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ASIA IN A NEW ERA: IMPLICATIONS FOR FUTURE U.S. POLICY

REPORT OF A STUDY MISSION TO ASIA
AUGUST 1-13, 1975



DECEMBER 8, 1975

Printed for the use of the Committee on International Relations

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1975

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FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., December 8, 1975.

This report has been submitted to the Committee on International Relations by a special study mission, conducted by Hon. Lester L. Wolff, to Asia between August 1 and 13, 1975.

The findings in this report are those of the special study mission and do not necessarily reflect the views of the membership of the full Committee on International Relations.

THOMAS E. MORGAN, *Chairman.*

(III)

LETTER OF TRANSMITTAL

Hon. THOMAS E. MORGAN,
Chairman, Committee on International Relations, House of Repre-
sentatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am submitting for consideration a report on a study mission to Asia conducted between August 1 and 13, 1975.

Members of the International Relations Committee that accompanied me were: Congressman Gus Yatron of Pennsylvania, Congressman Stephen J. Solarz, and Congressman Benjamin A. Gilman of New York and Congressman Tennyson Guyer of Ohio. Augmenting the mission were members of other committees of the Congress: Congressman Donald O. Clancy of Ohio, Ways and Means Committee; Congressman E de la Garza of Texas, Agriculture Committee; Congressman John T. Myers of Indiana, Appropriations Committee; Congressman Herman Badillo of New York, Judiciary Committee; Congressman Norman Y. Mineta of California, Committee on Public Works and Transportation; and Congressman Paul Simon of Illinois of the Education and Labor Committee. Mr. Donald Duskie and Mr. Edward Fox, majority and minority staff consultants for the Committee on International Relations coordinated the mission activities.

The mission was highlighted by sessions with President Ferdinand E. Marcos of the Philippines, President Suharto of Indonesia, President Park Chung-Hee of Korea and Prime Minister Takeo Miki of Japan.

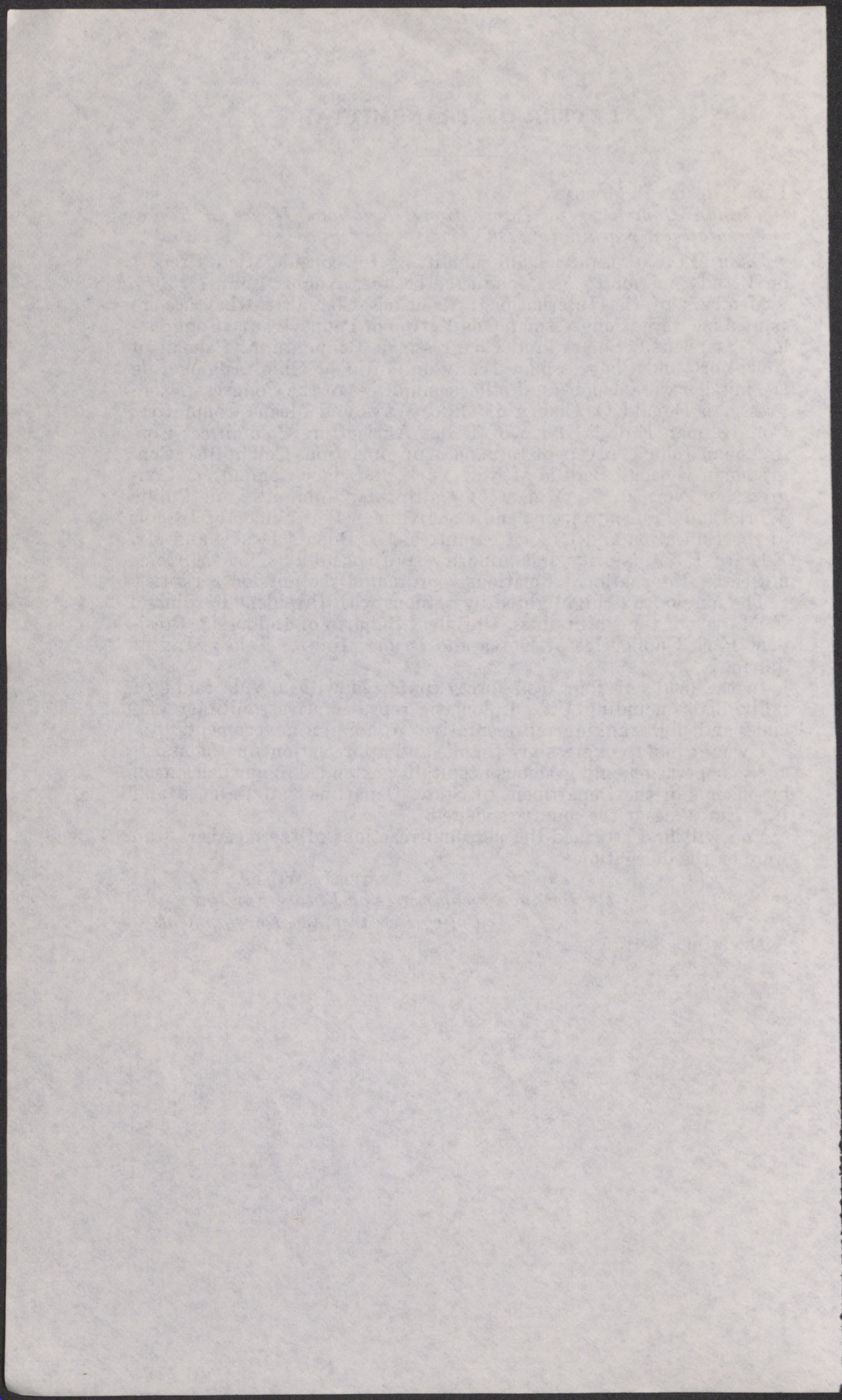
In the field our four task forces conferred with a wide range of individuals including U.S. diplomatic representatives, military officials, and high ranking representatives of foreign governments.

I would like to express my thanks and appreciation for the assistance, cooperation, and gracious hospitality extended to our delegation by officials of the Department of State, Department of Defense, and U.S. Embassies in the countries visited.

You will find attached the personal reactions of the members who were on the delegation.

LESTER L. WOLFF,
Chairman, Subcommittee on Future Foreign
Policy Research and Development.

DECEMBER 8, 1975.



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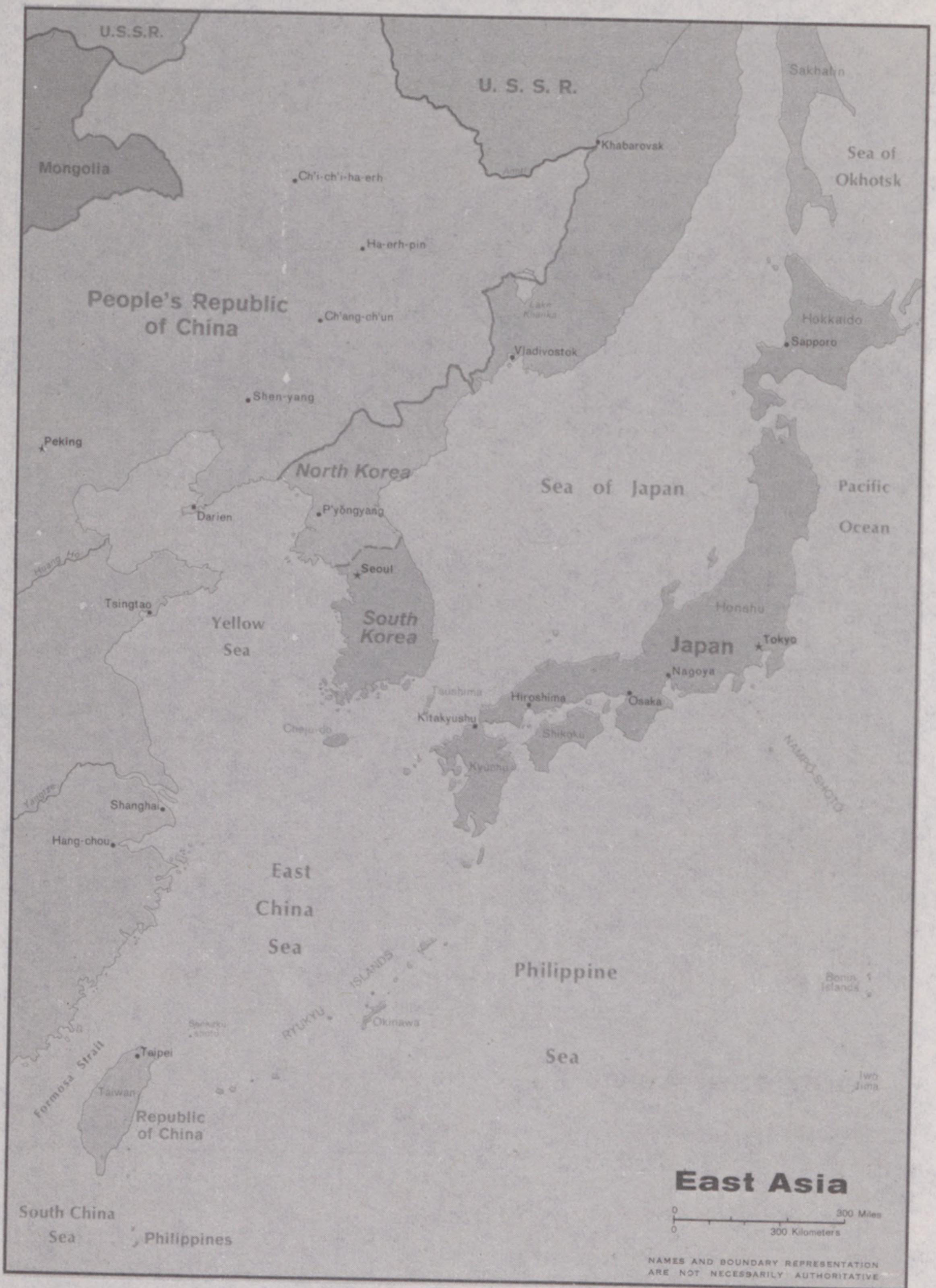
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REPORT OF HON. LESTER L. WOLFF, CHAIRMAN, SUBCOMMITTEE ON FUTURE FOREIGN POLICY RESEARCH AND DEVELOPMENT

INTRODUCTION—PURPOSE AND BACKGROUND

The Subcommittee on Future Foreign Policy Research and Development is charged with the responsibility of identifying and assessing conditions and trends that might require action to meet future problems relating to foreign policy. To meet this responsibility, the committee held hearings to outline the critical issues and areas of the future. Through these explorations of the future issues, we will be better able to assess our political, economic and military obligations.

During the month of July, as the first step in this direction, the subcommittee heard testimony from seven former administration specialists who played major roles in making and executing U.S. foreign policy since World War II: Hon. W. Averell Harriman, Prof. Hans Morgenthau, Hon. Dean Rusk, Gen. Maxwell Taylor, Hon. William D. Bundy, Hon. George W. Ball, and Hon. Henry Cabot Lodge. As a followup to their discussions, the subcommittee determined that an on-site first-hand study mission to the Far East would help fulfill our committee obligations in an area where U.S. foreign policy has begun to make dramatic changes. This mission to study the changing American posture in Asia, was to collect current feelings and impressions on a broad range of topics covering bilateral and multilateral relationships with the United States and the Philippines, Indonesia, South Korea and Japan considered to be keystones of American Asian policy.

To further augment the expertise of the subcommittee and the mission, several members of other major committees of the House were invited along. Included were members of the Ways and Means, Appropriations, Judiciary, Agriculture, Public Works and Education, and Labor Committees. In addition to the broad committee representation, the mission included several members of the freshman class of Congress to provide a broad spectrum of representation as an indication to Asian leaders of how seriously we view the problems of the world with special emphasis on Asia.

To make the most of available time and experience, the mission divided into four working task forces to concentrate on specific issues. In this manner we were able to maximize the time available and meet with a greater number of officials and in-country experts. The task forces concentrated on four major areas, political, defense, economics and agriculture. This division enabled those members with special interest or expertise to concentrate their time with those officials dealing most directly within that area and fully to come together for a composite overview.

It was the intention of the subcommittee to look at present relationships and future options. In this effort, the mission was scheduled to meet with the top government officials in each of the countries visited. To augment those opinions of the officials in power, separate meetings were arranged with opposition leaders, former officials and members of the business community.

The determining factor in the itinerary selected was the mandatory need by Congress of information to make decisions on the reassessment of our future foreign policy in Asia. With an evergrowing world interdependence and the direct effects of decisionmaking overseas that produce repercussions in the United States, the importance of gaining a clear understanding of the present situation in Asia cannot be overstated.

Of primary concern are the U.S. security interests, which make it mandatory for any decisions by Congress in the wake of the Vietnam tragedy, to be made only after an intensive study of the area. Clearly, the shifting power bases in Southeast Asia and the existing relationship between Korea and Japan in East Asia hold potentialities of change that might affect the security interests of the United States.

In addition, the economic ties between Asia and the United States have grown stronger in recent years in providing markets for our goods and natural resources for our industries. Any future changes in our economic and trade relationships with these fast developing nations will have a direct effect on our own economy.

The historical relationships are changing to reflect the new realities of the post-Vietnam period. Traditional alliances such as SEATO have outlived their usefulness and are being phased out. New alliances such as the Association of Southeast Asian Nations (ASEAN) are filling the gaps in their effort to readjust to a more workable regionalism and national self-reliance. Therefore, it is necessary that the Congress adjust its outlook to include these changes through a first-hand assessment.

One of the more important nations to the United States in Asia is the Philippines because of its strategic location for American air and naval bases. The importance of these forward installations to regional and national security requires a complete understanding of commitments by both nations. In addition, our historical relationship with the Philippines Government and people has developed into a very special relationships. Through this friendship we have developed close economic and trade relationships. The Congress must have a clear and complete picture of the modern Philippine nation and how it relates to the regional situation.

Perhaps the fastest developing nation in all of the Asia is Indonesia. While the United States has no bases located in this nation, its strategic location between two continents, Asia and Australia, and between two oceans, the Pacific and Indian leaves it a central figure in the 8-year old ASEAN alliance. In addition, Indonesia has emerged as leader in natural resources with its membership in OPEC and vast deposits of minerals. The economic potential is by far one of the brightest in all Asia. The Congress must be fully aware of any changes in our bilateral relationship with this key Asian nation.

The Asian nation that demands our immediate attention is South Korea. Due to our military commitment of 42,000 troops and our mutual defense agreement, the current situation in Korea becomes the center of American attention as the last station for U.S. combat troops on the Asian mainland. This determination to support South Korea combined with our historical association provides the center stage for American influence in the Far East since the fall of Indochina. These facts coupled with the tremendous economic growth of this nation since the Korean conflict have increased American interest and concern for peace and stability on the Korean Peninsula.

The nation most influenced and affected by the Korean situation is Japan. The Korean question is seen as directly related to the security and stability of the Japanese nation. In turn, Japan's actions influence all of Asia and the United States as well. As the leading economic power in Asia, Japan provides the hope and future for the economic survival of all free Asian nations. With the United States providing the key to military stability in the region, it is of the utmost importance that the Congress be informed of the current political, military, and economic situation throughout Asia.

If Korea is lost Japan becomes a power in the ideological struggle between the People's Republic of China and Soviet Union. There no longer would be a buffer between Japan and the People's Republic of China although it is doubted China would resort to a military adventure upon the Japanese. The political and economic pressures on Japan might force them to join their vast industrial capacity to the Chinese natural resources and people creating a supra-superpower and bring into being a real threat to the United States that today is merely a potential one.

COUNTRY-BY-COUNTRY SURVEY AND ANALYSIS

PHILIPPINES

The modern day Philippine nation bears little resemblance to the country of "little brown brothers" of which President William Howard Taft once spoke. Even before the Nixon Doctrine of 1969, the Philippine Government made deliberate attempts to consider itself more directly associated with its Asian neighbors and proceed more directly to form economic and political relationships with the other countries of the Southeast Asian area.

In its present relationship with the United States, the most sensitive issues are those concerning mutual security and the use of military bases. The Philippines and the United States currently have three major security agreements, the Mutual Defense Treaty, the Military Bases Agreement and a military assistance program. Since the implementation of the Nixon Doctrine, it has been the understanding of the two nations that the United States would provide military assistance for any frontal, overt attack against the Philippines. However, when the problem is subversion, due to social or economic problems, this must be considered an internal affair to be handled by indigenous forces.

In relation to the use of the present American bases, most notably Clark Air Base and the Subic Navy Base, Philippine Government officials expressed their belief, notwithstanding statements to the contrary, that a U.S. presence was essential both for the United States and regional security. Furthermore, they stated that other nations in the region, especially Indonesia, Japan and the People's Republic of China support a continued U.S. presence in the Philippines. The problem raised by Filipino officialdom is not one of U.S. presence, but rather one of "control" over U.S. bases.

From the Philippine Government point of view the present base agreements do not allow the Philippines to appear independent of U.S. control as long as they do not enjoy autonomy over base territory. It is this misperception of "dependence" upon the United States that they wish to dispel from their neighbors' minds.

It was made clear by the mission that the subterfuge of rental or cash payments for permission to remain in a country, to retain a military presence, where the primary purpose was one of mutual defense and mutual security would be considered a type of "blackmail" and would not be tolerated by the American people. Any new base agreements, however, will have to face the prospect of at least some sort of sharing of authority with the Philippines. Any future military assistance requirements would best be filled with a build-up of Philippine

naval and air capabilities suited to patrol its vast coastal areas. Care should be exercised to limit assistance so there can be no confusion as to serving our aims of mutual security rather than repression of legitimate Philippine political aims.

Under the leadership of President Marcos, the Philippines have made great strides toward solving many of their economic and development problems. As was pointed out to the members of the study mission in an unprecedented meeting with the entire Philippine Cabinet, much progress has been made in the area of rural electrification, land reform, population planning and power resources. In stressing their rural development, the Philippines has been quick to recognize the need to slow the massive migration to the urban areas that have hindered most of the developing nations.

In meetings with the opposition here and in the Philippines repressive acts, denial of civil rights through the device of martial law has created questions of President Marcos.

In a 3-hour meeting with the members of the study mission, the President discussed in great detail his "crisis government" and expressed his desire to end the present state of martial law as soon as possible. Listing his greatest threat as subversion, which was difficult for the mission to perceive, he also gave much weight to ending the current economic crisis resulting from worldwide inflation and increased oil prices.

With current Philippine trade patterns divided into one-third Japan, one-third United States, and one-third the rest of the world, the recent ending of the Laurel-Langley trade agreements with the United States has put the Philippines pretty much on its own. There are still some areas of conflict with the United States concerning trade and tariff restrictions. Two specific examples pointed out by President Marcos are restrictions placed on coconut oil and mahogany entering the United States from the Philippines. Similar items from other countries he says are not subjected to these restrictions.

At present, there is considerable U.S. investment in the Philippines with many companies and businesses having joint venture capital and management. While the economic outlook appears good, the Philippines still faces many serious problems and continues to look to the West for a renewal of mutual benefit in trade and economic agreements. It is important therefore that to continue a healthy outlook for United States-Philippine economic relations, every effort must be made to normalize trade agreements between the two nations.

It is clear, that all Philippine-American relationships of the future must be based on the concept of mutual respect and equality. The attitudes of our past colonial relationship are no longer viable. Those father-stepson arrangements are much resented in the developing world. Our policies must be based on mutual concern and support.

INDONESIA

The largest, most populous and potentially the richest of the Southeast Asian countries is an archipelago of 13,500 islands known as the Republic of Indonesia.

This country with a population of 126 million is the fifth largest in the world. Her value lies in the abundance of natural resources and her location between the Indian and Pacific Oceans has made the straits between the islands strategically important.

The importance to the world of these two considerations could make Indonesia the hotseat of the next world conflagration.

Our delegation called on Foreign Minister Adam Malik to secure his views on U.S. interests in the region. He began his remarks by saying that the United States and Indonesia have "parallel interests". Mr. Malik emphasized that a continuing U.S. role is needed to protect mutual United States-Indonesian interests in maintaining the great power balance and to provide ASEAN nations time to develop strength and self-reliance.

A popular term used quite frequently to describe this new policy is "national resilience". The term means self-defense in depth and dimension, military, social and economic with a certain nonaligned ingredient, for example, Indonesia does not at present seek U.S. bases.

Lt. Gen. Ali Murtopo—Deputy Chief, State Intelligence Coordinating Board, said Indonesia needs U.S. military and economic assistance to enable it to achieve self-reliance and that withdrawal of U.S. bases from Asia and the Seventh Fleet from the area would enable internationally back subversive movements to prevail in the region.

In order for "national resilience" to become a reality it was stressed repeatedly that support for ASEAN regional cooperation is the best means toward self-reliance.

Though ASEAN primarily provides for economic, social and cultural input, there is now a consensus among ASEAN nations, that the time is ripe for political and security cooperation.

