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POSTWAR SOUTHEAST ASIA

A SEARCH FOR NEUTRALITY AND INDEPENDENCE

A REPORT

BY

Senator MIKE MANSFIELD
Majority Leader, United States Senate



SEPTEMBER 1976

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(II)

LETTER OF TRANSMITTAL

AUGUST 31, 1976.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: With the Committee's permission, during the August recess I made an official trip to Thailand, Burma and Laos to study various aspects of United States relations with those countries and regional developments which bear on American policy questions. I also stopped in Hong Kong to obtain a briefing from the staff of the American Consulate General concerning the current situation in the People's Republic of China and information about the international traffic in narcotics. Enroute to and returning from Southeast Asia, I also stopped briefly in Tokyo to receive up-to-date reports on recent political developments in Japan.

I am hereby transmitting my report on the trip, in the form of a speech I made in the Senate on August 26.

In Thailand I met with His Majesty King Phumiphon Adunyadet, Prime Minister Seni Pramot, Foreign Minister Phichai Rattakun and other officials of the foreign ministry. Ambassador Charles S. Whitehouse provided me with a thorough briefing.

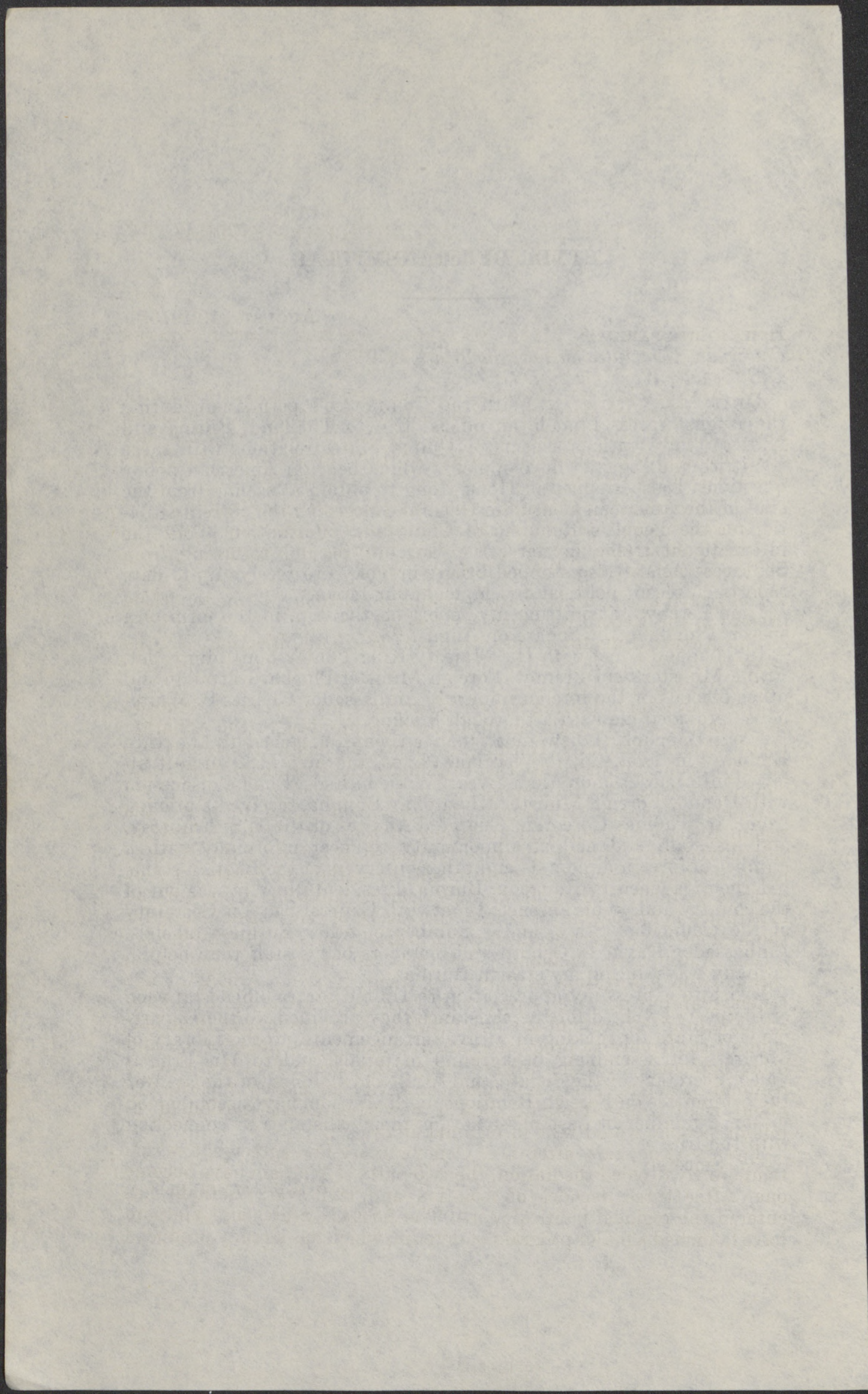
From Bangkok, I flew in a small airplane, attached to the U.S. Embassy in Thailand, to Vientiane, Laos, the first U.S. aircraft allowed into Laos in more than a year. While in Laos, I had a discussion with Deputy Foreign Minister Khamphay Boupha, received a briefing from Mr. Thomas Corcoran, Charge d'Affaires of the U.S. Embassy, and his staff, and had an opportunity to meet informally with a number of foreign diplomats and other observers of the Laotian scene.

I then travelled to Rangoon, Burma. President Ne Win was out of the country and, in his absence, I met with General San Yu, Secretary of the Council of State, and a number of other Burmese officials. Ambassador David L. Osborn and members of his staff were helpful in many ways during my stay in Burma.

I wish to express my appreciation to United States officials at each of the posts I visited for the assistance they provided, to the Department of State for making my travel arrangements, to the Library of Congress for assembling background materials, and to Mr. Francis Valeo, Secretary of the Senate, and Mr. Norvill Jones, of the staff of the Committee on Foreign Relations, both of whom have accompanied me on a number of past missions, for their assistance in connection with the trip.

Sincerely,

MIKE MANSFIELD.



POSTWAR SOUTHEAST ASIA—A SEARCH FOR NEUTRALITY AND INDEPENDENCE

SPEECH BY SENATOR MIKE MANSFIELD IN THE UNITED STATES
SENATE, AUGUST 26, 1976

Mr. MANSFIELD. Mr. President, 1 year ago, on behalf of the Committee on Foreign Relations, I visited three nations in Southeast Asia, Thailand, the Philippines, and Burma, to study regional and local developments after the ending of U.S. involvement in Indochina. Upon my return, I reported to the committee that:

Throughout Southeast Asia, nations are now making reassessments of their relationships. Nationalism and neutrality, mixed with a budding interest in regional cooperation, are the driving forces at work.

I ask unanimous consent that pertinent portions of this report be printed in the Record following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1, p. 11.)

Mr. MANSFIELD. During the recent congressional recess, I returned to Southeast Asia to make an up-to-date reappraisal of the situation there, visiting Thailand, Burma, and Laos. A confidential report has already been submitted to the President as a result of that trip. This is my report to the Senate.

