 1943)

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the Appendix of the Record, a statement regarding the activities of Joseph Lieb which have contributed to the war effort.

Among Joseph Lieb's contributions to the war are work on four important and significant pieces of legislation, now enacted into law.

1. His work in connection with legislation dealing with war profiteering and fraud. On January 4, 1941, accompanied by a St. Louis newspaperman, he called upon Attorney General Robert Jackson, Wendell Berge, Assistant Attorney General and other Justice Department officials relative to the prosecution of a certain highly connected war profiteer. Other calls to the Department were made on January 9, 14, 15, 16, and 23. The story and background of this case has never been told and must remain anonymous until after the war. But it was this episode that inspired Lieb to carry on a zealous campaign against war profiteering and fraud. Because of this case he urged the necessity for the suspension of the statutes of limitations covering such matters.

Over a period of time Lieb demanded the appointment of a congressional defense investigation committee.

On February 13, 1941, Senator Truman introduced a resolution to set up a defense investigating committee. This measure was approved on April 1.

On March 31, 1941, Representatives May and Vinson introduced their joint resolutions setting up a committee to investigate war profiteers. This resolution has a direct bearing to the previous mentioned Justice Department interviews. This is all that can be said at this time.

It was the sensational disclosures brought out by the House investigating committees that brought on the demand for the renegotiation of war contracts. But renegotiation action did not come until April 4, 1942, when a clause permitting such action was inserted in the supplemental national defense appropriation bill of that year.

Unfortunately, none of these committees possessed punitive power other than to expose and publicly reprimand. They held no other authority. Prior to the introduction of these committee resolutions Lieb pleaded for the suspension of the fraud statutes. In correspondence with many public officials he pointed out the fact that these statutes must be suspended to protect the Government's interest in the prosecution of war frauds. When the Truman and House investigating committees were set up he reminded Members of Congress that these committees were in many instances operating to the disadvantage of the Government insofar as the time elements of the statutes were concerned.

Several months later, on May 26, 1941, a bill was introduced to suspend the statutes. Because of this the Justice Department on February 5, 1942, created a a special frauds unit, and Federal grand juries began hearings on July 15, 1942.

Approximately $36,000,000,000 have been saved because of this action. (Part of this story was related in the Congressional Record on November 12, 1942.)

ORIGIN OF THE TRUMAN COMMITTEE

(Extension of remarks of Hon. Raymond S. Springer, of Indiana, in the House of Representatives, Monday, January 27, 1947)

Mr. SPRINGER. Mr. Speaker, last week the upper Chamber of Congress debated at great length the question of whether or not the famous Senate War Investigating Committee should be continued. After the debate came to a close the Senate deemed it advisable to grant this committee an additional year in order to complete its investigation of the war period.

This committee has been in the public eye for several years, yet very few people know of the incidents that occurred behind the scene to inspire its creation.

It was this committee originally headed by Harry S. Truman that sent him skyrocketing into the Vice Presidency of the United States and then into the White House itself.

In this connection, it would seem apropos to state for the first time the genesis of this committee.

The story dates back to late in December 1940, when sensational information concerning a highly placed defense-contract profiteer came to the attention of Joseph Lieb, free-lance writer of Washington, D.C.

Lieb took this matter up with Sam O'Neal, who was at that time Washington correspondent of the St. Louis Star-Times—now publicity director of the Democratic National Committee—and they decided to bring the information to the attention of the Department of Justice. On January 4, 1941, they made their first call upon the then Attorney General Robert Jackson, Wendell Berge, Assistant Attorney General, and other officials. They made other calls on January 9, 14, 15, 16, and 23, 1941. However, the Justice Department refused to take action on this case.

Nevertheless, Lieb sent the following letter to every Member of the Senate in the hope of bringing the case out into the open. The message read:

"JANUARY 6, 1941.

"MY DEAR MEMBER OF CONGRESS: Several days ago I confered with Department of Justice officials relative to profiteering and frauds in defense and war con- in presenting amazing evidence in connection with this matter.
tracts. The Washington correspondent of the St. Louis Star-Times assisted me

"It is becoming increasingly evident that the Congress should set up an investigating committee to watch over possible frauds against the Government and I trust that you will give this suggestion your careful consideration and attention.

"Should you care for further information, please advise. With many thanks.

"Very truly yours,

"JOSEPH LIEB."

This letter was followed up with personal calls upon a number of Senators, including Mr. Truman.

Then, on February 13, 1941, Senator Truman introduced his resolution calling for the creation of a defense investigating committee, and the measure was officially approved on April 1, 1941. Senator Truman immediately became chairman of the committee.

Fearing that the statute of limitations would run on the above-mentioned case, Lieb got a bill introduced, H.R. 4916, Seventy-seventh Congress, first session, which demanded the suspending during time of war or national emergency the running of any statute of limitations on prosecutions for Federal offenses. This measure was introduced on May 29, 1941.

Finally on November 26, 1941, a long-delayed hearing was held by the House Judiciary Subcommittee and the only witnesses were Congresswoman Jeanette Rankin, who introduced the bill, Mr. Lieb, and Mr. Alexander Holtzoff, Special Assistant Attorney General. The Justice Department opposed this piece of legislation because it was too broad, but on January 28, 1942, after much agitation they sent to the Congress H.R. 6484, a bill to suspend during the present war the running of statutes of limitations applicable to certain offenses. This became law on August 24, 1942, and it was during this period that the Justice Department set up a war-fraud unit. From the exposure of a number of war contracts came the demand for the Renogotiation Act and the subsequent saving of untold billions of dollars.

[From the Rampart, April 1973]

WHAT CAN YOU SAY AFTER 30 YEARS?

(By Sgt. Skip Olson)

He walks with a slight stoop now. The great shock of white hair bobs gently with each short, deliberate step, quite unlike the gait of 30 years before when, as a young man with purpose, he stalked the halls of congress.

For Joseph Lieb, now 63 and living in Arlington, Va., those many trips to Capitol Hill proved most fruitful. Through his efforts, the U.S. Government realized a savings of more than $36 billion in rebates of excessive war-control profits during the early 1940's. He also convinced then Senator Harry S. Truman to introduce his resolution calling for the creation of the now-famous Senate War

Investigating Committee that sky-rocketed the Missouri Senator into national prominence and ultimately, the White House.

Now, after more than 30 years, Joseph Lieb has received official recognition. On the evening of April 23, Brig. Gen. James M. Fogle, commander of the 20th NORAD Region Air Division, presented Mr. Lieb an engraved relief reproduction of the Aerospace Defense Command emblem, in recognition of his efforts.

"It's like a dream come true for me," Lieb said. "I've waited a long time."

Indeed he had. Late in 1940, while working in Washington as a free-lance writer, Mr. Lieb contacted several Washington correspondents about information he had uncovered concerning defense contract profiteering. Together they brought these facts to the attention of the Justice Department, which, after numerous visits, refused to take any action.

Undaunted, Leib then sent his information to every member of the Senate, followed by personal calls upon a number of them.

One of those visited was a relatively unknown senator from the state of Missouri, Harry S. Truman. On Feb. 13, 1941, Senator Truman introduced a resolution calling for the creation of a defense investigating committee. The measure was approved on April 1, 1941, and Mr. Truman immediately became chairman of the committee. Soon after, on March 31, 1941, two representatives introduced a joint resolution setting up a House committee to investigate war profiteers.

Fearing that the statute of limitations would prevent the prosecution of war frauds, Lieb managed to get a bill introduced in the House calling for the suspension during time of war or national emergency, the running of any statute of limitations on prosecutions for Federal offenses.

Opposed by the Justice Department as being too broad, the bill was, in committee, made applicable only to certain offenses and was submitted to congress on Jan. 28, 1942. It became law on Aug. 24, 1942.

Anticipating passage of the bill, Justice Department immediately created a war-fraud unit and Federal grand juries began holding hearings.

Mr. Lieb's efforts led to the exposure of numerous fraud cases, prompting Congress to insert a clause in the supplement national defense appropriation bill of 1942 permitting the renegotiation of war contracts. This led to the savings of billions of taxpayers dollars.

He is also credited with bringing about the revamping of the wartime Army Air Corps Safety Bureau and correcting defective production methods of World War II aircraft.

And how does Lieb feel about finally receiving official recognition? "I feel that I have contributed," he said, "I didn't do it for reward, I was satisfied with the knowledge that I had saved lives and money."

Numerous resolutions to recognize Leib have been introduced in Congress, and the Congressional Record is well endowed with accounts of his crusade. "The recognition I receive through the Congressional Record was quite enough," he said, "and during the investigations there were the headlines."

When asked why it took so long for and official recognition to be conferred upon him, he stated with a wry smile, "Well, there was a lot of jealousy."

Mr. Lieb contends that, in his memoirs, President Truman recalls his airlines investigation as his greatest accomplishment.

"Harry Truman was ready to give up his seat during the investigations, but I talked him into running for re-election," Lieb said, pulling from his briefcase a tattered, yellow newspaper that confirms this claim.

To paraphrase Shakespeare, "All the world's a stage, and each man, in his lifetime plays but a small part." Joseph Lieb's part has been just a bit larger.

[From the Congressional Record, May 10, 1943]

JOSEPH LEIB

EXTENSION OF REMARKS OF HON. STYLES BRIDGES OF NEW HAMPSHIRE, IN THE SENATE OF THE UNITED STATES

Mr. BRIDGES. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a statement regarding the activities of Joseph Leib which have contributed to the war effort.

Among Joseph's Leib's contributions to the war are work on four important and significant pieces of legislation, now enacted into law.

1. His work in connection with legislation dealing with war profiteering and fraud. On January 4, 1941, accompanied by a St. Louis newspaperman, he called

upon Attorney General Robert Jackson, Wendell Berge, Assistant Attorney General and other Justice Department officials relative to the prosecution of a certain highly connected war profiteer. Other calls to the Department were made on January 9, 14, 15, 16, and 23. The story and background of this case has never been told and must remain anonymous until after the war. But it was this episode that inspired Leib to carry on a zealous campaign against war profiteering and fraud. Because of this case he urged the necessity for the suspension of the statutes of limitations covering such matters.

