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FOR THE SENATE:

Everett M. Dirksen, *Leader*
Thomas H. Kuchel, *Whip*
Bourke B. Hickenlooper, *Chr.*
of the Policy Committee
Leverett Saltonstall, *Chr.*
of the Conference
Thruston B. Morton,
Chr. Republican
Senatorial Committee

PRESIDING OFFICER:

The Republican
National Chairman
Ray C. Bliss

THE JOINT SENATE-HOUSE REPUBLICAN LEADERSHIP

Press Release

Issued following a
Leadership Meeting

May 20, 1965

FOR THE HOUSE
OF REPRESENTATIVES:

Gerald R. Ford,
Leader
Leslie C. Arends, *Whip*
Melvin R. Laird,
Chr. of the Conference
John J. Rhodes, *Chr.*
of the Policy Committee
Clarence J. Brown,
Ranking Member
Rules Committee
Bob Wilson,
Chr. Republican
Congressional Committee

STATEMENT BY SENATOR DIRKSEN:

From the time the President announced to Congressional leaders that he had sent forces into the Dominican Republic to protect lives and to thwart the danger of a Communist take-over in that country, the Republicans in the Congress have given him their support.

Support of the President's action in the circumstances does not, however, imply blanket approval of Administration policy toward Latin America.

The Administration has been slow to recognize danger signals in Latin America. It has permitted problems to grow to crisis proportions before acting. It has been reluctant to provide leadership to make the Organization of American States an effective agency for the defense and development of the Western Hemisphere.

Even now, in its reaction to events in the Dominican Republic, the Administration is not manifesting awareness of the extent and the danger of Castro - exported Communist subversion in at least half a dozen other American nations. In the past three years, many thousand citizens of other Latin American countries have received paramilitary and ideological training in Cuba and have been sent home to carry on subversion, terrorism, and guerrilla warfare in Central and South America. Since the end of November 1964, there has been renewed emphasis by Cuba on the use of violence to attain political power, particularly in Venezuela, Colombia, and Guatemala. In Guatemala, the activities of 500 terrorists and guerrillas led to the establishment of a state of siege in February of this year. Haiti, Panama, Paraguay, El Salvador, and Honduras are all announced targets of Communist violence.

It is regrettable that the Administration did not move to head off the new outbreak of subversion and violence when it was planned at the Havana meeting of Latin American Communist leaders in November, 1964.

Clearly there is need now for vigorous and effective action by the Organization of American States and by the individual American nations to put an end to the current Castro offensive.

We urge the Administration to present such a plan of action to the O.A.S. before the tragic drama of the Dominican Republic is replayed in other Latin American nations.

May 20, 1965

Today is the 63rd anniversary of Cuban independence. On May 20, 1902, Cuba assumed the status of an independent Republic with the inauguration of its first president.

On this anniversary, we call for the reestablishment of Cuba's independence. Since late 1960 the present government of Cuba has been a military, economic, and political vassal of the Soviet Union. Today thousands of foreign Communist military personnel remain on Cuban soil. Cuba's rulers continue to serve the purposes of an alien system by carrying on a campaign of terrorism, sabotage, subversion, and sporadic warfare against their neighbors, disturbing the peace of the hemisphere and threatening the security of all American nations.

The policy objective of the present administration toward the Communist government of Cuba has been ambiguous. At times it has been described as "to get rid of the Castro regime and of Soviet Communist influence in Cuba." So Mr. Johnson declared at Midland, Texas, on September 30, 1962. At other times it has been described as "to isolate Cuba...to frustrate its efforts to destroy free governments and to expose the weakness of Communism so that all can see." So it was formulated by President Johnson on April 20, 1964.

The melancholy events in the Dominican Republic are a forceful reminder that neither objective has been attained. Cuba has not been isolated, nor is it rid of Castro and Soviet Communist influence. Cuba is the breeding ground for Communist subversion throughout this hemisphere.

President Johnson's recent statement that we "cannot permit the establishment of another Communist government in the Western Hemisphere" clouds the purposes of Administration policy toward Cuba still further.

The Administration should fix clearly so that all can see the objective of its policy toward Cuba. The isolation of the Castro regime and the prevention of the export of Communism from Cuba should be pursued more vigorously as an immediate policy objective. But the ultimate objective can be nothing less than the elimination of the Communist government of Cuba and the restoration of independence under a government freely chosen by the Cuban people.

This objective is dictated by policies subscribed to by all the

(More)

Rep. Ford (Continued)

nations of the hemisphere at Caracas in 1954. The Caracas Declaration stated, "...the domination or control of the political institutions of any American State by the international communist movement, extending to this Hemisphere the political system of an extracontinental power, would constitute a threat to the sovereignty and political independence of the American States, endangering the peace of America..."

In compliance with this doctrine, President Eisenhower said on July 9, 1960, "...Nor will the United States in conformity with its treaty obligations, permit the establishment of a regime dominated by international Communism in the Western Hemisphere."

It is time to reaffirm this as our national purpose and the purpose of the other American nations.

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PRESIDING OFFICER:

*The Republican
National Chairman*
Ray C. Bliss

THE JOINT SENATE-HOUSE REPUBLICAN LEADERSHIP

Press Release

Issued following a
Leadership Meeting

July 22, 1966

Re: Foreign Aid
FOR THE HOUSE
OF REPRESENTATIVES:

Gerald R. Ford, *Leader*

Leslie C. Arends, *Whip*

Melvin R. Laird,
Chr. of the Conference

John J. Rhodes, *Chr.
of the Policy Committee*

H. Allen Smith,
*Ranking Member
Rules Committee*

Bob Wilson,
*Chr. Republican
Congressional Committee*

Charles E. Goodell,
*Chr. Committee on
Planning and Research*

STATEMENT BY SENATOR DIRKSEN

IMMEDIATE RELEASE

The foreign aid debate in the House of Representatives last week and the continuing debate in the Senate reflect increasingly not merely the concern but the anger and the alarm of the American people with regard to this program.

At the time of its inception in June of 1947, when our then Secretary of State, the late General Marshall, stimulated a massive program of financial assistance to war-torn Europe the need for and the merit of the program were clear. It is no longer true in Europe and in countless other nations around the world to whom the American taxpayers' dollars have been funneled year after year after year.

During these past two decades more than 125 billions of our peoples' money have been shipped abroad for the announced purpose of stemming Communism, creating economic stability, encouraging representative government and nourishing so-called underdeveloped nations.

Lately, these objectives have been poorly served. This global dole must be curtailed! The time to start is NOW!

In my more detailed remarks to this end on the Senate Floor I have offered not only what I believe to be a reliable and a responsible criticism-in-detail with regard to the total foreign aid problem of today but have added, in equal detail, positive and constructive suggestions for immediate and ultimate remedy of many of the program's defects.

Getting dough out of Uncle Sam has become a way of life for the rest of the world -- a very happy way of life for many foreign nations but a drain upon America's economic lifeblood that can no longer be tolerated.



Here at home, the General Accounting Office has compiled an almost surgical dissection of the foreign aid program in recent years which, if publicized in detail, would make not only our taxpayers but even the angels weep.

Not only has it required weeks of painstaking effort to learn the true facts about our foreign aid program which I have presented; it is infinitely more difficult -- if not impossible -- to learn from our alleged friends abroad just how they are spending our money, since in countless instances they will not permit even an elementary auditing of their books. How sharper than a serpent's tooth is an ungrateful friend!