Winds of change still sweep the area, continuing to move the region toward cohesion and an easing of tensions. The U.S. role in this movement is limited and must remain so. It is not for this Nation, nor is it possible for this Nation to tell the nations of Southeast Asia what is in their interest. If we have learned anything from our sad experience in Indochina, it is that the future of Southeast Asia is for the nations of the area to decide and without outside interference.

The Philippines, Thailand, Malaysia, Singapore, and Indonesia, through the Association of Southeast Asian Nations, ASEAN, have taken small but positive steps toward regional cooperation. In February, the heads of state of the five ASEAN members met at their first summit conference to produce a treaty of amity and cooperation and other agreements looking toward closer collaboration on problems of common concern. There remained, however, an uneasy uncertainty about what course Vietnam, now a powerful, unified nation of 40 million people, would take in regional affairs.

Twenty-two years after the Geneva cease-fire agreement which temporarily divided the nation, the two parts of Vietnam have become one. After three decades of isolation and civil war, Vietnam has entered the regional political scene. The ASEAN States and Vietnam have launched a major program of détente, which has already produced

an atmosphere of regional friendship. During July, Vietnam's Deputy Foreign Minister Phan Hien made a goodwill visit to several of the ASEAN countries as well as to Burma and Laos. The five ASEAN countries have established diplomatic relations with Vietnam. All signs indicate that Vietnam has set out to prove to its neighbors and the world that it is determined to pursue an independent course, free from domination by either the Soviet Union or China.

These important steps toward regional amity should be welcomed by the United States. A regional organization composed of the ASEAN nations, the states of Indochina, and Burma, dedicated to peaceful intercourse, would be a significant force in maintaining stability and promoting economic progress in this volatile area. Thai officials assured me of their strong support for this concept. While endorsing a regionwide organization in principle, Burma has lingering historical suspicions.

I will describe briefly some current aspects of U.S. relations with Thailand, Burma, and Laos and then discuss the drug situation, a problem of particular concern to this Nation, as it involves Burma and Thailand.

THAILAND

In Thailand, Prime Minister Seni Pramot presides over a shaky parliamentary government. Although the ruling coalition is composed of only 4 parties, compared with 17 in the previous government led by his brother, Kukrit Pramot, there is serious dissension with the coalition. In addition, there is the ever-present threat of a military coup. While I was in the country, a crisis arose as a result of the surreptitious return to Bangkok from Taiwan of the former military strongman, Field Marshal Praphas Charasathien, who was exiled when the military government was ousted in 1973. It was widely assumed that his return was designed to stimulate overthrow of the civilian government by the military. The government's handling of the affair aroused strong passions on both the left and the right. Although Praphas was forced to leave the country, the incident has probably given encouragement both to opposition elements within the government and to antidemocratic elements in the Military Establishment.

It is said that the military, much of which is opposed to Thailand's commitment to regional détente with Vietnam, Laos, and Cambodia, is convinced that the country's experiment with democracy will fail. Although it is making a valiant attempt to survive, the future of Thailand's fledgling democratic system is less than assured. On the other hand, prospects for survival of parliamentary government are aided significantly by a reasonably bright economic picture and vivid public memories of the oppressive tactics of previous military governments. Insurgencies in the North and Northeast, and to a lesser extent in the South, continue but the problem appears little changed from last year. And the picture is not likely to improve as long as there is firm dedication by the Bangkok Government to bringing about real economic progress in neglected regions.

The withdrawal in July of the last regular U.S. military forces, leaving only a 250-man advisory unit, was a significant factor in creating favorable conditions for the establishment 2 weeks later of diplomatic relations between Thailand and Vietnam. Americans should

not interpret the Thai demand for the withdrawal of U.S. forces as an unfriendly gesture. It should be seen for what it was, an inevitable adjustment to the new realities which both countries face in Southeast Asia.

Under the withdrawal agreement the United States will have certain aircraft transit rights at the Takli air base. The abuse of this privilege should be scrupulously avoided, lest it exacerbate the tenuous political situation in Thailand. Both military and economic assistance to Thailand continue, although nonconcessional economic aid, other than that for population control and antidrug programs, will terminate next year. Military grant aid will end in 1977 also as a result of the general phaseout voted by the Congress. Consistent with Thailand's desire to stand on its own two feet, U.S. bilateral aid programs for population and antidrug activities should be terminated also if the responsibility for programs in these fields can be shifted to the United Nations.

The current Thai Government favors continuation of the SEATO treaty relationship with the United States. Drawn up following the 1954 Geneva Conference on Indochina as a device to stop the spread of communism in Southeast Asia, the SEATO treaty is no longer a viable multilateral security agreement. It has practical application only to Thailand. Although I strongly approve of Thailand's desire to maintain close ties to the United States, I do not believe that trying to breathe life into the SEATO treaty, a relic of the errors of past policy, is in the best interests of either country. Sound bilateral trade and economic relations are far more important to Thai-United States friendship than a lifeless scrap of paper. Undue emphasis on military matters would be an anachronism, inconsistent with the current interests of both countries. It is, however, important that America continue to demonstrate its desire for close, friendly relations with Thailand in ways that will promote regional cooperation and heal the wounds left by the recent war.

BURMA

The situation in Burma has changed little since last year. Burma continues rigorously to pursue a nonaligned course, keeping its distance from all of the major powers. Seven years ago in a report to the Senate, I wrote:

The Burmese government continues to go its own way as it has for many years. It is neither overawed by the proximity of powerful neighbors nor overimpressed by the virtues of rapid development through large infusions of foreign aid. Burma's primary concern is the retention of its national and cultural identity and the development of an economic system preponderantly by its own efforts and along its own lines.

That analysis continues to be valid.

In July, a coup plot against President Ne Win's government, instigated by a number of low-ranking, but well-connected, army officers, was discovered. Although the attempt may signify eroding confidence in Ne Win's leadership within the army, it did not deter the President from leaving for Europe in mid-August for medical treatment. On

the positive side, there are reliable reports that the event stimulated the government to take more aggressive action to cure the ills of Burma's stagnant and inefficient economy. A World Bank Consultative Group is being formed to aid in stimulating economic growth but, thus far, the United States has refused to join, seeking assurances of economic changes in advance of participation.

Insurgencies continue in Burma's remote mountainous regions but, according to observers, the government has made some progress within the last year in controlling the problem. Although the country's economy is notoriously mismanaged, it is a country rich in assets, both in natural resources and people. "No one dies of starvation in Burma," one top official put it. That says a great deal about the situation.

The United States owns some \$12 million in Burmese currencies which are wasting away through inflation. My visit to Burma a year ago came several weeks after a devastating earthquake had seriously damaged or destroyed many Buddhist temples in historic Pagan. It required 5 months of prodding within the Government in Washington to get an Embassy request approved for a token gift of \$10,000 of these currencies to aid in the restoration work at Pagan, approval that came long after all major nations had made even more substantial contributions. An Embassy request is now pending in the State Department for use of a modest amount of this U.S.-owned local currency to make needed improvements in Embassy staff apartments. I hope that not only will the Embassy's request be approved but also that a study be made of other appropriate ways to make effective use of the U.S.-owned holdings.