The U.S. support for Indonesia should be to assist it with the means by which they will be able to help themselves. Foreign Minister Malik suggested, for example, that Indonesia needs patrol craft and, surveillance equipment, counter-subversion weapons and transport capacity which the United States could help to supply. He also suggested an ASEAN antisubmarine surveillance network in South China Sea, linked informally to a U.S. network in the Pacific might be desirable.

On the subject of U.S. military bases we asked President Suharto his views concerning desirability of these bases in the ASEAN countries. Would Indonesia prefer that the United States give up these bases President Suharto responded: "The presence of U.S. forces in Asia takes the form of bases and as an umbrella of protection against threats. We also invite other Southeast Asian countries to strengthen

their national resilience. If they are unable to do so and still need foreign bases, we can only regard such bases as necessary because of the facts prevailing, for these countries to defend their own integrity. Indonesia needs no bases, but we cannot avoid bases in other countries or blame them."

There are obvious difficulties in Indonesia's efforts to achieve "national resilience."

Idham Chalid, Speaker of the Indonesian Parliament and leader of Islamic faction offers the following explanation. Indonesia's main problems, he said, are achieving unity among all its people, stability, economic development and democracy. These are great challenges to Indonesia, he added, because of her history, diversity and geographic size.

In a later meeting with Ambassador Soedjatmoko, former Ambassador to United States, he elaborated on Indonesia's difficulties in achieving "national resilience." He commented that during the Sukarno period there had been a heavy emphasis on political development and virtually no progress in economic development. With the departure of Sukarno, rapid industrialization began based to a considerable extent on foreign investment. According to Ambassador Soedjatmoko, the most critical question in Indonesia at the moment is whether this industrialization is proceeding more rapidly than the development of corresponding social and cultural factors. This creates a potential gap between the rich and poor which leads to a major political problem.

REPUBLIC OF KOREA

Perhaps the single greatest threat to the peace and stability of East Asia lies on the Korean Peninsula. This small finger of land on the Asian continent which borders both China and Russia is currently the center of great tensions as a divided and hostile country. This tension alone is seen by many as prophetic of the old cliché that Korea is a dagger pointing at the heart of Japan.

With a U.S. military commitment of over 40,000 troops, South Korea has come under close scrutiny by a weary American nation. The recent increases in tensions from the North have only fueled the fires that provide President Park's justification for restrictions on civil liberties in the South and an increased resistance to any American withdrawal.

The need to maintain an American physical presence on the peninsula has taken on a new meaning after the swift withdrawal of U.S. forces in Southeast Asia and the disastrous effects of the shock waves created by that vacuum. Any action that might cause the North Korean President, Kim Il Sung, to miscalculate the strength and intentions of the United States and South Korea could result in a major superpower confrontation.

While being assured that the South Korean Armed Forces could repulse any attack from the North, the South Koreans did express the need for U.S. naval, air and logistical support to offset the North's superiority in those areas. Traditionally, it has been the specific areas of air and naval support that the United States has kept under its control to preclude any offensive action by the South. It is this very policy of denying U.S. aid in certain areas that now confronts the United States with a continuing role in the South Korean defense structure.

South Korean President Park Chung Hee in a 4-hour meeting revealed to members of the study mission that U.S. troops should not stay forever and in fact the Koreans did not want them to do so. In recognizing this, the development of more Korean capabilities calls for the eventual ability to repel such attacks without the use of U.S. air and naval support. Presently South Korean commanders are working with their U.S. counterparts in studying methods to strengthen South Korean forces. Working under the assumption that they must assume the burden of their own defense and that the United States cannot supply all of their needs, the South Korean National Assembly has passed a new defense tax bill. This new tax will be devoted entirely to defense purposes in achieving their goals in a 5-year modernization plan that calls for defense plans without U.S. forces.

During this 5-year modernization program period it would appear an American presence is necessary to the stability of the situation. However, it would seem advisable to keep this U.S. presence in a low pro-

file and avoid being drawn into confrontation through a "trip-wire" effect from U.S. troops on the front line. As revealed in a briefing to the study mission on its inspection tour of the DMZ, the joint United States and United Nations Commander General Stilwell considers the single remaining U.S. infantry company on the line as unnecessary militarily or otherwise. The positioning of the 2d Division north of Seoul is viewed as necessary to provide a deterrent effect and yet be in a defensible position from sudden attack.

Under present circumstances any move to withdraw sizable U.S. forces would upset the balance of power in the region and produce unmeasurable effects on United States-Japan relationships. The historical invasion route to Japan has been through the Korean Peninsula. The need to protect Korea is centered around Japanese security and viewed by many Koreans as only part of an overall defense plan. This approach is seen by Koreans and others to place too much emphasis on Japan. As a result other friendly Asians who feel themselves worthy of support for their own sake, feel demeaned.

Much of this U.S. interest in Japan stems from its economic strength and influence in Asia. This type of strength is also becoming a major force in South Korea. Working from a war torn nation with little natural resources and development, the modern Korean nation has produced an economic miracle. After a 10-year period of stagnation resulting from the war, South Korea has grown into a major industrial nation that possessed before the oil price increases a 20 percent annual growth rate in its GNP. Even today, while suffering from the common problem of balance of payments, their industrial production continues to expand and attract large amounts of foreign investments including those of Japan.

The roles that such superpowers as the United States, Japan, People's Republic of China and Russia play in the economic and political affairs of smaller nations such as South Korea are sometimes unnoticed or ignored. The recent trends of détente between the United States and China, for example, have affected all nations of East Asia. As pointed out by President Park, the United States-China rapprochement sent Japan rushing to establish relations with Peking and thus altering the security situation in Korea. To show the adverse effects on small nations of any dealing between superpowers the President offered an old Korean saying:

If two elephants make love, the grass suffers.

If two elephants make war, the grass also suffers.

The entire question of human rights and their implications for U.S. policy and the dangers of erosion of U.S. support for Korea due to certain domestic political problems were made clear. There are now in effect in Korea significantly restrictive measures. These include Emergency Measure No. 9, which prohibited specified political activities, including calls for constitutional revision, any political activities by students, and the reporting of activities prohibited under the emergency measure. A meeting was held with Kim Dae Jung, dissident and former opposition leader to discuss domestic opposition to these measures. The Korean Government has justified these restrictions because of a need for national unity to defend against a North Korean threat. We must continue to work toward easing the restraints put upon the people. President Park assured us that steps would be undertaken towards this goal.

It is apparent the strengthening of mutual cooperation between South Korea and Japan is very necessary for the maintenance of security in Asia. While it might be said that the defense of the Korean Peninsula is not directly related to the physical security of the United States, our policies must be based on strategic, political, economic and military considerations related to the entire area and the defense of a long-time friend and trusted ally. In deciding on those policies it must be remembered that the need for a strong posture in Korea is related to the overall situation.

JAPAN

In no western Pacific nation other than Japan can U.S. interests compare in importance. With its population of 100 million and GNP of approximately \$500 billion it has the third largest economy in the world. Japan's capacity to cooperate with the United States in building a favorable order in the Asian Pacific area far exceeds that of any other power. This view of a desirable world order and Japan's increasing economic power makes it an imperative U.S. interest to maintain close, cooperative relationship with Japan. It is quite obvious that the United States cannot afford to withdraw from Asia. More specifically, without Japan, the United States has no coherent Asian policy.

With this background in mind, our delegation sought the viewpoints of the leadership of the Government of Japan as to the changing Asian scene. I found that the Japanese provided an informative, candid exposition of their views.

Our meeting with Prime Minister Miki was very timely since he had just returned from discussions with President Ford.

Prime Minister Miki noted that he considered the achievement of peace and stability in the Asian region to be a priority concern requiring close United States-Japan cooperation. In response to our query as to the effects of the Vietnam debacle in Asia as a whole, the Prime Minister responded that for Asian nations the experience in Vietnam had underscored the importance of self-help efforts to strengthen the economic, political and social basis of each individual country. He expects the countries of Asia to concentrate their efforts on nation building. These efforts, in Miki's view, should be the basis for future United States-Japan cooperation in assisting the countries of Asia.

He added that the United States should maintain a positive role in the region but within the context of helping the Asian nations to help themselves.

In a meeting with Deputy Prime Minister Fukuda, he revealed that after the fall of South Vietnam there had been considerable talk on the part of Asian political leaders and journalists to "disengage" from a close relationship with the United States. However, he felt, that this was largely a superficial occurrence and that basically Asian countries desire a continued U.S. presence.

In the wake of the Vietnam juggernaut the Japanese are beginning to think about their own security. Throughout all our meetings it was quite evident that this aspect of life in Japan is being widely discussed.

Prime Minister Miki spoke at length on the question of security. He stated that the security of the Republic of Korea is very important to Japan. In recalling his conversation with President Ford, he stressed that there should be no abrupt change in the present balance of forces in Korea. He added that Japan is unable to contribute to the achievement of political security in the region because of constitutional and other limitations but hopes to expand political and economic cooperation with the other countries of Asia.

The cliché "Korea is a dagger pointed at the heart of Japan," has certainly surfaced again in the minds of the Japanese. The Japanese make it clear that they are counting on the United States to keep peace in Korea. It does appear Japan would be willing to undertake new diplomatic initiatives to obtain peace. Foreign Minister Miyazawa explained that Prime Minister Miki is of the opinion that contact with North Korea must be developed if a long-term solution to tensions on the Korean Peninsula is to be possible. Though he doubts Japan could play a productive role alone, it might be able to join others.

An aspect of our relationship with Japan that cannot be overlooked is the importance of economic cooperation. On the question of energy, Prime Minister Miki stressed the importance of avoiding another outbreak of war in the Middle East. He believes that the Middle East conflict and oil are inseparable as an issue.

Prime Minister Miki outlined three areas of United States-Japan cooperation in the field of energy: (1) exploration of new sources of oil; (2) expansion of research and development for new sources of energy; (3) and improvement of conservation measures. He urged that both countries mobilize greater financial and manpower resources in support of the research and development program. It should be noted that Japan imports 99 percent of their oil with 75 percent coming from the Middle East.

On the question of terrorism, Prime Minister Miki condemned such incidents which recently occurred in Kuala Lumpur in which 5 Japanese Red Army guerrillas seized 50 hostages and obtained the release of 5 radicals from Japanese prisons. He felt that efforts should be made to conclude an international convention denying safe haven by any country to terrorists. He suggested that discussions regarding this proposal might best be undertaken with the United Nations.

In response to this serious problem I am introducing a measure stating that it is the sense of the Congress that the President actively seek an international convention which has as its goal a multilateral treaty to deny sanctuary to international terrorists. One of the purposes of my legislation is to show the strong support of the U.S. Congress for such a treaty.

In our meetings one point surfaced that is important. Japanese leaders' efforts to avert an outbreak of war between North and South Korea and support for United States backing of Korea is in part due to the fear that North Korea will attempt to "take out" (destroy) U.S. bases and aircraft in Japan if a war erupts and thus Japan would immediately be drawn into the war. It is felt North Korea remembering that the role of American aid saved South Korea originally from total destruction would attack Japan to neutralize our airpower.

INDIVIDUAL REPORTS BY OTHER MEMBERS OF STUDY MISSION

REPORT OF HON. GUS YATRON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

One of the most outstanding points about the study mission findings, for me, was the universal agreement about the need for continued American presence in Indochina and Korea. In our conversations with officials from Indonesia, Japan, South Korea and the Philippines, I felt that confirmation was repeatedly given concerning the need for our country to provide material and moral assistance to these nations, whose internal affairs have been strained by world economic problems, and the psychological aftermath of Vietnam.

While American aid and support were sought, however, I believe it is important to recognize, from our dialogs, that both the form and the intent of that aid must be modified. Simply stated, it was my strong impression that the United States must "sensitize" its foreign policy in the future, to ensure that national pride and integrity are not sacrificed. Too often in the past, we have taken a great white father or big brother posture with smaller nations, humiliating them by giving handouts instead of real help, or by attaching demands on our assistance. Future foreign policy, I was made to understand, might benefit from a more constructive and gentle approach.

A particular point in this respect was a conversation with President Marcos of the Philippines, who noted that the United States might consider allowing more liberal trade arrangements in the future rather than giving funds outright, or providing low-interest loans. President Marcos pointed out that American import duties on Philippine wood are restrictively high, a factor which hinders their economic development. This is just one example of many similar comments I heard from Asian leaders. They are perhaps obvious suggestions, but ones we have not considered enough.

The question of American policy in South Korea is one of most delicate and complex we encountered during the Asian mission. Again, I received a definite impression—perhaps I should say conviction—that U.S. presence in South Korea is essential now and in the foreseeable future. Through meetings with U.S. General Stilwell and President Park, it was clear that the Republic of Korea is calling for American steadfastness, in the face of continued belligerence on the part of North Korea.

I speak of the delicacy and complexity of the situation in Korea because I feel that it differs from the other Asian nations we visited. More so than in the others, I felt that the needs for the psychological support of American presence in Korea was great. While the current military and political situation remains so unstable, it would seem unwise for the United States to make a unilateral withdrawal, leaving

the tensions between North and South unresolved and perhaps worsened by this negative action on our part.

In speaking with General Stilwell, I asked the question of whether or not he could project some timetable according to which South Korea would be strong enough to deter northern aggression. His firm response was that the question was dependent upon political developments, i.e., that the military strength could not be calculated apart from the political at this time, and that more stability was a prerequisite for any improvement. The stability, I believe, must come from us. General Stilwell also made the point that he personally advocates general military assistance to South Korea, if not in the form of ground forces, at least in the form of naval and air forces.

It was my feeling, from speaking with Korean leaders, that a gradual understanding between North and South, through means of a quid pro quo arrangement, might be the most realistic at this time. In this way, perhaps American troops could be reduced as tensions abated between Seoul and Pyongyang.

Should you wish to have more information on my reactions, please let me know and I will be very glad to provide whatever answers I can.

Again, thank you for giving me an opportunity to outline these thoughts on the August Asian study mission.

REPORT OF HON. STEPHEN J. SOLARZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Traveling throughout Asia in August is a little bit like going to a sauna in Death Valley at high noon. But the heat and humidity notwithstanding, I felt that the mission was a highly productive one in terms of giving us a better understanding of the problems and politics of the Far East.

Now that the war in Vietnam is over, I think it is necessary to take a close look at the situation in the western Pacific precisely because of the need to avoid another Vietnam in the future. Too often in the past our foreign policy has been shaped by events rather than events by our foreign policy. And the fact is that while the insurgency in Indochina has ended, the prospects for peace in the Far East are by no means assured.

The Korean situation, in particular, is a tense one. With 42,000 American troops still in South Korea, the hard fact is that the possibility for a new American involvement in a war on the Asian mainland remains high.

In an effort to determine what needs to be done to prevent both the outbreak of war in Asia, as well as American participation in such a conflict should it begin, we met at length with President Marcos of the Philippines, President Suharto of Indochina, President Park of South Korea, Prime Minister Miki of Japan and a wide variety of other public officials and private citizens in each of the countries we visited. I came away from these talks convinced that we must change our policy concerning Korea lest we inadvertently get involved in another war on the Asian mainland—a war which could have catastrophic consequences not only for Korea but for our own country as well.

Under present circumstances, it would probably be impossible for South Korea to successfully stave off a North Korean invasion without substantial American air support and logistical assistance. The ROK Army has only a few weeks of ammunition in reserve. Its Air Force is substantially inferior to the North's in both planes and personnel. And its coastal defense is largely dependent on our own naval capacity in the surrounding seas.

This military imbalance is due to the fact that the North Koreans have spent more than twice as much on their military budget as South Korea since the early 1960's. The government in Seoul, content to rely on the American defense commitment, saw no need to divert its resources from economic development to military preparedness. Now that the Thieu regime in Vietnam has fallen, however, the South Koreans have had second thoughts about the wisdom of relying so heavily on the United States for their own defense, and they are determined to develop, as soon as possible, the military capacity to thwart a potential invasion from the North on their own.

In view of the fact that South Korea has more than twice the population of North Korea, and a much greater gross national product, there is no reason why the South Koreans shouldn't be able to defend themselves, if they are attacked by the North, without the active assistance of our own Armed Forces. Indeed, the South Koreans presently have 50 percent more men under arms than the North Koreans—which means, as President Park told us himself, there should be no need for American ground forces to come to their defense if war does break out.

I believe, therefore, that we should begin the process of withdrawing our troops from South Korea. We should also move the 2d Division south of Seoul. Right now, the 25,000 American troops which comprise this fighting force are right near the frontline north of Seoul, and they almost necessarily would be engaged in hostilities in the event of a surprise attack. Unless they are pulled back from their present position, there will continue to be a real possibility that we could get enmeshed in a conflict on the Korean Peninsula in the same way that we were in Vietnam. At the same time, I also think we should accelerate the modernization of South Korea's air and armored capacity—areas where the North does have a substantial advantage over the South—in order to enable them not only to effectively deter an attack but to successfully resist it if it should come anyway.

This is an important point because the real key to our foreign policy in the Far East lies not so much with Korea as with Japan. It is, in the final analysis, our relationship with Japan which provides the basis for stability in Asia. Japan, after all, has the third largest economy in the world and its willingness to forgo an extensive rearmament in exchange for a mutual security treaty with the United States has contributed significantly to a reduction of tensions in the Far East. Should Japan lose faith in the credibility of the American defense commitment—which it probably would if South Korea were overwhelmed by North Korea—it would be strongly tempted to rearm and possibly even to develop a nuclear capacity as well.

Such a development would have a tremendously destabilizing effect on the existing equilibrium in the western Pacific. It would create consternation throughout Southeast Asia where there are still bitter memories of the Japanese occupation during World War II. Both China and the Soviet Union would probably feel obligated to increase their own defense budgets thereby forcing us to increase ours as well. Perhaps worst of all, it would make it even more difficult to put the genie of nuclear proliferation back in the bottle of nuclear control. Indeed, if Japan really lost faith in the American alliance, it is even possible that it might, at some point in the future, seek to make common cause with China or Russia. Needless to say, were the economic might of Japan harnessed to the population of China or the industrial capacity of the Soviet Union, it would have seriously adverse consequences for the balance of power throughout the world.

To the extent that Japan views "the security of South Korea as essential to the security of Japan," as Prime Minister Miki told us when we saw him in Tokyo, it is important to prevent an outbreak of war on the Korean Peninsula. There is reason to believe, however, that the most serious threat to South Korea may be from an insur-

gency from within rather than an invasion from without. The repressive policies of President Park have already alienated significant sectors of South Korean society. While I was in Seoul, I met with a number of opposition leaders and I am convinced, based on my discussions with them, that unless their political rights and civil liberties are restored, the continued willingness of the South Korean people to support the government in Seoul may be seriously undermined.

During the course of our conversation with President Park, a number of us told him that the establishment of a dictatorship in South Korea had already gone a long way toward eroding the basis for continued American support of his country. We tried to suggest, particularly after Vietnam, that the American people were fed up with supporting military dictatorships overseas—and we urged him to reestablish democracy as a way not only of improving relations with the United States but of securing the continued loyalty of his own people as well.

In the long run, the interests of the Korean people will be far better served by democracy than dictatorship, and I believe very strongly that our own Government should use its considerable influence with Seoul to encourage freedom and discourage repression.

REPORT OF HON. BENJAMIN A. GILMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

I welcomed the opportunity not only for meeting such important Asiatic leaders as the Philippine's President Marcos, President Suharto of Indonesia, Korea's President Park Chung-Hee and Japan's Prime Minister Miki, but also welcomed the opportunity to examine firsthand the changing relationships between those nations and our Nation's posture in Asia.

The commitment of the United States to the stability and defense of Southeast Asia has formed the basis of our Asian policies for more than a decade. As the posture of our commitment has yielded to change, the need for a new approach to our overall foreign policy becomes apparent.

The determined pursuit of an independent national identity, the status of American bases in the Philippines, the emergence of the Indonesian archipelago, the commitment of 42,000 American troops in Korea and the growing economic influence of Japan have all become critical factors in an evolving Asian policy.

GUAM

During our stopover in the Marianas, I welcomed the opportunity for an inspection of the Vietnamese refugee camps in Guam.

While it was reassuring to observe first-hand our successful efforts in resettling over 100,000 refugees in the United States, I was concerned about the dilemma confronting our nation with regard to the 1,500 refugees seeking to return to Vietnam. It is gratifying that this problem has now been fully resolved and to learn that the refugee program will soon be able to be concluded.

PHILIPPINES

The current relationship between the United States and the Philippines is centered around two basic issues, security and economics. Throughout our long association, these issues have fostered each other and provided a basis of cooperation and mutual understanding. While the changing events in Southeast Asia have not altered these basic relationships, they have altered the emphasis placed upon each.