Despite America's extraordinary generosity, Communism continues rampant over half the globe. We make no new friends and we are losing old ones. I am reminded of an old rhyme which reads:

"When I had money, I had friends -
I loaned my money to my friends -
I asked my money of my friends -
And I lost my money and my friends!"

Therefore, our Question-of-the-Week:

Mr. President, Why are we losing
our money AND our friends?

STATEMENT BY REPRESENTATIVE FORD

July 22, 1966

The budget, the President tells us, is in danger -- and he calls upon Congress to make drastic cuts in it. He tells us that unless this Democrat-controlled Congress curbs its excessive spending, inflation is inevitable and that he will face the harsh choice of imposing controls or asking for a tax increase.

The recklessly swollen budget which he presented to the Congress is wholly his and his Administration's doing. The excessive spending to which he alludes with alarm can be stopped, overnight, by a word from him to his overwhelming Democratic majority in the Congress. Let me remind the President and his Democratic troops in the Congress that the Republicans have, for 18 months and more, been urging drastic cuts in non-essential government spending.

The primary cause of the inflation which he now fears but which every other American has felt for months is that excessive Federal spending which from the first days of his Administration has been planned, proposed, and pushed.

The alternatives for checking this current inflation are indeed clear: a tax increase as the President intimated, wage and price controls, or a truly effective reduction in non-essential Federal spending. A reduction in non-essential Federal spending is the most desirable and urgent. The President and his top-heavy Congressional majority can do this at once if they have the will to do so. Republicans will continue vigorously to support responsible reductions in non-essential Federal spending.

Senator Dirksen has made crystal clear, as have other Republicans in both the Senate and the House, one wide-open area in which just such a reduction in needless spending can be achieved -- that of foreign aid.

Mounting evidence of waste in our foreign aid program in recent years is startling and shocking. It has been pinpointed and dramatized repeatedly not alone by the Republican minority but by the sound recommendations of such highly esteemed and wholly objective private groups as the International Economic Policy Association and

the Administration's own bipartisan Advisory Committee on Private Enterprise in Foreign Aid.

1. Emphasis upon private investment projects; 2. increase in our dollar earnings through Public Law 480; 3. far more selective allocation of foreign aid; 4. emphasis on aid to "self-help" nations; 5. a re-examination of the financing activities of the international lending institutions; 6. the imposing of a drastic new discipline upon the Agency for International Development; 7. development of these foreign nations' own resources; 8. a hard-headed, cold-eyed demand that the nations to which we lend or grant funds meet their obligations to us honorably and in full or be promptly cut off -- these are among the available, the very practical steps the Johnson-Humphrey Administration and its Democratic majority in Congress can take -- and can take NOW!

Therefore, our Question-of-the-Week:

Mr. President, Why are we losing
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FOR RELEASE ON : NOVEMBER 4, 1966

STATEMENT BY REP. GERALD R. FORD RE LBJ ATTACK ON NIXON

It is most regrettable that the President should make such a vicious personal attack on Dick Nixon. All Mr. Nixon did was to raise legitimate questions about our foreign policy.

Even more serious questions were raised about the Manila Conference by the highly respected NEW YORK TIMES columnist, James Reston. In a column of November 3rd, Mr. Reston wrote, "The tragedy of the Manila Conference is that the President and his associates at Manila really made concessions that were not only generous but from the allied point of view even dangerous."

The American people should have forthright answers from the White House.

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FROM THE REPUBLICAN LEADERSHIP
OF THE CONGRESS

IMMEDIATE RELEASE

4/6/67

Next week the President of the United States will journey to Punta del Este, Uruguay, for a "summit" meeting of the Organization of American States. His announced objective will be to encourage and help stimulate further meaningful action by our Latin American neighbors toward economic and educational development and political stability.

We support programs of active cooperation with the peoples of Latin America. We recognize the need for cooperation now and in the future and also the need for United States assistance to be accompanied by self-help and self-initiative and effective community action by the recipients. We wish the President Godspeed and success in his mission.

We call your attention also to the statement on Latin America by the Republican National Coordinating Committee to be released Friday, April 7, 1967.



[4/6/67]
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THE GROWING CRISIS IN THE
MIDDLE EAST

(Mr. Gerald R. Ford asked and was given permission to address the House for one minute and to revise and extend his remarks.)

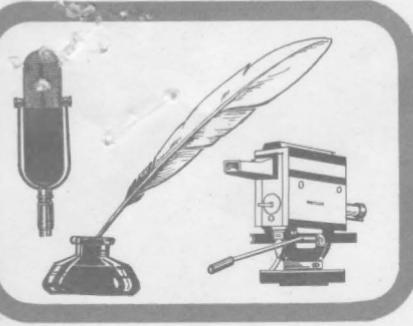
Mr. GERALD R. FORD. Mr. Speaker, a grave situation has been developing in the Middle East, and it has now become even more serious in view of the Soviet Union's statement which appears to be a threat to intervene on the side of the Arab States.

I would urge that President Johnson take immediate steps to reestablish a United Nations presence in this supercharged situation and to restrain all parties from any premature action that could kindle a conflagration, whether small or large. It is most unfortunate that Secretary General U Thant took it upon himself last Thursday to dismantle the peacekeeping machinery without consulting either the General Assembly or the seven nations which contributed to the U.N. Emergency Force, solely upon the demand of President Nasser.

During Moscow's May Day celebration, only a few weeks ago, the Soviet Defense Minister, Marshal Andrei Grechko, issued an order of the day accusing the United States of "hatching sinister plots to spread aggression" in other parts of the world beyond Vietnam. Anyone who has studied Soviet tactics should have been forewarned that Moscow might be doing exactly what it was accusing its adversary of plotting. In my judgment this may be a bold and reckless move on the part of the Soviet Communist leaders to divert the attention of the United States and Western Europe from the struggle in Southeast Asia.

Since the Russian military chief's May Day order, trouble instigated by Communists has erupted in widely scattered areas of the globe--in the Sea of Japan, in Korea, in Hong Kong, and now in the Middle East--with the most serious consequences to the free world and to world peace.

This is a time that calls for cool thinking and resolute nerves. I hope and pray that it is no more than a war of nerves that threatens us, and that President Johnson will take this opportunity to strengthen and repair the unity among our allies which has enabled the free world to weather such storms before. However grim the facts, I trust the President will take the American people into his confidence before the situation worsens, so that we can all stand together in this time of crisis.



CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR RELEASE AT--
6:30 p.m., Tuesday, June 13, 1967

EXCERPTS FROM A SPEECH BY REP. GERALD R. FORD, R-MICH., HOUSE MINORITY LEADER,
AT A MEETING OF THE PHILADELPHIA REPUBLICAN POLICY COMMITTEE, PHILADELPHIA, PA.

Resolution of the Middle East crisis has produced a victory for the West. To whom do we owe this fortuitous result? To the Johnson Administration? No, not at all. The Administration's diplomatic moves were completely ineffective.

It was little Israel which saved itself and the West. The United States can claim no credit. Neither can the United Nations. And to suggest that the Soviet Union played the role of peacemaker is absolutely ridiculous.

Without one grain of partisanship, I must make the observation that the United States simply "lucked out" in a situation which could have wrecked all of our efforts at minimizing Soviet influence in the Middle East and preserving the balance of power there.

It is little Israel--not the Johnson Administration--which has prevented the Soviet Union from suddenly becoming the big power that calls the tune in the Middle East.

It is because of little Israel--not the Johnson Administration--that the Soviet Union has in fact suffered a serious loss of prestige in the Middle East.