LAOS

With the approval of the Government of Laos, I flew from Bangkok to Vientiane in a small aircraft attached to the U.S. Embassy in Thailand, the first U.S. aircraft of any type allowed into Laos in more than a year. I view the Laotian Governments' approval of my flight as a gesture of good will toward the United States.

The new government has taken steps to improve relations with Thailand, although deep suspicions remain from the period when Thailand was used as a base for military operations against Laos. Agreement in principle was reached early this month to open several border crossings on the Mekong to facilitate trade between the two countries.

In the course of a long conversation with me, the Acting Foreign Minister, Khamphay Boupha, repeatedly made allegations that the United States was supporting anti-Lao elements in Thailand. I assured him that, according to the best information available to me, the United States was not engaged in any operations in Thailand directed against Laos.

The Lao Government seeks assistance from all sources, to repair the damage inflicted on its people and resources during many years of civil and international war. Acting Foreign Minister Khamphay told me that 500,000 Loatians were forced to leave their homes because of the war—a United Nations representative in Vientiane said that the number was as high as 700,000—and that 100,000 were killed

and tens of thousands wounded, a terrible toll for a country of only 3 million people. Significant United Nations programs are underway to aid refugees and restore agricultural productivity.

Minister Khamphay assured me that his government "wants to maintain good relations with the United States on the basis of mutual respect for each other's independence, sovereignty, and territorial integrity." The Laotian Government, he said, had two objectives for its relations with the United States: First, to bring a halt to any support by the United States for what he termed the "reactionary traitors" working against Laos; and second, to obtain assistance for healing the wounds of the war.

As I noted above, on the basis of official information, I was able to assure the Laotian Deputy Foreign Minister that we were no longer involved in the internal affairs of Laos. It would be my hope that such would continue to the case. There would be no point at this time in the United States giving any support, directly or indirectly, to anti-Laotian elements inside or outside of that country, under any circumstances. As to foreign aid, I believe that, at an appropriate time, consideration should be given to providing relief aid through the United Nations or other international auspices, not as war reparations, but as a decent gesture to a poor country in a great need through little fault of its own.

One problem of concern to many Americans very much on my mind in traveling to Laos, was to seek cooperation in determining the fate of some 300 U.S. servicemen missing in action from aircraft which went down in Laos. When I raised this matter, Minister Khamphay said to me:

The Lao have a long tradition of adhering to humanitarian principles. . . . The government has ordered the people throughout the country to look for crash sites and if the people find any they are to report to us and the information will be passed to the United States.

In a speech on Pacific policy on December 7, 1975, President Ford said that U.S. policy toward the new regimes in Indochina will be "determined by their conduct toward us. We are prepared to reciprocate gestures of goodwill—particularly the return of remains of Americans killed or missing in action or information about them." I hope that this cooperative gesture by the Laotian Government will produce helpful information. It might well be matched by a gesture on our part.

In this connection, it seems to me that the United States should send an ambassador to Laos, a country with which we still maintain formal diplomatic relations. The nomination of Galen Stone to be Ambassador to Laos was confirmed by the Senate nearly 15 months ago but he has yet to be sent to take up his post. Either he or a replacement should be sent to Vientiane. The present course smacks of a petty petulance.

NARCOTICS

The United States is making a major effort in Thailand and Burma, at a cost of several millions of dollars each year, to lessen the flow of narcotics to the United States from the Golden Triangle. The United Nations also operates antinarcotics programs in both countries.

After an investment of \$8.5 million in equipment and advisers, plus the cost of an additional \$2.6 million annually for regional U.S. Drug Enforcement Administration operations, there is little to show in Thailand for the American investment.

Although the growing of opium in Thailand has been illegal since 1959, the law is not enforced. According to experienced observers, a more fundamental problem is that a revolving door system under which arrested drug traffickers are quickly released is still the rule. Hong Kong authorities, who must cope with the flow of drugs from the Bangkok connection, are making significant progress in local antidrug programs but are critical of the Thai Government's laxity in dealing with drug traffickers. The authorities of other nations are also highly critical of the failure of the Thai Government to police its side of the border and of the corruption reputed to exist in the Thai police system.

To be sure, the Thai Government has to deal with many problems. Stopping the Bangkok drug traffic, however, is a major headache. Until there is a much greater commitment to deal with the problem, putting more millions of American money into buying helicopters, radios, jeeps, and other fancy equipment for the Thai antinarcotics police will not have the desired effect.

According to U.S. officials, Burma is making effective use of 12 helicopters the United States has provided within the last year for antinarcotics operations. Six more are yet to be delivered. The Burmese Army has begun a program of physically destroying opium poppy fields, which, according to estimates, has reduced this year's potential crop from 470 tons to 343 tons, compared with an estimated 440 tons, produced in Burma last year. It is said, optimistically perhaps, that Burma's opium production can be virtually eliminated within 3 or 4 years, if an effective herbicide eradication program is initiated and crop substitution schemes now being planned have appeal to the traditional opium growers. Efforts have been made to establish a U.S. Drug Enforcement Agency presence in Burma, a move resisted in Burma. In my judgment, the arguments against bringing DEA personnel into Burma are fully tenable and there is no reasonable justification for such an expansion of the bureaucracy.

Laos is not a factor in the external opium trade, according to most experts. The current Lao Government is taking drastic measures to cure drug addicts, sending them to an island in the middle of the Mekong for intensive treatment. As to China, all U.S. officials within the area agree that it is not a source of narcotics for the outside world, producing only as much opium as is required for internal medical needs.

In my report last year, I expressed concern over involvement by U.S. narcotics operatives in police actions abroad. As a result, Congress adopted a proposal which prohibits any U.S. personnel abroad from participating in any foreign police arrest actions in connection with narcotics operations. The Drug Enforcement Administration has issued guidelines for implementation of this provision and I have been assured by Mr. Peter Bensinger, the DEA Administrator, that both the letter and the spirit of the law will be strictly enforced.

In view of the fact that the drug problem is international in scope, I also recommended last year that the United States channel assistance

to other countries for antinarcotics efforts through the United Nations. Congress has directed the President to make a study of how to achieve this objective. In both Thailand and Burma, for example, the United Nations already conducts crop substitution and other anti-drug programs. Burma, intent on maintaining its distance from all major powers, has indicated keen interest in obtaining through the United Nations assistance of the kind we now provide on a bilateral basis. I believe that leaders of the Thai Government would also be more comfortable if the United Nations took the lead from the United States in this field.

The Committee on Foreign Relations should make a thorough study of the foreign operations of the antinarcotics program. It is an expensive program, costing \$37.5 million for direct aid alone in the last fiscal year. It is also an administrative nightmare involving the operations abroad of at least five Departments and agencies—the DEA, AID, CIA, the Department of Agriculture, and the Department of State, which, through our ambassadors, is supposed to be in charge of the entire operation. Pending submission of the Presidential report on shifting emphasis to the United Nations or regional programs, the committee should make a careful study of the management and cost effectiveness of all current drug operations abroad.