Over a period of time Leib demanded the appointment of a congressional defense investigation committee.

On February 13, 1941, Senator Truman introduced a resolution to set up a defense investigating committee. This measure was approved on April 1.

On March 31, 1941, Representatives May and Vinson introduced their joint resolutions setting up a committee to investigate war profiteers. This resolution has a direct bearing to the previous mentioned Justice Department interviews. This is all that can be said at this time.

It was the sensational disclosures brought out by the House investigating committees that brought on the demand for the renegotiation of war contracts. But renegotiation action did not come until April 4, 1942, when a clause permitting such action was inserted in the supplemental national defense appropriation bill of that year.

Unfortunately, none of these committees possessed punitive power other than to expose and publicly reprimand. They held no other authority. Prior to the introduction of these committee resolutions Leib pleaded for the suspension of the fraud statutes. In correspondence with many public officials he pointed out the fact that these statutes must be suspended to protect the Government's interest in the prosecution of war frauds. When the Truman and House investigating committees were set up he reminded Members of Congress that these committees were in many instances operating to the disadvantage of the Government insofar as the time elements of the statutes were concerned.

Several months later, on May 26, 1941, a bill was introduced to suspend the statutes. Because of this the Justice Department on February 5, 1942, created a Special Frauds Unit and Federal grand juries began hearings on July 15, 1942.

Approximately $36,000,000,000 have been saved because of this action. (Part of this story was related in the Congressional Record on November 12, 1942.)

2. Suspension of the statute of limitation on antitrust laws. This bill was intended to protect the little businessman from being destroyed through a combination on the part of selfish industrial tycoons who might attempt to take advantage of the war situation and resort to monopolistic tactics in restraint of trade. Power to prosecute such conspiracies are now possible.

3. Higher pay for servicemen. In July 1941 Leib conducted a survey among military attachés residing in leading Washington embassies concerning the respective pay of their soldiers. The result of this poll showed that the servicemen in the forces of the United States were receiving less than the soldiers of Canada and Australia. On August 12, 1941, Representative Ploeser passed this correspondence around on the floor of the House of Representatives and it was read during the intensive debate on the extension of the 1-year draft law. On August 13, 1941, full contents of the survey was inserted in the Congressional Record, but unfortunately the House took no action on the pay of the soldiers at that time. Leib took the matter up with a number of Senators. Finally a bill was introduced by Senator Edwin Johnson, first on September 3, then on October 27, 1941, and soon after the increase in pay was granted making American soldiers the highest paid in the world.

4. Investigation of service air crashes. On February 3, 1942, Leib appeared before the Senate Military Affairs Committee requesting an investigation of Army plane crashes. Five weeks later the Army Air Corps (April 23, 1942) announced that it was creating a Flying Safety Bureau. Leib, still not satisfied, again appeared before the Senate Military Affairs Committee demanding a thorough investigation. As a result General Arnold, Chief of the Air Corps, and other War Department officials were called upon to testify. Then Leib took the matter up with members of the Truman committee. They started to investigate. Leib furnished starting information relative to the alarming number of accidents. Today in the hands of the Truman committee rests the most sensational scandal of this war, greater and more ominous than the Carnegie steel fraud, more treacherous than the Anaconda wire indictment. Thousands of lives may be saved because of Leib's investigation, and untold millions of dollars may be saved in equipment.

[From the Congressional Record, Jan. 27, 1947]

Origin of the Truman Committee

EXTENSION OF REMARKS OF HON. RAYMOND S. SPRINGER OF INDIANA, IN THE HOUSE OF REPRESENTATIVES

Mr. Springer. Mr. Speaker, last week the upper Chamber of Congress debated at great length the question of whether or not the famous Senate War Investigating Committee should be continued. After the debate came to a close, the Senate deemed it advisable to grant this committee an additional year in order to complete its investigation of the war period.

This committee has been in the public eye for several years, yet very few people know of the incidents that occurred behind the scene to inspire its creation.

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Lieb took this mattter up with Sam O'Neal, who was at that time Washington correspondent of the St. Louis Star-Times—now publicity director of the Democratic National Committee—and they decided to bring the information to the attention of the Department of Justice. On January 4, 1941, they made their first call upon the then Attorney General Robert Jackson, Wendell Berge, Assistant Attorney General, and other officials. They made other calls on January 9, 14, 15, 16, and 23, 1941. However, the Justice Department refused to take action on this case.

Neverthless, Lieb sent the following letter to every Member of the Senate in the hope of bringing the case out into the open. The message read:

January 6, 1941.

My Dear Member of Congress: Several days ago I confered with the Department of Justice officials relative to profiteering and frauds in defense and war contracts. The Washington correspondent of the St. Louis Star-Times assisted me in presenting amazing evidence in connection with this matter.

"It is becoming increasingly evident that the Congress should set up an investigating committee to watch over possible frauds against the Government and I trust that you will give this suggestion your careful consideration and attention.

"Should you care for further information, please advise. With many thanks.

"Very truly yours,

"Joseph Lieb."

This letter was followed up with personal calls upon a number of Senators, including Mr. Truman.

Then, on February 13, 1941, Senator Truman introduced his resolution calling for the creation of a defense investigating committee, and the measure was officially approved on April 1, 1941. Senator Truman immediately became chairman of the committee.

Part of this story was told in the Congressional Record by Senator Styles Bridges on May 10, 1943, page A2336.

Fearing that the statute of limitations would run on the above-mentioned case, Lieb got a bill introduced, H.R. 4916, Seventy-seventh Congress, first session, which demanded the suspending during time of war or national emergency the running of any statute of limitations on prosecutions for Federal offenses. This measure was introduced on May 29, 1941.

Finally on November 26, 1941, a long-delayed hearing was held by the House Judiciary Subcommittee and the only witnesses were Congresswoman Jeannette Rankin, who introduced the bill, Mr. Lieb, and Mr. Alexander Holtzoff, Special Assistant Attorney General. The Justice Department opposed this piece of legislation because it was too broad, but on January 28, 1942, after much agitation they sent to the Congress H.R. 6484, a bill to suspend during the present war the running of statutes of limitations applicable to certain offenses. This became law on August 24, 1942, and it was during this period that the Justice Department set up a war-fraud unit. From the exposure of a number of war contracts came the demand for the Renegotiation Act and the subsequent saving of untold billions of dollars.

Unfortunately, all the details surrounding this matter cannot be made public at this time. Who the defense contract profiteer was, why the Justice Department refused to take action and other incidents that took place will be revealed at a later date. When it does break, one thing is sure, it certainly will make interesting reading.

[From the Washington Post, Dec. 26, 1976]

Carter Chooses the Painful Past

(By William Greider*)

A round town, people are making bad jokes about Jimmy Carter's new Cabinet, for his selections have a grotesque symmetry with the past—that patch of bloody history called Vietnam, the nightmare everyone wanted to forget.

Carter, said one wit, has chosen the "junior varsity" from the New Frontier, only now they get starting positions.

His campaign slogan asked: "Why not the best?" But his Cabinet selections reply: "Why not the best and the brightest?"

Carter has brought back the "whiz kids" from McNamara's Pentagon to run the government. What shall we call them? The "whiz men?"

The last laugh, of course, is on those who thought Carter might have the nerve or the political vision to break cleanly from the past. Instead, he has revived it.

In some circles, dredging up these ugly memories on the threshold of a new administration may be regarded as bad taste, like the drunken wedding guest who tells dirty stories at the rehearsal dinner. What's past is past. Do not disturb the dead.

The relevance is this: at least six of Carter's top appointments were there when the big lies were told in the Sixties. None of them spoke up, at least not so they could be heard by the public. Will anyone believe them now that they are back in government, running Carter's foreign policy and defense strategy? It is a dangerous legacy this new President has embraced.

Moreover, Carter has chosen his team with few exceptions, from a very small universe of Americans. Most of them know each other well, because they have often met in corporate boardrooms, doing business, serving government. The public squabbling over adequate representation for women and blacks has obscured this reality—corporate America is the best represented of all. If this is Carter's idea of populism, what on earth would elitism be like?

DRAFTSMEN, NOT ARCHITECTS

Let's stipulate that these are all good people. Capable, experienced, energetic, pragmatic, also deeply moral, all the adjectives which are attached to these names when they are profiled in newspapers, all accurate, no doubt. It is also important to note that all of these people changed their minds about Vietnam, sooner or later, acknowledged mistakes, sought to learn the lessons.

It would be extraordinary if they had not. Most everyone in America has changed his or her thinking about that tragic chapter—a principal source of the public distrust which now overlays politics and government.

These men whom Carter is returning to government were not truly architects of the Kennedy-Johnson Vietnam policy, more like senior draftsmen and cheerleaders, but neither did they protest until it was too late.

In the spring of 1965, with 40,000 troops in Vietnam and the bombing called "Rolling Thunder" already under way, the nation's campuses began to stir in protest. Like many other academics, Zbigniew Brzezinski of Columbia University began appearing at the first "teach-ins" sponsored by war critics. But Brzezinski went to *defend* the war and its purposes.

Brzezinski, like so many proponents of the war, was cautious and discrete in discussing the appropriate strategies and promises of success. But he left no doubt about why U.S. involvement was necessary. His thoughts were recorded during a TV appearance in May, 1965, opposite Prof. Hans Morgenthau, one of the early critics.

"We live in a world," Brzezinski explained, "in which there will be many local conflicts, in which all the major powers will exercise self-restraint, because

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they have to exercise self-restraint in the nuclear age . . . It will be a sign of the maturity of the American people and of the growing wisdom of the American people if we adjust ourselves to the notion that in our age there is a twilight zone between war and peace and that this twilight zone of limited wars is going to be very much a feature of our lifetime."