Gallant little Israel has handed the Soviet Union a severe setback because the Israelis displayed a courage which has been sadly lacking in the western democracies in recent years.

The Johnson Administration succeeded in only one respect--that of establishing a new credibility gap.

The Administration failed miserably in trying to get other maritime nations to join with the United States in declaring the Gulf of Aqaba an international waterway and moving to lift the blockade which was the direct cause of the war.

When the trustworthiness and the effectiveness of the American commitment to oppose aggression against any Middle East nation crumbled, the entire American policy in the Middle East crumbled with it. The Johnson Administration succeeded in creating a credibility gap in that part of the world.

Americans were reluctant to risk getting into war in the Middle East while 500,000 of our men are fighting in Vietnam. I firmly believe the Middle East

(more)

crisis could have been resolved without war if the Administration had been on top of the situation from the very beginning--if U Thant had not pulled out the UN peacekeeping force on his own authority--if the United States and other maritime nations had called Nasser's bluff on the blockade of Aqaba.

The Johnson Administration may now seek to revive its East-West Trade proposals on the ground that the Soviet Union acted reasonably and with great restraint in the Middle East crisis. This is just another Johnson Administration pipe dream. The truth is the Soviet Union helped create the crisis.

The truth is that the Soviet Union later had no choice but to act reasonably in the face of the swift and stunning Israeli military successes. The Soviet Union opposed a UN cease-fire when it thought Egypt would prevail and supported a cease-fire when it became obvious Israel was winning. The Soviets backed Egypt in its war-provoking blockade of the Gulf of Aqaba, branded Israel the aggressor and now continues to condemn the Israelis.

It was not the Soviet Union which removed the danger of a Soviet-U.S. confrontation in the Middle East. The Soviets in fact laid the groundwork for just such a confrontation. It was the lightning-like swiftness of Israel's victory over Egypt that dissolved the possibility of a direct Soviet-U.S. clash.

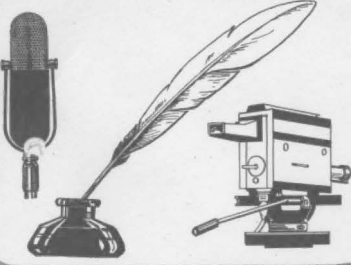
No credit is due the Johnson Administration for the West's victory in the Middle East. No credit is due the Soviet Union for avoidance of a wider war. We can only be thankful for the bravery shown the world by the Israelis. Otherwise the result might have been total disaster.

Now this Nation must diligently seek a settlement of all the problems that led to the brief Arab-Israeli War.

* * *

Israeli Defense Minister Moshe Dayan, after a visit to Vietnam in 1966, observed that we had failed to tighten the noose on the Viet Cong. The Administration record in its "war of measured response" speaks for itself: Stalemate.

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

NEWS RELEASE

--FOR IMMEDIATE RELEASE--
Friday, June 16, 1967

STATEMENT BY REP. GERALD R. FORD (R-MICH.), HOUSE MINORITY LEADER

Our great country has always been dedicated to humanitarian principles. All Americans must have been profoundly moved, as I was, by recent news accounts and photographs of helpless Arab soldiers abandoned by their governments and wandering in the broiling desert sun. These men, surely, are not responsible for the folly of their leaders nor deserving of slow and horrible death after defeat in battle.

Therefore I applaud and support the step just announced by the White House, offering American planes to airdrop water to these unfortunate castaways. Let us hope that the Israeli and Egyptian governments will give their cooperation promptly, before the grim desert sun makes our mission of mercy moot. Personally, I would think emergency food and medical supplies as well as water should be provided.

While I remain adamantly opposed to the use of American aid to prop up such demagogic and discredited regimes as Mr. Nasser's, I notified President Johnson by telegram today of my warm endorsement of this humanitarian step which accords with our highest religious teachings. Because it is moral and right, it is also good international politics for the United States at this critical juncture in Middle East and East-West relationships.

The text of my telegram follows:

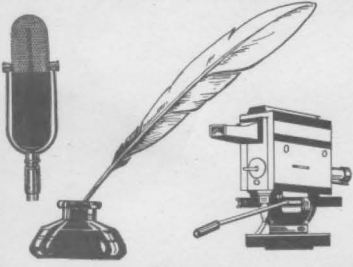
Dear Mr. President:

I commend and support our government's offer of American aircraft to try and save the stranded Arab soldiers in the Sinai desert. It accords with our country's humanitarian and religious traditions and effectively answers President Nasser's big lie on the role of American planes in the recent war. My stated opposition to the use of American aid to prop up Mr. Nasser's demagogic and discredited regime does not preclude emergency measures to save soldiers it has abandoned in defeat. If they live, they might prove a leaven of realism among the Egyptian population to restrain future follies and threats to world peace. I am advising the House of Representatives of my views. Respectfully,

Gerald R. Ford, M.C.

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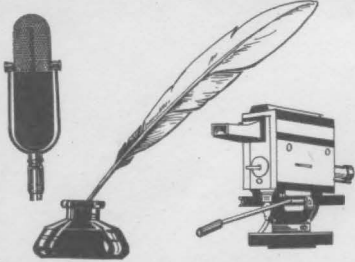
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HOUSE REPUBLICAN LEADER

NEWS RELEASE

--FOR IMMEDIATE RELEASE--
June 22, 1967

Information has come to me--confirmed by the State Department--that an American food ship with a 27,000-ton cargo of grain bound for famine-stricken India is trapped in the closed-down Suez Canal.

The ship is the tanker Observer, which was loaded with P.L. 480 milo, a corn-like sorghum, about May 15. It has been held up in the Suez Canal since June 5 when the six-day Arab-Israeli War broke out.

Third-country reports to the State Department say that seven ships have been sunk at various points in the Suez Canal. News reports indicate that the Egyptians themselves have sunk these ships and that they intend to keep the canal closed for months.

Meantime, the government of India has sided with Egypt in the smoldering Mideast crisis--and hungry crowds in West Bengal State are looting freight trains and trucks carrying rice, wheat and other food.

The grain for India held up in the Suez Canal may be a small amount in terms of the overall U.S. program of food for that starving nation but 27,000 tons of milo would feed a great many people.

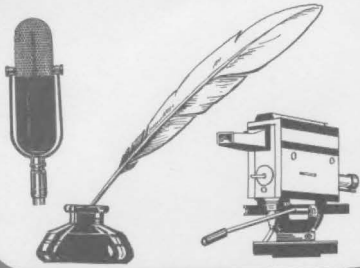
According to the State Department, officials at the Indian Embassy here want to dispose in the Mideast of the grain aboard the Observer. These officials fear the grain will spoil and be a total loss, the department said. The ship's owners also want to get rid of the cargo and get the ship's crew out of Egypt. The State Department has not yet taken a position on the matter. Although the Indians have paid for the grain--in their own currency--our government's permission must be obtained before the cargo can be removed from the ship.

It is the cruelest of irony that India should be deprived of 27,000 tons of American surplus grain by a nation whose side she has taken in an international dispute.

I would suggest the Indians reconsider their attitude toward the disputants in the Mideast.

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

NEWS RELEASE

--FOR IMMEDIATE RELEASE--
July 10, 1967

Comment by Rep. Gerald R. Ford, R-Mich., on dispatch of U.S. Transport Planes
to Congo

The President appears to have acted without sufficient concern for the possible consequences of the move.