NONALIGNED CONFERENCE

While I was in Southeast Asia, an event of significance took place in Sri Lanka, the Fifth Conference of the Non-Aligned Nations. The delegates at Colombo represented two-thirds of the nations of the world and one-third of its inhabitants, a three-fold increase from the 28 nations represented at the founding meeting at Bandung two decades ago. Much of the rhetoric that came out of the conference hall in Colombo was not very palatable to us. Nevertheless, it is in our national interest to pay close attention to the Third World, to what the leaders of these countries think and seek. The United States is rapidly becoming a have-not Nation in regard to basic resources on which we and other industrial nations are dependent. The Third World straddles a good share of the world's supply of these resources and can no longer be ignored.

I returned from my visit to Southeast Asia with a firm conviction that, in general, developments in the region are moving in the right direction, both for the nations concerned and for the United States. The Southeast Asian countries appear determined to pursue an independent path, free of outside domination by any power. There are encouraging signs that, on a parallel tract, most also seek to further regional understanding, or, at a minimum, to join hands in preventing undue interference from outsiders.

Vietnam, contrary to many predictions, is demonstrating a desire to live in peace with its neighbors. It has now applied for membership in the United Nations. I hope that the United States will not again veto its application. Our relations with the nations of Indochina should be shaped to fit reality. The reality is that new governments are in firm control in Vietnam, Cambodia, and Laos.

Seven years ago the Senate approved a resolution, offered by Senator Cranston, which stated that—

When the United States recognizes a foreign government and exchanges representatives with it, this does not of itself imply that the United States approves of the form, ideology, or policy of that government.

In other words, the Senate has said that diplomatic recognition is simply a recognition of de facto and de jure control. That should be the basis for U.S. policy toward the new governments of Indochina.

Americans are a generous people, willing to bury the mistakes of the past and look to the future. A generation ago our Nation was locked in a life and death struggle with Germany and Japan. Today they are allied with us. National interests are not immutable. Interests, and the policies to further them, must reflect a changing world. We should look to the past for wisdom, to learn how to shape the future, not for the purpose of perpetuating animosity or bitterness.

I urge the next President to make a thorough review of U.S. policy in Asia with a view to wiping the slate clean. It is not easy for bureaucracies or individuals to shake off the habits or associations of decades. Much of the Government foreign affairs bureaucracy, from State Department policymakers to CIA operatives, appear to me to be still too closely attuned to policies of the past.

There are deep suspicions in the region that remnants of operations related to the old policies continue, particularly as to CIA operations. It may be that intelligence gathering, for example, has not yet been keyed to the new situation in Indochina and to the goal of normalizing relations with China. In any event, I hope that the Select Committee on Intelligence will make a thorough review of current intelligence operations in Asia to insure that they are consistent in all respects with long-range national objectives.

In closing, I add a short postscript to my recent report to the Committee on Foreign Relations concerning Japan and Korea.

Both en route to and on return from Southeast Asia, I stopped in Tokyo to receive a briefing on recent developments from officers of the U.S. Embassy. The Lockheed scandal continues to dominate Japanese political affairs as the Watergate affair did here for so long. Prime Minister Miki's determination to bring out all the facts, regardless of where the chips might fall, has created great controversy within his own party but has met with widespread public and news media approval. It is to be hoped that the matter will be handled in such a way that neither the confidence of the Japanese people in their governmental processes nor that nation's political stability will be damaged.

As to the incident in Korea, the brutal killing of two American officers in the joint security area of the Korean demilitarized zone, and subsequent actions have aroused passions on both sides, underlining what I said in my report scarcely a month ago: "Korea is a time bomb which has yet to be defused."

This is not the first inflammatory incident to occur in the nearly quarter of a century since the cease-fire agreement that ended the Korean war. And it will not be the last. When fighting men are placed in close proximity to the enemy on a daily basis incidents are bound to happen. It takes only a match to start a conflagration.

The President is to be commended for having insisted that U.S. officials keep cool in the recent tragedy because under existing circumstances U.S. forces will be involved inevitably in any outbreak of fighting in Korea. The swift dispatch to Korea of additional U.S. attack aircraft and a carrier task force demonstrate that under current contingency plans, U.S. military forces will be involved from the outset in any resumption of hostilities, despite the constitutional responsibility of Congress to declare war.

The United States is in a vise in Korea from which it must eventually extricate itself by a phased withdrawal of forces while simultaneously seeking a permanent solution to the conflict. It is to be hoped that the recent incident will not delay U.S. initiatives in that direction.