The "twilight zone of limited wars" was a favorite theme of strategic thinkers in the Sixties, Cold War bravado which Brzezinski disparages in his current writings. He served in the State Department under President Johnson and was known as a "hawk," though his specialty was Eastern Europe and the Soviet Union. Later, he became known as an advocate of negotiated settlement and a mild critic of Nixon's war policy. But his deepest scorn was reserved for the "self-flagellating intellectuals" who were so noisily against the war. Now Brzezinski is scheduled to be the next President's national security adviser in the White House, Henry Kissinger's old job.

Cyrus R. Vance, Carter's choice for Secretary of State, shared that Cold War mindset when he was Deputy Secretary of Defense in the middle Sixties under Robert McNamara. Vance was one of those administration spokesmen who came forward in August, 1964, to claim that the Gulf of Tonkin incident was an unprovoked attack by the enemy, requiring retaliatory bombing raids.

"The United States is prepared to take any action which will be required by the circumstances," Vance declared, "but we hope that the firmness of the action which we have taken will indicate to the Communists that it would be unwise for them to take any further aggressive acts."

The official version of Tonkin was later discredited, of course, but the Tonkin Resolution rushed through Congress became the Johnson administration's legal prop for escalating the war. Vance's words in 1964 reflect what became the basic U.S. strategy—hit the enemy a sharp lick and see whether he is ready to talk peace. Hanoi and the Vietcong did not cooperate with this approach, so the blows got heavier and heavier until there were 500,000 American troops in the fight and massive bombing of Laos and Vietnam.

To what end? Cyrus Vance, like so many other loyal spokesmen in that era, answered this question in the starkest terms—the very survival of the United States depended upon prevailing in Indochina. In a speech to defense contractors in October, 1965, Vance said that Vietnam was a test care for American resolution and he cited a recent speech by Lin Piao, Communist China's minister of defense, as evidence:

"Just as communism in China, says Lin Piao, succeeded by capturing and then encircling and defeating the cities, so the global communist movement will ultimately succeed first by capturing Asia, Africa and Latin America, thereby encircling North America and Western Europe and then decisively defeating the United States and its Western allies . . .

"And where is all this to begin, he asks. It has already begun, he replies. And the place in which it has begun is Vietnam. Vietnam, says Lin Piao, is now the focus of the revolutionary movement against the United States."

In time, that long-range threat came to seem less compelling than the immediate damage which the war was doing, at home and abroad. Vance was one of the designated "wise men" who privately advised President Johnson after the Tet offensive of 1968 that further escalation would not work.

Harold Brown, the next Secretary of Defense, was in charge of the bombing. As Secretary of the Air Force, another "whiz kid" from the McNamara stable, Brown was one of those technocrats who reduced the war to bloodless statistics and progress charts which showed that things were going better and better.

"Air power," he declared in May of 1966, "has enabled us to consistently defeat enemy units with considerably less than half the men required by the often-quoted 10-to-1 ratio thought necessary by some to deal with guerrilla forces and relatively small regular units in jungle warfare."

One week, Secretary Brown reported that 7,000 trucks, 3,000 railway cars, 5,000 bridges, 5,000 barges and boats had been destroyed by bombs so far that year. In September alone, roads were cut at 600 points.

"This," he said, "is a serious degradation of the North Vietnamese logistical net."

THE LANGUAGE OF "MANAGERS"

In a way, it is the language these men used which is the most chilling memory. They did not make blood-curdling declarations and wave the bloody shirt. They spoke in cold, complicated sentences, studded with encouraging statistics. The way in which they talked about the war allowed them to remain a long distance from the actual suffering.

"As a matter of fact, I saw the figures yesterday," Vance was saying in April, 1966. "In the month of March, there were 2,336 defectors, both North Vietnamese and Vietcong. This is the highest month recorded since the records have been kept and, indeed, even last week the number of defectors was 646, the second highest week on record . . . One other factor which is interesting, insofar as defections are concerned, is the fact that recently about 25 per cent of the defectors have been officers."

And here is Vance on TV extolling the M-16 rifle:

"It fires a 22-caliber high-velocity bullet. The velocity of that bullet is about a thousand feet per second more than that [Soviet-made] AK-56 which is lying there on the floor. Therefore, the lethality of each of the two is about the same. That weapon has an effective range out to about 400 yards. The M-16 has an effective range out to about the same range. The M-16, however, is much more accurate from 100 yards out to about 400 yards than is that weapon. In addition, the M-16 is a much lighter weapon. That weapon weighs about 9 pounds. The M-16 weighs about 6 pounds. And even more important than that is the ammunition. You can carry three times the amount of ammunition with the M-16 than you can with a weapon like that . . ."

These people were very good on details, the mechanics of warfare. As President-elect Carter said, they are known as "good managers."

TO FORESIGHT NO HONOR

Carter will have others in his Cabinet who shared, in one way or another, the experience of those Cold War miscalculations.

Theodore C. Sorensen, John F. Kennedy's aide, is credited with ghost-writing much of the stirring rhetoric which set the tone for the conflicts of that decade, the public wars and the secret ones: ". . . we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty."

Those words have peculiar reverberations today, now that we know about the CIA's assassination plots and other secret actions to support friends and oppose foes. Now Sorensen will become director of the agency, responsible for continuing its reform.

Joseph A. Califano Jr., the new Secretary of Health, Education and Welfare, went from McNamara's Pentagon staff to the White House and was regarded as a "whiz kid" in both places. His principal work as an LBJ assistant was orchestrating domestic programs and legislation. If he had any misgivings about Vietnam, he kept them private until after he left office.

In 1965, when protests were heating up across America, Califano accepted for the President an 8-foot petition with 2,500 signatures from students and faculty at American University. "Of course, we recognize the right to dissent," Califano said. "That's what our boys in Vietnam are fighting for. But this shows that the overwhelming majority of American college students and the American public stand fully behind the President in his policy in Vietnam."

Even in early 1968, Califano was still insisting that the bloated war budget was not stopping the domestic programs launched under the Great Society. Vietnam, he repeated, is "one of the greatest tests of will the American people have ever faced."

Charles Schultze, an economist who will be chairman of Carter's Council of Economic Advisers, was LBJ's budget director when the Vietnam war costs escalated off the charts. For months in 1966, influential members of Congress kept insisting that the Johnson administration was understating the true cost of the U.S. involvement by $10 to $12 billion. The administration kept denying it.

The congressional skeptics, it turned out, were right. The Johnson administration had to ask for a tax increase to pay for the war. Schultze, however, may have been a victim, not a culprit. As this history has been reconstructed, it appears that Schultze and other economic advisers were misled by the Pentagon and the White House, the same way Congress and the general public were misled.

People do grow wiser, they change their minds about important questions. If the Senate does its job, these men will be questioned closely at their confirmation hearings on how their views have evolved in the last decade.

In the meantime, we know that none of the Democratic politicians who had the vision or the courage to see through the Cold War rhetoric, to oppose U.S. entry into the civil conflict of Vietnam, has been chosen by Carter for top places in the new administration. Foresight is rarely honored in politics, especially by other politicians who lacked it.

The men who will be in charge again were, for the most part, schooled in a generation of leaders who looked backward, obsessed with the experience of World War II and counting on history to repeat itself. They looked at Saigon in 1964 and thought it was Munich in 1938. Perhaps their vision is clearer now. If it isn't, this country is in deep trouble.

ROOTS IN CORPORATE AMERICA

Where did Carter find these people? What do they represent in American society? The general answer is that, his campaign rhetoric notwithstanding, Carter has restored orthodox liberalism to power. More specifically, he has insured that the business of America remains business, especially the business of multinational corporations. Liberals and conservatives have always agreed on that.

From all of the talented and experienced people in America, Carter has chosen three directors of IBM (Vance, Brown and Patricia Harris, the HUD secretary-designate) to serve in his Cabinet. He would have also chosen an IBM vice president, but she declined the job.

His Cabinet includes a director of Pan American Airways (Vance), a director of the Equitable Life Assurance Society (Michael W. Blumenthal, the Treasury secretary-designate), a director of Western Electric and R. J. Reynolds (Juanita Kreps, the Commerce secretary-designate), a director of Chase Manhattan Bank (Harris).

His cabinet includes six lawyers (Vance, Califano, Harris, Sorensen, Brock Adams, the Transportation secretary-designate, and Griffin Bell, Attorney General-designate) whose law firms represent an impressive array of major enterprise. To name a few: American Electric Power Co., Occidental Petroleum, Northwestern Industries, Colonial Penn Insurance, Gulf & Western, Warner Communications, Revlon.

This is not unique or even unusual in Democratic administrations. The Democratic Party traditionally harangues big business during campaigns, but then turns to Wall Street and corporate boardrooms in search of administrative talent. Carter may have taken this practice a bit further than his predecessors.

Two of his lawyers, for instance, are from law firms which have represented General Motors (Bell and Sorensen) and two are from firms which represent Coca-Cola (Bell and Califano).

The Coca-Cola connection demonstrates what a small world Carter has selected from. Carter's good friend in Atlanta is J. Paul Austin, chairman of the board of Coke. Coke is represented in Atlanta by Griffin Bell's law firm. Austin serves on the board of Cal Tech. The president of Cal Tech is the new Secretary of Defense. The new deputy secretary of defense is the former president of Coke. Coke's lawyer in Washington is the new Secretary of HEW.

If that leaves you a bit dizzy, drink a Dr. Pepper and consider the Carter administration's connections with important institutions of the news media. The Secretary of State-designate is a director of The New York Times. The Secretary of HEW-designate is a lawyer for The Washington Post. The Secretary of Defense-designate is a director of The Los Angeles Times.

The most interesting linkage among these people is neither soft drinks nor newspaper. It is Rockefeller philanthropy. The connection is so compelling in the foreign-policy sphere that a cynic might suggest that this transition is not so much from Ford to Carter, but from Nelson to David.