The United States should not get into the position of playing fireman every time incendiaries touch off a local conflagration somewhere in the world. The lives of American youth are too precious to be risked in such casual fashion.

The President should respond in these instances only when the interests of the United States are involved and only after proper consultation with the Congress.

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Republican National Committee

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NATIONAL 8-6800

NEWS

FOR RELEASE

FRIDAY A.M.'s
August 4, 1967

The attached paper, "The Middle East--Crisis and Opportunity," was approved by the Republican Coordinating Committee at its meeting in Washington, July 24.

The paper is released by Republican National Chairman Ray C. Bliss for publication in AM papers of Friday, August 4, 1967.

8/2/67



Adopted by
The Republican Coordinating Committee
July 24, 1967

Presented by
The Task Force on the Conduct of
Foreign Relations

THE MIDDLE EAST - CRISIS AND OPPORTUNITY

Prepared under the direction of:
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7/31/67

THE MIDDLE EAST - CRISIS AND OPPORTUNITY

I. INTRODUCTION

Comprehension of the current Middle Eastern problem requires, that it be viewed as having two separate and distinct facets, both with long-term implications for the United States:

First, the basic Arab-Israeli conflict which has resulted in three wars in the Middle East in less than 20 years;

Second, the historic Russian drive, constant under Czars and Commissars alike, to obtain a controlling position in the Middle East -- a traditional aim conforming to Soviet tactics to create many trouble spots around the world to confuse and confound the free world.

However, in the recent Arab-Israeli war, the proponents of Middle Eastern instability (the Soviets and certain radical Arab clients) have suffered a crushing defeat. The resulting situation affords an excellent opportunity to the United States to work toward a lasting peace. This nation should not look to others for initiative in this difficult and critical task.

The task is not impossible, but the Administration must move sensibly and vigorously with policies appealing to moderate groups in every Middle Eastern country. It is outside pressure that has generated much of the radical and irresponsible leadership in the area; the United States now is positioned to encourage moderate, responsible Arab and Jewish leaders to discard the self-defeating politics of hatred and violence and to join in the pursuit of equitable, long-term solutions.

The Republican Party recommends these proposals to meet the Middle East situation:

II. REPUBLICAN RECOMMENDATIONS

1. The United States should exert its influence to secure a Middle East peace settlement which will confirm Israel's right to live and prosper as an independent nation.

Arab refusal to acknowledge permanent boundaries for Israel is an attitude hardly exceptional in the Middle East.

Most Arab states and Israel have gained their independence only since World War II. Ever since, difficulties over new boundaries have consumed the region. Two "neutral zones" were created in the oil-rich Persian Gulf area to help separate the oil-producing countries of Kuwait, Iraq and Saudi Arabia. The frontiers between Saudi Arabia and the states on the southern periphery of the Arabian peninsula are still undemarcated, and strife afflicts Yemen and Aden and threatens south Arabia. Algeria has provoked border clashes with two of its peaceable neighbors, Morocco and Tunisia. Morocco claims the entire country of Mauritania and adjacent Spanish territories. For years the Kurds have been militantly agitating for an independent state which would comprise lands detached from Iraq, Iran, Turkey, and possibly Syria.

Clearly, a stable Middle East awaits the permanent solution of all such boundary disputes, but most important of all is the Arab-Israeli dispute. These border problems can be best resolved by the parties directly concerned, employing, if necessary, the good offices of the United Nations or other third parties. Stability and peace require the parties to the Arab-Israeli conflict to agree upon permanent boundaries for Israel. Such territorial arrangements as are determined must provide security for all and permit the disengagement of opposing military forces. The United States should be prepared to join other powers in guaranteeing borders thus confirmed, in order to ensure the permanency of the peace settlement.

2. The United States should insist on an international guarantee of innocent passage through international waterways, including the Straits of Tiran and the Suez Canal, as an inalienable right of all nations.

This guarantee would help to undergird the strategic and economic viability of Israel, as well as the Arab states, and would remove a major source of conflict in the Middle East.

This recommendation reaffirms an explicit Republican view, which was clearly enunciated by President Eisenhower following the Arab-Israel war in 1956.

3. The United States should join with other nations in pressing for international supervision of the holy places within the City of Jerusalem.

Circumstances must be created which will provide the best protection of, and access to, the holy places so that freedom of religious worship in these places will be assured to peoples of all faiths. The holy places should not be the subject of political controversy. Their administration by a religious council comprising all directly-affected faiths is one solution that should be most carefully weighed.

4. As an essential part of a permanent settlement in the Middle East, the United States should insist on, and aid in, the rehabilitation and resettlement of the more than one million Palestine Arab refugees who have been displaced over the past 20 years.

Since 1948, \$625 million has been spent by the United Nation's Relief and Works Agency (UNRWA) to provide simple subsistence to the Palestine Arab refugees. The United States has voluntarily contributed \$425 million, or more than two-thirds of the total. The U.S.S.R., the strident champion of the Arabs, has never contributed to this program.

Before there can be stability in the Middle East, a just and enduring solution of the refugee problem must be found. As the leading contributor to refugee support, the United States is uniquely situated to press powerfully for the permanent resettlement of all Arab refugees. Israel, as well as the Arab states, must share substantially in this effort. We, with other nations, should challenge the U.S.S.R. to prove the sincerity of its professed concern for the welfare of the Arabs by matching future U. S. contributions toward refugee rehabilitation.

5. The United States should propose a broad-scale development plan for all Middle Eastern states which agree to live peacefully with their neighbors.

The Republican Party would not willingly see the rehabilitation of the Middle East become a political issue in the United States. Our country's efforts to bring peace to that war-torn region should continue to be bipartisan. In this spirit we hope for vigorous Administration and widespread public support for the bold and imaginative Eisenhower Plan to bring water, work and food to the Middle East.

This constructive proposal would provide huge atomic plants to desalt sea water, the first of which would produce as much fresh water as the entire Jordan River system. This in turn would irrigate desert lands to support the Arab refugees and bring yearned for prosperity to both Arab and Israeli territories.

The Eisenhower Plan is sufficiently far-reaching to encompass all Middle Eastern states, and all should be invited to adhere. However, even if some should decline, the Plan could be initiated pending their later cooperation. The construction of the first plant would require the agreement of only two or three countries, such as Israel, Jordan, Saudi Arabia, or Lebanon. Once the immense benefits of the vast increase in water supplies become evident for all to see, it would be difficult for any Middle Eastern leader to deny his people the opportunity to share in the prosperity being created.

6. The United States should make a determined effort to expose and isolate the radical troublemakers in the Middle East. We should aid only those states following non-aggressive, non-Communist policies.

Republicans oppose the continuation of past attempts to win over leftist leaders by giving large amounts of aid. We believe our aid should not reward our enemies and, in effect, punish our friends.

Nasser has received more aid (\$1,133.3 million) than Israel (\$1,104.5 million), and nearly double the aid given to any moderate Arab leader (Jordan under King Hussein, for example, has received \$572.8 million).^{1/} By contrast, the average aid given to the U.A.R. during the Eisenhower years was \$31.6 million per year. The average yearly aid to Nasser rose sharply during Democratic Administrations to \$172.1 million.

Republicans have long opposed such aid. On January 26, 1965, every House Republican voted to terminate all surplus food shipments to Nasser.^{2/}

Moreover, at the outbreak of the Middle East war one-quarter of a billion dollars^{3/} was obligated for the seven Arab states which later broke relations with the United States, partially as a result of Nasser's false charge that American planes aided Israel. (See Appendix A, "The Administration Ignored Signs of Crisis in the Middle East.") Republicans believe aid should not be reinstituted to any of these countries until the United States decides to reestablish diplomatic relations, restitution has been made for damages to American property and people, and allegations, which falsely impugn the good name of the United States before the world, have been retracted.