In an age of growing "national reliance" throughout the Southeast Asia region, the existing bilateral agreements on the use of American bases have come under attack. Most notably, the use and operation of Subic Naval Base and Clark Air Base solely by the United States presents the major point of contention in the current negotiations of our military base agreements. The question is not one of a continued U.S. presence in the Philippines (for we are still welcome militarily), but rather one of sovereign control over U.S. occupied bases.

The Philippine Government views the present agreement as unacceptable in the new realities of the post-Vietnam period. As long as they lack the basic controls over these bases they fear the appearance of being too dependent on the United States. It is that very perception of dependence that they seek to remove from their neighbor's minds. Clearly, any future base agreement must face the prospect of some compromise on base fees and autonomy, while, at the same time, maintaining an effective base security.

The realities of the changing political climate calls upon us to re-examine not only our military posture in the Philippines but our economic position as well. The recent termination of the Laurel-Langley Trade Agreements with the United States has left the Philippines well on its way toward economic trade independence. There are, however, some areas of disagreement concerning American trade and tariff restrictions. As pointed out by President Marcos in conferring with our delegation, the restrictions placed on Philippine cocoanut oil and mahogany entering the United States are not imposed on those imports from other countries. In the future, to enhance a continued healthy United States-Philippine economic relationship, our Nation should make efforts to normalize trade agreements based on mutual respect and equality.

INDONESIA

The phrase most often heard in Indonesia today is "national resilience" (the overall capacity of a nation to maintain its viability, integrity, and social-political cohesion in the face of external and internal threats to its existence). Leading the way for many of its regional counterparts, Indonesia has emerged in the post-Vietnam period as a leader of regional independence. As a founder and leader of the Association of Southeast Asian Nations (ASEAN), Indonesia has lead a movement to balance the great powers and to allow the Asian nations time to develop. It is through this association that the economic, political and future security of the entire region will be governed.

For the present, Indonesia needs and wants U.S. military and economic assistance to help move toward their self-reliance. While they require no American presence, they do not condemn the presence of U.S. bases in neighboring countries to help secure a peaceful transition to strengthen their national resilience. Like many of its neighbors, Indonesia faces its greatest threat from internal security problems. These disruptive movements require countersubversive weapons and transport capacities in the form of assistance from the United States to stabilize the economic and political development in the country.

A population of 126 million people makes Indonesia the fifth largest nation in the world. With vast energy and resource reserves, her future economic power is assured. These facts combined with her strategic location between two continents and two oceans make Indonesia the sleeping giant of Asia. Clearly, the maintenance of a good relationship with this strong anticommunist nation is not only in the interest of the peace and security of the United States, but that of the world as well.

KOREA

Following the withdrawal of American troops from Vietnam, the issue concerning U.S. commitments and involvement in Asia was focused on Korea. That center of tension and hostility provides the greatest single threat to the peace and stability of Asia.

The commitment of some 42,000 American troops on the Korean Peninsula increases the risk of American involvement in the case of resumed hostilities. Clearly, any action by the United States that might cause the North Koreans to miscalculate the intentions and power of the United States and South Korea could lead to a major confrontation of the superpowers. The highly visible presence of U.S. troops placed on the DMZ provides a high risk * * * a "trip-wire" effect of U.S. involvement in any hostile action which has the added benefit of serving as a deterrent to hostility.

Likewise, any large withdrawal of U.S. forces could unbalance the present military posture of the region, producing immeasurable effects on United States-Japanese relations. The obvious solution is for the United States to assist South Korea to strengthen her self-defense. The Koreans have moved in this direction and appear willing to make the needed sacrifice as indicated by their new defense tax measures. President Park assured us that they have no desire for Americans to defend Korea. What is needed, however, is military assistance from the United States to assure the needed support during this strengthening period.

While the defense of the Korean Peninsula is not directly related to physical security of the United States, our policies should reflect strategic, political, economic and military considerations relating to the entire region and the defense of a long-time friend and trusted ally.

Under most adverse economic conditions, it was heartening for me during my recent trip to Asia to observe South Korea and its export-oriented economy performing so well. The economic picture of South Korea is amazingly bright, just 25 short years after a devastating war. South Korea boasts an economy that in the last decade has averaged an annual growth rate of 10 percent—an impressive record of success. What is even more impressive is that its exports have grown at an annual rate of 40 percent for the last decade. Although it does have substantial exports, Korea, like the rest of the world's nations, has to contend with higher prices for imported items such as oil and has the added burden of the world's inflation.

These factors produce a drain on South Korea's balance of payments. But Korea has been able to cope with this problem and to meet her foreign financial obligations, unlike her neighbor to the North who recently defaulted on several western bank loans.

The bright economy picture for South Korea and its record of meeting its financial obligations has prompted substantial investment from abroad. For a growing economy with a charted growth plan, this foreign investment provides needed capital for the South Korean people. While the recent world-wide recession has slowed down the influx of

foreign investment, South Korea according to all of the latest figures appears to be in an outstanding position to make the most of an improving world economic situation.

JAPAN

The nation with the most significant economic influence and power in the Asiatic area is Japan. With the world's third largest economy, Japan has become a leading force in the development of her non-communist neighbors. Japan, therefore, plays a vital role in our overall Asian strategies.

The reassessment of our post-Vietnam military role will have its greatest impact on Japan. Due to constitutional and other restraints, Japan is unable to actively contribute to the achievement of military security in the region. Accordingly, the great importance which the Japanese place on the U.S. military posture is readily understandable.

In their view, an important segment of Japanese security is the security of South Korea. It is their hope that the United States will encourage peace on the Korean Peninsula and that there would be no abrupt change in the present balance of forces of Korea. These fears have traditionally been expressed in the cliché of Korea being "a dagger pointing at the heart of Japan".

Outside their own defense, the Japanese see a greater importance for Asiatic nations to work toward self-help efforts to strengthen their political and military institutions. It is in this direction that the Japanese base future United States-Japan cooperation in assisting the countries of Asia.

CONCLUSIONS

Any new U.S. foreign policy in Asia must be based upon an awareness and understanding of the new realities of the post-Vietnam period. In the power vacuum created by the withdrawal of American forces, nations throughout Asia have moved toward a posture of national independence and nonalignment. Uncertain about America's commitments and its will to fulfill them, these nations have begun to reach out to their regional neighbors for political and economic security.

The Sino-Soviet rivalry has somewhat dampened the efforts of those powers to expand territorial dominance. The United States should grasp this opportunity to rebuild our influence throughout Asia. In fulfilling our new role, there should be no question about continuing our presence in the Philippines, we should reassure Japan of our total commitment to her defense, maintain a strong stance in Korea and increase our economic and political influence in Indonesia.

An American presence throughout Asia is desirable. Indeed, an economic and political presence as well as a military presence is invited not only by those who have traditionally supported American aims, but also by those who welcome maintaining the status quo. With these guidelines, we should work toward a new Asian policy which encourages those countries to control their own destiny and which supports

the basic rights of mankind. It is my belief that economic, political and military influence throughout Asia is an essential part of our foreign policy. Our policies should more responsively reflect the needs, the desires and wishes of the peoples of each nation.

One word of caution—in the Philippines, in Indonesia and in South Korea, there is a pervading attitude that it is necessary to regulate and restrict the press for purposes of achieving “security” and “stability”. However, suppression of the freedom of speech and/or press could generate and foment even more problems in those nations. In seeking to assist these nations, we should encourage more responsiveness and attentiveness to the basic freedoms that we, and all of mankind, so dearly cherish.

I believe that our intensive study mission made an invaluable contribution to our work in examining our Nation’s future relationships in Asia.

REPORT OF HON. TENNYSON GUYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

We members of the House of Representatives representing the new Subcommittee on Future Foreign Policy Research and Development, innovated a visitational mission to select countries in Asia.

As our Chairman, Congressman Lester Wolff, stated in his opening remarks: "The world we live in today is an interdependent one. It is in that spirit that we members representing the U.S. Congress, and indirectly the people of America, journey to meet with the leaders of our neighbor nations in Asia, to see what we can jointly do, to solve the problems that affect us equally."

With a feeling of impending excitement, expectation, and great anticipation of the privilege of meeting first hand, those in Asian lands, who, like us, represent a voice and an image of their people, we left Washington on August 1st, flying to Honolulu then on to Guam for a brief visit with the Vietnamese refugees there, before proceeding on to the Philippines, Indonesia, South Korea, and Japan.

We enjoyed splendid cooperation from personnel of the Air Force, the Embassies, and our own staff members. The numerous people representing the State Department, the host of people taking part in receiving us, and the various escorts, secretaries, and communications people, all were most accommodational, very helpful, and courteous beyond duty.

From the moment of our lift-off from Andrews Air Force Base, to our touchdown in Anchorage, and the final lap of return to Washington, I felt our time was a valuable investment, and the results of our conferences, visits, work sessions, and forums, were not only of positive value, but well may constitute the beginning of a new approach to human relations and international amity between peoples and countries.

GUAM

While our stay in Guam was very brief, the stopover did give us a firsthand opportunity to view the housing of refugees, speak to many of them, learn of their desires, hopes, and possible future.

We are told there are some 1,500 or so, who actually want to return to Vietnam. I feel sure in the panic and desperation of the evacuation, there would be a number of people who either did not know where they were being taken, or who, upon looking back, do feel they want to return.

In one section of the barracks, a number of young male Vietnamese held up posters, stating they want to go back home. They were not militant, but seemed mostly bent on getting recognition and publicity.

Brig. Gen. James A. Herbert, seemed doing the best he could, under very trying circumstances. Part of the frustration on this one point, is the fact that the North Vietnamese will not communicate

with us, nor make any offer to either help provide transportation, or even indicate that such returnees would be welcome.

The General stated that our Government is willing to provide food, supplies, and transportation for these people, and escort them to Vietnam, if the Vietnamese Government would give any assurance of cooperation and welcome.

Although it was a very wet and rainy day, and we walked in mud in and around the camp, the people were very clean, very well mannered, and seemingly patient. Although only five countries other than the United States have even offered to help, General Herbert believes we can have all the people assigned and relocated by December.

THE PHILIPPINES

Ambassador Sullivan made magnificent plans for our coming, our mission, and our requirements.

While our discussions touched on foreign affairs, national defense, trade, agriculture, reform, and government, the highlight of course, was our luncheon and conference with President Ferdinand Marcos.

Prior to our meeting with the President, our session with their Cabinet was most productive.

One felt that the shadow of the Japanese occupation was still present. The fall of Bataan, and the agony of Santo Thomas, held memories. As we listened to this impressive President—a wiry man of 58, standing 5 feet, 7 inches, weighing about 131 pounds—one could read what he had gone through as a warrior, hero, and general.

His words were clarion as he exclaimed "Every country has a responsibility for world peace. No army is as powerful as an idea whose time has come."

As he touched on our involvement in Vietnam, he surprisingly had no criticism of our leaving that arena. He roundly exclaimed that no country can help a country that will not help itself.

In substance he mentioned that Philippine independence rang down the curtain on colonialism. Mr. Marcos extended the hand of friendship—touching on a subject all of us were anxious to know more about, he admitted that the Philippines prefer to manage the bases—Clark Air Force and Subic Naval—but wanted it made clear, they are open to us.

This man saw economic stability as most important, subversion as a threat, and merit to the newly formed ASEAN group (Association of Southeast Asian Nations) Carlos Romulo, elder statesman, was still esteemed and admired, and listened to. Romulo hoped we would not desert the United Nations. As we took our leave, we felt we had heard sincere words, spoken from the heart, but more importantly, that in the Philippines, despite semimartial government, we have friends here.

INDONESIA

It was strange to me, that I knew so little and had heard so little about Indonesia. This mysterious land of more than 13,500 islands, with Djakarta, the capital city, a study in paradoxes, held much interest and exciting curiosity.

Deputy Chief Lloyd Rives made us feel at home. Djakarta itself had fascination. Even the city could not hide the poverty. With an exploding population, here was a country among the top half dozen in size, struggling for economic identity, working to throw off the shackles of hunger, darkness, and despair.

Indonesia proved to be one of vital importance to the future of Southeast Asia, and one that America should not overlook. With a per capita income of less than \$100 a year, one third of her people unemployed, no free education, great need of electricity, thirst for technology, need for agricultural productivity, hunger for participation in today's world—here was challenge, need, potential, and friendship.

We were perhaps a little overly apprehensive because of some of the traditions—not showing the soles of our shoes, not pointing, no patting children on the head, not using the left hand in greeting or meeting, etc.

But beneath this exterior plainly was seen, an American weakness. A failure of our not understanding other people, and too much emphasis on trying to Americanize other people.

Foreign Minister Malik and President Suharto were candid, easy to meet, and clear in expression. The President repeatedly spoke of a new word in their vocabulary—resiliency—he was the only person we met on the entire trip who ventured the possibility of one day having three worlds—black, yellow, and white. He spoke glowingly of the ASEAN pact. He welcomed our interest, our trade, our concern, and our assistance. The USIS gave us timely opportunity to speak our piece on television. The visit was meaningful.

REPUBLIC OF KOREA

The people of Korea overwhelm you with hospitality, friendship, reception, and generosity. Any future visit should always reserve Korea for last—

Somehow one didn't see evidence of a country of restriction and restraint. Those concerned about human rights, could discern a better image than might have been expected. Despite the tragedy of the assassination of the President's wife, the threat of tunnels from the enemy, just 27 miles away, despite the fear of invasion and subversion—the sparks of work, vitality, energy, and enthusiasm more than clear the cobwebs of fear and complaint.

If ever the American people have a friend in the Far East, this was it. As we passed the row after row of war dead in the military cemetery, where Mrs. Park is enshrined, memories of Americans fighting beside and dying with these sons and daughters of South Korea, could not be forgotten.

The Speaker of the National Assembly—Chong Il-kwon—was notable. Their National Assembly had men of great knowledge and accomplishment. Having the honor of being given a doctorate at Hanyang University, amplified the deep desire these people have for education, attainment, success, and affluence.

The highlight of course, was the meeting with President Park at the summer palace in Chinhae, basked by security, nestled in isolation,

hospitality blossomed all over the place. The reception, the happy hour, the lavish luncheon—and to me the best meal of the whole trip—all were abundant.

As I saw this diminutive man, I made a mental comparison—President Marcos in Manila, President Suharto in Djakarta, and now President Park in Chinhae—but I saw a common dimension. Three Presidents—all under 5 feet, 7 inches tall. All between the ages of 56 and 58—none weighing over 140 pounds—each one a war hero, each one a general, and now all three Presidents.

The President was mild mannered, gentle, almost shy. He knew his history, he seemed a little afraid of his future—not for personal harm, but more a concern about the unknown.

He wasn't sure what our détente with the Soviets really meant. He seemed puzzled, like many of our Americans, to understand why and how a country like the United States would build up a huge military defense against the Communist world, then sign treaties of culture, trade, agriculture, and exchange.

Through his interpreter, he cited an anecdote—its meaning was soon clear. He was referring of course to the United States and the Soviet Union. It was told to subtly say how they looked upon our détente—

When two elephants make love, the grass suffers.

When two elephants make war, the grass suffers.

Perhaps the moral for us was—don't get too cozy, and don't get too hostile with the Russians.

Turning to his own country, Park cited fear of subversion and infiltration, as a greater threat than invasion. He said any taking away of our troops would be a real blow. It would signal to the rest of the world, we were breaking up our friendship—it would telegraph cessation of treaties and agreements.

He assured us that Americans would never have to fight—they would do their own fighting—they only wanted our assistance, our help, and our continued relations as allies.

Korea has been completely rebuilt. The scars of war are gone. Their gross national product has increased tenfold in as many years. Korea sends 25,000 people a year to the United States—doctors, technicians, skilled workmen.

The final dinner and fellowship with Chong Il-kwon made us hope that this atmosphere of geniality, amicability, and peace—with prosperity, would be the hallmark of things to come.

JAPAN

Although we were a bit unhappy with the general reception at the airport in Tokyo, and a bit frazzled by the long and slow bus ride to our hotel, the final results of our visit were better than the beginning.

We were all materially disappointed and let-down by the absence of top people from the lineup in our meetings. Chairman Wolff strongly made it clear that we hadn't traveled halfway around the world to talk with assistants and second-level people.

Tom Shoesmith, acting in the absence of our Ambassador, did put together a meaningful arrangement of conferences.

We were cordially greeted at his business quarters in the Akasaka Hotel by the highly respected former Foreign Minister, Toshio

Kimura. This man had served under three Prime Ministers. He admitted that in the past, there was a great lack of understanding between the Governments of the United States and Japan.

He happily said they were very pleased to have Okinawa returned. He cited two shocks they sustained under Richard Nixon: the devaluation of the dollar, and détente with China.

Trade barriers on textiles caused much displeasure. This has since been worked out. He cited Japan's great weakness in having little or no natural resources. He stated the necessity of joint action on energy. He exclaimed that both the United States and Japan should put down terrorism. He pointed out that the Soviets were using the Arab states and their oil embargo against the free world.

Deputy Prime Minister Fukuda is an older, and genial man. He hoped the American presence in Asia would continue. He indicated that Japan and the United States are very similar. Their Diet and our Congress both have strong voices in government policies. He mentioned that Japan was the only country in Asia with a nonmilitary government. He advocated help for the developing countries, narcotic control, and joint efforts to boost the global economy.

Prime Minister Miki, just returning from a visit with President Ford in the United States said we must turn from the lessons of Vietnam and give our attention to nation building. He urged the strengthening of the bases of self-reliance. It was brought out that Japan imports 99 percent of their oil—75 percent from the Middle East.

The Prime Minister believes the Middle East conflict and oil are inseparable. He declared there is no real security without social, economic, and political stabilization.

Miki made four broad statements of purpose:

1. Recommends no change in American forces in Korea.
2. We must work towards stability and the well-being of their people.
3. Japan will not contribute to military defense.
4. Japan will cooperate in establishing an international treaty to combat terrorism. Suggests they work through the United Nations.

Foreign Minister Kiichi Miyazawa conceded there was occasional talk against the United States, but in their hearts their people know they cannot live without us. Schlesinger's talk about possible use of nuclear arms, had a definite effect on North Korea. He indicated if there was an overt attack on South Korea, Japan would OK use of their bases. He said the conduct of our marines on Okinawa, for a time, was a sore spot. It has been put away now.

Masaro Watanabe, Director General for cabinet office research, gave us a confidential look into internal studies and findings. His words were probably the closest of any, to being the real situation in Japan.

A poll showed that the Japanese people like: Switzerland and the United States above all other countries, in that order. They also seem to like the Peoples Republic of China. They strongly dislike South Korea.

Watanabe did not see an attack on South Korea by North Korea as an event in the near future. When asked if necessary, could we use Japanese bases, he replied that it would be up to the people.

The *Mayaguez* incident gave us more stature in Asia. At a dinner party, shortly after Canada had recognized the Peoples Republic of

China, he was asked when Japan would do the same. His reply was: "One week after the United States does."

While the Prime Minister legally makes decisions, the Diet and public opinion usually call the shots. He viewed freedom of the seas as important, and believed bases were important for nuclear umbrellas.

He cited these areas as of the greatest mutual assistance:

1. Defense of Japan by the United States.
2. Cooperation for peace.
3. Mutual understanding.
4. Trade—removal of barriers such as we had on textiles (laughed as he said we might help by manufacturing fewer small cars).

Japan needs our wheat and soybeans, not fertilizer. China wants to do business with Japan—mostly wanting their steel and fertilizer.

He mentioned that the number of leftists has been declining. Outcome of recent elections by the Communists was: 30 percent in Italy, 20 percent in France, and only 10 percent in Japan.

PERSONAL REFLECTIONS

In view of world unrest, military takeovers, threats of war, and continuity of long-standing feuds among many nations, together with the rising thirst for independence among the undeveloped countries, one fact is certain: International relations to be effective, must become a science. The successful association of our country with our neighbors, in an ever-changing world, requires intense study, frequent visitations, deeper understanding, and an honest desire to achieve mutual goals by sincerity, integrity, and professional avidity.

At home, the emergence of the War Limitations Act, the requirements for trade agreements, and the cutoff of aid to Turkey—all imposed by the Congress, whether totally acceptable or partially imperfect—it is inevitable that the people of America, through their elected representatives, will be having a greater voice and greater role in the formation of our policies of international relations.

The constitution of our Subcommittee on "Future Foreign Policy Research and Development" is in itself an innovation. The moving forward from being into doing, has been instituted by our chairman, Mr. Wolff.

Our very first mission, just described, accomplished much indeed. We first of all, received warm welcomes everywhere we went. Second, we were given time and audience by the very highest leaders of each country. Third, we packed into a few days, the substance of thought, ideology, political intentions, and economic statuses of the respective places we visited.

With such encouragement, we should indeed plan now to widen our horizons, formulate new visitation plans, and immediately make available to the full committee, the Department of State, and to the President, the results of our efforts. An investment in "People Understanding" will pay great dividends in future peace, tranquility, amity, and productivity in tomorrow's world.