Henry Kissinger, the principal architect of foreign policy under eight years of Republican presidents, had a special patron in Nelson Rockefeller. But Brzezinski's is David Rockefeller, Nelson's younger brother, the board chairman of Chase Manhattan Bank. Together, Brzezinski and Rockefeller organized an organization called the Trilateral Commission, including public officials, academics and business leaders, to chart a new post-Cold War foreign policy.

The President-elect is a member. So is the Vice President-elect. So are four of Carter's top appointees: Brzezinski, Vance, Brown and Rep. Andrew Young, the United Nations ambassador-designate. Two Cabinet appointees also serve on the executive committee of the Rockefeller Foundation (Vance and Blumenthal), not to mention directors of the Chase Manhattan and IBM, two corporations where Rockefeller money is still important. This is the same small circle of Americans which has made foreign policy for the government over the last generation. The Carter appointees are direct descendants of John Foster Dulles and Dean Rusk, two other modern Secretaries of State who came from the Rockefeller Foundation. It is hard to believe that they will turn on their ancestors.

All of the business connections will be severed, of course, when these people enter government. Citing all of the corporate relationships does not imply that any of these people will continue to represent those institutions rather than the public when they are in public office. But it does give some clues as to where they came from and how they may view the world and the nation, not to mention how Carter himself views things.

The country is much smaller, it seems, than the vision which Carter sold during the campaign. Perhaps Carter's own vision is smaller, too.

[From the Washington Post, Jan. 2, 1977]

THE UNTOLD STORY OF CAMBODIA'S AGONY

(By William Shawcross*)

Little is heard of Cambodia these days—and most of that is unpleasant. Cambodia is crushed under the Communist Khmer Rouge, who overthrew the pro-Western regime of Lon Nol in April, 1975. Officials and officers of the old regime have been clubbed to death. Refugees stumble over the borders into Thailand and Vietnam with other tales of horror.

How did this come about?

When Richard Nixon entered the White House in 1969, Cambodia was at peace. The unpredictable, autocratic Prince Norodom Sihanouk its ruler for 17 years, had managed to keep his serene, verdant country out of the war that had wracked neighboring Vietnam by allowing the North Vietnamese to use Cambodian territory as a supply route and for sanctuaries just across the frontiers of South Vietnam. By August, 1974, when Nixon resigned hundreds of thousands of Cambodians had been killed and much of the country was destroyed.

Under orders from Nixon and his national security adviser Henry A. Kissinger, U.S. B-52s had begun bombing the Cambodian border sanctuaries secretly in March, 1969. The raids, which Sihanouk had to accept, pushed the Communists deeper into Cambodia and exacerbated the political tensions in the capital, Phnom Penh. In March, 1970, Sihanouk, in Moscow on a diplomatic mission, was overthrown by his defense minister, Lon Nol.

Within a month, North Vietnamese and Khmer Rouge troops were moving out of the border sanctuaries toward Phnom Penh. In Washington, both the State Department and the CIA were wary of deepening the U.S. involvement. "It would be very risky to try and solve the North Vietnamese problem in Cambodia by force," wrote Assistant Secretary of State Marshall Green in a memorandum to Kissinger and Secretary of State William P. Rogers. A detailed analysis by the CIA's Office of National Estimates warned that "an expanded allied effort could seriously handicap the Communists . . . but, however successful, it probably would not prevent them from continuing the struggle in some form."

The CIA analysis never reached the White House. CIA Director Richard Helms refused to pass it on. Helms already knew that Nixon and Kissinger had decided to invade Cambodia—and wanted no advice against it.

On April 29–30, 1970, some 30,000 American and South Vietnamese troops drove across the Cambodian border. The U.S. mission in Phnom Penh learned of it from the Voice of America broadcast of Nixon's televised speech. The *charge*, Lloyd Rives, took the news to stunned Lon Nol. Rives was ordered by Washington to fake a telegram from Lon Nol *requesting* the invasion. He drafted one and took it to Lon Nol, who signed it.

"STROKING" LON NOL

Lon Nol was an unlikely war leader. At moments of crisis, a strain of mysticism, never far from the surface, would overwhelm him. He took to directing battles from the seclusion of his palace, issuing orders dictated by his inner eye.

Not that there was anything wrong with Lon Nol's imagination. He once announced that anyone selling rabbits would be tried for treason. He claimed to have discovered a Communist plot to strap bombs to the animals and release them near military installations.

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His grasp of strategy, on the other hand, was shaky. One of his ideas for the defense of Phnom Penh was to have helicopters sprinkle sacred sand round the city. It didn't work. But then, neither did Lon Nol. He was quite as vain and autocratic as the man he had deposed. He was also, unfortunately, much less able.

As the leader of a beleaguered country—facing an external army, a swelling corps of domestic insurgents and such unpopularity in the countryside that, after his coup, outraged peasants had actually eaten one of his brothers—Lon Nol was not, in other words, an ideal choice. Yet in the first week of May, while American opinion reeled from the invasion only days before, Nixon sent Col. Alexander Haig to Phnom Penh to assess not *whether* this improbable figure should be aided, but *how*.

Haig's visit was crucial: It established the relationship to come between the White House and Lon Nol, between the White House and the U.S. mission, between the White House and reality. Efficient, hardline, unquestioningly loyal, Haig was then Kissinger's assistant. The Phnom Penh trip was the first solo mission of importance. He did not like Lloyd Rives.

Rives angered Haig by resisting a plan to install in his mission a military communications system—the technicians to be outside Rives' control. And Rives' unconcealed doubts about the course of events undercut Haig's gung-ho enthusiasm.

Haig would not even let Rives go with him to Lon Nol. But the State Department later learned what had happened. Haig found Lon Nol in an emotional state. Repeatedly, Haig had to assure him that the United States would supply all he needed to drive out the Communists. Repeatedly, Lon Nol was told he had the full support of President Nixon. Finally, according to several accounts, Haig told Lon Nol that he could bypass the U.S. mission and deal directly with the White House.

Haig's was the first of what became known as "stroking missions." Over and over, in the next five years, the White House would ignore the realities on the ground—and the U.S. mission's perceptions of them—and send Haig, Spiro Agnew, John Connally and other barons to "stroke" Lon Nol, convince him of his "successes" and of his unremitting support in Nixon's White House.

On Haig's return, the White House authorized materials and equipment for Phnom Penh (evading congressional control). And a few days later, in mid-May, 1970, Kissinger asked Jonathan (Fred) Ladd, a retired Green Beret, to head a small U.S. "political-military" group to be inserted into the Phnom Penh mission.

It is at times uncanny how the Cambodian tragedy mirrors that of Vietnam: just such a "political-military" group had been the initial U.S. commitment there, too. Ladd, who had known Haig in Korea, had served in Vietnam—an experience which had persuaded him of the futility of U.S. involvement in Asia. But Kissinger assured him that Cambodia was not to be another Vietnam.

Ladd began with cautious optimism. He thought that the mediocrity and corruption of many of Lon Nol's officers might be outweighed by the enthusiasm of the average Cambodian for fighting Vietnamese. But inside barely a month, by the end of June, when the U.S. troops in the invasion force withdrew from Cambodia, it was clear that Lon Nol's forces could not cope with the war that the invasion had spread.

The White House decided that South Vietnamese troops and U.S. airpower had to continue to batter Cambodia. Nixon claimed that U.S. planes would be used only "to interdict" the Communist supply lines to Vietnam—that, in other words, they would obey the new congressional injunction against war in Cambodia. In fact, U.S. bombers were used in support of Lon Nol's forces over much of Cambodia.

A CAREER RUINED

The corollary of White House enthusiasm for the war was the erasing of the already blurred line between intelligence and policy.

Richard Helms of the CIA had grasped this fairly swifty. Out in Phnom Penh, Lloyd Rives was slower to catch on. The visit of Vice President Agnew in August, 1970, virtually ruined Rives' career.

Agnew brought for the Cambodian leaders a set of world maps, some silver cocktail glasses and a pair of leather-covered In and Out trays. In return, he was given finely worked traditional Cambodian silver. (He forgot it when he flew out.)

Everywhere in Phnom Penh, Agnew was surrounded by a squad of U.S. Secret Service men toting submachine guns. When one sat with his gun openly trained

on the Cambodian head of state's back, Rives protested. The Secret Service complained to the White House. First Haig, now Agnew. The White House ordered Rives' dismissal.

Rives' colleagues protected him: He was simply shunted for two years into the backwater of African research. But since his colleagues were convinced that Rives' skepticism had been the real cause of his downfall, the lesson went home: it did not pay to speak your mind on Cambodia.

Rives's replacement, in September, 1970, was Emory (Coby) Swank, who came with the title of ambassador. Swank, a slight and—like Rives—cautious man, was a fine Kremlinologist who also had Asian experience.

Swank was in Cambodia for three years. The political, military, economic and social disintegration over which he presided was not quite total.

Already, by the end of 1970, as Swank settled into the job, all roads out of Phnom Penh were wholly, or partially, cut. The Communists controlled about half the country. In the other half, the economy was paralyzed or destroyed.

Even agriculture was collapsing. Under Sihanouk, Cambodia had been comfortably self-sufficient. Now massive U.S. economic aid was needed. (In another two years, Cambodia—once an exporter of rice—would be dependent even for its basic food upon imports from the United States.)

But as the fabric of society crumbled, U.S. enthusiasm for the venture appeared to increase. It was a paradox that Nixon himself explained. In November, two months after Swank's arrival, Nixon claimed for the first time that the war in Cambodia was "a vital element in the continued success of Vietnamization."

In December, Nixon said: "The Cambodians, a people, 7 million only, neutralists previously, untrained, are tying down 40,000 North Vietnamese regulars."

Nixon went on: "If those North Vietnamese weren't in Cambodia . . . they'd be over killing Americans . . . the dollars we send to Cambodia saves [sic] American lives and enables us to bring Americans home."