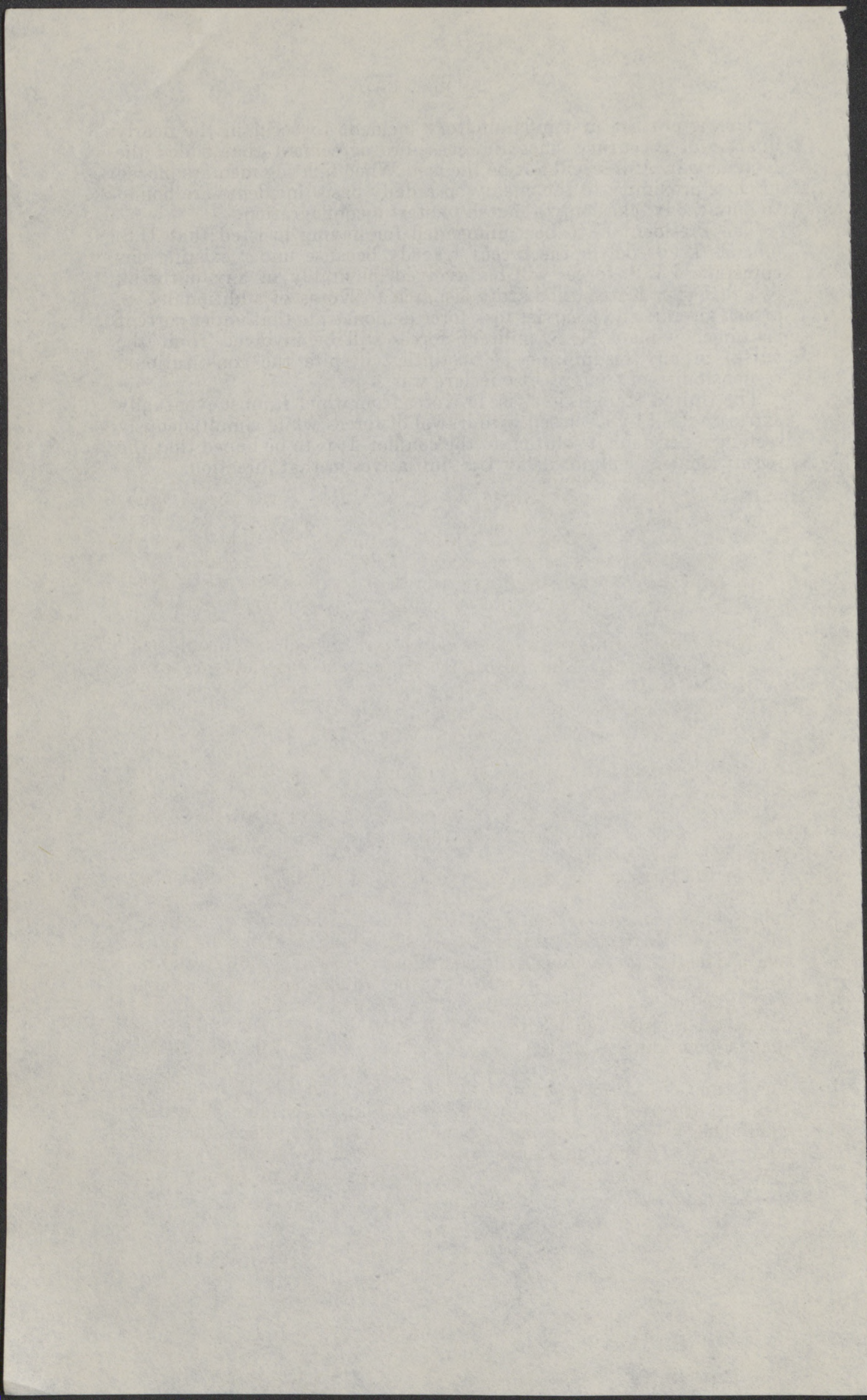


Exhibit 1

EXCERPTS FROM WINDS OF CHANGE—EVOLVING RELATIONS AND INTERESTS IN SOUTHEAST ASIA—AUGUST, 1975

I. THREE VARIATIONS ON NEUTRALISM

President Nixon's visit to Peking in 1972 released strong winds of change in the international relationships of Asia. The collapse in South Vietnam and Cambodia intensified these currents. Visible changes already include the restoration of contact between the United States and China looking in the direction of normalcy after many years of acrimonious confrontation. This shift has been a key factor in enabling us to reduce the U.S. military presence in Asia from some 650,000 at the height of the Indochina war to less than 60,000 at present. Moreover, a further reduction will take place in the months ahead as U.S. forces are withdrawn from Thailand.

U.S. policy, in short, is beginning to reflect the fact that the United States is a Pacific nation, but not a power on the Asian mainland. The waters of the Pacific touch the shores of the United States on the West Coast, at Hawaii, Alaska, the territory of Guam and the U.S. trust territories. They also beat against the coastlines of seven nations to which we have made security commitments—Japan, South Korea, Taiwan, the Philippines, Thailand, Australia and New Zealand—as well as the shores of the Soviet Union and China. What takes place in this vast region is of deep concern to this nation. However, concern and capacity to influence are quite different. What we began to perceive in Korea and saw very clearly in Indochina is that our capacity to influence the flow of history on the Asian Mainland itself is quite limited on the basis of any rational input of manpower and resources.

After the birth of the People's Republic of China in 1949, we established a policy of containment of Communist China. It was a policy which sought to line up nations on an either "for or against" basis with "neutralism" regarded as something to be spurned. A ring of treaties was engineered in an effort to use U.S. power and influence to choke off what were held to be China's aggressive designs on its neighbors. In Southeast Asia, both Thailand and the Philippines linked their foreign policy directly to what became a U.S. crusade against communism on the Asia Mainland, Burma and Cambodia, each in its own way, tried to walk the tight rope of non-involvement. The former did so throughout the Indochina war, in part, by rejecting U.S. and other forms of foreign aid. Under Prince Norodom Sihanouk, Cambodia also held the line of non-involvement successfully for many years. When the Prince was overthrown by a military coup, however, the Khmers paid the cost in five years of bloody war.

The overthrow of Sihanouk also added more U.S. casualties and billions to U.S. costs in Indochina as this nation went from non-involvement to the aid of the successor military regime in Phnom Penh.

Throughout Southeast Asia, nations are now making major reassessments of their relationships. Nationalism and neutrality, mixed with a budding interest in regional cooperation, are the driving forces at work. Neutralism takes on different characteristics in each of the Southeast Asian nations. Burma is a study of traditional neutrality with a heavy accent on isolationism. Thailand, the only nation in the region to remain free of colonial rule before World War II, is engaged in writing another chapter in its long history of seeking to balance its independence amidst shifting political currents. Three decades after close alignment with and vestigial dependency on the United States, the Republic of the Philippines is moving into the more open waters of international relations and accelerating its efforts to achieve a fully independent identity.

As new relationships evolve in Southeast Asia, new problems are emerging among the nations in the area and in their relations with the United States. Changes in an old order always carry a degree of painful adjustment. It is to be hoped, however, that out of the old, eventually will emerge a new spirit of self-reliance and regional cooperation. In that fashion, the independent nations of the region may be able to live together in a zone of peace respected by all of the great powers. That is the goal towards which each nation visited, in its own way and to some degree, all of them together, seemed to be moving.

The Asian nations are very likely to call for adjustments of all of the relationships with the West which grew out of a previous state of dependency. We should do our best in our own interests to accommodate to changes of this kind. They involve, in many cases, as in Indochina, the lightening of an excessive and one-sided burden which has been maintained for decades by the people of the United States. From our own point of view, it would be desirable to subject the Southeast Asia Collective Defense Treaty, the so-called Manila Pact, to critical reexamination. The treaty seems to me of little relevance to the security of this Nation in the contemporary situation. In fact, it may be more a liability than an asset to all of the signatories. As for our relations with Indochina, it would seem to me helpful in dealing with the vestigial problems of the war and in paving the way for a peaceful future to establish direct contact with the successor governments in Vietnam and Cambodia at an appropriate time.

It would be unfortunate if out of indignation or disillusionment we should turn our backs on Asia. More in line with our interests would be to seek to understand more clearly what is transpiring on that continent. Our young people, in particular, need as much exposure as possible to the changes in Asia since they will experience in the years ahead most of the consequences. Through diplomacy and cultural contacts we should be able to harmonize our reasonable national interests in security, trade and cultural cross fertilization with the emerging situation in Southeast Asia. The present transition need not be a source of anxiety if it is approached in that fashion. Indeed, we could be on the verge of a new era which could bring great benefits both to the Asian countries and to this Nation.

II. BURMA

Neutrality and nonalignment

Under President Ne Win, Burma has navigated a course of neutralism and nonalignment for many years. Its relations with the great neighboring states of China and India are correct and formal and the same is true for the Soviet Union and the United States. Burma has no intimates and seeks none. It has sought to avoid foreign entanglements. Although it was an early member of the United Nations, only in 1973 did the nation even join the World Bank and the Asian Development Bank. In the United Nations and other international forums, Burma has abstained on many divisive issues. For years it has recognized both Koreas and both Vietnams.

Burma was an observer of what happened to the Indochinese nations when they were drawn into great power rivalries. Their tragic experience was such as to provide proof to the Burmese Government of the correctness of its own policy. Whatever its shortcomings, this policy has served to keep Burma out of the conflicts which have beset others in Southeast Asia. Furthermore, isolated by natural mountain barriers on the east, west, and north the Burmans have been able to preserve to a greater degree than most nations in the region, their traditional culture.

Speculation in Burma is to the effect that its doors may soon open wider, evidencing, some say, a change in attitude towards the outside world. One Burmese official observed to me, however, that what has happened is "not that Burma has changed but that the world has changed." He went on to explain that a U.S. policy of détente with the Soviet Union and the new U.S. relationship with China significantly altered the framework of Burma's neutralism and made foreign contacts, notably with the United States, more feasible.