REPORT OF HON. DONALD D. CLANCY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

PHILIPPINES

The Republic of the Philippines and the United States have long been trading partners. Treaties and agreements have governed trade between the United States and the Philippines. We are presently negotiating with the Philippine Government to provide for mutual security. The negotiations are presently concerned with two military bases that the United States has in the Philippines, namely—Clark Air Force Base and the Subic Naval Base. Both are major bases in the Pacific and are of great importance to the security of not only the Philippines, but also our own as well.

In our discussions with President Marcos it was clearly understood that he was not desirous of having the United States give up these bases and that it was important that the United States maintain its presence there. However, it was also clearly understood that he desired that a new arrangement be negotiated pertaining to the jurisdiction over these bases. It would appear that this matter is being considered by the authorities in the Philippines and the U.S. Representative.

The trade agreements that we have with the Philippines lapsed in July of last year and a new agreement is to be negotiated. The principal products of trade from the Philippines to the United States are sugar, food products, timber, logs and plywood. The principal products of trade from the United States to the Philippines are electric and non-electric machines and parts, cereal, transport equipment, chemical materials and raw cotton. The balance of payments between our countries has varied from time to time. The United States has been in the past the Philippines' largest supplier of goods, but Japan is taking over by a small percentage as being the largest supplier at this time.

The President and the Finance Ministers expressed a desire to renegotiate a new trade agreement, even though the President felt that the Philippines are being treated unfairly in that similar products shipped to the United States from other nations other than the Philippines are subject to a lower duty. One such item mentioned by President Marcos was coconut oil. A mutually beneficial agreement on trade is desirable. The Philippines are hopeful that additional U.S. investments which are now considerable will be made. American business people and finance and banking officials in the Philippines have a good relationship. U.S. investment does not seem to be causing problems at this time.

The President rules by edict under marshal law which seems acceptable to the Philippine citizens. It appeared that great emphasis is being placed on improving the economic conditions of the country

and its people. It is important to continue our generally good relations with the Philippines. We should reach mutually beneficial agreements in the field of security and trade.

INDONESIA

This is no trade agreement existing between the United States and Indonesia. It is most difficult therefore to determine our balance of payments. The balance of trade resulted in a U.S. deficit because of oil. Of the \$1.6 billion of Indonesian goods we imported, \$1.1 billion was for oil. We exported approximately \$500 million of products to Indonesia. Principal products exported to Indonesia are machinery, transport equipment, iron and steel products, chemicals, and raw cotton. Principal U.S. imports from Indonesia are crude petroleum, petroleum products, rubber, coffee, unwrought tin, palm oil, and pepper and other spices.

The rate of inflation is now 10 percent as compared to approximately 20 percent a short while ago. Their efforts are being directed at keeping the rate of inflation under 20 percent. The economy as a whole is improving largely due to the export of oil. The oil exported by Indonesia is of high quality and is in great demand. American companies are very active in the production and exploration for oil in the region.

Poverty is prevalent. The principal source of food is rice. The officials expressed interest in soybeans, and a delegation from Djakarta was to visit the midwest to learn more about the production of soybeans in Indonesia. They have land reform, and attempts are being made to increase their production and decrease their reliance on imports. Other sources of food, including wheat, are increasing in consumption and, as in other countries, this is anticipated to increase with increases in the standard of living and the income of the Indonesian people. Much remains to be done to improve and stabilize the economy.

In addition to U.S. investment, there is also considerable investment by Japanese and European investors. Manufactured goods are increasing and it would be beneficial for us to preserve a friendly attitude toward Indonesia which will enable us to expand trade with the country. Military goods are needed and modernization of their military, while it is quite small, is a goal.

Indonesians expressed the desire to expand trade with the United States and officials should cultivate their continued friendship to enable us to do this. In the short term, however, Indonesia cannot be considered to be as strong an ally as other countries.

REPUBLIC OF KOREA

The United States has a number of agreements with the Republic of Korea. These include GATT, the 1957 Treaty of Friendship, Commerce and Navigation, a fisheries treaty, Public Law 480 agreements and textile agreements.

In 1974 the Republic of Korea exported to the United States \$1.5 billion in products. The principal products exported from Korea to the

United States are clothing, plywood, electronic products, and wigs. Our principal exports to Korea are food grains, raw cotton, transportation equipment, electronic components, and iron and steel scrap. These exports amounted to \$1.7 billion which resulted in a favorable balance of trade to the United States of \$2 million. Additionally, Korea devalued its currency in December, changing the rate of exchange from 400 won to 484 won to the U.S. dollar.

The country is rapidly developing and is highly industrialized. However, they too are experiencing economic difficulties, since their rate of inflation between May 1974 and May 1975 was approximately 25 percent.

The country is relatively prosperous and all economic indicators point to an over-growing and stronger economy in future years. The diet of the average Korean is much better than that of most other countries in Asia. They have experienced an increase in manufactured goods and are constantly expanding production of new products. They are undoubtedly our strongest ally in Asia, and the prospects for increased trade are good. It is a market that the United States should continue to utilize.

However, the chief concern of all South Koreans, the President, officials of government, and its citizens, is security and the defense of their nation. The United States continues to maintain a large military presence in South Korea and all of the government officials including President Park, expressed the desire for this presence to be maintained. They also spoke often of acquiring from the United States more military equipment including the Phantom fighter plane. They are of the belief that they could repel any invasion from the North without the use of U.S. troops, but, that such a successful encounter would certainly require help from the United States in the way of supplies.

It appeared to me that the presence of our troops in South Korea was highly desired for psychological reasons. This impression existed also for discussions with officials in the other Asian nations visited. We must always be aware of the fact that there is a constant threat of attack from forces from without.

JAPAN

The United States and Japan have a Treaty of Friendship, Commerce and Navigation which was signed in Tokyo in 1953. Japan has experienced economic difficulty in the past year with the rate of inflation at 12½ percent. Principal products of trade from the United States to Japan include coal, lumber and logs, soybeans, maize, wheat, scrap metal, plastics, raw cotton, chemicals, aircraft and parts. Principal American imports are iron and steel products, passenger cars, motorcycles, textiles, radio receivers, television receivers and desk-top calculators. The first 6 months of 1974 resulted in a U.S. deficit of about \$85 million, and the first 6 months of 1975 have resulted in a U.S. trade deficit of \$764 million.

Japan is a highly industrialized nation, and as a result, their energy needs have multiplied rapidly. A major concern of government officials and Japanese citizens is the fact that Japan must import 99 percent

of its energy requirements and some high quality oil is imported from Indonesia.

The Japanese officials are highly desirous of our maintaining our military presence in Korea, and they see the United States as an important partner in the security of the Far East. As other Asian countries are doing, Japan is concentrating on the improvement of the social and economic well-being of its citizens. They ask repeated questions about our new trade bill, and they were informed that the new act gives the President wider powers in negotiating trade agreements with other countries. We also informed them that under the other provisions of the bill, the President and his representatives have the authority to negotiate for the elimination of nontariff barriers. These are barriers to trade with Japan and a mutually beneficial agreement should be our prime concern.

REPORT OF HON. E de la GARZA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

The agriculture task force accompanied the chairman and the rest of the delegation when they met with the Presidents of Korea, Indonesia and Philippines, and with the Prime Minister of Japan. We also attended the meetings with the Foreign Ministers and other cabinet members of the respective countries. Informal individual meetings also were held by the task force with the Ministers of Agriculture of the Philippines, Indonesia and Korea. The Japanese Minister of Agriculture was in Washington at the time of our visit; therefore, we met with other high officials in the agricultural sector.

Basic imports and exports to and from the countries visited are briefly as follows:

THE PHILIPPINES

The United States has continued to be the principal trading partner of the Philippines for farm commodities, absorbing \$667.6 million worth of such products, 67 percent of the total, during the first 9 months of 1974. Sugar and coconut products are the principal agricultural exports to the United States, constituting 94 percent of the total value of our imports from the Philippines during the first 9 months of 1974. Other leading farm exports to the United States are canned pineapple products, tobacco and abaca.

Philippine agricultural imports from the United States during the first 9 months of 1974 were valued at \$127.1 million, 45 percent of the total imports of farm products. Wheat, raw cotton and soybean meal were the principal agricultural imports, constituting 63 percent of the total from the United States and 28 percent of the total from all countries during the first 9 months of 1974.

INDONESIA

The United States traditionally has taken between 15 and 25 percent of Indonesia's exports and has supplied 10 to 20 percent of the country's imports.

The major U.S. exports to Indonesia are rice, cotton, yarn, flour and machinery. The basic diet is such that basically the average Indonesian is self-sufficient in food. Our imports in the agricultural sector from grains and cotton—and those items the United States produces most efficiently. It has been predicted that Korea will become a billion dollar market for U.S. farm products within the next 2 or 3 years.

REPUBLIC OF KOREA

During recent years the U.S. share of Korea's total agricultural imports has been between 80 and 90 percent. We might not continue to have such preference in the Korean market in the future, but it is

significant that major agricultural imports into Korea—wheat, feed grains and cotton—are those items the U.S. produces most efficiently. It has been predicted that Korea will become a billion dollar market for U.S. farm products within the next two or three years.

Korea is a large market for U.S. raw cotton. Imports of cotton in 1974 totaled 646,000 bales, of which 98.8 percent came from the United States. Korean mills estimate they will use 1.1 million bales of cotton by 1976, assuming an end to the recession in the textile area. It is possible that Korean mills will be using 1.5 million bales of cotton by 1980.

Korea's agricultural exports are not of great significance, a condition not considered likely to change. Seafoods, mushrooms and raw silk are the principal export items.

JAPAN

Since World War Two the United States has been the major supplier of Japan's imported food and fiber. In 1974 the United States shipped about \$3.4 billion worth of agricultural commodities to Japan, accounting for more than 30 percent of her total agricultural imports. Japan offers the largest foreign market for U.S. soybeans, wheat, corn, grain sorghum, alfalfa meal and cubes, raw cotton, leaf tobacco, hides and skins, beef tallow, lemons, grapefruit and raisins.

Sales of U.S. agricultural products to Japan currently total approximately \$3 billion annually. World trade analysts predict that sales will increase to as much as \$4 billion within 5 years and could rise as high as \$5 billion if the current multilateral trade negotiations lessen trade restrictions.

FUTURE POLICY

The prospect for continued important trade with these countries, including exports of U.S. agricultural products, appears favorable. However, future growth is unlikely to be on the same major scale as in the past. The outlook is influenced by a number of economic factors, including inflation in the United States and in these countries as well. Moreover, other countries are now offering the same farm commodities that constitute our principal exports, and perhaps the most important element calculated to influence trade in the future is the very evident policy change of governments concerned not to deal solely with the United States, but to expand their commercial links to as many other nations as possible, including the Soviet bloc and the People's Republic of China.

REPORT OF HON. JOHN T. MYERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

REPUBLIC OF THE PHILIPPINES

The Philippines and the United States are longtime friends. There appears to be no change in that relationship. But there are areas that require consideration and attention to improve that mutual relationship.

Trade restrictions, particularly the tariffs that are presently imposed by the United States on certain products produced in the Philippines, are a source of some concern. The Filipinos feel that they are being treated unfairly in that products similar to those they produce are being imported into the United States from other countries subject to lower duty.

There is considerable U.S. investment in the Philippines, but this does not seem to be causing any problems. In fact, many companies and businesses have joint Philippine-United States capital and management. There does not seem to be any problem with these arrangements.

They speak about the economic relations between the Philippines and the United States that they wish to normalize trade between our two countries.

The other area of present negotiation is that of mutual security. This arrangement is governed by treaties, agreements, and pacts between the two countries. Today these negotiations are centered around the two bases that the United States maintains in the Philippines, Subic Bay Naval Base and Clark Air Force Base. President Marcos made it clear that it was not his intention to have the United States abandon these two important facilities. It is important to both countries that the United States stay there. The sea lanes of that area of the world must be left open and these bases help give some assurance that this is done. The President did make it clear that different agreements must be worked out. These negotiations apparently are presently underway.

The Defense Department of the Philippines expressed their desire for additional assistance for more modern equipment. They need air transports, some fighter and surveillance planes, small naval boats, and small arms. This equipment now is old and it comes from many different countries and manufacturers. This causes them problems in stocking repair parts and also in providing good instruction and training.

They are concerned about their future economic and political security. The people seem prosperous and content. We need them and they need us. We need to keep these friends, the people of the Republic of the Philippines. Our policies need to be based on mutual concern and support.

INDONESIA

Indonesia is a country much in need of development. One can take any area of interest to any society and compare that area of concern in Indonesia with other countries and find Indonesia inadequate and wanting.

The economy in Indonesia while improving and becoming stronger is still very frail and shaky. Per capita income is very low and poverty is quite prevalent. The diet for the average family is still very basic. Rice is still the principal source of food. Wheat and some protein food is becoming more popular and probably will continue to increase in consumption as their income increases. The country is still a rice importer. They are working to increase their rice production and making some progress. However, the birth rate is high yet so it appears they will be rice importers for some time to come. They do purchase some rice and wheat from us.

Manufactured goods are increasing. This comes from Japanese, United States, and some European investment. These foreign investments are not really sought nor encouraged by the Indonesian Government. While there is presently no policy against outside investment, there is not a positive aggressive movement to get more capital for industrial expansion.

Their defense needs are not great, but they do need military grants. Equipment is their major problem. Age and a great variety of types, manufacturers, and caliber is a problem for logistics and training.

Indonesia is interested in expanding trade and a continued friendly relationship with the United States. It will be beneficial for us to cultivate this relationship, but we should never expect to have the strong ally in Indonesia that we have with many other countries in Asia.

REPUBLIC OF KOREA

The Republic of Korea is the strongest ally the United States has in Asia. The country is strong, prosperous, and continuing to get stronger.

Their industrial production is expanding. It is growing in dollar volume both because of greater production as well as continuing to expand into new products. The South Korean is eating a better diet than most other Asian countries.

The big concern and worry to all in South Korea is defense. The constant threat of an attack by the Communists from the North is always with them. They are determined that they can successfully repel such an invasion should it occur, but they would need some help from the United States. The amount and nature of that assistance would depend on the severity of such an invasion.

The continued presence of U.S. troops in South Korea is very necessary, as much for psychological reasons as for the combat potential. South Korea does not have sufficient aircraft to support their ground troops. To provide air parity or superiority, U.S. air support would be needed. Likewise some naval support would be required if an attack from the North should occur. Their ground troops are well trained, well disciplined, and reasonably well equipped. The big problem for a ground involvement would be a logistical one. The

ordinance that is presently in South Korea probably would be exhausted rather quickly. Our ability to resupply this ammunition and equipment from present storage in the area might take too long. The United States presently has certain restrictions that must be changed in order for us to preposition supplies that might be needed. This is critical and needs immediate attention.

There is presently a morale problem building up with our troops now positioned in the DMZ and the JSA. The tour for each person is 13 months. Because of the mental strain and harassment these people must endure, consideration should be given by DOD to shortening these tour requirements. Consideration should be made of counter-measures that can be taken by our troops to the harassment and physical abuse they are subjected to in the JSA from the North Koreans. I strongly feel our troops should be permitted to protect themselves from this growing harassment and abuse. We should train these men in self-defense and permit them to use that training.

The security of the Republic of Korea is important to us and to freedom throughout the world. They can and will survive with just a little assistance from us.

JAPAN

Japan is possessed with as many and as severe problems as the United States. They are suffering from the effects of the energy prices more than we.

Japan's economy has slowed down in the past year. They are still large exporters of many manufactured products and still major importers of oil and food. Because of dramatic increases in petroleum, they must import 99 percent of their needs, they have not been buying as much food.

They are interested in buying more agricultural products. They are concerned about their food supplies for the future. The increases in cost of food in recent years disturbs them some, but they are more interested in finding a reliable supply of food than they are in price. They would like to enter into long-term contracts with exporters in this country. They watch our agriculture production forecasts and our export practice very closely.

Japan, because of the treaty with us and their constitutional restrictions on military, is watching the military actions and buildings in Asia with much concern. They see the United States as an important partner in the security of the Orient. Our use of bases in Japan to support the defense of South Korea would be understood and accepted if North Korea should wage a full scale attack into South Korea. It would be difficult for Japan to accept our involvement if the attack was launched by small numbers of North Koreans. However, in such event, we probably would not need to use their bases for that type of limited action.

Japan is a good ally and certainly will continue to be a substantial and beneficial trading partner.

REPORT OF HON. HERMAN BADILLO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

A. INTRODUCTION

As a member of Congress who consistently opposed American involvement in Indochina, I have a deep distrust of foreign policy pronouncements by the administration, particularly with regard to Southeast Asia. I therefore viewed with profound skepticism statements made shortly after the end of the Indochina debacle that the countries of Southeast Asia had developed doubts about our ability to keep our commitments in that area, and for that reason Secretary of Defense Schlesinger had found it necessary to suggest that limited nuclear weapons would be used in Korea, if required to prevent a takeover by the North.

And so I welcomed the opportunity offered to me by Chairman Lester Wolff to join with members of the Subcommittee on Future Foreign Policy of the International Relations Committee in a fact-finding mission to the Philippines, Indonesia, Korea and Japan. In order that I might evaluate more carefully whether, in fact, any officials directly responsible for their country's defense felt there was additional danger to them, or to the United States, as a result of the end of the Vietnam War, I volunteered to serve on the defense task force. I also wished to discover whether there were any special measures that had to be taken to maintain stable relations in the area or to prevent another disastrous military involvement. This report is concerned with my observations as a member of the defense task force.

B. GUAM

I visited a refugee camp on Guam, a visit more directly related to my responsibilities as a member of the Judiciary Committee—which drafted and approved the bill providing for assistance to Vietnamese refugees—than it was to the overall purpose of the Asian trip.

I was less than impressed by the conditions at the camp. Sleeping conditions were particularly inadequate and I observed entire families sleeping in the open on cots, and even on the floor. It did not appear that either children or adults had anything to do, as many of them were asleep when we arrived in the middle of the day. None of the people with whom I spoke reported that they were receiving any orientation or training of any kind during their stay at the camp.

The existence of a huge credibility gap became apparent after only brief discussions with a number of the refugees: Many of the men complained that they were being prevented from returning to Vietnam by the American authorities. They indicated that they had left Vietnam because they felt their lives would be endangered when the Communists

took over, but they were now being constantly reassured by Vietnamese Communist radio that no action would be taken against them if they were to return home, and, indeed, that they would be made to feel welcome. A number of them told me that they had received letters from their families urging them to come back, and reporting that there were no problems of any kind for those who remained behind.

The refugees said they did not believe American officials who told them that the Vietnamese Communists had refused to permit them to return, and they felt that the American Government was deliberately preventing them from returning to their homeland. They made it clear that they intended to continue their protests in the camp until they are allowed to return home.

I could only conclude that we are never going to convince the refugees that the Vietnamese do not want them back, until they are given the opportunity to find out for themselves, and, therefore, those refugees who wish to return to Vietnam should be free to do so. Then, if the Communists do not accept them, it can be established that the radio broadcasts have been pure propaganda. Or, on the other hand, if they are accepted, the remaining refugees can be more easily resettled. To continue on our current course can only insure that relations with the refugees will deteriorate with each passing day.

C. THE PHILIPPINES

During our stay in the Philippines, the defense task force met with Secretary of Defense Enrile and with General Espino, Chief of Staff of the Philippine Armed Forces. In addition, during a luncheon given for the entire delegation at Malacanang Palace, President Marcos presented his own point of view and answered our questions.

The meetings with Secretary Enrile and General Espino convinced me that neither man is worried about any danger to the Philippines as a result of the end of the war in Indochina. Both men indicated that there is no evidence of any attempt to furnish insurgents with weapons by the Vietnamese, Chinese or Soviet Communists. Both stated that they do not foresee that the Soviets or the Chinese expect to increase their presence or activity in the area, and they did not express any concern about an attack of South Korea by North Korea. In other words, despite any statements by President Marcos, there does not seem to be, in the minds of the military authorities, any reason for alarm, and no reason to reassess the military situation as a result of the war in Vietnam.

On the other hand, because there is no danger expected from the Communists, the attitude toward the negotiation of American bases is different. There is a feeling that this would be a good time for the Philippine Government to seek and obtain additional concessions to allow continuation of the bases. This, it appeared to me, was the reason that President Marcos indicated, during his presentation, that it is important for the Philippines to show the rest of the world that it is not a puppet of the United States, and that negotiations over the bases must be conducted in the best interests of both countries, with concessions by both sides and benefits accrued to both.