FUELING GRAFT

By the beginning of 1971, Fred Ladd's modest role was swept aside. The Pentagon now had White House permission to send a general to run what was blandly called a Military Equipment Delivery Team. The Cambodian army, it was decided, needed far more equipment and support than Ladd had envisaged.

As in Saigon, U.S. aid fueled ever-increasing graft in Phnom Penh—until Lon Nol forfeited even the support of those middle-class urban Khmers who had been happiest to see Sihanouk leave.

Under a U.S.-sponsored commodity import program, cars, motorcycles and domestic appliances flooded into Phnom Penh. To buy these, Lon Nol's officers would pad out their under-strength units with phantom troops, whose wages they pocketed. "Every imported motorbike cost the army a squad, every car a platoon," one U.S. diplomat calculated.

Even those officers competent in battle tended to find their orders contradicted by the mystic marshal himself. By mid-1971, a stroke had left Lon Nol more autocratic and paranoid than ever.

The steady slaughter of Lon Nol's troops thus reflected his army's incompetence as much as its enemy's skill. Younger and younger boys had to be drafted to fill the ranks.

In September, 1971, Lon Nol launched Operation Chenla Two to re-open Route 6 north of Phnom Penh. The Communist duly allowed his forces to surge up the road and even to lift the siege of the next town, Kampong Thom.

Rejoicing in Phnom Penh was premature. At the end of October, the Communists once more cut Route 6 south of Kampong Thom.

Deprived of supplies and reinforcements, Lon Nol's troops fled back across country to Phnom Penh with enormous losses. The victors at Chenla Two, for the first time, were not the North Vietnamese, but the troops of the Khmer Rouge.

Chenla Two was the clearest demonstration that Lon Nol's forces were no match for their adversaries. And the Communists were by now clearly able to use almost the whole country as a base—just what the 1970 invasion had been supposed to prevent.

Within the Phnom Penh embassy, and the agencies in Washington, were men who realized this. But, as in Vietnam, their pessimism was swamped by the enthusiasm of the military. And they knew the White House did not want unpalatable facts.

William Harben was one of the disillusioned. Tall, gray-haired, gaunt, Harben was political counselor in Phnom Penh from January, 1971. He found, for example, that if he or his colleagues reported cases of military corruption, the general in charge of the Military Equipment Delivery Team would dismiss their facts as "propaganda" or contend that they came within the sole purview of his military, arguing that "this is Cambodia's society and we are not here to reform it.

Harben was no sentimentalist. (In particular, he distrusted Sihanouk.) He merely reasoned that America's unconditional support for Lon Nol itself constituted total involvement in Cambodian affairs. (And surely Harben was right. How could anyone pump into a small, rural Asian economy such staggering sums as $273 million in military and economic aid—the bill in fiscal year 1971—and then plead non-involvement?)

But while Swank was ambassador, non-involvement—ordered by Washington—was the excuse while Lon Nol suspended the assembly, rigged the elections—and tottered twoards military and political collapse.

In January, 1973, Harben sent a memorandum to Swank. In the past year, he pointed out, the embassy had tried to call Washington's attention to "alarming trends" in Cambodia. (That was a euphemism for the deepening military and political debacle.) But, Harben continued "we have received indirect guidance that Washington did not want to receive negative assessments lest they leak to hostile journalists and for other political reasons." (That was a euphemism for Nixon's relection campaign.)

Harben pointed to the risk that, when the situation got still worse, "certain quarters in Washington which bear the most responsibility may absolve themselves by claiming that embassy reporting failed to alert them."

Even Harben underestimated the gap which the White House had fostered between perception and reality. When he left Phnom Penh, in spring, 1973, his post as political counselor was merged with that of military counselor. As soon as he got back to the State Department, though, Harben wrote a memorandum suggesting that the Lon Nol side would probably lose the war and that a refugee program be discreetly planned. His colleagues advised him, for his own sake, to tear it up. "You can't mention defeat around here," he was told.

"Anywhere else you would go to prison for falsifying the facts." Harben says now, "In the diplomatic service you get promoted for loyalty." Harben retired in January, 1975.

PEACE—BUT NO PEACE

In January, 1973, Nixon and Kissinger finally reached a political settlement with Hanoi: U.S. troops and prisoners were extricated, while South Vietnam's President Thieu remained in office. Nixon called it "peace with honor."

Article 20 of the peace agreement specified that foreign countries "shall put an end to all military activities in Cambodia and Laos."

So, for a brief moment, things looked optimistic for Cambodia. It was, after all, a sideshow for the Americans. During the Vietnam talks, Kissinger had made his only, brief visit to Cambodia.

When the Vietnam agreement was signed, Kissinger announced: "We can say about Cambodia that it is our expectation that a de facto cease-fire will come into being over a period relevant to the execution of this agreement." Given that the core of the agreement was U.S. withdrawal from Vietnam, Kissinger seemed to be predicting a parallel disengagement in Cambodia.

The outside world did not see a secret State Department evaluation of the newly signed agreement, pointing out that the obligation of America and North Vietnam to withdraw fully from Cambodia was purely in principle; actual withdrawal would depend "upon the timing of agreements among the contending parties."

Kissinger had some grounds for optimism. He had secretly warned Hanoi that it could not expect U.S. reconstruction aid—which had been guaranteed under Article 21 of the peace agreement—unless it forced a ceasefire in Cambodia. Hanoi, as we shall see, did then cut Khmer Rouge arms supplies. But Kissinger failed to see that, as that happened, Hanoi's influence over the Khmer Rouge would dwindle. More important, he took no steps either to establish his "de facto cease-fire" or to initiate more formal Cambodian peace talks.

On Jan. 28, the day after the agreement, Lon Nol announced that his troops would suspend all offensive operations to allow "the North Vietnamese and Vietcong to leave our territory in the shortest possible time." There were flaws in the offer: Far from conducting offensive operations, Lon Nol's troops were everywhere on the defensive, and by now his main adversaries were native

Khmer Rouge rather than Vietnamese. But it was a start. And on Jan. 30, the White House stopped the bombing.

The next day, Sihanouk replied. The Khmer Rouge, he said, were reevaluating their policy. "If the United States is prepared to act in a friendly manner with an independent and nonaligned Cambodia, we are prepared for a rapid reconciliation with Washington." And, though Lon Nol dismissed the statement, the insurgents did slacken, though not cease operations.

But what happened now? Clearly, some initiative was needed. And, by good fortune, Kissinger was going to Hanoi and Peking. Sihanouk said that he hoped to see him then. But, on Feb. 3, the White House replied that Kissinger had "no plans to see the prince during the trip."

Rebuffed, Sihanouk withdrew his offer on Feb. 7. After a lull, the conflict on the ground had already been reasserting itself and now the battle began in earnest once more. On Feb. 8, the American bombing resumed.

IGNORING SIHANOUK

It would be comforting to find in the grim events that followed some commensurate motive, some inexorable requirement of high strategy. None appears.

The only explanation came from the American ambassador, Emory Swank: that, given the weakness of the U.S. ally, Lon Nol, the initiation of peace moves "would to Henry Kissinger have been leading from weakness."

At the same time, Cambodia was still considered only peripheral to Vietnam, where President Nguyen Van Thieu was demanding that Lon Lol be upheld.

There was a difference to the renewed American bombing. From now on, the targeting for the raids was to be done by Swank's embassy—although, by explicit act of Congress, the embassy was forbidden to give military advice. The embassy's role was concealed from Swank's superior, Secretary of State Rogers.

So began the most destructive phase of the war. Asked to explain the legal basis of the raids now that there were no U.S. troops to protect, Deputy Assistant Secretary of State William Sullivan replied: "It's interesting you should ask that. I've got a couple of lawyers working on it. For now, I'd say the justification is the reelection of the President." Meanwhile, the man with, arguably, the best hope of ending the war sat rebuffed, in Peking.

Yet Sihanouk had few illusions about his relationship with his former enemies and present allies, the Khmer Rouge. Power in Cambodia lay with them, the combatants. Sihanouk was useful because of his unrivaled popularity in the countryside and for the legitimacy he conferred in the outside world.

For Sihanouk, too, the alliance was only tactical. Privately, he would say that, though he would one day return to Cambodia, he wanted to do so in his own right, not under Communist control.

In this ambiguous position, Sihanouk's strength was the support of the Chinese premier, Chou En-lai. Chou's commitment was open. Sihanouk was accorded the honors due to a head of state—his was the first government-in-exile the Chinese had ever allowed in Peking.

In the search for peace in Cambodia, Sihanouk had two perceptions, which he tried to press upon Washington through every intermediary he could find.

The first was that negotiations should be between his exile government and Washington. He saw no cause to deal with Lon Nol when it was only U.S. aid that propped him up. Secondly, Sihanouk tried to convey that the Khmer Rouge were not the creatures of Hanoi. (This was certainly correct. Most North Vietnamese front-line units had been withdrawn from Cambodia by mid-1972; the rest of their direct support was withdrawn in early 1973. To Khmer Rouge fury, Hanoi then began, in pursuit of Article 21, to restrict even the supply of arms and ammunition.)

But Washington continued ignoring Sihanouk. For years, Sihanouk and the State Department had got on each other's nerves, and Kissinger regarded him with contempt. And the contempt was self-fulfilling: the longer Sihanouk was ignored by Washington, the less authority he had over his uneasy allies, the Khmer Rouge, or in Peking.

Faced with this dilemma, Washington constructed its policy: Lon Nol and the Khmer Rouge (with Sihanouk if they wanted him) should negotiate between themselves.

THE BLOODY "BOX"

The truth was that the U.S. commitment to Lon Nol remained unremitting—though the price was continued war. Yet the hopelessness of Lon Nol's position

was known. In early February, 1973, barely a month after the peace agreement, the Phnom Penh embassy actually had to be ordered by Washington to say, if asked by the press, that Lon Nol had the support of the majority of the people.