Foreign observers, when discussing Burma's economy, generally describe it as "stagnant" or "sick." While it is obvious to a visitor that there is a great deal of poverty, the usual economic yardsticks are not exact or even very relevant when applied to a rice-based agrarian society. The extremes of poor and rich, for example, are not seen in Burma as in many other countries. Burma's economy is not rocketing ahead but neither as in Indochina has the land been devastated and hundreds of thousands killed and maimed by warfare. Also avoided so far have been the cultural upheavals and environmental despoliation which are often associated with economic development via heavy influxes of outside capital and foreign aid.

Nevertheless, there are manifestations of political dissatisfaction from time to time which center in Rangoon and are probably directed in part, at least, at the lack of economic progress and opportunity. Three major anti-government demonstrations by workers and students have occurred during the last year and a half. Colleges and universities have been closed from time to time and leaders of workers demonstrations have been sentenced to long prison terms.

Although a new Burmese Constitution was adopted last year, the government remains based on army leadership. Sixteen of 18 cabinet officers are military or ex-military men. While farming is still on a private basis, as are many shops and stores, the government runs much of the rest of the economy. Staples, such as rice, oil, and cloth

are rationed, with scanty allotments. This system, plus a shortage of consumer goods generally undergirds a so-called "shadow economy" or black market. Although stable until the last year or so, prices are now rising. Rice stocks available for export, the country's principal source of foreign exchange, are dwindling due to lack of substantial increases in output coupled with population growth. In the last thirty years, the population has almost doubled to 30 million. The government is considering new incentives to raise rice production and recently increased the price paid to the farmer by 30 percent. As yet, however, policies have not been devised to surmount the dilemma of a dwindling per capita food supply as against what is seen as a possible loss of security and national identity which might be occasioned by limiting population growth in the midst of towering neighbors.

One way to help alleviate this dilemma, at least for the immediate future, would be by the discovery of petroleum in exportable quantities. After years of rejecting private investment, last year, Burma leased offshore tracts to two American oil companies, Exxon and Cities Service, and two companies from other countries. While the drilling has not yet yielded results, the Burmese believe the prospects are good. Burma is also seeking by its own efforts to extend present onshore oil fields which supply 70 percent of the nation's modest current needs. The government has not shown any interest in foreign involvement in the exploration for minerals, with which according to technical reports, Burma is generously endowed.

A part of Burma's imports are presently being financed by loans from the World Bank and the Asian Development Bank and by bilateral agreements with West Germany and Japan. Three small Asian Development Bank projects are now underway. While the U.S. has not provided new dollar assistance to Burma since 1963, a consortium arrangement under the World Bank and the International Monetary Fund which involve foreign aid contributions by the United States, Japan, and Western European countries is under consideration.

The Burmese are in the process of repairing the severe damage caused by an earthquake in early July at Pagan, an area of historical significance and the site of numerous edifices and shrines dating from the 11th Century. They are hampered by lack of funds which are being raised through public subscription. Various nations have made contributions through their embassies in Rangoon for this very worthwhile endeavor. Shortly before I arrived, U.S. Embassy officials had asked Washington for permission to make a small monetary contribution to assist in the repair of the damage at Pagan. The request was denied, apparently on some semantic or obscure basis and the matter was buffeted from pillar to post in the bureaucracy. It is amazing to find that in an Executive Branch which frequently finds ways unknown even to the Congress to rush tens of millions in aid to shore up a sinking regime as in the closing days of the Cambodian debacle, is unable to find a basis for a modest human gesture in the face of a natural disaster such as occurred in Burma last summer. One can only note that if more authority is necessary to act in a situation such as this, why has it not long since been requested?

The drug trade and insurgents along the Burmese border create a dangerous mixture. Twenty groups, most of them based on ethnic

divisions and some quite small and of little contemporary significance, are now in various degrees of insurrection or insubordination with regard to the government in Rangoon. It is possible to divide the factions into three basic groupings. The first type seeks to replace the existing government and is exemplified by the Burma Communist Party, the largest single dissident element. Typified by the Kachin Independence Army (KIA), a second group seeks autonomy in ethnic areas. The third consists simply of out-and-out drug traffickers and bandits, some of whom are remnants or descendants of the forces associated with the National Government which fled from China in 1949 and which, for a time, were supported from Taiwan.

Opium is a traditional crop in the hill areas of Northeast Burma. It is estimated that the crop may reach 440 metric tons this year even though the price is currently depressed because of the loss of the South Vietnamese market. All the insurgent groups are believed to be financed, at least in part, through the drug traffic. The Chinese (Nationalist) Irregular Force which is still organized into the 3rd and 5th divisions is the most important group involved in the drug traffic. Another element is the Shan United Army, which operates in the Northern Shan states.

Each organization has its own "turf" in the remote and scarcely accessible border areas as well as its own methods of operations. In simplified form, the cycle of operations, runs as follows: the trafficker buys the crude opium from the grower, transports it to the Thai border, sells it, uses the proceeds to buy arms or other goods, brings the arms and goods back into Burma, sells them on the black market. The cycle is completed when the proceeds from the black market sales are used to buy more opium.

The Burmese Government is concerned with the drug traffic both because of the growing consumption of drugs in the country and because suppression of the trade is seen as an essential element in dealing effectively with the insurgency problem. After an initial reluctance, Burma has agreed to accept eighteen helicopters which are available under the U.S. narcotics control program. Four helicopters have been delivered, on a trial basis, and, if results are mutually satisfactory, the remainder will be turned over, in due course, to the Burmese government.

In addition to this arrangement, there have been some small Burmese purchases of U.S. military related goods. The Burmese government, however, has indicated no interest in renewal of military aid program or in obtaining military training for its forces in the United States.

A note of caution is indicated in regard to cooperation in drug suppression. The zeal of U.S. enforcement officials in trying to get at the sources of drugs is understandable and merits much applause. Nevertheless, there are other questions involved in Burmese-U.S. relations. For too long in the administration of U.S. policies, we have tended to assume responsibility for problems which are more properly those of other nations or of the international community. One form of involvement in the internal affairs of other nations can lead very rapidly to other forms, as the bitter Indochina experience should have taught us.

In my judgment, therefore, any further U.S. assistance to foreign countries for their internal use in anti-drug problems, if warranted at all, would seem more appropriately to be funneled through international bodies. Whatever funds Congress thinks justified for this activity might well go as a contribution to the U.N.'s Narcotics Control program. Moreover, any activity of U.S. narcotics agents in Burma or any other nation in Southeast Asia, for that matter, must remain under the strict supervision and firm control of the U.S. Ambassador who is in the best position to know what practices are or are not possible in the light of our total relationship with the country concerned.

After my visit to Burma six years ago, I wrote: "The Burmese government continues to go its own way as it has for many years. It is neither overawed by the proximity of powerful neighbors nor over-impressed by the virtues of rapid development through large infusions of foreign aid. Burma's primary concern is the retention of its national and cultural identity and the development of an economic system preponderantly by its own efforts and along its own lines."

These are still the major pre-occupations of the Ne Win government. The nation has succeeded in maintaining its national and cultural identity. Its economic situation, however, is still very tenuous.

As for our relations with Burma, while some strengthening of cultural and technical exchange either on a bilateral or multilateral basis may be desirable and possible, my view is that we would be well-advised to avoid scrupulously any inclinations towards a deepening involvement in Burmese affairs. Such inclinations would not be welcomed in Burma as in its best interests. Clearly, too, they would not be in the best interest of this nation.