D. INDONESIA

In Indonesia, our defense task force met with General Panggabean, Minister of Defense of the Armed Forces, and with General Yoga Sugomo, chief of Intelligence Services. General Panggabean stated that he had not expected that the fall of the South Vietnamese Government would occur as rapidly as it did. He indicated that there was no evidence now of any aggressive intent by the Vietnamese as a result of their victory, but, at the same time, he felt that Indonesia must revise its defense strategy in light of the end of the war. This would mean that additional naval equipment, such as patrol ships and destroyer escorts, would be needed, as well as aircraft (16 helicopters and some C-130 aircraft), in order to insure that armed forces could move rapidly from island to island, if necessary. General Panggabean also indicated the need for electronic equipment and radar in order to patrol Indonesia's extensive sea lanes. The General did not appear concerned about any threat from the Soviets, or even the Chinese or Vietnamese Communists—his request for additional military aid seemed predicated only on the need for precautionary preparations rather than any actual danger. He was confident that any Communist threat could be repelled and seemed to place great reliance on the people's opposition to communism as a philosophy and their overwhelming support of the government's "national resiliency" policy.

General Yoga Sugomo, Chief of Intelligence, shared the views of the Minister of Defense as to the defense needs of the country. His intelligence data and his analysis of the relative strength North and South Korea was, however, surprising. He estimates that North Korea has tripled the military strength of South Korea, and that, if invaded from the North, South Korea could not survive for any significant period of time without American troops. He did not feel that air support by the United States would be sufficient.

The General's figures on the number of political prisoners in Indonesia were also surprising. He informed us that 50,000 people were being detained on Buru Island. Later, we received word that he meant 15,000. My notes indicate, however, that he said—and meant—50,000. Whatever the number, however, it is clear that he feels there is an internal Communist threat, and that he is prepared to take whatever steps are necessary to contain it.

E. THE REPUBLIC OF KOREA

During our stay in South Korea we met with President Park Chung Hee (Pak Chong-hui), we were briefed by our own Embassy, and by the Korean Ministry of National Defense. Some of us visited the Joint Security Area at Panmunjom, where we were briefed by General Stilwell.

There seems to be little reason to suspect, at this point, that North Korea is planning any immediate military action as a result of the end of the Vietnam war. However, there is some concern about a number of tunnels which the South Koreans have discovered underneath the demilitarized zone. These tunnels could allow men and material from North Korea to pass directly into South Korea, bypassing the United

Nations command. The existence of these tunnels was discovered by accident and no one is certain how many have been excavated or how elaborately they are constructed. One of the discovered tunnels would allow only one person to go through at a time, while another is wide enough for two or three to march abreast, or to permit the movement of light artillery. There is even the possibility that there may be even more sophisticated tunnels; however, they seem to be unrelated to any current military developments in Vietnam or elsewhere.

President Park and all South Korean military advisors, as well as our own, concede the overall superiority of North Koreans military forces at this time. They argue, with differing degrees of conviction, that their ground troops would be able to withstand attack from the North if they received American air and naval support. I was not persuaded that this would be possible.

President Park and his advisers have developed a 5-year modernization plan for the armed forces, to be financed mostly by a 20 percent Defense Tax which will be imposed on the South Koreans. It is projected that, upon completion of this plan, South Korea would be able to defend itself from any attack by North Korea without American ground, naval or air support. I was not persuaded by this presentation either. Even were the plan accepted at face value, it presupposes that North Korea's Armed Forces will remain at a standstill for the next 5 years waiting for the South Koreans to catch up. This seems quite unlikely in light of the fact that it is conceded by all that the North Koreans have consistently been willing to make greater sacrifices than the South Koreans in order to maintain military superiority.

The greatest danger to the United States, however, arises from our own military commanders. General Stilwell, who briefed us at Panmunjom, stated that there were over 40,000 American troops in South Korea, and that a number of these were stationed between North and South Korea. The General maintained that in the event of an attack by North Korea that he is prepared to pull our troops out of the immediate combat zone by helicopter!

I cannot conceive of a strategy better designed to force the United States into an immediate war with North Korea. Using helicopters to get our troops out can only provide the North Koreans with perfect targets—it is the slowest, most vulnerable machine in our arsenal. It has no chance whatsoever against a fighter plane, and could even be shot down by a man with good aim and a rifle. Clearly, an evacuation of our troops by helicopter would bring about enough casualties to mandate a declaration of war. Our current military strategy, therefore, would deprive the Congress of its policymaking role in the event that hostilities take place.

F. JAPAN

In Japan, our defense task force met with Gen. Hiromu Fukuda, Deputy Director of the North American Affairs Bureau and with Takuya Kubo, Administrative Vice Minister of the Japanese Defense Ministry. In addition, the entire delegation met briefly with Prime Minister Miki and at greater length with Foreign Minister Kiichi Miyazawa.

The Japanese have no confidence whatsoever in the ability of South Korea to defend itself in the event of attack by North Korea and believe that without American ground troops, South Korea would collapse. However, they do not seem to be concerned about the possibility of such an attack. In fact, my impression is that they are prepared, and are moving, to establish diplomatic relations with North Korea.

They indicated that, as a result of the end of the Vietnam war, they believe that the Philippines and Indonesia want to have independent relations with all Communist countries, and made it clear that this applies to Japan as well. They support continued use of American bases in Japan but would not support the use of nuclear weapons in order to protect South Korea.

G. CONCLUSIONS

None of the high officials with whom we met in the Philippines, Indonesia, Korea or Japan expect any military attack by North Korea. None of them believe that there is any increased danger of war in Southeast Asia as a result of the end of the conflict in Indochina.

In the event of an attack by North Korea upon South Korea, all the officials concluded that the involvement of American forces would be required to prevent the collapse of South Korea. At the very least, this involvement would require a commitment of American air and naval forces and might well require ground troops in excess of those in South Korea at the present time.

All of the officials of the countries visited are in agreement that it will be many years before the military forces of South Korea can begin to match those of North Korea. Outside of South Korean officials, everyone with whom I spoke doubted that the North Korean military advantage can be overcome at all under present programs.

The American forces presently stationed in Korea, in the demilitarized zone, should be withdrawn immediately. They are totally inadequate to repel any attack by North Korea and they cannot realistically be evacuated in the event of an attack. In fact, it appears that the only purpose they serve now is to guarantee that the United States will immediately be drawn into another Asian war in the event of renewed fighting. American troops should not be held hostage for such a purpose, nor should the warmaking powers of Congress be effectively nullified by decisions of military commanders in remote corners of the world.

Immediate steps should be taken to develop a more realistic plan to build the military posture of South Korea. South Korea's population is more than twice that of North Korea, and the South possesses the resources to reasonably provide for its own defenses. Reliance on the forces of the United States in any form cannot be justified, and we should clearly specify that it cannot be continued. A definite timetable should be agreed upon beyond which American military involvement will no longer be expected and will no longer be available.

H. OBSERVATIONS ON CIVIL LIBERTIES

My report is addressed to military matters because I chose to serve on the defense task force during the Asian trip. However, I was deeply concerned throughout my visit with the manner which the governments of President Marcos, Suharto and Park deal with dissidents and the regard which these governments hold for civil liberties of their citizens.

Essentially, the three Presidents represent three different forms of one-man rule, with no serious pretense at maintaining democratic traditions. Indeed, President Park specifically said that normal democratic traditions could not be expected to apply to South Korea.

We cannot, of course, mandate the form of government that a nation chooses. But we do have a responsibility to insure that certain fundamental guarantees are not violated. This applies particularly to freedom of the press, treatment of political prisoners, right to a fair trial, and the protection of minorities.

I do not believe that we have been discharging this responsibility. I recognize the sensitivity of raising this issue, but I think that it is imperative that it be discussed. The Presidents of the three countries should be made to understand that we place a high regard on Representative Don Fraser's Subcommittee on International Organizations, and that we are prepared to vote to withhold assistance to any country which is found by that subcommittee to be in violation of basic principles.

We recently approved the Harkin amendment which prohibits economic assistance "to any country which engages in a consistent pattern of gross violation of internationally recognized human rights (including torture or cruel, inhuman or degrading treatment or punishment), prolonged detention without charges, or other flagrant denials of life, liberty and the security of a person . . ."

The particular countries involved should be on notice that the provisions of this amendment are intended to apply to them, as well as to all other countries, and that failure to provide for basic civil liberties might jeopardize their support in the U.S. Congress.

REPORT OF HON. NORMAN Y. MINETA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Our recent trip to the Far East provided me a valuable opportunity to reexamine U.S. foreign policy generally. It is my firm belief that this reexamination is both timely and necessary, particularly in the wake of our tragic experience in Vietnam.

In the Philippines, Indonesia, and South Korea, the message, either implicitly or explicitly, was the same: "because we face external threat we cannot afford the luxury of democratic government." In other words, the belief is that repressive regimes enable stronger defense against external threat than do representative governments.

In many instances this argument can be dismissed on specific ground. In the case of the Philippines, a distant Muslim rebellion on the island of Mindanao clearly does not justify President Marcos' dismissal of the Congress and suspension of national elections. The rebellion is merely an excuse for actions Marcos finds politically expedient.

There is, however, a more general issue here. Does internal repression enable a nation to better resist external threat? Not only do I answer that question in the negative, I further believe that repressive regimes ultimately undermine the ability and resolve of any nation to resist outside threat. The lesson of Vietnam is that even almost unlimited military support will not buy security for a government that does not enjoy the general support of its people. From 1965 to 1975 the U.S. taxpayer spent \$140 billion on the war in Vietnam, and all that we got in the end was proof that the thickest armor shell that money can buy cannot ultimately sustain a rotten core.

If we get nothing else for that \$140 billion, we should salvage the lesson that a purely military definition of national security is too narrow to reflect reality. For example, in discussions with the leaders of Indonesia, we often heard of a perceived threat to their country from Vietnam to the north. Their response to that perceived threat was enlarged aid requests for U.S. military hardware—specifically for helicopters, ships and advanced electronic communications—in order to better seal their oceanic borders. However, any realistic assessment of Indonesia's national security should include several non-military objectives designed to broaden the support of the Government among the Indonesian people. I would suggest that the following issues be foremost in Indonesia's national security thinking:

Are the economic aspirations of all Indonesians represented in the present government? Are the increasing benefits of Indonesia's exports and its improved prospects for economic development widely distributed among all classes of Indonesians, or are they the narrow privilege of the few?

Does the average Indonesian expect fair treatment and justice at the hands of the Indonesian Government? For example, since an attempted coup in 1965, the Government has held in prison 35,000 Indonesians as parties to the coup. Yet for 27,000 of those (the so-called "B" category), the Government admits lacking sufficient evidence of their involvement. Of the 35,000, only 800 have been brought to trial in 10 years time. In light of this, what kind of judicial treatment does the average Indonesian expect from his Government? Does he believe his political aspirations to be safeguarded by the Government?

I reemphasize that these are important issues strictly in terms of national security; in fact, these issues will have a more fundamental and lasting impact on the national security of Indonesia than will a few U.S. helicopters flying over the South China Sea.¹

I do not mean to propose that only those governments with political structures similar to our own will ultimately prove to be viable governments. Nor do I conclude that military assistance can never contribute to national security. My point is merely that the most essential ingredient in the national security of any country is the general support and legitimacy its government enjoys among its people.

In light of this fact, I question whether the American taxpayer has always gotten a "good buy" for his foreign military aid dollar. Vietnam may be the worst example, but it is by no means the only example. The worst foreign policy investment the United States can make is military assistance to an allied government whose authority is not widely perceived by its citizens as legitimate, and which does not generally represent the expectations and aspirations of its people. In such cases, military assistance is wasted money, because such an ally is weak at its core, not at its extremities. Hence, the security of such an ally is, for nonmilitary reasons, beyond improvement.

I certainly do not advocate interference in the sovereignty of foreign nations in any attempt to set their houses in order. However, the U.S. taxpayer cannot justifiably be expected to spend billions of dollars on the security of allied governments without getting something for that expenditure. Other foreign aid programs include specific provisions which protect the taxpayer from spending money without actually helping solve the problem. For example, in the food-for-peace program, there is an requirement that recipient nations pursue population control measures. I believe we should similarly protect the taxpayer by making security assistance conditional on reasonable prospects for a recipient government's viability and enhanced security; and we should recognize and announce that henceforth the popular support of a government will be considered an essential factor in its security prospects.

¹ These issues certainly apply equally, if not more so, to other nations. Another such issue, although not an urgent problem in Indonesia, is the problem of religious differences within a nation and the weakening impact these differences can have on a government, particularly where that government is identified with one of the religious factions.

REPORT OF HON. PAUL SIMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

THE PHILIPPINES

The importance of the congressional delegation visit should be mentioned at the outset in discussing the four countries we visited. After Vietnam there has been a feeling on the part of many nations that the United States is withdrawing. I believe that the congressional delegation headed by Congressman Lester Wolff helped to dispel that image. As Ambassador William Sullivan told us, "Your visit is the best thing that has happened since the end of the Vietnam war."

The administration of President Marcos deserves high marks in most areas, with the exception of the area of civil liberties where there are problems.

One of the obvious pluses that the Philippine Government has today is the general impression that corruption has been greatly reduced. For example, in my meeting with the Finance Minister, former dean of a business school at one of the universities in the Philippines, I was most impressed by his competence. An American observer told me, in discussing the Finance Minister, "I would be absolutely amazed if I found out that he was corrupt." Several others told me the same.

This is a major asset which President Marcos has in the caliber of his appointees.

A second sound decision which the Government has made is to stress rural development. More than most countries of the world, the Marcos government has recognized that to have a healthy society you simply cannot continue to have massive migration into urban areas. Their program for development of rural areas may not produce great results in public opinion polls, but will be proven as sound approaches to the problems which nations like the Philippines face.

The most sensitive area between the United States and the Philippine Government is our military bases. They obviously are of major importance to the strategic interests of the United States as well as of major importance to the Philippine Government, though the action in Vietnam has shaken their confidence in the importance of these installations.

By the time this report sees the light of day, some type of a working arrangement perhaps will have been achieved by the United States and the Philippine Government. It is important that whatever arrangements are achieved that the Philippine Government is treated as an equal and not as some kind of puppet. This father-stepson arrangement which many of the developing countries resent is something that should be carefully avoided.

The Republic of the Philippines faces some continued economic problems and in facing those problems should receive the encouragement and support of the United States.

I am attaching a copy of a letter I sent as a result of our luncheon conversation with President Marcos.

[The letter follows:]

HON. CATHERINE BEDELL,
Chairman U.S. International Trade Commission,
Tariff Commission Building, Washington, D.C.

DEAR MADAME CHAIRMAN: On a recent visit to the Philippine Islands, President Marcos told our congressional delegation that little things become irritants and mentioned two things specifically. One is the one cent a pound tariff on coconut oil which the Philippines pays and the second is the twenty percent duty on mahogany which the Philippine Islands pay while all other hardwoods pay only a ten percent duty.

I am not aware of the background or the reasons for these tariffs and I would appreciate any information you can provide.

Unless there are strong reasons for retaining them, obviously our friends in the Philippines would appreciate our dropping these particular tariffs.

I look forward to hearing from you.

Cordially,

PAUL SIMON,
U.S. Congressman.

INDONESIA

Indonesia, the fifth largest nation in the world in terms of population, has not received the kind of attention and encouragement that country should receive from the United States.

Because of the tremendous natural resources which Indonesia has, the potential for progress is there, a potential that is now being partially achieved. Whether the high birth rates and other problems which afflict Indonesia will permit the continuation of the improvements is a matter of conjecture.

Indonesia presents the same dilemma to the United States that Korea and the Philippines present. The government of President Suharto is providing more freedom than the predecessor government provided. That we can applaud. But there is no question that there are sizable numbers of political prisoners in Indonesia.

I was favorably impressed by the competence of the cabinet level ministers I met with. Whatever President Suharto's assets and liabilities may be, clearly one of his assets is an ability to pick good people for key positions.

This last sentence must be modified, however, with the awareness that there is widespread talk about corruption in government, much more widespread than in any of the other countries we visited on our Asian trip. Again, how much of this the United States should get involved with an issue like this and discuss it frankly with leaders of the Indonesian Government is a determination for which there are no clear-cut answers.

One of the possibilities that Indonesia clearly provides is of a substantial increase in market for U.S. soybeans. Because of the nutritional problems and economic problems which Indonesia faces, stress ought to be on high-protein foods and soybeans obviously present that possibility.

The United States should encourage educational programs through our economic assistance. Congressman Stephen Solarz and I visited a poorer area of Djakarta and it is not easy to forget the 11-year-old boy we talked to who could not go to school because his parents could not afford the \$1.25 a month which an education requires.

Indonesia is requesting some military assistance. Because the military assistance is of a conventional nature and very limited, this request for military assistance probably should be honored.

Djakarta has been chosen as the seat for the Asian nations which have formed the organization which they refer to as ASEAN. What is significant is that ASEAN has received encouragement from the European nations, from Japan, Australia, Canada and New Zealand, but has had virtually no contact with the United States. ASEAN should not become a U.S. puppet, and any assistance we give should be low key, but we should express more interest than we are now expressing. India is the only country that has expressed hostility to the organization and the United States is the only major power, other than India, that has not offered cooperation.

One issue which is of significance not only to Indonesia but to the United States is their discovery of natural gas. They have experienced the same slowness from U.S. regulatory agencies that many of us experience. I am attaching a letter I have sent to the chairman of the Federal Power Commission which I hope will produce results in view of the growing shortage of natural gas.

[The letter follows:]

Mr. JOHN N. NASSIKAS,
Chairman, Federal Power Commission,
Washington, D.C.

DEAR MR. NASSIKAS: On a visit to Indochina during the congressional recess I talked with government officials there who are in the process of producing substantial quantities of natural gas.

They have contracted with Japan for approximately three-fourths of their natural gas production and Japan is eager to contract for the balance. This will be available approximately in March 1978.

For reasons of their own economy they would prefer not be totally dependent on one purchaser of natural gas and would like to sell the balance to Pacific Gas and Electric, which I understand has applied to the Federal Power Commission for approval of this sale.

Because of the shortages we will experience in natural gas in the near future it would appear to me (without knowing all the details on the transaction) that this is a sensible arrangement.

The government of Indonesia, however, says that they must know whether the United States is interested in the purchase of the natural gas, otherwise they will have to contract with Japan for the balance.

It would seem to me to be vital to the interests of this nation to make a decision as rapidly as possible on a matter involving the supply of energy.

I don't presume to suggest what your decision should be but I would urge that it be a rapid one, otherwise in fact the Federal Power Commission will be negating a possible source of natural gas for this country.

I'm taking the liberty of sending a copy of this letter to Donald Rumsfeld, of the President's staff.

My best wishes.

Cordially,

PAUL SIMON,
U.S. Congressman.

REPUBLIC OF KOREA

Korea represents the dilemma which the United States faces in many areas. It is more pronounced here, however, because the military situation is more demanding.

The United States must maintain a military presence in the Republic of Korea for at least 5 years in order to maintain stability in that area of the world. It is important here (as elsewhere) that that military presence is not too overwhelming. Not only should the numbers of our troops not be increased, every effort must be maintained to minimize their impact on the Korean cultural scene.

Were the United States to withdraw its troops, it could be taken as a signal by Kim Il Sung that his North Korean troops could march South without interference by the United States. This could bring on assistance then to him from the Soviet Union and the People's Republic of China and cause the major blowup that all of us want to avoid.

Acknowledging the need for a continued military presence, how do we deal with a government that gives its people appreciably more freedom than does the government of North Korea, yet not as much as we generally believe ought to be given?

Here, we must keep in mind that the main city, Seoul, is only 25 miles from North Korean troops. If there is some instability and lack of sensitivity to civil liberties, we must imagine how we would be reacting if Soviet troops were 25 miles from Washington, D.C.

But there is no question that the restrictions on civil liberties are not only a matter of security, they are also a matter of convenience to the Government. How far should we get involved in the internal affairs of another government? Should we be expecting other governments to model themselves completely after our form of government? I think the answer to the latter question is obviously in the negative. At the same time, we have an obligation to press for freedom, even though that pressure for freedom must be handled delicately.

Korea (as Indonesia and the Philippines) presents the dilemma of assistance rather starkly.

My own conclusion is that the CIA type of operation clearly has to be a thing of the past and that any other covert type of activity also must be rejected.

What probably is needed is some type of foreign aid formula which openly and frankly assesses the problems of civil liberties and gives rewards to those nations which show a greater sensitivity in the area of civil liberties.

The economic progress that has been made by Korea is startling. The United States ought to be learning some lessons from both Japan and Korea in the way of achieving economic progress. How their situation may be applicable to ours I don't know, but when two nations with almost no natural resources can make startling economic progress, we ought to do more than simply applaud. We ought to be studying what they have done, why they have done it, how they have done it, and apply the applicable lessons to ourselves.

JAPAN

One of the first impressions of a visitor to Japan is not only the economic progress but the high prices!

There are obviously some major economic pluses both in the history and in the future of Japan. There are also some liabilities, liabilities that they have largely overcome in the past and I believe will continue to overcome.

Among the items of interest to me were these:

(1) They have in a time of relative international instability an unemployment rate (described by them as those "fully unemployed") of 1.7 percent.