One of Lon Nol's erstwhile colleagues destroyed that illusion. Prince Sirik Matak—a leader in the coup against Sihanouk and sometimes prime minister but now under house arrest—said publicly that, in a free election, Sihanouk would win. "I understand America's attitude in not wanting to interfere in our internal affairs," Matak said. "But if the U.S. continues to support such a regime, which is not supported by the people, you help the Communists."

In April, 1973, U.S. Senate investigators concluded that "the political, military and economic performance of the Lon Nol government had reached an all-time low . . ." Nonetheless, to Harben's intense dismay, reform proposals by In Tam, an honest politician who Harben thought should replace Lon Nol, were totally ignored by Washington.

Marginal reforms were ordered by Haig, but Kissinger discounted the problems. "We can't go around bashing our allies," he said privately. "If you replace a government, then you are responsible for its successor and we've just been through that in Vietnam. We didn't go through the agony of getting out of Vietnam in order to get re-involved in Southeast Asia."

But through the spring and into the summer of 1973 the United States was involved in Cambodia, and to terrible effect. The daily B-52 targeting was done by Thomas Enders, Swank's deputy in the Phnom Penh embassy.

Enders took his targets from 1:50,000 scale maps—little more than an inch to the mile—which were several years out of date. The embassy had no maps showing relocated villages. Not that they would have made much difference. William Harben now did what someone might have considered at the start of the bombing: He cut out, to scale, the pattern of a "box" of B-52 bombs—and found that there was virtually nowhere he could place it on the map of populous central Cambodia without "boxing" a populated area.

"I began to get reports of wholesale carnage," Harben recalls. "One night a mass of peasants from a village near Saang went out on a funeral procession. They walked straight into a 'box.' Hundreds were slaughtered."

The destruction might have continued indefinitely, had not the Senate investigators finally discovered Enders' role in it, by accidentally picking up the targeting instructions on a transistor radio. Outrage at this, allied to the weakening of Nixon as the Watergate inquiries gathered momentum, finally emboldened Congress to demand a halt to the bombing. Nixon and Kissinger fought any such move, claiming that it would undercut their "delicate negotiations" for peace.

Ambassador Swank puts that claim in perspective. The only possibility of peace in 1973 would have been, Swank says, "if we had taken the dramatic step of drastically reducing our support for the Phnom Penh government. It was one of the possibilities I suggested. The Chinese and North Vietnamese might have taken it as a step toward a negotiated settlement. But to Henry Kissinger it would have been leading from weakness."

As a final assessment of those "delicate negotiations," it is worth examining the aftermath of a banquet in Peking.

THE FRENCH CONNECTION

Etienne Manac'h is one of those to emerge with credit from the Cambodian story. A Breton, and a career diplomat of exceptional ability, Manac'h was French ambassador in Peking from 1970. He was an uncompromising figure. In the early 1950s, the Communists had expelled him from Czechoslovakia when he made too plain his dislike of their brutality.

Thence, for 20 years, he had dealt with Asian affairs. In 1968, he played an important part in setting up the first secret talks between Washington and Hanoi and, in Peking, he won the respect not only of the whole diplomatic corps but of Chou En-lai himself. Most important in the present context, Manac'h cared deeply about Cambodia and its suffering. He had helped to negotiate its independence back in 1953; he was a friend of Sihanouk; and he shared Chou's perception that the best hope of peace lay in Sihanouk's restoration.

Manac'h's involvement was confirmed at a banquet on April 12, 1973. Chou held it to welcome Sihanouk back from the only trip the Khmer Rouge had allowed him to make to their "liberated" areas. Sihanouk had returned depressed by the Khmer Rouge's harshness and also angry at what he saw as Hanoi's betrayal over arms supplies.

So, as the toasts were being drunk, Chou and Manac'h turned aside together. The longer the war in Cambodia continued, Chou said, the more extreme and harsh would be the consequences of the inevitable Communist victory. Would the French government try to convey this to Kissinger?

French officials say this was done but that American officials, including Kissinger, were unimpressed.

In the Phnom Penh embassy the mood was by now resigned. One U.S. diplomat recalls: "By mid-1973 we felt that Washington did not give a damn, that the policy was set in cement and we would go down with Lon Nol if necessary. Washington very rarely asked our advice."

Kissinger's public Cambodian effort that summer, in fact, was fighting the congressional decision to end the bombing. At last, under a compromise between Congress and the White House, it was agreed the bombing should end on Aug. 15. (The administration even went to court to block and attempt to end it earlier.) In the last few days, the raids were intensified.

So, at 11 a.m. on Aug. 15, the last American bomb load was dropped on Cambodia. As the aircraft wheeled away, it left behind a devastated country. Since March, 1969, more than a half million tons of bombs had been dropped on it, almost half of them since Nixon and Kissinger had declared their "peace with honor" eight months before. Cambodian society had been destroyed.

All that remained was Lon Nol's dwindling territory, by now less than a third of the country, with over half of the population crammed into it. Beyond were the embittered survivors of the Khmer Rouge, perhaps half of them killed under the bombs dropped by the ally of their enemy in Phnom Penh—but still a disciplined army, and by now bent upon a ferocious revenge.

SHOOTING THE DOVE

In the 14 months between the end of the bombing in August, 1973, and October, 1974, Kisinger made not one effort to end the war and disregarded Cambodia. This would be hard to believe, were it not for evidence submitted by the State Department to Congress. Kissinger, or course, had other concerns in this period: the Middle East war, the oil price crisis, the impending impeachment of Nixon. Yet Kissinger—his ambition to supplant Rogers as Secretary of State now achieved—still found time to punish one of those who had disagreed with him over the fate of Cambodia. Kissinger wrecked Ambassador Swank's career.

Swank's tour of duty in Phnom Penh ended a few weeks after the bombing did. He left a saddened man. So long as U.S. troops had been in Vietnam, Swank had supported U.S. policy. But by the summer of 1973, he had come to think any settlement better than the continuing slaughter. "Cambodia is Indochina's most useless war," he said at his farewell press conference.

Kissinger did not forgive Swank's doubts. Back in 1970, The New York Times had described Swank as "the acknowledged leader of the group of Soviet specialists in the Foreign Service . . . a leading candidate for the Moscow post." Kissinger now had Swank appointed political adviser to the commander of the North Atlantic Fleet, based in Norfolk. After two years there, Swank asked whether he might expect a proper assignment. He was told there was nothing in mind for him. So, at the age of 53, this "leading candidate for the Moscow post" retired.

In April, 1974, after a six-month hiatus, a new ambassador, John Gunther Dean, was sent. Dean came to Phnom Penh from Laos where, after helping to thwart a right-wing coup in 1973, he had established a coalition government. And he had hopes of achieving a similar settlement in Cambodia—until his briefing from Kissinger.

"Henry," one of Dean's colleagues later reflected, "shot the dove off his shoulder. 'Your job,' Kissinger told him, 'is to improve the military situation to enable us to negotiate from strength. I don't want to hear about Laos-type compromises.' "

Dean did his best. There was a lot to do. Lon Nol's troops were by now reduced to little more than defense of the shrinking perimeters around Phnom Penh and a few provincial capitals. For this purpose, young children were plucked off the streets, encased in baggy, U.S.-supplied uniforms and sent to die in nearby fields. The state of Phnom Penh's hospitals was such, however, that those who died, it could be said, were the lucky ones. Meanwhile, cognac and champagne were imported under the U.S. aid program.

At first, Dean flew about the country, putting the more blatant luxuries on a "negative" import list, while exhorting Lon Nol's commanders with cases of champagne. "If you don't hang together, you'll hang separately," Dean said.

But Dean was realistic; soon he suggested in a cable that Kissinger contact the Khmer Rouge commander-in-chief, Khieu Samphan, who was then traveling in Europe. Kissinger refused. Dean persisted, couching his argument in terms he thought Kissinger might respect. "What do we have to lose?" he wrote. "Whatever happens it will make us look good in Congress and in the eyes of the world." Kissinger was adamant: No.

By June, 1974, Dean had realized that, whatever marginal reforms might be made in Lon Nol's army, its position would never greatly improve. Even to maintain the balance would need massive aid. Dean therefore sent Kissinger another long paper, arguing: "Time is against us." The United States should opt, he said, for what became known as "a controlled solution." More bluntly, Dean's colleagues say he wanted a negotiated surrender that would allow the Khmer Rouge to enter Phnom Penh without further bloodshed.

On Aug. 9, Nixon finally resigned. In the turmoil, Dean's paper was understandably lost from view.

But dean was persistent. At the end of August, he came to Washington himself to see if a new President would bring new attitudes. Gerald Ford did not. Kissinger was confirmed in his job, and Dean largely wasted his time. Only as he was about to return to Cambodia did he at last see Kissinger, who merely said that he accepted the principle of a negotiated settlement. How actively he pursued it is unclear. Kissinger has since hinted that he tried hard. But at the time, Dean's constant cables about the need for a settlement irritated him. He complained about "Professor Dean's lectures." But Dean had the support of Philip Habib, the new assistant secretary for East Asia.

FAILURE AT THE SUMMIT

By now, Cambodia's condition was probably terminal. But Etienne Manac'h in Peking and the French government did make one last effort. As it happened, President Giscard d'Estaing messed it up—though Kissinger seems to have helped.

Through 1974 it had become clear to Sihanouk, and to Manac'h, that Sihanouk's chances of returning home in his own right were steadily diminishing. In April, the Chinese government had given a triumphant reception to Khieu Samphan, the Khmer Rouge commander, after which they had promised him more weapons.

China's attitude was, predictably, shifting. So long as Hanoi continued to deny arms to the Khmer Rouge, Peking was willing to try for a settlement that would restore Sihanouk. But once the Khmer Rouge were in sight of armed victory, Sihanouk lost credibility. Peking would look principally to the military men.