III. THAILAND

After four decades of military rule, Thailand is attempting anew to forge a democratic system. At the same time, there is underway a major revision in foreign relationships. Following student uprisings, in October 1973, the military government of Field Marshal Thanom Kittikachorn was ousted and Thanom and other government leaders fled the country. This development, coupled with the rapidly changing situation in Asia, initiated by President Nixon's trip to Peking, and culminating in the collapse in Indochina, has brought about a sweeping reappraisal by Thailand of its foreign policy.

Until the fall of the Thanom government, Thailand had maintained a close relationship—some termed it a "client-state" relationship—with the United States. Now that has changed, with Thailand moving away from the long intimacy with the United States and, at the same time, seeking better relations with its neighbors in Indochina and Asia. How this land of 44 million people handles the turn towards political democracy and a new foreign policy will have far-reaching consequences for the over-all relationships in and around the Asian continent.

Political and economic situation

Prime Minister Khukrit Pramot, leader of the Social Action Party, has governed Thailand since mid-March with a coalition of eight parties. His own party, with only 18 seats, is a distant third in terms

of party strength in the Parliament. While the Thai King, Phumiphon Adunyadet, serves primarily as the symbol of national unity, the monarchy is still a factor in state affairs, particularly, in times of crisis. The present Thai political system is based on a Parliament consisting of 269 seats in an elected Lower House and a 100-member appointed Upper House. Elections earlier this year attracted 42 parties and 2,191 candidates. Predictably, the results were inconclusive. There are now representatives from 23 parties sitting in the Parliament which, when I visited it, was meeting in a joint session and engaged in spirited debate over an aspect of ASEAN. Despite earlier predictions of a short and unhappy life, the Parliamentary structure is managing to hold together and is serving as a vehicle for operative government.

The Khukrit cabinet, apart from the difficulties inherent in any coalition and, especially in one emerging from the trauma of an abrupt shift from military authoritarianism, is subject to three basic pressures; a volatile student movement; long-standing insurgencies in the north the northeast and the south; and the ever present possibility of a military coup.

The student movement wields influence, as is often the case in Asian nations, far beyond numbers. There is a working relationship between the students and labor on most issues and this coalition constitutes the most potent force in current Thai politics. It may be less of a factor, however, than it was two years ago at the time of the ousting of the dictatorship. Public reaction in Bangkok to past excesses, it is said, has caused student leaders to be more discriminating in choosing issues on which to exert their pressure.

One personal incident was instructive. When I arrived for an appointment with the Prime Minister, hundreds of out of work Thai guards at U.S. military bases, who are being discharged as the bases are phased out, were engaged in a demonstration demanding final pay adjustments. The guards were not on U.S. payrolls but, rather, were paid indirectly on the basis of U.S. contracts with Thai military leaders of the previous regime, some of whom apparently have fled the country. Since the demonstration was taking place in front of the Prime Minister's offices, it was necessary to postpone the meeting lest the presence of a visiting American official trigger more serious difficulties.

Ever present in the background of Thai politics is the potential for a military coup. While the government appears to command the loyalty of the armed forces, rumors of possible coups abound in Bangkok. Perhaps, the principal deterrent is the public revulsion with the rampant corruption of the previous military regime and the possibility that a coup at this time would again bring on a militant student-labor reaction.

The role of the military has been deemphasized by the present government which appears to want to direct its energies towards social and economic needs. Heretofore much of the government's interest centered on Bangkok. With 4 million people, Bangkok is Thailand's only major city and it is scarcely representative of the nation. The gap between Bangkok and the rest of the country is great. Per capita income in the capital, for example, is \$600 per year, but it is only about \$200 nationally, and it is, perhaps, not more than \$75 per year in the most troublesome insurgent area, the northeast. There has been little spread of commerce and industry from Bangkok to the countryside. The city, in some respects, is like a foreign land to

most Thais. Its traffic jams, westernized practices and political maneuvering are quite alien to the villagers who make up the vast majority of the country's population.

Neglect of the villages is a major factor in fueling the insurgency movements. In the north the insurgents are ethnic groups often involved in the drug traffic. In the northeast, the problem is peasant discontent and Thai against Thai. In the south, it is largely Malay muslim or Chinese against Thais.

Over the years, there have been any number of anti-insurgency campaigns launched by Bangkok, all liberally financed with U.S. funds and, often, abetted with advice from various U.S. agencies. None has brought any appreciable results. The insurgent movements have continued to grow, with a total of perhaps 8,500 now under arms in the northeast alone. The Khukrit government seems to be aware that the problem cannot be solved unless there is more effective contact between a heretofore remote government in Bangkok and the people in the localities. It is trying new approaches which include a form of revenue sharing to channel funds to the poorest areas. Also recognized is the need to change the attitudes of the underpaid and corrupt bureaucracy in the insurgent areas. While it may be difficult to persuade soldiers and police who have reaped much of the financial benefit of past anti-insurgent campaigns to become benefactors of villagers, at least an effort is being made to bring about a reorientation. The government's five year plan also emphasizes economic growth in the rural areas and reduction in income disparities. It remains to be seen whether the benefits will actually reach the people.

The Thai economy has weathered the oil crisis, the world recession, and the phase-out of U.S. military involvement in Indochina. Although the rate of inflation was 60 percent in 1974, up from an average of 4 percent in the years before, it has been falling and will probably be down to about 10 percent for 1975. Increased earnings from agricultural exports have been a prime factor in countering oil price increases. The impact of both the recession and the uncertainty over political developments in the region have been felt in the slackening of foreign investment. Tourism, too, is down. Nevertheless, Thailand enjoyed a \$400 million surplus in its over-all balance of payments in 1974 in the face of a deficit of \$657 million in trade. The difference was made up by foreign aid, oil concession payments, tourism and capital inflows.

The United States has given Thailand large amounts of economic aid over the years, much of it in the last decade for the so-called counter-insurgency programs. Thus far, a total of \$672 million in economic aid has been provided by the United States. For fiscal year 1976, \$12 million has been requested.

In an economy as formidable as Thailand's, \$12 million must be regarded as relatively inconsequential. The government's political and economic policies are the critical factors in shaping the nation's future. There would appear, therefore, to be little relevance to either country in the continuance of the bilateral aid program. Indeed, the time seems very propitious to end this vestige of "clientism" and to place the relationship of the two nations on a firm plane of mutual respect, with accent on mutually beneficial exchange.

Petroleum

There are prospects for major offshore petroleum strikes in the Gulf of Siam on Thailand's east coast and in the Andaman Sea west of the Kra Isthmus. Twenty-five wells have been drilled by American companies in the Gulf of Siam. Oil has been found, but the potential is not yet ascertainable. There could be international difficulties in some areas since most Thai concessions, overlap in part, territory also claimed by Cambodia. Thus far, however, there has not been any drilling in disputed areas. Some concessions have also been issued for the Andaman Sea but work there is not likely to start until next year. Thailand has already received more than \$75 million for drilling rights from foreign prospectors. Renewed consideration is also being given by the Thai government to a proposal to join with Japan in constructing a major pipeline stretching across the Kra Isthmus, and terminating in a large refinery which would refine Persian Gulf crude for shipment to Japan.