(2) Part of the inflation in Japan has been caused by an excessive authorization of currency. Their basic formula is the increase in the gross national product plus the increase in the Consumer Price Index. The result of that, of course, is inflation stimulating more inflation.

(3) One of the things which top Japanese officials expressed to me (though they would not want to be quoted directly) is the fact that in U.S. foreign economic assistance we use far more personnel than they do. As a result, in their opinion, our foreign economic assistance is less effective than it should be. They say that some of the underdeveloped countries get to rely on some of the experts we send in rather than developing their own expertise. I feel this is a criticism that has much validity.

(4) Japan has set for itself a goal of 1 percent of gross national product for the developing nations. Of that 1 percent total, 0.7 percent is to be governmental assistance, approximately half of that in the form of loans, about half of that in the form of grants. The balance is through private investment. The United States has set no specific goals. I feel we would be wise to set some specific goals as Japan has done.

(5) Eighty-six percent of the loans and assistance Japan provides are to Asian countries. Obviously they are providing assistance with a view to their own economic future also. This is particularly significant since 16 of the 25 poorest nations of the world are in Africa today rather than in Asia.

(6) Japanese officials are not pleased by the lack of response of the United States to the needs of the Asian Development Bank. Originally the hope was that one-third of the funds of the Asian Development Bank would be provided by the United States, one-third by Japan, and one-third by other countries. Right now it is approximately 42 percent by Japan and 16 percent by the United States. And as of this writing, the United States is behind on a \$50 million obligation to the Asian Development Fund.

Beyond these specific statements I would add that I was most impressed by the caliber of leadership which I found in Japan.

PERSPECTIVES FOR THE FUTURE

The Asian theater is currently undergoing a transitional period from great power domination to one of more diverse and complex influence centers. The credibility of the United States is now being tested after a serious setback from the Vietnam period. In order to prevent any further erosion we must fully accept the current trends and power shifts to fill the void left by current reassessments. Sino-Soviet rivalry has had the effect of limiting the damage to U.S. influence. We must take advantage of this circumstance to set forth our determination and commitment to our Asian friends and assure a continued economic, political and military influence in that region of the world.

We must reassure all parties that we recognize a new order and that no longer can any one single power be dominant. In doing this we must also restate our willingness to be a major and continuing influence not only in Asia, but the rest of the world as well.

In this new era we must recognize the need for self-reliance and integrity of the smaller nations as they attempt to adjust to a changing environment. Likewise, our influence must also adjust to meet the changing demands of these nations. This new period requires more attention to the economic and political aspects of American assistance. In this effort we must recognize the increased influence and position of Japan as a new Asian leader of non-Communist Asian nations through the use of its great economic power. In order to maintain a viable U.S. future foreign policy for Asia we must move toward helping to solve the many economic problems related to food, energy, trade and investments.

As the role of our military influence visibly gives way more and more to the economic and political aspects of foreign assistance, it is vital that our future military posture in Asia be clearly defined. As the basis of all our combined efforts, the military commitment must be fully defined and understood by our allies. In addition, we must also define our commitment to the people of the United States in such a manner that their support can also be counted on in the future.

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. It begins with the first settlers, who came to the Americas in search of a new life. They found a land of opportunity, but also one of challenge. The early years were marked by conflict and struggle, as the settlers fought to establish their communities and defend their rights. Over time, the United States grew from a small colony into a powerful nation, with a rich and diverse culture. The story of the United States is a testament to the power of the human spirit and the ability of a people to overcome adversity and build a better future.

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APPENDIX 1

IN-COUNTRY PROGRAMS

PHILIPPINES—AUGUST 4-5, 1975

DELEGATION MEETINGS AND DISCUSSIONS

U.S. Embassy briefing by Embassy officers for in-depth first-hand current situation report.

U.S. military briefing and air inspection of Subic Naval Base and Clark Air Base.

Briefing by entire Philippine cabinet headed by Executive Secretary Alejandro Melchor.

Private work session with President Ferdinand E. Marcos and Presidential luncheon in honor of Congressional delegation.

Reception in honor of delegation by Ambassador William Sullivan to meet with members of Philippine Government, Department of Foreign Affairs, military, Filipino businessmen, and American businessmen.

TASK FORCE MEETINGS AND DISCUSSIONS

Political and Foreign Relations Group.—Secretary of Foreign Affairs Carlos Romulo and staff; Opposition leaders.

Defense Group.—Secretary of Defense Juan Ponce Enrile; Chief of Staff, Armed Forces of the Philippines, General Romeo Espino and staff.

Economics Group.—Secretary of Finance Cesar E. A. Virata and key Philippine government economic/commercial advisors.

Agriculture Group.—Secretary of Agriculture Arturo Tanco; Sugar experts at the Philippines National Bank.

Press Conference.—To inform Philippine people of purpose of mission and findings.

INDONESIA—AUGUST 6-8, 1975

DELEGATION MEETINGS AND DISCUSSIONS

U.S. Embassy briefing by Embassy officers for in-depth first-hand current situation report.

Working luncheon at residence of Deputy Chief of Mission Lloyd M. Rives to greet Indonesian and American officials.

Reception in honor of delegation by Ambassador David D. Newsom to meet with Indonesian cabinet members, Parliament leaders, representatives of Foreign Affairs Ministry, Department of Defense, Department of Industry, Department of Agriculture, Diplomatic Corps, American business community, community organizations and Indonesian press.

Rare in-depth meeting with President Suharto at Palace.

Working Luncheon hosted by American Chamber of Commerce; Robert Hauser, Vice President, Bank of America; George Hunter, President, P.T. Indonesia Satellite Corporation; Hank Velders, Chase Manhattan Bank; and John Chamberlain, First National City Bank.

TASK FORCE MEETINGS AND DISCUSSIONS

Political and Foreign Relations Group.—Foreign Minister Adam Malik; Deputy Intelligence Chief Lt. Gen. Ali Murtopo and member of the Center for Strategic International Studies; Idham Chalid, Indonesian Parliament and leader, Islamic faction; and Mr. Sumiskum Deputy Speaker, Indonesian Parliament and Leader Golkar faction.

Agriculture Group.—Minister of Agriculture Toyib; and Mr. Sukriya Atmadja, Deputy Director of Procurement and Distribution for BULOC (Logistics Affairs Board).

Defense Group.—Minister of Defense General Maraden Panggabean; Lt. General Yoga Sugomo, Chief Indonesian State Intelligence Coordinating Agency (BAKIN); and Air Marshal Soedarmono, Chief, General Staff.

Economy Group.—Meeting with National Development and Planning Board; Minister of Finance Prof. Dr. Ali Wardhana; Lieutenant General Ibnu, PERTAMINA; Ymarjadi Njotowijono—Secretary General—ASEAN National Secretariat; Prof. Dr. Widjojo Nitisastro, Minister of Planning and Chairman, BAPPENAS; Dr. Radius Prawiro, Minister of Trade; Rachmat Saleh, Governor, Bank Indonesia; Prof. Dr. Mohammed Sadli, Minister of Mines; and Prof. Mochtar Kusumat Madja, Minister of Justice and Chairman, GOI Law of Sea team.

Press Conference.—To inform Indonesians of purpose of mission and findings.

KOREA—AUGUST 9–11, 1975

DELEGATION MEETINGS AND DISCUSSIONS

U.S. Embassy briefing by Embassy officers for in-depth first-hand current situation report.

Discussion with Speaker of National Assembly, Chong Il-Kwon.

Private meeting with President Pak Chong-hui followed by luncheon in delegation's honor.

Reception and dinner given by Speaker Chong Il-Kwon to meet with Korean government leaders, businessmen and academic leaders.

Briefing at Ministry of National Defense by So Chong-Chol, Minister of National Defense Committee (National Assembly), Lt. Gen. Lew Byong-Hion, Director, Joint Staff and Maj. Gen. Paik Seok Chu, Assistant Minister, Logistics and Installations.

Private meeting with former opposition leader Kim Dae Jung.

Inspection tour of Joint Security Area in the DMZ at Panmunjom.

U.N. Command/JSA briefing by General Richard G. Stilwell, Commander of United Nations Command.

Reception for delegation given by Charge Richard Ericson to meet with government (civilian and military) leaders, opposition figures and members of the business community.

Dinner in honor of delegation given by Speaker Chong Il-Kwon.

Discussion with Prime Minister Kim Chong-p'il.

Press Conference to inform Korean people of purpose of mission and findings.

JAPAN—AUGUST 12–13, 1975

DELEGATION MEETINGS AND DISCUSSIONS

U.S. Embassy briefing by Embassy officers for in-depth first-hand current situation report.

Discussion with Prime Minister Miki at official residence.

Meeting with Foreign Minister Kiichi Miyazawa.

Working luncheon with government and business leaders, hosted by Mr. Nicholas Platt and Economic Counselor William Piez.

Reception by Deputy Chief of Mission Thomas P. Shoesmith to meet with leaders of Liberal Democratic Party, Japanese Socialist Party, Democratic Socialist Party, Komeito (Clean Government Party), representatives of the Ministry of Foreign Affairs, Ministry of Agriculture and major Japanese journalists.

TASK FORCE MEETINGS

Political and Foreign Affairs Group.—Deputy Prime Minister Fukuda ; Former Foreign Minister Toshio Kimura.

Defense Group.—Takuya Kubo, Administrative Vice Minister, Defense Agency, Japan Defense Agency ; Ko Maruyama, Director General, Defense Bureau.

Economic Group.—Nobuyoshi Namika, Chief, Industrial Structure Division, Industrial Policy Bureau ; Kazuo Miyazaki, Chairman, Economic Research Committee ; Iunya Yano, Secretary General Komeito.

Agriculture Group.—Kazuhito Nakano, Vice Minister of Agriculture ; Shinji Miyoshi, Director General, Food Agency, Ministry of Agriculture ; Yoshiaka Takasu, Director, International Affairs Bureau, Ministry of Agriculture ; and Ichiro Nakanishi, LDP Upper House Dietman.

Press Conference.—To inform Japanese people of purpose of mission and findings.

APPENDIX 2

BRIEFING BY ADM. NOEL GAYLER, COMMANDER IN CHIEF OF THE PACIFIC ON AUGUST 2, 1975

Admiral Gayler CINPAC gave the mission an extensive briefing regarding the current conditions relating to the United States military posture in the Pacific. The purpose of the briefing was to prepare members of the delegation to adequately assess the United States security role with those countries on the mission agenda.

Included in the briefing were three major areas: (1) Changing military posture in the Pacific region since the end of the Vietnam conflict; (2) the current military assessment of the importance of American bases in the Philippines; (3) future role of American military presence in the Pacific.

Admiral Gayler said that the U.S. presence in the Pacific helps toward peaceful evolution of nations and peoples and to deter adventurism and aggression. The U.S. has to be able to insure freedom of the air and sea lanes to friendly nations and Middle Eastern oil necessary to Japan.

According to Admiral Gayler, to do this, in the face of diminishing force levels, we require overseas bases and forward deployment of forces close to the scene of potential action and capable of quick response to fast-breaking contingency situations like the *Mayaguez* incident. There has to be the ability to airlift forces and materiel to trouble spots. This ability for immediate response points out the imperative nature of maintaining our bases in the Philippines and elsewhere. He believes that our strong mutual interest and long-standing friendship with the Philippine nation will keep them available to us.

The question was raised as to the need for military expansion of Diego Garcia. The response was that Diego Garcia is a small but important operation of convenience. The size and nature of the atoll limits its potential as a major military base. Its airfield and communication stations make it a logical place for limited logistic support to our naval forces when they must be deployed in the Indian Ocean.

On the question of the U.S. security role in the Republic of Korea, it was stressed that the presence of the Army's Second Division provides an invaluable deterrent to conflict there.

Admiral Gayler was asked about the effects of the Vietnam debacle on our relations with other Pacific countries. He responded by saying that even though we lost some credibility, the end of our involvement removed a significant irritant from our relations with several nations important to our posture in the Pacific. He added, that to some of our friends it was useful in bringing home the reality of security considerations.

Overall, we received the impression that CINPAC believed continued U.S. presence in the Pacific is necessary and vital. Most importantly, we need to keep open the sea and air lanes, so essential to our military, political and economic well-being.

APPENDIX 3

INSPECTION OF VIETNAMESE REFUGEE CAMPS ON GUAM—AUGUST 4, 1975

En route to the Philippines, the delegation stopped in Guam to make an inspection of the current progress in the resettlement program.

In addition to inspection of the camps, it provided a unique opportunity to discuss first-hand the conditions which surrounded the downfall of South Vietnam and the refugees' expectations for the future.

Retired General James A. Herbert who heads the entire refugee program briefed the delegation on current progress on resettlement and problems surrounding the return of the repatriates. It was his opinion that the refugees could be relocated by December 1975.

In general, the camp facilities, while primitive by our standards were clean, livable and provided most adequate surroundings during the refugees' transitional period.

During a visit to the repatriate camps we interviewed some of the 1,500 Vietnamese who wish to return to their homeland.

When asked why they desired to return to South Vietnam, we were told that they were homesick and wished to be reunited with their families. It was obvious that most of them had panicked during the evacuation out of fear for their safety and well-being.

A most confusing situation exists over who is to blame for the delay in returning the repatriates to their homeland. Many of the Vietnamese felt that the American government was deliberately preventing their return. Most of them refused to believe that the new government in South Vietnam was responsible for the difficulty and refused to accept them.

The official response by our government is that the authorities in South Vietnam have thus far not been receptive to the acceptance of the repatriates. The issue is distorted by the refusal of the PRC to either communicate with us regarding repatriation or even to indicate a willingness to accept their people back.

U.S. has committed itself to providing transportation for those desiring repatriation and will continue to provide basic subsistence until arrangements with the new government can be agreed upon.

We were informed that a number of disturbances had occurred, some of them violent. Just prior to our departure, a large number of repatriates gathered to demonstrate holding posters and banners stating their desire to return home. They made it clear to us that the protests would continue until they are allowed to leave. Although the demonstration was peaceful, it proved how intense their desire to return to their homeland.

In these discussions it was first revealed that 13 repatriates were illegally drugged and forced to evacuate to Guam against their will by retreating American forces. According to statements made by the 13 refugees during our inspection, they had fled to Thailand during the evacuation of Vietnam, but changed their minds and asked to be returned to their homeland. Allegedly, they were threatened by military forces who insisted that they flee to Guam. Refusing to submit, the Vietnamese were drugged and evacuated against their will. We were unable to confirm the validity of these accusations at that time but a request for investigation by the authorities was made.

APPENDIX 4

MATERIAL RELATING TO STUDY MISSION FROM GOVERNMENT OF THE PHILIPPINES

A. Letter From Philippine Ambassador to Congressman Lester L. Wolff

WASHINGTON, D.C., *August 19, 1975.*

HON. LESTER WOLFF,
U.S. House of Representatives,
Washington, D.C.

SIR: In compliance with the instructions of President Ferdinand E. Marcos of the Philippines, I have the honor to transmit herewith a copy each of:

1. The remarks of President Marcos delivered before your congressional group when you visited with him in Manila on August 5, 1975, and

2. An *Aide Memoire* prepared by the Department of Foreign Affairs in Manila which outlines the matters taken up during the question-and-answer period which followed President Marcos' remarks.

With warm regards.

Sincerely yours,

EDUARDO Z. ROMUALDEZ,
Ambassador.

B. Remarks of President Ferdinand E. Marcos During the Luncheon in Honor of the U.S. Congressmen, State Dining Room, August 5, 1975

Because of the unusual circumstances beyond my control in the Philippines, I seldom have the opportunity to address members of the United States Congress such as the distinguished group we have with us today. I think I will open the discussion with a statement and then request the chairman, Congressman Lester Wolff, to respond later before the questions are asked.

First of all, allow me to extend formally to you the greetings of the Republic of the Philippines and our people, as well as mine personally. Also, I wish to express my regrets that the First Lady is not here. The Secretary of Foreign Affairs, like many of the older generation, know how to make the younger generation work. So she is out representing the country on the 150th anniversary of the independence of Bolivia. She is bound for other countries in South America and I presume she will also visit the United States.

Needless to say, I am very happy to be able to meet with the members of Congress, especially since this group represents committees which have to do with what is of utmost and vital concern to every leader in Asia—and that is American policy in Asia.

The impression conveyed to many countries is that the series of events in Indochina has triggered changes in the policies of the countries of Asia and especially of the Philippines which happens to be in the vortex of these profound and far-reaching changes. Indeed, the realities in this part of the world have altered.

However, let me state that the negotiations between our two countries on security and the military bases in particular, as well as on economic relations, started many years ago. When I first became President, renegotiations were already in progress. In fact, former Secretary of Foreign Affairs Narciso Ramos met with Secretary of State Dean Rusk on my state visit to the United States in September 1966, and this led to the signing of an amendment to the security arrangements between the Philippines and the United States.

Our mutual security arrangements are governed by three treaties. These are the military bases agreement, the mutual defense pact and the military assistance pact. The military bases agreement is receiving great emphasis today because of the fact that Thailand and the Philippines seem to be following a parallel course. This course has been interpreted that we want, as in that old cry, the Yankee to go home. "We don't need you. We don't want you."

I don't need to say that this is not an accurate reflection of the position of the Philippines, the Filipino people, its political leadership and myself, personally. I did tell Congressman Wolff that perhaps it is necessary for me to repeat what I have stated in the past to the distinguished American ambassador to the Philippines, Ambassador Sullivan; to the Assistant Secretary of State, Secretary Habib; and to Admiral Gaylor when he came here.

Admiral Gaylor, who is the Commander-in-Chief of the U.S. Armed Forces in the Pacific, impressed us with his view that if there is stability in our region, the Southeast Asian region, it is because of the fact that American forces are here in the Western Pacific. He felt strongly that whatever happens America should be allowed to play this role of a countervailing force, at the very least, against any other Power which may tilt the delicate balance of forces in Asia. He believed that this equilibrium has been the basis of peace and stability in the region.

We accept this thesis.

But before this, American leaders were alarmed by the statement that we had asked for the removal of American bases in the Philippines, more specifically the two principal bases, Clark Air Force Base, which is the home base of the 13th U.S. Air Force; and Subic Naval Base, the home base of the U.S. Seventh Fleet.

The statements that were issued from the Philippine Government were to the effect that now it is time for the Philippines to control these bases. Unfortunately, this is only half of the story. What was not reported was the position of the Philippines with respect to the continuance of the use of these facilities by American forces.

It has always been our position that the developments in South Vietnam, in the rest of Indochina, and in Southeast Asia indicate one thing, and that is, a strong revival of nationalism. However you may view it, it is a force that cannot be discounted and indeed has to be heeded.

As I had indicated to various American representatives who had seen me previously, I feel that before this force pushes us into an untenable situation and when I say us, I mean both the American and Philippine leadership—a situation in which the Philippines begins to look like a puppet of America and therefore, incapable of articulating and reflecting the popular sentiments of our people, it would be a compelling necessity for us to take steps to reassure the world that the Philippines is in full control of its territory and is independent, and thus properly represents the popular sentiments of the Filipino people.

The Vietnam debacle has a lesson which is important to all Asians, and that is, if peoples can not depend on themselves, no power on earth can give them the strength of will and initiative not only to protect themselves but to help their allies. We would be useless to America if we ended up as another South Vietnam.

Another lesson is that no army, no armed force in the world is as powerful as an idea that has come of age. And this idea many countries are now demonstrating to the world—their capability to stand on their own, and acquiring dignity and respect for themselves. In so doing, we also deprive the enemies of our administrations, of our regimes, of the democratic ideal itself, of the false weapons which allege puppetry and dependence in their efforts to weaken the political leadership. It became necessary therefore, as I have repeatedly said, to demonstrate to the world that we are in full control of our territory.

This being the case, it means that the Philippines, in granting the American people the facilities to maintain their present positions in the sea lanes and the air lanes in the Western Pacific would do so voluntarily and in full recognition of the urgent need to maintain the present balance and equilibrium among the world powers and create the strong foundation for peace and stability in the area.

This I would emphasize once more. As a sovereign nation, the Philippines will grant you what it believes necessary to the maintenance of the stability of Asia and the Western Pacific, and we would do this out of our own volition because it is in our common interest and not because we are pressured against our will.

What had been repeatedly stated was that we were driving the Americans out. The more important element was left out. What was not reported was that we have offered to America the facilities it may need, that the offer is made, and we offer it as an independent, dignified country and people.

We accept and recognize the thesis that every country has a responsibility for world peace. In our own small way, in our own modest way, we are prepared to contribute to world peace. If this requires giving to America the facilities needed to maintain the equilibrium of forces in Asia, then I repeat to you—the policy makers of America, the American foreign policy makers specifically—that the Philippines will be ready to extend to the United States the facilities it may require.