^{1/} Analysis of these aid figures is a complex matter. The per capita figures are disparate -- and the periods, types, and currency and payment requirements varied widely.

^{2/} The New York Times, January 27, 1965.

^{3/} This figure includes some \$200 million earmarked as aid and \$51 million in outstanding Export-Import Bank commitments.

7. The United States, in furtherance of peace in the Middle East, should strive with other nations for agreed limitations on international arms shipments to the area.

Limitation on the wasteful and destructive arms race was temporarily achieved by the Tripartite Declaration of 1950 and the Eisenhower Doctrine of 1958. However, Soviet shipments of large amounts of sophisticated weapons to the radical Arab states have thwarted arms controls. There should be unrelenting effort to obtain Soviet adherence to a workable system of arms control in the Middle East. Their cooperation could be a significant indication of Soviet desire for world peace and East-West détente.

8. The United States' leadership and diplomacy must be alert, firm and resourceful to prevent extension of Soviet imperialism into the Middle East and North Africa.

The U.S.S.R. has suffered a serious reverse in terms of both power and prestige in much of the Arab world. The United States should now apply its own influence toward inhibiting the Soviets from again creating disturbances in this area.

Russian aspirations in the Middle East have not varied for centuries. Their major aim has been to obtain direct access to warm water ports, and to the Mediterranean Sea and the Indian Ocean. The emergence of many new nations in the Middle East following World War II provided increased opportunities for advancing Soviet interests. In 1945-46, the Soviet army moved into northern Iran, but troops were finally withdrawn after the U. S. and the U. K. objected in the United Nations. In 1947, as in 1877-78, the Soviets attempted to gain a dominating position over the Turkish straits, and in 1946-47, they tried to overthrow the Greek government. The United States responded decisively with its Greek and Turkish aid programs.

Following the death of Stalin, the Soviets sought to by-pass the Middle Eastern countries with which they share a common border and began cultivating Arabs further to the south. Since then, Soviet aid to the radical states in the Middle East has been dispensed on a massive scale. The U.A.R. alone has received about one-sixth of total Soviet economic aid. If economic aid to Algeria, Iraq, Syria, Somalia and Yemen is added, the total becomes \$1,824 million or nearly one-third of total Soviet economic aid. In addition, Soviet military aid has clearly been on a massive scale.

Considering the traditional Russian goals and the vast Soviet military and economic aid to the area, it is not surprising that the Soviets are profoundly concerned over the results of the recent Middle East conflict.

One area of importance only incidentally affected by recent Arab-Israeli battles is the Red Sea, the vital link between Europe, Asia, and much of Africa. The Soviets are deeply involved in promoting instability along the Red Sea coasts in an effort to dominate this key passage. Via Nasser, the Soviets have supported a four-year war in Yemen; they are fomenting rebellion in Aden; they are arming Somalia to stir trouble in the critical region of the African Horn. It would seriously menace the Western position if Yemen and Aden were allowed to come under the control of hostile elements, whether Egyptian or Soviet. We believe the nation can rightly expect its leadership to have the capability and responsibility to avoid such a tragedy -- a catastrophe for all the free world should Soviet designs be allowed to succeed.

Appendix A

The Administration Ignored Signs of Crisis in the Middle East

Although Republicans reject categorically Arab and Soviet claims that the United States was in any way involved in the Middle Eastern conflict, either overtly or covertly, it is apparent that President Johnson's Administration cannot avoid all responsibility, or even some blame, for the events which have taken place. In fact, it appears that the Johnson Administration was so devoid of policy ideas on the Middle East that it could not have seriously affected the situation even if it had wanted to.

The following points give some idea of how badly the White House misjudged the Middle Eastern situation:

- 1) For the crucial three months preceding the crisis there was no United States Ambassador to the Egyptian government. Moreover, the post of Assistant Secretary of State for Near Eastern and South Asian Affairs was vacant from October 19, 1966 to April 7, 1967, a period of nearly six months just preceding the crisis.
- 2) When the new American Ambassador to Cairo, Richard Nolte, arrived on May 21 he was reported by the Baltimore Sun to have asked, "What crisis?" when questioned by a correspondent at the Cairo airport. The Sun comments that Nolte was simply reflecting the State Department's thinking, and his bland remark showed how little Washington appreciated the gravity of the situation even at that late date.
- 3) David G. Nes remained Charge d'Affaires of the American Embassy in Cairo even after Nolte arrived, because the new Ambassador never had an opportunity to present his credentials to President Nasser before the war started and diplomatic relations were broken. Nes, a senior career diplomat, was so disturbed by Washington's lack of interest in the Middle Eastern situation that he took the almost unheard of step of complaining to newsmen that his reports showing a crisis was developing had been totally ignored by the Administration.

4) A resume of events which Nes reported but which he claimed Washington
 ignored is highly instructive. Quotations are from the Baltimore Sun:

"Beginning in January Nes was convinced that Nasser was planning a major confrontation with Israel and the West... The real tip-off to Nasser's intentions was a series of violently anti-American articles published in Cairo's authoritative Al Ahram early in March at about the time (U.S.) Ambassador Lucius Battle left without a successor being named.

"Mohammed Heikal, editor of Al Ahram and a confidant of Nasser, reviewed United States-Egyptian relations from 1949 to date. The Heikal articles indicated Nasser was headed for and wanted a confrontation with Israel and the West."

"Nasser apparently tested U.S. intentions in early April by precipitating the incident which resulted in the removal of the U.S. AID mission from Taiz in Egyptian-controlled Yemen ."

"The final clue to his (Nasser's) intentions was his May 2 speech in which he characterized America as the enemy of Egypt."

Once the opposing sides had mobilized their troops, and even after hostilities had broken out, the actions of the Johnson Administration indicated that our efforts were poorly coordinated. Although it was perfectly obvious from the nature of the policy statements and military preparations on both sides that war was imminent, the Administration floundered about with a make-shift attempt to organize maritime powers of the world into a group which might convince Nasser to back down from his Gulf of Aqaba blockade.

Moreover, the Administration failed to see beyond the impending crisis and appraise the needs for a permanent settlement in the Middle East. Instead of adopting a flexible position, the President stated on May 23, 1967, that

"the United States is firmly committed to the support of the political independence and territorial integrity of all the nations of that area."

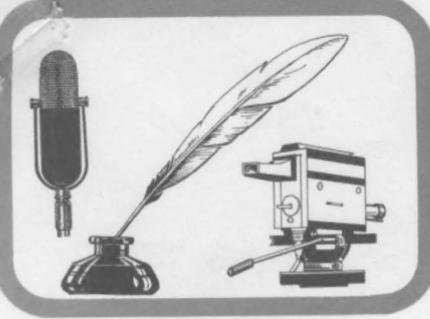
This unilateral declaration even went beyond the 1950 Tripartite Declaration in which the United States, the United Kingdom and France guaranteed boundaries but only on the condition that peace treaties were signed.

During the first days of the conflict the Administration revealed its confusion by changing its stand on the war three times in one day. First, the State Department announced that the United States was "neutral in thought, word and deed." Second, a White House Press Secretary stated that this statement was "not a formal declaration of neutrality." Third and finally, Dean Rusk issued a clarification stating that by "neutral" we meant we were not going to become a belligerent, but this did not mean to imply that we were indifferent to the outcome of the war.