Drugs

Thailand is a major site in the international drug problem, not so much as a producer but as the route of transshipment of opium brought in from elsewhere in Southeast Asia. Estimates indicate that about 40-45 tons of opium per year are actually produced in Thailand. This level is sufficient only to meet local demand.

Although some Thai officials may still be parties to the drug trade, the level of involvement is reported to be much lower than in the past. Contrary to the situation in Burma, drugs do not seem to be a significant source of financial support for insurgents but, rather, a means for personal or syndicate enrichment.

Thailand receives equipment from the United States under the narcotics control program. In fiscal year 1975, \$4.8 million was provided, with \$3.7 million more programmed for FY 1976. Bangkok is a regional headquarters for the U.S. Drug Enforcement Agency (DEA) which is active throughout Southeast Asia. The agency has a regional budget of \$500,000, but the figure does not include assistance to other governments which runs into the millions. There are 26 U.S. agents in Thailand and they are involved in operational actions as well as intelligence gathering. The day before my arrival, for example, U.S. agents and Thai police had carried out a joint raid on an opium refinery.

This sort of U.S. anti-drug activities in Thailand seems to be highly dubious. Quite apart from the expenditure of U.S. funds, the direct participation by U.S. agents in police activities within Thailand amounts to involvement in internal Thai affairs. While it undoubtedly is meritorious in objective, it is a foot-in-the-door, a point of entry which could lead to extensions and in the end, renewed entrapment in the internal affairs of that nation at renewed cost to the people of the United States. The sorry history of military and economic aid and other activity in Indochina and Thailand over the past two decades should serve as a precaution in this respect. Police actions, including local drug enforcement, are functions of indigenous governments. If there is a U.S. role, it should be limited to the exchange of information and intelligence with appropriate Thai or other officials. Beyond that point, U.S. financial assistance for antidrug operations at what-

ever level may be set by the Congress, in my judgment, is best channeled through international or regional organizations.

Foreign policy and U.S.-Thai relations

President Nixon's trip to Peking and the end of U.S. involvement in Indochina have created a new milieu for Thai foreign policy. From direct links and intimate cooperation with the United States in matters of security, Thailand has moved towards a neutral position. An effort is now being made by Bangkok to assure good relations with all the major powers. A case in point was Prime Minister Khukrit's visit to Peking in July which resulted in the establishment of diplomatic relations with China. So, too, was the official protest to the United States over the use of Thai bases in the Mayaguez affair. That incident, moreover, was followed by a demand for the complete withdrawal of U.S. forces from Thailand.

The outcome of the Indochina war was not only a factor in the new Thai approach to China, it also resulted in intensified interest in closer association with the Southeast Asian nations. Within five months after taking office, Khukrit visited not only Peking but all of the ASEAN countries. Thailand joined in support of the proposal to create in Southeast Asia a zone of "peace, freedom, and neutrality" which would be guaranteed by the great powers. There is no indication thus far, however, that this grouping will include any type of joint security arrangement. In that sense it would not be a substitute for the SEATO Organization which Prime Minister Khukrit and President Ferdinand Marcos of the Philippines have urged should be "phased out to make it accord with new realities in the region." This proposal, it should be noted, relates only to the organized activities under the Southeast Asian Treaty and the large headquarters staff in Bangkok. It does not involve a renunciation of the actual treaty, the so-called Manila Pact. Thailand is the only signatory in the area, however, to which the Pact now has practical application insofar as a U.S. security commitment is concerned. Pakistan renounced the treaty several years ago and the Philippines, Australia, and New Zealand, are tied to the United States by other defense arrangements.

The security relationship between the United States and Thailand is complicated by the existence of the 1962 Rusk-Thanat communique in which the obligations of the Manila Pact were held to be both joint and several. Under that interpretation, it would seem the multilateral SEATO treaty would also amount to a bilateral U.S.-Thai treaty. Thus, the treaty, potentially, has far more significance than the "scrap of paper," as it is often called today. An attack for example, by an enemy in Southeast Asia could conceivably lead on a Thai call on the United States to come to its aid notwithstanding the disinclination of any other of the signatories to do so.

The fact is that the Manila Pact was born of an old and now altered view of China. It is of no current relevance to U.S. interests in Asia. Left in abeyance it is, perhaps, a source of potential mischief or embarrassment. We would be well-advised, therefore, to reexamine this agreement forthwith, with a view to its termination.

It should be noted in this connection that Prime Minister Khukrit has called for the complete withdrawal of the 19,000 U.S. military forces in Thailand by the end of March 1976. Some references, however, have been made to the possible retention of a standby capacity at the U Taphao Base, manned by a small caretaker force.

For more than a decade, my view has been that the United States in its own interests should withdraw militarily from the Southeast Asian mainland, "lock, stock and barrel." It remains my judgment that it is not in the interest of this nation, nor probably, in the interest of Thailand to have a U.S. capacity retained at any of the installations in Thailand. There should be no toe-hold which would serve as a potential source of reinvolvement of U.S. military forces on the Southeast Asian Mainland.

LAOS—THE SANDS RUN OUT

It has been said that in Laos the French laid foundations of sand and that we tried to build on them. As seen from Thailand, the sands have run out. Since the fall of Cambodia and South Vietnam, the Pathet Lao have rapidly expanded their control of Laos. The advance occurred without much resistance or bloodshed, with the opposition tending to evaporate or flee the country. Three of the five government military commanders had left the country by early August and another left shortly afterwards.

In the capital of Vientiane, the Pathet Lao have also extended their control of the coalition central government. Prime Minister Souvanna Phouma is still in nominal command but he is reported to be virtually powerless. The King remains on the throne but is said not to play a political role. Laos is now described as a "Democratic People's Kingdom."

U.S. relations with Laos are strained and minimal following the forced closing of U.S. aid operations last June. The size of the U.S. mission dropped from 800 (including dependents) in April 1975 to 32 by mid-August. It is estimated that there are also some 50 other Americans without official status remaining in Laos. U.S. assistance is not being provided to Laos as a result of a prohibition contained in the continuing appropriations resolution for FY 1976. The new U.S. Ambassador to Laos has been confirmed by the Senate, but as of late-summer had not yet been ordered to his post. In this fashion, a U.S. involvement of 22 years which cost billions of dollars and many lives, is drawing to a close.

Exactly 20 years ago, in 1955, on the occasion of a third visit to Laos, I reported to the Committee as follows:

"* * * military aid policies which seek to do more than bulwark the security forces to the point where they can cope with armed minorities and stop occasional border sallies seem to me to be highly unrealistic. By the same token economic aid programs which attempt to move an ancient pastoral country overnight from the age of the oxcart to that of the airplane are equally unsound to say the least. Both, in attempting to do too much, in my opinion, can do incalculable harm.

"In Laos as in Cambodia, there has been an enormous increase in United States activity and in the size of the (U.S. official) mission during the past year. At the time of my first visit to Vientiane in 1953, there were two Americans in the entire country. Now (1955) there are some 45. Accordingly, I recommend that the Executive Branch, as in the case of Cambodia, review the extent of our activity in Laos and the size of the mission with a view to keeping both within the realm of the reasonable."