I repeat, however, that in the same way, we understand you, we hope that you will understand us. We fought as your allies in wars past. The reason we are in such a state, economically, was because in the last World War we fought a common enemy to the bitter end. Perhaps we are the only country which had an effective underground against Japan in Asia, not including those in the Asian Mainland. But in Southeast Asia the Philippines suffered one million casualties. Manila suffered destruction second only to Warsaw, according to General Eisenhower, when he passed through Manila on his way back to the States. And notwithstanding the devastation, the collapse of our economy, since we had agreed that independence would follow in 1946 we pushed through this project of independence. And your flag you voluntarily hauled down and we became the first independent Republic in the whole world after the Second World War. In short, America made untenable the colonial system throughout the world because of the Philippine example.

And immediately thereafter, we fought a full-blown Communist rebellion. Many of us who fought in the last World War had to go back to the colors because, as always after a war, the younger men returned to civilian positions, and the older professional soldiers took over. But the younger men had been the frontline leaders, the men who knew the mountains and the jungles. The older people were incapable of pushing the communists from the plains towards the mountains and from the mountains out of the country. It was necessary for the younger people to go back. And so we fought.

You have heard of what happened when the younger members of Congress—and as I look around me I see that the younger members of the Congress of the United States seem to be around and engaged in the same thing—the younger members of the Philippine Congress to which I belong (I was chairman of the Novato bloc)—the young members insisted on a reorganization of the Armed Forces of the Philippines. We asked for a change of the Secretary of National Defense. We asked for the younger officers to be held responsible for the fighting in the provincial areas, in the zones, in the mountains, and we ourselves went back to the mountains where we had our guerrilla and underground headquarters.

We fought on, and in the cold war we took sides with you. We were on your side everytime that there was a crisis, whether it was in the deliberations in the United Nations or in actual armed combat in Korea. You went into Korea and you asked for our support. We went into Korea notwithstanding the fact that we were fighting our own war here in the Philippines. And when you needed support too in Vietnam, when your distinguished President indicated that there was need that we show that America was not alone, I called a meeting of all the states who were interested in Vietnam, here, right here in this State Dining Room, and we met. Of course we sent our troops in Vietnam.

When you changed position we changed position too and we pulled back our troops. In short, whether fortunately or unfortunately, we have been branded as following your line and more and more we were under attack not only from our neighbor countries but under attack by our own people. That they were attacking us as an independent race, as an independent nation. Slowly we were becoming useless to you as an ally. I presume that many of the things which would be considered as an advantage in having the Philippines as an ally is that we have entered into Asian political circles. We were slowly losing this qualification. Distrust was being sown among our neighbor countries, not because we were supporting America but because we were a puppet and that therefore our voice was

not the voice of an independent thinker and operator but the voice of America. And rather than talk to us, they talked to America.

And therefore it is my proposition that it is to the advantage of both countries, the United States and the Philippines, that we now adopt this position that I have proposed—and that is that the military bases of the United States in the Philippines be under the control of the Philippines but that the facilities that you need, that America needs in order to maintain its position in the Western Pacific, sea and air lanes, be placed at your disposal voluntarily by the Philippines at the proper negotiations with your government. We are in the middle of negotiations now and the two panels are due to meet.

There are some questions which your Chief of Staff and your defense people have asked us and we are moving to answer them in detail and as specifically as we can.

But I wanted you, the policy-makers of America to know that our hearts are on your side, that we are sincere when we say that we have fought with you, we have died beside you, we have bled with you in many a battlefield, and we believe in the same principle that you believe in. And that when it comes to the ultimate reckoning you will find the Filipinos your staunchest ally. I say this as one who knows the Filipino and who fought beside the American soldiers for four years.

It is therefore necessary to look into whatever your ties there may be between our two countries. I presume that when you come to us you want to know what our reactions are to existing American policies. Let me outline some of the basic principles that guide us in our present policy.

There are three basic problems that confront countries like the Philippines today. They are the establishment of truly independent, self-reliant and viable societies among the small and independent countries in Southeast Asia. That sounds simple, but it is our principal problem. For security is but the other side of economic development; our principal problem still is internal subversion. We expect there will be no external attack from any other country outside of the Philippines in the next five or ten years, but we know that within that same period we will be threatened if our society does not modernize, does not reform and does not grant to every citizen a minimum of his aspirations, his dreams, his ideals.

The second problem is the development of the spirit of interdependence among the nations here in Southeast Asia. Having been colonized by different countries—England, Spain and the United States, the Dutch, the French—our basic affinities were obscured; instead distrust arose among the small nations of Southeast Asia. The lines between Manila and Washington were clearer and certainly faster than the lines between here and Kuala Lumpur, between here and Jakarta, between here and Rangoon. The same thing is true the other way around. You go to Jakarta; they are closer to the Dutch than to the Philippines.

This is, fortunately, no longer true, because we now know the meaning of interdependence. And this interdependence is necessary because there are many objectives—national objectives—that can only be attained by cooperative action among the small nations of this area.

The third is how to make accommodations gracefully with the realities of the post-Vietnam period. These are realities; we cannot change them. Many of us, or some of us, began to reassess our positions.

Some people feel that the recognition and the establishment of diplomatic relations with the People's Republic of China was a result of the Indochinese experience. This is not so. We had scheduled the normalization of relations between our two countries, the People's Republic of China and the Philippines, a long time ago. We have been studying this problem since 1967 and 1968. We are due to normalize relations with Soviet Russia. We are diversifying our markets and our contacts as we are diversifying our economy.

As we do so, as we open our windows and our doors to the Socialist countries, again I am concerned that the instant critics or observers may claim, as they have claimed, that this means that we are discarding our friends, our old dependable friends.

I hasten to add that this is not so. On the contrary we are trying to strengthen the ties with the United States and, at the same time, of course strengthen the ASEAN, the Association of Southeast Asian Nations, for the reasons I have already stated. Interdependence is necessary if we are to survive in Southeast Asia. Self-reliance is still the key word and the foundation of all our plans.

On the matter of economic relations between the Philippines and the United States, all we ask is that the trade between our two countries be normalized. Why do I speak of normalization in trade? Because our trade was governed by certain special arrangements or agreements, whether by laws or by treaties. And there is a carry-over from these agreements which may prejudice both our countries. On our part may I point out some parts that have prejudiced us. Let us go to some of our principal exports—coconut oil. While palm oil does not pay any duty at all entering the United States, we pay one cent a pound. And we have been paying this for sometime. And why? Of course it is illogical, unreasonable, unjust, unfair—but we know that this is a carry-over from the “special relations” between the two countries that unfortunately were not attended to in the process of termination because of the Laurel-Langley Agreement, our trade agreement terminated on midnight, July 3, 1974.

Again we have the problem of Philippine mahogany. Philippine mahogany pays 20% duty while all other hard woods from other countries pay only 10%. We have been calling the attention of the American government to this, but nothing has been done about it. Now, it is part of the subject of the negotiations. And we hope that something will be done about it.

Of course the State Department and Ambassador Sullivan always say, “The Congress has not authorized us to negotiate”. Today, the Congress has approved the Trade Reform Act which again, we would like to say, limits certain of our exports to the United States. We will go into this in greater detail later on. The Secretary of Finance, the Secretary of Industry, the Secretary of Trade, the Secretary of Agriculture, the Defense Secretary are here and they will be happy to explain these points at greater length.

But I am confident that as there are certain matters that prejudice us here in these arrangements, there must be some that prejudice you, also. This is the reason for these renegotiations. All I can say is that Ambassador Sullivan has certainly represented the American interests well without being too hard on the Philippines. He is a hard bargainer. Now I know why the Chinese and the Vietnamese had difficulties with him. However, as I have said, he repeatedly always falls back on Congress. Whenever he can't seem to win a point he says, “Well, Congress will never approve that.”

I thought it best that we take the bull by the horns and bring it up to you, instead of passing through Ambassador Sullivan, though he is here too, and I presume that he is in on these discussions. I would like to say that in those discussions, while there may be points of difference, in our hearts we have nothing but trust for Americans, trust in the United States.

There have been many causes for bitter grievance but very often America has come up with the rectification of error. I remember when I was finishing my doctorate in Harvard, they yanked me out of college in order to represent the country in the U.S. Congress because the Congress had deprived the Filipino veterans of all benefits, including their standing as members of the regular Armed Forces of the United States. This, notwithstanding the fact that we had all fought for three or four years. But when we called your attention, the attention of the U.S. Congress to this injustice, you immediately rectified it and that is why we have faith in your fairness and in your sense of justice.

With these in mind, therefore, I cannot see why the difficulties that we face now should be such serious obstacles to good friends who trust each other. On our part, may I repeat, the Filipinos trust America and will always depend on America to be fair and just.

And now, may I ask you to rise and join me in a toast to the continuing friendship and amity between the two countries, the United States and the Philippines, and to the health and success of the President of the United States, President Ford, as well as the members of this Committee.

C. Aide Memoire

The erstwhile Philippine Trade Act of 1946 which expired on 4 July 1974 had provisions which adversely affected major Philippine export items.

At a time when Manila hemp was under absolute quota restrictions, other hard fibers imported by the United States from other countries had none.

The Philippine quota on garments was set at very low levels as compared with neighboring countries.

Philippine exports were also adversely affected by President Nixon's imposition of a 10% surcharge or additional duty on imports into the United States.

However what concerns us now are taxes levied by the United States Government on two main export items, namely: coconut oil and Philippine mahogany, which are higher than those imposed on similar products from other countries.

ONE CENT/POUND DUTY ON COCONUT OIL

According to the International Customs Journal published by the International Customs Tariff Revenue, a one cent per pound duty is imposed on Philippine coconut oil entering the United States while other competitive items like palm oil and olive oil are imported into the United States duty free. Owing to the one cent per pound duty on coconut oil the Philippines paid over US\$24 million in duties for the period 1963 to 1971 and an additional amount of US\$15,680,000.00 for the period from 1972 to July 3, 1974.

20 PERCENT DUTY ON PHILIPPINE MAHOGANY

As regards Philippine mahogany, the Philippine pays a duty of 20% while other countries pay only 10%. Before 1968, the Philippines, under the Laurel-Langley Agreement, enjoyed lower rates of duties than other comparable hardwood species because it was then classified under the heading of "Other Hardwood" under the Tariff Schedules of the United States (TSUS).

From 1968, as a result of changes in terms of heading in the TSUS, Philippine mahogany was placed in a discriminatory position when selective species of Philippine mahogany formerly classified under "Other Hardwood" in the TSUS were segregated from the said heading and placed in a separate classification with a corresponding higher rate of duty than "Other Hardwood" negotiated under the Kennedy Round of the GATT.

UNCERTAINTY FACING PHILIPPINE SUGAR EXPORTS TO U.S.

The Philippine Sugar Industry which was developed primarily to supply the Philippine domestic market and the requirements of United States now faces an uncertain future. In the past years, the Philippines was the largest sugar supplier to the United States. However, the absence of sugar legislation allocating a guaranteed quota to the Philippines could seriously endanger the position of the Philippines as a major supplier of sugar to the United States.

The importance of the sugar industry to the Philippine economy cannot be over-emphasized. It is the single most important foreign exchange earner for the country which in 1974 amounted to US\$737,000,000.00 representing exports of 1.5 million tons, of which export to the United States amounted to US\$548,789,000.00 representing 1.3 million tons.

The Sugar Industry is also among the largest employers of Philippine labor and a substantial percentage of the entire population is highly dependent on this industry.

CLAIM FOR REFUND OF 3 CENTS/POUND PROCESSING TAX ON COCONUT OIL

There is a pending Philippine claim against the United States Government for the refund of approximately US\$205 million, representing payment of processing tax on coconut oil from July 4, 1946 to October 1, 1957. The early settlement of this claim will materially assist the Philippines in carrying out its developmental program. Attached is a Memorandum justifying this claim.

MEMORANDUM

Subject: Philippine Claim for Refund of Processing Tax on Coconut Oil.

I. PRELIMINARY STATEMENT

This is a request for reconsideration of the Philippine claim against the U.S. Government for the refund of the amount of approximately U.S. \$205 million, representing payment of processing tax on coconut oil from July 4, 1946 to October 1, 1957. The early settlement of this matter is vital to the economic program of the Philippines. Approval of payment of this claim will go a long way in assisting the expanded export promotion program, important public improvements, and the balance of payments position of the country.

II. BACKGROUND

Confronted with the low prices and curtailed markets of fats and oils, principally butter, cottonseed oil, and peanut oil produced in the United States during the depression years in the 30's, American producers thereof clamored for protection against the competition of imported oils and convinced the Congress of the United States to impose an excise tax on the processing of these imported oils into the United States. The United States Revenue Act of 1934 was enacted, providing for a tax of 3 cents per pound on the first processing of coconut oil, palm oil, palm kernel oil, and their derivatives, and an additional tax of 2 cents per pound on coconut oil.

The U.S. Revenue Act provided that the additional tax of 2 cents per pound on coconut oil shall not apply to wholly the production of the Philippine Islands . . . or produced wholly from materials the growth or production of the Philippine Islands. Consequently, Philippine coconut oil has a preference of 2 cents per pound over foreign coconut oil and was subject only to the 3 cents processing tax, either as oil directly imported from the Philippines or as oil processed in the United States from Philippine copra. Coconut oil from foreign countries was subject to 3 cents processing tax and the 2-cent additional tax or a total of 5 cents per pound.

The preferential treatment of Philippine coconut oil is incorporated in the Philippine Trade Agreement of 1945, as revised in 1955 (Laurel-Langley Agreement), and continued in force until July 3, 1974. Article IV(5) of the Laurel-Langley Agreement provides as follows:

"The United States will not reduce the preference of two cents per pound provided in Section 4513 of the Internal Revenue Code of the United States (relating to processing taxes on coconut oil, etc.), which is set forth as Annex VII to this Agreement, with respect to articles 'wholly the production of the Philippine Islands of articles produced wholly from materials the growth or production of the Philippine Islands'; except that it may suspend the provisions of Section 4511(b) of the Internal Revenue Code, of the United States during any period as to which the President of the United States, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States."

Refund of the Tax to the Philippine Government

Reacting to the strong protest of the Philippine Government against the imposition of the 3-cent excise tax on Philippine coconut oil and recognizing the spirit of the Philippine-American free trade arrangement, the Congress of the United States authorized the refund to the Philippine Treasury of the amount of the tax collected on Philippine coconut oil, with the proviso that the tax so reverted to the Philippine Government be used for the readjustment of Philippine economy. The U.S. Revenue Act provided specifically that all collections "with respect to coconut oil wholly of Philippine production or produced from materials wholly at Philippine growth or production, shall be held as a separate fund and paid to the Treasury of the Philippine Islands . . ."

From 1934 to July 4, 1945, about \$140 million were collected and turned over to the Philippine Government for its economic development. However, on July 4, 1946, the refund of the tax to the Philippine Government was discontinued on the basis of Section 566(a) of the Philippine Trade Act of 1946, otherwise known as the Bell-Trade Act, but the tax itself was continued and collected on Philippine coconut oil until it was suspended on October 1, 1957.

Effect of the 3-cent Excise Tax

The 3-cent excise tax on coconut oil and its equivalent on copra was actually borne by the Philippine coconut producers. The income they received for their copra sold in the United States was correspondingly reduced. For instance, prior to the imposition of the tax, the price of copra during the ten-year period of 1921-1930 averaged 4.14 cents per pound, f.o.b. San Francisco, whereas after the imposition of the tax the price of copra went down to an average of 2.45 cents per pound during the six year period of 1935-41. The coconut producers thus incurred considerable loss as a result of the reduced price they received from the sale of their copra in the United States.

Suspension of the Excise Tax

Notwithstanding the refund of the tax to the Philippine Treasury, the Philippine Government had sought the elimination of the tax, since its imposition in 1934, but strong opposition by the American producers of fats and oils blocked the passage of legislation for this purpose. It was not until 1957, that the Congress of the United States approved the suspension for a period of three years of the collection of the 3-cent excise tax on Philippine coconut oil, upon the recommendation of the U.S. Department of Agriculture. The United States Congress subsequently extended the suspension of the tax for another three-year period up to June 30, 1963 and later extended to June 30, 1966. Finally in May 1966 the U.S. Congress eliminated the tax prior to the expiration of the extended suspension.

III. IMPOSITION OF TAX ON PHILIPPINE COCONUT OIL VIOLATED THE PHILIPPINE-AMERICAN TRADE AGREEMENT

It is the contention and conviction of the Philippine Government that the continued collection of the 3 cents excise tax on Philippine coconut oil after July 4, 1946 violated the Philippine Trade Agreement of 1946, as revised by the Laurel-Langley Agreement of 1955, in two respects: (1) its tariff reciprocity provision; and (2) its internal tax reciprocal national treatment.

Tax as a Duty on Philippine Article

Although the Philippine-American Trade Agreement of 1946 and the Revised Agreement of 1955 (Laurel-Langley Agreement) specifically provided that the 3-cent excise tax is an internal tax and not an import duty, the tax had the effect of an import duty and therefore, its imposition on Philippine coconut oil is contrary to the spirit of the tariff reciprocity provision of the Philippine-American Trade Agreement.

The United States Tariff Commission in its "Analysis of the Customs Simplification Act" made the following pertinent observation:

"As a matter of principle, it is desirable that taxes of protective purposes should be levied at the customs frontier and that, once imported merchandise has passed the customs barrier, it should not be discriminated against as compared with merchandise of domestic production. This general rule of non-discriminatory internal taxation for import (national treatment) has been included in our commercial treaties and agreements for many years . . .

"Although the processing tax under Section 2470 is legally an internal tax, its economic effect is identical with that of a tariff duty inasmuch as none of the articles to which it applies is derived from materials produced in the United States." (Italic supplied.)

In enacting the Simplification Act in 1963, converting the processing tax into a duty payable at the port of entry, the United States Government acknowledged the economic effect of the tax as a duty on Philippine coconut oil.

National Treatment of Internal Tax

Since the processing tax is legally an internal tax, according to the United States Tariff Commission, its imposition on Philippine coconut oil violated the national treatment of internal tax provision of the Philippine-American Trade Agreement, inasmuch as the tax was not imposed on coconut oil processed and produced in the United States.

Article IV, 2 (a)-(b) of the Agreement provides—

"2. With respect to articles which are products of the Philippines coming into the United States or with respect to articles manufactured in the United States wholly or in part from such articles, no internal tax shall be—

"(a) Collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the United States, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles:

"(b) Collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles."

IV. JUSTIFICATION OF THE PHILIPPINES CLAIM FOR REFUND OF THE TAX

In view of the unwarranted imposition of the processing tax on Philippine coconut oil as shown above, the Philippine Government is convinced of the equity of its claim for the refund of the tax collected on Philippine coconut oil and copra, from July 4, 1946 to October 1, 1957, amounting to a total of \$205 million.

The Philippine claim of US \$205 million is based on an annual average of 360,000 metric tons of copra and an annual average of 60,000 metric tons of coconut oil exported to the United States from 1946 to 1957. The 3-cent tax is equivalent to \$86.12 for each metric ton of coconut oil and \$41.324 for each metric ton of copra. Accordingly, the average tax collection was \$13.5 million annually.

The fact that the United States suspended and finally repealed the imposition of the tax is clearly an acknowledgment on the part of the United States of the injustice of its collection on a Philippine product entitled to reciprocal and preferential treatment under the Philippine-American Trade Agreement.

Obviously, the settlement of the Philippine claim will materially assist the Philippines to carry out its development program that, to quote the words of the Preamble of the Laurel-Langley Agreement, "will strengthen the economy of the Philippines so as to enable that Republic to contribute more effectively to the peace and prosperity of the free world."

APPENDIX 5

COMMENTS BY HON. WILLIAM H. SULLIVAN, U.S. AMBASSADOR TO THE PHILIPPINES, ON DELEGATION VISIT

Ambassador Sullivan has commented that in the Embassy's view this was a very useful visit. The CODEL was composed of members who gave an excellent impression of their serious purpose. It was particularly valuable to have some freshmen members in the group, since Filipinos have had serious worries about the alleged neoisolationism of the class of 1974. All members know their business and handled themselves in a manner which did great credit to the Congress. We could use more CODELS of this calibre.

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APPENDIX 6

REPORTING AND ANALYSIS OF STUDY MISSION BY FOREIGN NEWS SERVICES

[From Bulletin Today, Manila, Philippines, Aug. 6, 1975]

NORMALIZATION OF TRADE WITH U.S. PROPOSED

President Marcos called yesterday for a normalization of trade relations between the Philippines and the United States.

He also said the Philippine government would let the U.S. use all the facilities in its military bases here so long as the bases would be under Philippine control.

Mr. Marcos made these announcements before 14 American congressmen who are here in the course of a four-nation factfinding tour of Asia.

In urging a normalization of trade relations between the U.S. and the Philippines, the President cited certain discriminatory practices which, he felt, should be corrected since they were prejudicial to some Philippine exports to the U.S.

The President said that trade between both countries was governed by special agreement or arrangement such as by law or by treaty, there being carryover practices from the agreements which may be considered prejudicial to both countries.