Manac'h saw one last possibility of imposing an end to the war. If Lon Nol and his closest associates could be removed and Sihanouk returned to popular acclaim in Phnom Penh, Sihanouk could regain the power base he now lacked. He would be back in the city, with the army and civil service under his control. He could at once bring members of the Phnom Penh opposition into the government and declare a cease-fire. The Khmer Rouge would be infuriated at being finessed in this way; but Manac'h believed they would have to accept the *fait accompli*.

A lot depended on Washington's concurrence. But, first, the Chinese attitude was vital. French officials recalled that late in 1973, Chou En-lai had told President Pompidou that China wanted a neutral coalition government in Cambodia, run by Sihanouk.

Now, at the end of November, 1974, Manac'h sought reassurance from the Chinese foreign minister, Chiao Kuan-hua, that Peking's policy had not shifted. China was still interested in such a settlement, Chiao said—but its attitude might soon change.

So, on Dec. 2, the French government informed Washington that Pompidou's successor, Giscard, wanted to discuss Cambodia at his summit with Ford, to be held on Martinique in mid-December.

At Martinique, Kissinger and Ford appeared interested in the plan. But the summit communique was a disaster. By its nature, the plan had to be kept secret from the Khmer Rouge. Not only did the communique reveal these supposedly secret discussions about Cambodia, however. It went on to say that Giscard and Ford had agreed that the Communists and Lon Nol should negotiate together. This was the exact opposite of French policy. It was just what Sihanouk and the Chinese had fought against. It was the U.S. policy. It never had the slightest chance of success.

A chastened Giscard was forced to apologize publicly for the error, while Paris instructed its embassies to deny "without hesitation" that French policy had changed.

In Peking, Sihanouk denounced France's "inadmissible interference" in Cambodian affairs. Manac'h was left the unenviable task of persuading incredulous Chinese officials that a genuine mistake had been made.

On the French side this was true; Giscard had taken no Asian expert to Martinique. But its hard to believe that Kissinger did not understand the implications of the communique. His staff had drafted it.

Despite the furor, however, two French officials flew to Washington just before Christmas to discuss the proposal with Kissinger. But now Kissinger began to impose conditions. He insisted that he must have guarantees which, he said, could not be obtained either by the French embassy or the U.S. liaison office in Peking. Paris must send an emissary to Peking.

The Chinese asked why it was necessary. French officials though Peking was understandably worried at the publicity. In any event, the Chinese did not repond to the French visa request. The initiative had been lost.

And now, at last, the North Vietnamese began to let through the weapons the Khmer Rouge needed. The Communists began to fire rockets indiscriminately into the civilian areas of Phnom Penh, and for the first time they had mines to block the Mekong River, the lifeline of Phnom Penh.

DEATH OF A NATION

Phnom Penh fell in April, 1975. On April 1, when the collapse was clearly only days away, Lon Nol finally relinquished power and fled to America. Almost every Western embassy in Phnom Penh had, for weeks been trying to persuade him to leave, in the hope that a last-minute settlement could then be reached. But Ambassador Dean had been forbidden by Kissinger to support this.

Through the final two weeks, Phnom Penh's position worsened daily. The town was being rocketed, food supplies were diminishing, medicines had almost vanished.

On April 11, after Sihanouk had made contact, through the French, with the U.S. mission in Peking, Kissinger at last authorized an overture to him. At 5 p.m. that day, John Holdridge, an official from the U.S. mission, met with Sihanouk's chief aide. He explained that the White House had decided that only Sihanouk could end the crisis. Would he please ask the Chinese for an aircraft to fly him to Phnom Penh? The United States would guarantee to remain there until he arrived. All the conditions which Kissinger had insisted upon at the time of the Martinique plan were suddenly waived.

But at 5:30 the next morning, April 12, Holdridge told Sihanouk's aide that the defense of Phnom Penh was in fact degenerating so fast that the U.S. embassy was being closed at once.

A few hours later, Dean shepherded his staff and those Cambodian leaders who were prepared to flee (many were not) into U.S. military helicopters. Dean, like many of his staff, was weeping; under his arm he carried, wrapped in plastic, the Stars and Stripes that had flown above the embassy.

For the Cambodian politicians who stayed behind, knowing what awaited them, the best epitaph is perhaps the letter that one, Sirik Matak—one-time prime minister under Lon Nol—sent in reply to Dean's offer of a helicopter seat:

"Dear Excellency and Friend: I thank you sincerely for your letter and your offer to transport me to freedom. I cannot, alas, leave in such a cowardly fashion. As for you, and in particular your great country, I never believed for a moment that you would have the sentiment of abandoning a people which have chosen liberty. You have refused us protection and we can do nothing about it. You leave and it is my wish that you and your country will find happiness under the sky. But mark it well that if I shall die here on the spot and in the country I love, it is too bad because we are all born and must die one day. I have only committed the mistake of believing in Americans. Please accept, Excellency, my dear friend, my faithful and friendly sentiments."

After the Khmer Rouge entered Phnom Penh, Sirik Matak was shot. Few Cambodians escaped. Only 4,000 or so got to America. A handful were given jobs as domestic servants in Washington.

As he left Cambodia, John Dean's friends wondered whether he would write a book about his experiences there. He was appointed ambassador in Copenhagen.

For everyone who actually saw what happened when the concerns of a superpower impinged upon a small Asian country, it is the comment of one of Dean's assistants as he fled from Phnom Penh that echoes in the mind: "One day Henry Kissinger will retire, and he will write his memoirs. And you will buy them and I will buy them. And I will write a footnote on every page."

Yet Kissinger himself has dismissed Cambodia. It was, he has said, "heartbreaking"—while pointing out that it saved American lives. And he declined to help in the preparation of this account. But he has made his position clear. Pointing to North Vietnam's earlier abuse of Cambodian neutrality, Kissinger has said of the American intervention: "I may have a lack of imagination, but I fail to see the moral issue involved."

[From the Washington Post, Jan. 9, 1977]

Ending the Feud With Castro's Cuba

(By Abraham F. Lowenthal*)

Cuba is eager to resume commercial and political relations with the United States. Provided the Carter administration shares that aim, Cuba seems willing to reassure the new U.S. government on several issues of obvious concern to Washington; Cuba's policy in Africa, Cuba's relation to Puerto Rico's independence movement and the principle of compensation for U.S. properties expropriated by Cuba.

Although Fidel Castro recently served six-months notice of his decision to suspend the anti-hijacking agreement unless the new administration acts decisively to curb anti-Cuban terrorism, that announcement was aimed not to convey hostility but to help bring about improved relations.

Prospective members of the Carter administration, for their part, are interested in Caribbean detente, and want to start a constructive dialogue with Cuba—soon.

I draw these conclusions after dozens of conversations over the past 18 months in both the United States and Cuba. On two trips to Cuba I talked with high-ranking government and party officials, among them Vice President Carlos Rafael Rodriguez, Castro's chief foreign policy adviser. These interviews were supplemented by exchanges through the Cuban Mission to the United Nations, even within the past few weeks. I have also consulted with many American foreign policy specialists, in and out of government, including members and staff of the influential Commission on United States-Latin American Relations (the "Linowitz Commission") as well as advisers of the incoming administration.

NEAR YET FAR

Even in a pokey little propeller plane, Havana is less than two hours from Miami. Varadero, the beach resort, is but 140 miles from the Florida coast, as close as Lynchburg, Va., is to Washington. South Florida disc jockeys can be heard day and night on Cuban radios.

Yet Cuba is very distant. Less than 1,000 U.S. citizens visited Cuba in 1975, about as many as land in San Juan, Puerto Rico, on an average winter morning. American goods are gone from Cuban shelves. American citizens are so rare in Havana's streets that Cubans assume a foreigner is anything but a "gringo"—Russian, German, Italian, Canadian, even Bulgarian.

One obvious result of Cuba's revolution has been to end the historic U.S. domination of every sphere of Cuban life. Trade with the United States used to account for over 65 per cent of Cuba's foreign commerce. American corporations owned more than $1 billion worth of property in Cuba, including over one-third of the island's sugar production, much of its industry and commerce, the major public utilities and almost all the big hotels and casinos.

Politically, the U.S. ambassador was considered almost as powerful as Cuba's president, sometimes more so. Culturally, American trends in dress, the arts and music set the tone for the middle and upper classes. As one observer put it, Cuba was "no more independent than Long Island."

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Clear traces of the former Yankee presence are still noticeable in Havana. Cuban children play *beisbol;* a U.S.-style friend chicken stand attract customers on Havana's waterfront; Cubans still say "OK" and hum American tunes, and some even watch "The Godfather" and Marilyn Monroe movies. The major downtown department store is still the "Ten-Cent," with no apparent adjustment for inflation.

But Cuba today has unquestionably escaped the American orbit. Now Cubans are proud of their political distance from Washington and have no desire to return to the kind of relationship Cuba enjoyed—or suffered—before 1959. They are self-confident about Cuba's ability to endure U.S. hostility for another generation, if need be; the worst years of the blockade, isolation and shortages are past. Cuba demands mutual respect and reciprocal advantages as the basis for any renewed contact; Cuban officials believe their counterparts in Washington are by now ready for discussion on that basis.

My second visit to Cuba last August illustrates how Cuba is actively exploring the prospect for improving relations with the United States.

Eight of us were invited by Cuba's Foreign Ministry to make the trip together. We are all U.S. foreign affairs specialists with a variety of establishment credentials. Four had more senior-executive branch experience in foreign policy-making than any American to visit Cuba since Castro's triumph: William Donaldson, former undersecretary of state; Benjamin Read, the State Department's executive secretary for several years and now president of the German Marshall Fund here; Albert Fishlow, a deputy assistant secretary of state until March, 1976, and William Watts, staff secretary of the National Security Council until he quit in 1970 over the Cambodian invasion. Together we were given a red-carpet introduction to Cuba: briefings, interviews, sightseeing, fishing trips and a couple of days at implausibly beautiful Varadero beach.