Beyond expressing great interest in Middle Eastern events, the Administration never said whether our sympathies were with Israel or the Arabs. By contrast, the declared Soviet position was 100 percent pro-Arab.

By subsequent action, the Administration has as much as admitted that it still has no policy for the Middle East: a special committee has been established to study the Middle East, and Mr. McGeorge Bundy has had to be recalled from private life to direct this group's work.

Republicans wish to underscore our long-established opinion that the government would do better to rely on the judgment of our professional diplomats, who are familiar with the area in question, than to organize a new committee every time a new crisis develops.



CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

Remarks by Rep. Gerald R. Ford, R-Mich., on the Floor of the House of Representatives, Tuesday, August 8, 1967.

Mr. Speaker, I rise after much reflection to express my grave misgivings, which have been growing for many months, about the way the war in Vietnam is going. I believe my concern is shared by many millions of my countrymen, and I know it is shared by those responsible for fighting the war in Vietnam.

My troubled thoughts were brought into sharper focus last Thursday by the President's message asking for a 10% Federal income tax surcharge. Most of the comment on this floor and in the press centered initially on his tax increase proposals. For my part I reiterated that President Johnson still has not made a convincing case for higher taxes.

But with his tax message, as an additional and emotionally-compelling argument, the President announced his decision to "authorize an increase of at least 45,000 in the number of men to be sent to Vietnam this fiscal year."

This will swell the total to 525,000 Americans, not counting those in adjacent areas, surpassing our peak manpower commitment to the Korean War. Vietnam is a major war, and has become an American war.

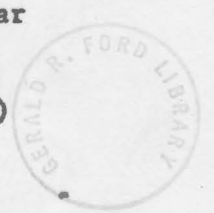
At the end of 1963, when President Johnson succeeded to the Presidency, the United States had approximately 16,000 men in Vietnam. Only 109 had been killed in action and about 500 wounded.

By grim coincidence, the Pentagon released the latest casualty figures on the same day we received the President's tax increase message. The toll of Americans (as of July 29) now stands at 87,000 -- 12,000 dead and 75,000 wounded. (Figures rounded.)

Mr. Speaker, I blame nobody but the Communist enemy for these sad statistics. I have supported the President and our country from the outset and to this hour. I have heard myself branded a hawk, and worse, for counseling firmness against Communist aggression and using America's awesome arsenal of conventional arms to compel a swift and sure peace.

But I am troubled, as I think most Americans are troubled. Recent surveys show that more than half of our people are not satisfied with the way the war in Vietnam is being conducted.

(more)



Mr. Speaker, why are we talking about money when we should be talking about men? The essential element in President Johnson's tax increase message, I submit, is not higher revenues but human lives -- not whether every American should live better but whether hundreds and thousands of Americans are going to live at all.

This is not an academic exercise with computers. This involves the finest of our future leaders. This is a question crying for bold leadership and political courage of the highest order -- even the courage to admit past policies have been woefully wrong.

I believe everyone in this House would willingly vote any level of taxes and the American people would willingly pay them if they were convinced it would bring the Vietnam War to an end. But as I do not believe the grave challenges we face at home can be countered simply by pouring out more and more money, neither do I believe the graver challenge in Southeast Asia can be met merely by pouring in more and more men and by these brave men pouring out more and more blood.

I am troubled, Mr. Speaker, that the President's ordering 45,000 more Americans to Vietnam is almost taken for granted, so hardened have we become to these creeping commitments. I am troubled that the only apparent result of Gen. Taylor's and Mr. Clifford's circuit of our Pacific allies, besides arranging another Asian Summit show, was a promise of some 3,000 to 15,000 South Korean reservists "to release American troops for combat duty" in Vietnam. Shouldn't it be the other way around?

President Johnson himself set the groundrules for a great debate about our nation's priorities and goals. I accept them. I hope others will join. In his tax increase message, Mr. Johnson said:

"This nation has taken a solemn pledge that its sons and brothers engaged in the conflict (in Vietnam) shall never lack all the help, all the arms, and all the equipment essential for their mission and for their very lives. America must and will honor that pledge. It is for this reason that expenditures for Vietnam -- subject as they are to the variable demands of military operations -- may now exceed our earlier estimates."

After outlining his higher tax plans, the President added:

"The inconveniences this demand imposes are small when measured against the contribution of a Marine on patrol in a sweltering jungle, or an airman flying through perilous skies, or a soldier 10,000 miles from home waiting to

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join his outfit on the line."

Who can question such a comparison?

But the question we may ask -- the question I must ask -- is this:

Why, and how long, must United States Marines patrol that sweltering jungle?

Why, and how long, must U.S. Navy and Air Force pilots brave increasingly deadly skies because the flow of sophisticated Soviet weapons has not been stopped?

Why, and how long, must American soldiers -- now nearly half a million -- wait 10,000 miles from home to meet and match Asian enemies man to man, body for body?

Mr. Speaker, we must ask another question: Why are we pulling our best punches in Vietnam?

Is there no end, no other answer except more men, more men, more men?

Of course we will give our fighting men all they need to defend their lives and carry out their mission. But what is their mission?

Is there any clear, coherent and credible military plan for bringing this bloody business to a conclusion?

Certainly there are such plans. Our ablest military leaders would be unbelievably derelict not to have developed a variety of alternative strategies based on the situation and sound military experience. But up to now they have not been allowed to put their plans to a real test, or worse, their plans have been tried piecemeal, in the same senseless way Americans have been fed piecemeal from 16,000 to 525,000 into this peninsular war, under such high-level restrictions as to void their validity.

General Eisenhower recently stated pointedly that a "war of gradualism" cannot be won. The result of our "war of gradualism" against North Vietnam has been the equivalent buildup of the enemy forces on the ground and the accelerated hardening of his defenses.

Mr. Speaker, when you have to change a tire, you tighten every lug as hard as you can. If you only tighten one, or tighten them unevenly, your car will go on wobbling down the road and wind up in a ditch.

What is especially dishonest is secretly to forbid effective strategic action and publicly portray it as an honest try. Then, when expected results are not forthcoming, to belittle the effort and its backers. This is worse than dishonest -- for meanwhile brave men have died in vain.

I point no accusing finger. I do not want to be partisan or personal. This is not a Democratic war nor a Republican war but an American war, as all our wars have been once we were in them. My party has, in fact, stated its support

(more)

of the war in Vietnam more explicitly and muted its public criticism and dissent more successfully than the President's party.

Republican policy on Vietnam generally has been based on a very precise and wholly nonpartisan statement which I helped to draft and to which I have consistently subscribed for the past 20 months. It was issued December 13, 1965 by the National Republican Coordinating Committee and its main points were these:

1. "Our purpose is....to repel Communist aggression, to minimize American and Vietnamese casualties, and to bring about a swift and secure peace."

(Emphasis mine.)

2. "There is a growing danger that the United States is becoming involved in an endless....land war in Southeast Asia (which) would be to the advantage of the Communists."

3. "Our first objective should be to impose a Kennedy-type (sea) quarantine on North Vietnam."

4. "To accomplish our objectives we also recommend the maximum use of American conventional air and sea power against significant military targets."

Mr. Speaker, when these reasoned, responsible and limited military measures were urged by the leaders of the loyal opposition party some 20 months ago, American casualties in Vietnam stood at less than 1500 dead and 6500 wounded; a total of 8000 as compared to 87,000 today.