For instance, the President said, some of the Philippine's principal exports like coconut oil pays a one-cent a pound tax on entering the U.S. while palm oil from other countries enters tax free.

This trade arrangement which he called "unjust" and "unfair" was a carry-over from the special relations between the two countries even after the termination of the Laurel-Langley Agreement on July 3, 1974.

The President also cited the case of mahogany, another Philippine export which pays a 20 percent duty on entering the U.S. while all other hardwoods from other countries pay only a 10 percent duty.

Mr. Marcos told the visiting congressmen headed by Rep. Lester Wolff, chairman of the subcommittee on future foreign policy research and development, that the Philippines had been calling the attention of the U.S. government to the inequalities but so far, nothing had been done about it.

He expressed the hope that the abnormal arrangement would be corrected now that trade agreements were being taken up by panels from both governments.

He also said:

"The Filipino people voluntarily give to the American people the facilities to maintain their present position in the sea lanes and air lanes in the Western Pacific and thus keep the present balance and equilibrium among the world powers and maintain the foundation for peace and stability in the area."

The President told the solons that the Philippines had accepted and recognized the responsibility of every country to contribute to world peace.

He said that if the Philippines could contribute to world peace by giving America the means to maintain its position in the Western Pacific, it would do so.

"But let it be understood that the Philippines and the Filipinos are offering these facilities voluntarily and as independent, dignified country and people," he said.

Rep. Wolff, spokesman for the group, told the President he was impressed with what the Filipinos are doing to face up to the realities in the world today.

"Our visit here today is an evidence of the fact that we in Congress and the American people do not consider Vietnam as an end to America's participation in world affairs, but perhaps a new beginning on a new basis of understanding of peoples throughout the world," Wolff said.

The group is scheduled to hold exploratory talks with Asian leaders on foreign policy planning.

Executive Secretary Alejandro Melchor briefed the visitors before they went to Malacanang.

In the afternoon, the group split into four.

One group met with Foreign Affairs Secretary Carlos P. Romulo, the second with Finance Secretary Cesar E. A. Virata, a third with Agriculture Secretary Arturo Tanco, Jr., and a fourth with Defense Secretary Juan Ponce Enrile and Gen. Romeo Espino, Armed Forces chief of staff.

[From the Indonesia Times, Aug. 7, 1975]

U.S. CONGRESSMEN'S VISIT

A three days' visit is held by a number of U.S. Congressmen in Jakarta. Their visit infallibly is with the purpose to see for themselves the situation prevailing in Indonesia. To get first hand information from the Indonesian leaders.

President Ford and President Suharto had just made their face to face interchange of views and informations at Camp David meeting. Philip Habib had also completed his on the spot fact finding mission in SEA, particularly the ASEAN member countries. They are all from the executive branch.

Now the legislative body held its on the spot fact finding tour.

Indonesia so far, except certain times during the Old Order, is always in good relations with the U.S. people. Meaning both with the executive and legislative branches. Only lately when certain contest between the White House and the Congress is running, certain view of the Congress disadvantaging Indonesia is occurring. It concerns the Congressional represaillos steps toward the OPEC member countries for giving certain limiting stipulation in the U.S.-Indonesia trade.

Various aids are given by the U.S. to Indonesia. This is surely due to the existing common interests between the two nations. Two interests at least can be mentioned. Firstly to establish peace in this part of the hemisphere. Secondly is the explicit coincidental interest for fighting communism here.

As for the latest mentioned interest we have the common purpose. Yet we have dissimilar concept and strategy.

During the pre-Indochina U.S. disaster, the U.S. tried to contend communism with military power. Indonesia from the very beginning, backed up by its own experience do not believe in communist annihilation by the use of force. Indonesia has the concept of national resilience with the ideological fanaticism and peoples welfare as its crucial elements. National development with the economic as its nucleus is to be the main instrument.

The million dollars spent in military operations and military bases will be sheer waste. It even gives the communist the required fuel to blaze their agitation and propaganda.

What is required is the establishment of national freedom backboned by the national resilience, developed through national development. Implementing this concept the communist will be bereft of their fuel for mass agitation.

Indonesia is quite confident that it is the only cure against the communist menace. Indonesia believes with or without foreign aid the Indonesian people will succeed to repulse the communist implementing the concept. But with foreign aid available the national resilience will be able to be speedily established. Thus the quicker we can care for developing the regional resilience. All the more when Indonesia was quite resolute that only through cooperation among nations on all aspects of their interests peace can be secured.

Military balance of power is not the prime asset for the development of peace in this part of hemisphere. But the well balanced interests, and undivided economic cooperation for the peoples' welfare and prosperity are indispensable requirements.

We hope may these representatives of the U.S. people truly interpret and transfer the Indonesian peoples' real concern, aspirations, and respect to the American. And how the Indonesian people appreciates the better use of aid to be given to the Asian people with new orientations.

[From the Indonesia Times, Aug. 7, 1975]

U.S. CONGRESSMEN'S VISIT AIMED AT GETTING INFORMATION, SAYS RUSMIN NURJADIN

The Indonesian Ambassador to the United States, Rusmin Nurjadin, said here yesterday that the aim at the current visit of U.S. Congressmen to Indonesia is to get information.

The information is needed for discussion in their Committee, Ambassador Rusmin told the press at the Foreign Office.

Eleven U.S. Congressmen of the Sub-Committee on Future Foreign Policy, Research and Development arrived here yesterday for a two-day visit.

During their stay in Indonesia, the Congressmen will make calls on President Suharto, Foreign Minister Adam Malik and other Indonesian officials.

The U.S. Congressmen will proceed to South Korea tomorrow, August 8.

ROLE OF THE U.S. CONGRESS

Asked on the position of U.S. Congress towards Indonesia, Rusmin Nurjadin said that U.S. Congress is willing to have more active participation after the Watergate affair.

The Congressmen are also active in checking the activities of the U.S. Administration, including in the bilateral relations between Indonesia and the United States, he said.

Rusmin said that he is happy with the visit of the U.S. Congressmen, because they can see by themselves the real situation of the Indonesian development.

Rusmin Nurjadin is here for a routine consultation with the Government. He will return to the United States on Sunday.

[From the Indonesia Times, Aug. 8, 1975]

U.S. CONGRESSMEN MEET HOUSE LEADERS

The visiting United States congressmen, led by Lester Wolff, met with House Speaker Dr. Idham Chalid and Vice Speaker Sumiskum at the House building here yesterday.

In the informal meeting, Lester Wolff said his mission was aimed at formulating his country's future foreign policy. The mission wanted to know Indonesia's views on the role of the United States in the world and in Southeast Asia and the East-West issue. They also questioned the cooperation among ASEAN member countries.

House Speaker Idham Chalid told the U.S. congressmen that détente is an excellent policy, provided all parties cooperate whole-heartedly for the sake of world peace and not for their own individual interests.

On ASEAN, the Speaker said its members resolve to cooperate. This August, Malaysia will host an ASEAN Parliamentary Meeting as the continuation of the previous one held in Jakarta last January.

In the meantime, House Vice Speaker Sumiskum told the congressmen that Indonesia at present faces three main problems. They are democracy development, economic development, and political stabilization.

[From the Indonesia Times, Aug. 12, 1975]

RELATIONS AMONG NATIONS

Lester Wolff, heading the U.S. Congressional mission visiting Indonesia said that many world difficulties were caused by the inexistence of relations.

Talking about relations among nations we can approach it from two senses. The relation in reality, and the ideal.

In the present close modern world community of ours some kind of real relations or another will exist among the nations. It may cover a wide range of relation's spectrum. In such a close world community, a nation will be unable to isolate

itself completely from the rest of the world. If ever there is any nation which can establish an autarchish state, at least the human conscience cannot be confined behind the dividing walls of isolationism. Mankind is one. It cannot be separated from each other.

As such every existing lack of relation will surely develop difficulties. At the first stage it will aggravate the sound functioning of the nations concerned as a member of the world community. At the last instance the wholeness of humanity will be defected, as a part of it is left out of the circle.

This approach gives rise to the relations with the "ideal" sense. The ideal relation regards mankind as a totality. All world nations have the equal right, responsibility, and call to develop a single community of mankind; to develop peace on earth; and to make the most benefit out of the world resources for the welfare and prosperity of all indiscriminatingly.

Relations among nations alone is not enough to pursue such aims. As in this sense an unjust relation such as colonialism may be regarded as a type of relation. Relations between nations are not at an end. They are merely means to an end to establish the universal call of mankind for developing peace, friendship, and the spiritual and material welfare of men.

We believe even when relations exist among nations, the world difficulties may not vanish automatically. It may ease temporarily the tensions resulted by the developing difficulties. The cause of the difficulties remains unresolved. For the purpose it requires the relation should be motivated by the senses of mutual respect, mutual understanding, and the consciousness to relate oneself to others as equals. It should be a relation among partners eager to discharge their respective responsibilities to the community according to their self-felt capabilities.

The relations among nations will be effective and benefittable if it is utilized as the means to develop harmony of the existing diversities of nations' characteristics and aspirations. Such harmony requires the development of the diversities within the frame of the universal conscience of mankind. Within such frame of context negative efforts to keep the traditional excuse of "balance of power" need not to exist.

Yes, projected into such frame of context we fully agree with Lester Wolff's opinion. Such relations among nations surely will help much to avoid and overcome the world difficulties.

[From the Korea Times, Aug. 10, 1975]

U.S. SOLONS, CHUNG SWAP VIEWS ON SECURITY

The visiting 11-man delegation from the U.S. Congress paid courtesy calls on President Park Chung-hee and National Assembly Speaker Rep. Chung Il-kwon yesterday and exchanged opinions with them on mutually concerned issues with special interest in Korea's defense capability.

In a 30-minute meeting with the speaker, the delegation expressed increased interest in the tunnels which North Korea illegally built for invasion purposes in the Demilitarized Zone.

It was learned that the visiting congressional delegation led by Rep. Lester L. Wolff asked if North Korea's threat was real.

As to the question, Speaker Chung said "it is better for you to size up what it is like when you would visit the front line today."

In the meantime, Reps. Stephen J. Solarez and Paul Simon said they were surprised to learn that Korea was an economically developed nation.

SURPRISING ECONOMIC GROWTH

At the same time, the visiting lawmakers expressed keen interest in the activities of the National Assembly as to what lawmakers do during the recess and how often the Assembly is called into session.

Vice Speaker Rep. Lee Chul-seung, and floor leader of the opposition New Democratic Party Rep. Kim Hyung-il were present along with lawmakers of the ruling camps when Speaker Chung met with the visiting congressmen.

Meanwhile, three congressmen were given honorary degrees of doctor of laws at Hanyang University. They are John T. Myers, Tennyson Guyer, and Eligio de la Garza.

The congressional delegation will leave tomorrow, winding up the four-day visit.

Other congressmen in the delegation are Gus Yatron (Dem.), Herman Badillo (Dem.), Norman Y. Mineta, and Donald D. Clancy (Rep.).

[From the Korea Herald, Aug. 10, 1975]

U.S. SOLONS CONCERNED OVER DANGER FROM NORTH KOREA

Speaker Chung Il-kwon of the National Assembly yesterday asked an 11-member U.S. Congressional delegation, now on a fact-finding mission here, to get a "true picture" of south Korea which is confronted with aggressive Communists in the north.

Chung briefed the bipartisan delegation, led by Rep. Lester Wolff, chairman of the House Subcommittee on future foreign policy, research and development, and on the mounting threats of invasion from north Korea, as demonstrated in the construction of secret tunnels beneath the Demilitarized Zone which divides south and north Korea, said Kim Chong-ha, chief secretary to the speaker.

During their 30-minute visit to Chung, the members of the House of Representatives voiced "much concern" on the briefing, according to the secretary.

To the question, "Do you really think that Kim Il-sung would stage an invasion of the south? Chung was quoted as having replied that "you will surely be able to feel that when you visit Panmunjom tomorrow."

In the meantime, the Americans, especially Rep. Paul Simon (D. Ill.), expressed "surprise" over the remarkable economic progress of the nation, disclosed the chief secretary.

The touring U.S. congressmen, who flew into Seoul Friday night, also paid a call on President Park Chung Hee.

Later in the day, the 11 American legislators were guests of honor at a dinner given by Speaker Chung at the Pacific Hotel in downtown Seoul.

They are to tour the Panmunjom and the Second U.S. Division today. They will meet with Prime Minister Kim Jong-pil tomorrow before concluding their three-day visit.

[From the Japan Times, Aug. 14, 1975]

PREMIER MEETS DELEGATION FROM U.S. CONGRESS

A visiting 11-member delegation of the U.S. House of Representatives told Prime Minister Takeo Miki Wednesday that the U.S. will continue to show great interest in the countries of Asia and the Pacific region.

Miki told the congressmen that Vietnam taught Asian nations a lesson that they could cope with threats from outside by fortifying their own political and economic foundations.

The delegation, led by Lester Wolff (D-N.Y.), paid a courtesy call on Miki at the Prime Minister's official residence.

Wolff later told the press at Hotel Okura that the Prime Minister suggested the conclusion of an international convention against terrorist acts in order to prevent international outlawry in the future. "We are taking this back with us. We will not only take this suggestion but will act upon it in the Congress," Wolff said.

Wolff also said the congressmen also discussed U.S.-Japanese economic cooperation with Miki. They talked about the importance of bilateral cooperation to meet the challenges resulting from the "Middle East crisis and energy situation."

[From the Daily Yomiuri, Aug. 14, 1975]

U.S. HOUSE BODY TO STUDY MIKI PROPOSAL: WOLFF

U.S. Representative Lester Wolff Wednesday said that the House subcommittee on future foreign policy research and development which he heads will act on a proposal made by Prime Minister Miki to establish an international convention to combat terrorism.

The proposal was made while Wolff, a Democrat from New York, was meeting with the prime minister in his official residence the same day.

Referring to the recent Japanese terrorists' act in Malaysia, Miki told Wolff that an international convention should be established to prevent recurrence of such a terrorist incident.

Speaking at a press conference in a Tokyo hotel, Wolff said that he had also discussed with Miki problems of joint economic interest and military security.

Wolff told Miki that the basic U.S. position after the Vietnam war is not to leave Asia but to continue its interest in this part of the world.

An 11-member congressional delegation headed by Wolff was visiting here on the last leg of its fact-finding tour of Indonesia, the Philippines, South Korea and Japan.

The congressional delegation met leaders of the countries they visited as well as opposition leaders, including Kim Dae Jung of South Korea, which Wolff said indicates increasing interest by the U.S. Congress in the issue of human rights in that nation.

Representative Paul Simon, a Democrat from Illinois, who was also present at the conference together with Representative Benjamin Gilman, a Republican from New York, said the U.S. Congress' concern over human rights was conveyed to the leaders of the countries visited including South Korea.

Asked about the response from President Park Chung Hee of South Korea, Wolff said Park told him he is prepared to relax his suppressive policy, but the timing will be determined by the circumstances of future events.

Commenting on their fact-finding tours of Asian countries, Wolff said he learned there is a gap between what he had known before and information he has obtained first hand on this tour and that it will be helpful in thinking about foreign policy in the future.

[From Pacific Stars & Stripes, Aug. 15, 1975]

MIKI: END HAVENS FOR SKYJACKERS

(By Hal Drake)

TOKYO—The leader of an 11-man U.S. congressional delegation said Wednesday that Japanese Prime Minister Takeo Miki has proposed an international agreement that would make skyjackers fugitives all over the world by denying them a place to land.

Rep. Lester L. Wolff, D-N.Y., said he and the other legislators spoke with both Miki and Deputy Prime Minister Takeo Fukuda Wednesday morning and that Miki vehemently declared something had to be done about skyjackers who seize hostages and airlines for political or criminal purposes.

"The Prime Minister proposed an international convention to deny safe haven for terrorists," Wolff said, adding that he and the others in the delegation will take the proposal back with them and bring it up before Congress.

Miki was in Washington conferring with President Ford at the time five Japanese skyjackers broke into the American and Swedish consulates in Kuala Lumpur, seized 50 hostages and obtained the release of five radicals from Japanese prisons. All were flown to Libya on a Japan Airlines DC8. Miki dispatched the jetliner and granted other demands because of the hostages.

Wolff, along with Paul Simon, D-Ill., and Benjamin A. Gilman, R-N.Y., spoke with newsmen at the Okura Hotel, describing their visit to Indonesia, the Philippines, South Korea and Japan as a "very fruitful" series of talks with both leaders and opposition figures in those countries.

Describing Japan as the only democratic country the party traveled in, Wolff said the congressmen also talked to Presidents Suharto, Ferdinand E. Marcos and Chung Hee Park and expressed "congressional concern" about political repression in their countries. Park, Simon said, was pointedly told that continued American military presence was "more difficult to sell" because of adverse public and congressional reaction to Park's controversial decrees that allow no opposition to his policies.

But both Wolff and Simon denied there was any attempt to lean on Park by threatening a withdrawal of American presence or military aid.

"We don't want to run the government in any of these countries," Simon said. "We did the proper thing by conveying congressional concern."

When they brought the matter up to each of the chiefs of state, Wolff said, there was an invariable reply—that civil liberties had to be suspended because of extreme internal emergency and would be restored as soon as circumstances permitted. Focusing on Park, Wolff said the ROK presidents' decrees may remain in force a long time because Park is alarmed by North Korean President Kim Il Sung's recent visits to Peking, Moscow and other Communist capitals, seen by many as a possible appeal for the greenlight to invade South Korea.

"I certainly would not like to see Kim Il Sung sitting in Coney Island only 35 miles from New York," Wolff said.

Wolff said he and the others made the journey to get first-hand information about friendly or troubled areas and thus be able to knowledgeably support or oppose what President Ford puts before Congress. Wolff serves on the House Committee on International Relations and is chairman of the Subcommittee on Future Foreign Policy Research and Development.

He cited as evidence of a stronger legislative voice in foreign policy the recent passed War Powers Act, which would "avert another Vietnam," and the denial of American arms to Turkey. This was a direct rebuke to President Ford, who made strong efforts to get an embargo at least partially lifted.

[From Nihon Keizai Shimbun, Aug. 14, 1975]

U.S. EYEING KOREAN SITUATION, WILL NOT "WITHDRAW" FROM ASIA

(An interview with Congressman Wolff)

U.S. Congressman Lester Wolff (D-N.Y.), leader of a group of Congressmen representing the Subcommittee on Future Foreign Policy Research and Development of the House of Representatives International Relations Committee, was interviewed by a reporter of the Nihon Keizai Shimbun at the Hotel Okura in Akasaka, Tokyo yesterday just prior to his press conference there. He gave his views on the Korean Peninsula issue, post-Vietnam and other issues as follows:

Exclusive of the Sino-Soviet confrontation, the Korean Peninsula is the only area in dispute now in Asia. There is no role the U.S. can play in resolving the Sino-Soviet confrontation. But as far as the security of South Korea is concerned we are worried about it, because we have been having a long relationship with her. Ideological confrontations, including that on the Korean Peninsula, cannot be settled by war. For example, World War I and II and the Korean and Vietnam wars did not settle anything. Instead of military action, political means should be taken. The same things can be said of resources. Instead of using them for destructive purposes, the huge amount of money spent for such purposes should be cooperatively used for combatting hunger and developing new resources.

American post-Vietnam Southeast Asian policy. Inside our hearts we would like to say that it is changing. But actually I think it is gratifying to see that it is now possible to cooperate with one another peacefully in the area. Like Japan, America cannot be cut off from the rest of the world. What happens in Asia affects the American people, too. The United States is definitely being pressed to reassess its foreign policy in an era of international instability, but this does not mean that we will retire from the scene.

Backstage maneuvering to oust Israel from the U.N. We are very concerned by the United Nations' being used as a political weapon to expel member states from the global organization. If the use of resources as a weapon can be called economic terrorism, then the use of the world body as a weapon can be called diplomatic terrorism. Nations of the Free World should not permit this type of terrorism.

Japanese defense policy. Because of Constitutional restrictions the Japanese Defense Forces can be used only for defense purposes. This is the reason why Japan has not been able to play fully the role requested by the United States. Therefore, there is a need for both the U.S. and Japan to embark on any kind of movement cooperatively. In other words, Japan takes over the economic and political load, while the United States takes care of the military aspects. A nation can remain free only when it is stable militarily, economically and politically. To keep Asia stable this way is the responsibility of both the United States

and Japan. But, as for the U.S., we would not like to see Japan making the same mistake that we made in Vietnam just because she stuck her neck into the political affairs of the region.

During our meeting with Prime Minister Miki this morning, he proposed the conclusion of an international convention banning international terrorism. We intend to carry this proposal back to Washington for further study.

During its Asian tour the American Congressional delegation has met with President Marcos of the Philippines, President Suharto of Indonesia and President Park of the Republic of Korea. In Japan the Congressmen exchanged views with Prime Minister Miki and Foreign Minister Miyazawa.