The substantive high-point of our visit was our wide-ranging, three-hour discussion with Vice President Rodriguez. It had the earmarks of a quasi-diplomatic exercise: careful preparation, considerable formality and copious notetaking on both sides.

HAVANA'S RATIONALE

Why does Cuba want renewed relations after all these years? Cuban officials stress the concrete. They see the United States as still a natural market for Cuba's exports—sugar, cigars and nickel principally—as well as the primary potential source for a renewed tourist flow. More significant, Cubans would like to look to us for many imports: agricultural commodities, farm machinery; food processing, textile manufacturing, construction and port equipment; cars and automotive equipment; computers and computer technology, and general know-how in agriculture and industry.

Beyond these reasons, intangible factors are undoubtedly important, though mostly unstated. Washington's recognition would signify the ultimate acceptance of the Cuban Revolution and of its irreversibility—the final tribute, after all, by Gollath to little David.

Relations with the United States, too, would doubtless help expand Cuba's options in world affairs. That is a point no Cuban official makes directly, but Rodriguez may well have been hinting at it when he told us that Angola's interests would be well served by establishing relations with the United States.

Cuban officials sense a reciprocal interest in *raprochement* within U.S. business circles, in the American foreign policy community, in and around Congress and even within the State Department. They attriubte this tendency in part to international trends, to the dispersion of power away from the bipolar extremes and to the corresponding decline of America's hegemonic presumption. They think American foreign policy makers are adjusting to many international changes and are probably ready by now to rid the United States of an obviously anachronistic and ineffectual policy toward Cuba. Influenced—probably overly so—by the steady stream of business executives inquiring about trade, Cuban officials also believe that economic interests here are pressuring for *rapprochement.*

Cuban officials see no insurmountable obstacles to improved relations, though they recognize that concessions on both sides will be necessary. To begin, Cuban officials emphasize, each side must accept the fact that the other is different in some fundamental respects, and that neither side will soon change its essence. Even with the change of administration in Washingtonton, Cuban officials do not expect the United States to become sympathetic toward socialism or toward Cuba. Conversely, Cubans expect the United States to understand that Cuba is "no banana republic," but rather a socialist revolutionary nation, firmly allied with

the Soviet Union and committed to a foreign policy supporting national liberation movements.

Cuba anticipates tangling with the United States on issues ranging from Angola to Zionism, from agricultural commodities to technology transfer. But Cubans feel the two countries could resolve many concrete disputes and could facilitate mutually fruitful exchanges—commercial, cultural and political—even while agreeing to disagree on some issues, much as is true in relations between the United States and the Soviet Union.

Once Washington accepts the notion that Cuba and the United States are bound to clash on some issues, Cuban officials think the conflicts between the two countries need not be unacceptably intense. Rodriguez and other officials seemed eager to reassure us they are well aware of the issues of greatest concern to the United States and think mutually acceptable accommodations are possible.

Cuba's intervention in Angola, for instance, is portrayed as unique. Cuban is "no Joan of Arc, hearing voices," Rodriguez told us, and Cuba does not seek or expect to find similar circumstances elsewhere.

What actually happened in Angola in 1975—or even what is happening there now—is very difficult to determine. But Cuban officials take great pains to distinguish Angola from other situations in southern Africa—because of Cuba's long association with Neto's MPLA, because the MPLA was the closest thing to an established government in 1975 and particularly because of South Africa's military intervention, which Cuban officials insist preceded Cuba's combat involvement.

Those countries of Latin America, Africa and Asia which had at first been disturbed by Cuba's Angolan venture, Cuban officials argue, have by now come to appreciate what Cuba did and to understand its limits. The Cubans expect American opinion eventually to concur, particularly as Cuba's troops start coming home.

NO AID FOR TERRORISTS

The pertinent point, Cubans stress, is that Cuba will not send its combat forces anywhere except in response to foreign military intervention and that Cuba will not intervene against established governments. U.S. officials confirm that Cuba is no longer "exporting revolution," nor is Cuba still promising that the Andes will become another Sierra Maestra; those dreams apparently died with Che Guevara, if not before.

Officials in Havana vehemently affirm Cuba's longstanding commitment to work for Puerto Rico's self-determination. Because the Cuban stance in theory is not inconsistent with the official U.S. position—both governments claim to support the right of self-determination for Puerto Ricans—the real question is what Cuba will do to translate into practice its solidarity with the Puerto Rican *independistas*.

On this point, too, Cuban officials seemed to me to convey the impression that agreement with the United States can probably be reached, at least as long as Washington does not attempt unilaterally to impose a particular status on the island.

Cuban aid for terrorist activities is ruled out entirely by Havana, as is any activity "which can be considered illegitimate under international law." More important, Rodriguez indicated that Cuba recognizes reasonable political limits on what it should do regarding the Puerto Rican issue. Rodriguez made it clear he understands that overt, dramatic gestures of support for Puerto Rican independence might well be regarded as provocative by the United States, and he implied that renewed relations would cause both sides to tone down their rhetoric.

THE EXPROPRIATION ISSUE

Cuban officials understand that commercial relations with the United States will probably depend in part on Cuba's acceptance of the principle of compensation for the expropriated U.S.-owned properties. Although Rodriguez quickly conceded that at least some of the specific companies' claims are well founded, and that some funds are therefore owed by Cuba, he also reiterated Cuba's view that the United States owes indemnities for damages done by the U.S. embargo, by the Bay of Pigs invasion and by other hostile U.S. actions, including sabotage of Cuban facilities by the CIA.

Were a settlement to take place today simply taking into account the claims of each side, Rodriguez argued, the overall balance would be favorable to Cuba. He did not seem to rule out, however, that the result of detailed negotiations

in a general political context might be agreement on a final balance favorable to the United States.

His clearest definition of an acceptable basis for U.S. Cuban relations stressed simply that any claims settlement must avoid compensation by Cuba directly to the companies involved, a condition easily satisfied by allowing the United States government to act as an intermediary, adding up the individual private and corporate claims and negotiating a settlement on the claimants' behalf.

Although Cuban officials seem to have few fixed ideas regarding the process by which *rapprochment* might take place, they insist that the next step must be some visible sign that the U.S. government will end its hostile policy toward Cuba. Usually, Cubans put this point more concretely; no negotiations can begin until the United States ends its commercial embargo of Cuba, at least in "its substantial aspects" (according to one of Castro's own formulations).

Cuban officials at every rank repeat time and again Fidel's statement that Cuba will not negotiate under unequal conditions, with a "dagger at its throat."

Castro's speech of Oct. 15, announcing that the 1973 anti-hijacking agreement would be allowed to lapse (after the six-month notification period provided for in the treaty) unless the United States takes effective steps to counter the wave of anti-Cuban terror carried out in part by refugees based in Miami, should be understood within this context. Beyond its desire to protect its citizens and property, Cuba wants Washington to take a visible conciliatory step.

Understanding, however, that the United States will face domestic political problems in making a symbolic gesture, Cuba seems to be trying to make it easier for the United States to find a suitable mode by suggesting that Washington should act first to combat anti-Cuban terrorism. By asking the U.S. government simply to comply with its already established duties under national and international law, Castro has handed the new American administration a virtually costless opportunity, should it want one, to take a step toward *rapprochement*.

By respecting the six-month notification provision, moreover, Castro has skillfully triggered an "action-forcing" device to bring the Cuban issue before the top policy-makers within the administration's first 100 days.

If Washington's new officials are prepared visibly to act against anti-Cuban terrorism and to signify Washington's intent to lift the commercial embargo, beginning perhaps with the ban on the sale of food and medicine, Havana seems set to respond. One such *quid pro quo*, for example, might be the release and repatriation of the eight or nine U.S. citizens—alleged CIA agents—still imprisoned in Cuba on political charges.

After preliminary gestures, Cuban officials are prepared to consider various ways of going further. One approach, following the China model, would be to increase cultural exchanges and to renew commerce first, leaving diplomatic relations for a later stage. Another approach would be to follow some initial signals of intent with an immediate decision to exchange ambassadors, leaving it to the diplomats to negotiate subsequently on all outstanding issues—financial claims, the status of the Guantanamo Base, human rights, terms of trade and credit, etc. Cuban officials seem prepared to proceed in either fashion, or through some intermediate formula.

AN OPPORTUNITY

American policy toward Cuba is far from the most urgent issue which the Carter administration has to face.

If the new Administration sees the issue as mainly a bilateral one, it is likely to favor an eventual establishment of relations—virtually no one in the foreign policy-making community regards the current policy toward Cuba as meaningful or successful—but to assign the matter very low priority, to be dealt with only after many other international problems are on track.

If it regards the issue as primarily an item in U.S.-Soviet relations, it is also likely to shelve the matter for a while, until talks with the Soviet Union on many other subjects are well advanced.

My interviews suggest, however, that the new Administration could well grasp the Cuban issue as one of several opportunities to recast America's approach toward the Third World. The President-elect and some of his key advisers have suggested their desire to replace the image of "the United States in opposition" to the Third World with a serious American effort to build constructive relations with developing countries in Africa, Asia and Latin America.

A quick and clear gesture to establish relations with Cuba, together with an immediate initiative on the Panama Canal issue, would help signal the new

administration's desire to end Cold War policies and practices, and to concentrate instead on the problems of the 1970s and 1980s. It would help the administration outline a consistent, understandable foreign policy to the American people, a policy opposing unilateral blockades and embargoes by anyone, accepting political diversity everywhere and pressing effectively for the protection of fundamental human rights in all countries.

Finally, the establishment of mutually respectful relations with Cuba would help the administration prepare itself to deal with mounting challenges across the Caribbean. Hard political and economic choices are being posed in Jamaica, Guyana, the Dominican Republic, Puerto Rico and elsewhere. To protect its interest in this border region, the United States will have to come to terms with Cuba, by far the largest and most influential of the Caribbean states. There is no need to wait.

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