Now we are told, and we scarcely question, the President's decision to dispatch another 10% reinforcement of our ground troops -- 45,000 more men to Vietnam -- hardly enough to be noticed except by those called and their loved ones. Surely this is what a nationally respected Washington column has branded "Horror on the Installment Plan." (Reston, May 14, 1967, NYT)

Reviewing our December 1965 policy statement I am compelled to some tragic and troubling conclusions.

First, under policies which the President has just pledged to continue substantially unchanged, our purpose of minimizing American casualties has failed. Our purpose of securing a swift peace has failed, because it was never tried. And our purpose of repelling Communist aggression remains, at best, a dubious stalemate and deadly duel of attrition.

Second, our warning against involvement in a disadvantageous land war in Asia has gone unheeded. It now is academic. Half a million Americans are deeply involved, more than 10,000 have lost their lives in the intervening 20 months,

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and the only answer present leadership has to offer is to order 45,000 more into battle.

Third, our primary recommendation for a quarantine, or any meaningful form of seapower sanction against Haiphong harbor, has been rejected. The enemy meanwhile has had time to develop and defend alternative overland and air supply routes bristling with imported Soviet weapons. After many months the refitting of the battleship U.S.S. New Jersey has just been authorized, and will take almost a year to finish. Meanwhile the enemy has installed in heavy concrete emplacements along the North Vietnamese coast what may well be Soviet surface-to-surface missiles capable of sinking a warship at 100-mile ranges.

Fourth, only one small portion of one of our recommendations, the use of conventional American air and sea power against military targets, has been even belatedly tried. On June 29, 1966, President Johnson permitted air attacks on some, but not all, of North Vietnam's petroleum storage depots. As Secretary of Defense McNamara admitted at the time, the enemy already was well advanced on a major dispersion plan. But to this day, 13 months later, only about one-fourth of the known oil storage targets in North Vietnam have been hit by American air strikes and a significant percentage remain officially forbidden.

Yes, Mr. Speaker, I am deeply troubled. Is this any way to run a war while casualties increase ten-fold? Is it really necessary, will it do any real good, to send another 45,000 men to Vietnam?

Before leaving our 20-month old recommendations, largely rejected, let me stress two other key words in that Republican statement. Nobody was or is urging "escalation." It was specific about conventional weapons -- the kind we have been dropping on jungles and individual trucks in prodigious tonnages -- and about military targets, not indiscriminate bombing of civilians or cities. But the Communists, as they proved in Korea and other wars, are quite capable of shielding their most strategic targets with their own women and children. It is horrible, but effective.

The very word "escalation" has become a bugaboo and its military meaning abused. The scope of American involvement in Vietnam was really escalated or enlarged in February 1965 when President Johnson approved the bombing of North Vietnam. I accept the President's own definition (August 29, 1964) during the 1964 election campaign when he told Americans:

"I have had advice to load our planes with bombs and to drop them on certain areas that I think would enlarge the war, and result in our committing a good

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many American boys to fighting a war that I think ought to be fought by the boys of Asia to help protect their own land. And for that reason I haven't chosen to enlarge the war."

Mr. Speaker, I supported the President when he reversed this decision six months later. I again supported him when he removed his earlier restraints on bombing some enemy oil storage depots in June, 1956. Neither of these steps brought Russian or Red Chinese intervention. What they did bring was a loud Communist clamor for unconditional U.S. cessation of all bombing of North Vietnam, and much propaganda about civilian casualties.

Thus we already have accepted whatever real risks or propaganda punishment might be incurred in maximum use of American conventional sea and air power against significant military targets in North Vietnam. The whole world thinks that is what we are doing. The American people have been and still are being led to believe that is what we are doing. Most Americans wonder why North Vietnam has not been totally destroyed. They remember what conventional bombing did to Tokyo and Berlin, to London and Warsaw. They wonder what can be left in North Vietnam worth bombing.

Over this past weekend, Mr. Speaker, there have been successive reports of massive American air strikes against North Vietnam. On Saturday we read: "197 Missions Set Record for Raids on North Vietnam." On Sunday it was "U.S. Carrier Jets Meet Heavy Fire in Hanoi Region," and on Monday, "U.S. Raids North 178 Times in Day." It also was announced we have lost 636 U.S. planes over North Vietnam.

But when one reads the official spokesmen's account of what was accomplished on these air strikes, nothing has changed. Strategic bombers from Guam dropped their bombs on North Vietnamese weapons positions, base camps, storage areas and trails. U.S. pilots attacked troop concentrations, three artillery pieces, one bunker, two armored vehicles, one tank, five trucks. Other strikes hit an oil storage depot, 28 trucks, 10 undescribed buildings, one warehouse area, one bridge. These are all the details given for what is touted as the biggest American air assault of the Vietnam War.

Mr. Speaker, we are still pulling our best punch in North Vietnam.

The distinguished first Secretary of the Air Force, Senator Symington, recently expressed his exasperation over accounts of U.S. bombing of North Vietnamese targets by saying "Somebody is making available to the press a vast amount of misinformation."

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I believe it is high time the American people knew the truth.

Would the American people believe that in mid-1967, after two and one-half years of U.S. bombing of North Vietnam -- an area about the size of Michigan -- only 3 out of every 10 significant military targets had ever been struck by U.S. air power?

Why are we still pulling our airpower punch?

Would the American people believe that when Secretary McNamara made his ninth visit to Vietnam last month, publicly opining that U.S. forces there might be used more effectively, nearly half the identified top priority targets in North Vietnam were officially off-limits to air attack under high-level orders from Washington?

Why are we still pulling our airpower punch?

Would the American people believe that more than a hundred vital fixed enemy positions in North Vietnam, including most of the air defense control centers that have accounted for more than 600 U.S. planes, most of his major airfields and all of his naval facilities, could not be attacked under Washington orders?

Why are we still pulling our airpower punch?

Would the American people believe that despite the much-publicized and prayerful Presidential decision to allow bombing of some oil depots a year ago, about three-fourths of the enemy's petroleum storage targets had not yet come under attack? Or that despite frequent news reports of raids on power plants, roughly one-third of North Vietnam's total power targets and all enemy hydro-electric generating facilities were still forbidden targets by orders from on high.

Why are we still pulling our air power punch?

Would the American people believe that 60 percent of the key targets that make up North Vietnam's transportation network were immune from our air attack? That only about one-fourth of these priority transport targets, one-third of his railroad facilities and bridges had ever been attacked? That all seaport targets and canal locks were off-limits? That most of the enemy's repair shops could not be hit?

Why are we still pulling our airpower punch?

Would the American people believe that high-level directives for more than two years prevented American airmen from hitting 5 out of 6 of North Vietnam's key industrial targets? That however primitive, nearly 90% of the targets in the enemy's war-making industrial base remained unscathed?

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Would Americans believe that even in the category of purely military facilities, North Vietnamese army, navy, air force and defense installations, more than two-thirds of the total targets never had been attacked? That only ammunition dumps have been significantly hit? That almost half of these military targets remained officially forbidden by high-level policy restraints?

Mr. Speaker, why are we pulling our airpower punch?

Contrary to the calculated public impression, the real argument at the highest levels of our government which took Mr. McNamara to Saigon last month and twice brought Gen. Westmoreland to Washington has not been whether to send 250,000 men, or 100,000 men, or 45,000 men, or 20,000 men to Vietnam. It is high time the American people knew what the real issue was.

The real issue, Mr. Speaker, was whether we really have any hope of winning the Vietnam war, in the sense of meaningful and concerted military pressure that could force the enemy to the negotiating table, or not. If not, I can see no justification for sending one more American over there, let alone 45,000.

Perhaps we all have been diverted in recent weeks, by the Middle East crisis and the violence in our cities, from the moment of truth that is confronting this nation on our future course in Vietnam. But the straws have been in the wind.

On July 24, at the height of the Detroit riots, the New York Times reported from obviously authoritative Washington sources that "U.S. Won't Modify Vietnam Bombing." Predictably, it reported President Johnson as firmly rejecting both pleas for expanding air strikes by approving new targets and counter-proposals to restrict bombing to the southern zone of North Vietnam.

On August 1 one of our own colleagues from California, one of the Administration's sharpest war critics on the other side of the aisle (Mr. Brown) said in Los Angeles that the latest "agonizing reappraisal" in the White House had been resolved.

"Temporarily at least the President will follow his customary practice of going down the middle, making no change in the bombing policy, probably until after the September 3 election in Vietnam," the gentleman forecast.

On the same day Columnist Joseph Kraft in the Washington Post complained that "nowhere is the assertion that a specified effort continued over a particular time ought to yield a defined result. The Defense Secretary talks of progress, but does not say progress toward what. As a result there is no good measure for asserting what the United States is doing in Vietnam."

"Maybe the President has some scheme for getting the country out of the war

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as invisibly as he got it into the war," this columnist continued. "Maybe there is a program for applying military pressure until the other side breaks. Maybe there is a plan for negotiations after the elections in South Vietnam next month.

"But none of us can know that. On the contrary, all we can see is a shell game," Mr. Kraft concluded.

Mr. Speaker, I have quoted others who, while not always in agreement with me, voice the same gnawing doubts I feel. Yet in his tax increase message last week, President Johnson only confirmed our worst fears. He revealed no recent change in his policies or his plans. On the contrary, he took pains to stress that his words about the Viet-Nam War last January "are even more true today."

The President repeated his bleak estimate that "we face more cost, more loss, and more agony." He reiterated that nearly half a million Americans "have deprived the Communist enemy of victory" and that the enemy "can no longer succeed on the battlefield." He did not say our pressure on the enemy would be intensified or increased, only this:

"I must say to you that our pressure must be sustained -- and will be sustained -- until he realizes that the war he started is costing him more than he can ever gain. I know of no strategy more likely to attain that end than the strategy of 'accumulating slowly, but inexorably, every kind of material resource' -- 'of laboriously teaching troops the very element of their trade.' That, and patience -- and I mean a great deal of patience."

Again I ask: why are we pulling our airpower punch?

Our Navy and Air Force have clear superiority in the air over North Vietnam and its coastal areas. They have the weapons and resources they need. They know "the very elements of their trades" superbly. Must we accept as inevitable that the only way to fight this war is within the territory of South Vietnam, matching the enemy body for body, bayonet for bayonet, grenade for grenade?

It is one thing to deprive the enemy of victory. It is one thing to say he can no longer succeed. It is one thing to increase his cost of continuing the war. Cannot Ho Chi Minh claim he has done the same to us?

Can we match the Asian Communists even in patience?

I for one am running short of patience, Mr. Speaker. I would like to believe that the President has been misled or misinformed, that with all his aides and advisors he has been unable to obtain the evidence which I know is available to him as it is to me.

In his tax increase message President Johnson concluded that "the test before

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as the people feel whether we have the will and the courage to match our commitments."

Mr. James Reston, commenting in Sunday's New York Times, says this:

"The unsolved problem, obvious for a very long time, which Lyndon Johnson will not face and which the people intuitively understand or seem to understand, is the problem of priority."

I believe the test of will and courage is not the people's, but the President's. I believe that ending the war in Vietnam must have the very highest of national priorities, now.

Without this, we shall continue to wallow and weave and wobble in what General Eisenhower called "as nasty a mess as we have ever been in." Neither more men, nor more money, nor more material will do any good unless there is more will and more courage at the top.

Who knows better than Gen. Eisenhower that there can be only one course when a nation resorts to force of arms: to give the war first priority among national aims; to wage it efficiently and with minimum bloodshed and brutalization of one's own people; to hit hard enough and convincingly enough to bring it to an early end. The tiny nation of Israel just reaffirmed this axiom of war. Have we abandoned it? Why are we pulling our airpower punch?

Mr. Speaker, I hope that the apparent step-up in air attacks over North Vietnam over the past few days signals a reversal of past mistakes, that targets of real strategic significance will shortly be struck, and that before the weather turns bad for another long season this will really cripple the enemy's warmaking capability. I hope this, but the President has only promised to sustain the same inadequate level of pressure permitted in the past.

Would Americans believe, Mr. Speaker, that during all of 1966, handcuffed by such secret restraints, brave American airmen flew more than 100,000 combat missions over North Vietnam without attacking one of these significant strategic targets? Would they believe that under this policy, apparently unchanged, only about 1000 strikes were directed against top priority pressure points during 1966, while 279 U.S. planes were lost?

Can military morale be sustained under such circumstances? Can peace ever be won this way?

I am not a military expert, but I have full confidence in many dedicated Americans who are, and in the facts that support their deep and patriotic concern. I believe the American people deserve to be told the truth about Vietnam. There

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is no need to conceal such information from the enemy, unless it be to deceive one's own countrymen.

The enemy in North Vietnam knows where his vital targets are. He knows which have been attacked and which enjoy privileged sanctuary. He knows many of his most vital and vulnerable strategic assets have been spared. Ho Chi Minh probably asks himself: Why are the Americans pulling their airpower punch?

Mr. Speaker, I do not know the answer. I doubt that Ho Chi Minh knows the answer. I hope he does not interpret it as proof of America's lack of will and courage. I hope it does not encourage him psychologically to prolong the slaughter as it surely enables him to continue militarily. It is inhuman even to an enemy to hack him to death by inches.

I do not want to wait until the September 1967 elections in South Vietnam to start ending this war.

I do not want to wait until the 1968 elections in the United States to bring this war to an end.

If bringing peace to Vietnam and bringing half a million Americans home alive would ensure President Johnson's re-election by a landslide, I would gladly pay that price.

I don't think the President has made a convincing case for a tax increase. Let us debate that another day. Even less, in view of the evidence I have, has the Commander-in-Chief made a convincing case for sending 45,000 more troops to fight a ground war in Viet-Nam.

It is my earnest plea that he will reconsider.



Republican National Committee

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NATIONAL 8-6800

NEWS

FOR RELEASE

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SWEEPING REFORMS IN FOREIGN AID
RECOMMENDED BY REPUBLICAN COORDINATING COMMITTEE

The Republican Coordinating Committee recommended today a far-reaching 16-point program for overhauling foreign aid and declared that assistance "should not ordinarily" be extended to nations that show continued hostility to the United States or that give military aid to its enemies in Vietnam.

In a 23-page report adopted at its meeting in Washington, D.C., July 24, the GOP leadership group recommended basic reforms which it believed would reduce abuse and waste in the foreign aid programs and make them more realistic and effective.

The document, released today by Republican National Chairman Ray C. Bliss, stressed such key factors as self-help efforts on the part of nations receiving aid, more technical assistance rather than large loans, extending United States agricultural knowledge and techniques to countries in need, reliance on private enterprise, care not to bolster corrupt regimes, the need for projects that reach the masses, and concentrating aid in nations of special importance to the United States.

The Coordinating Committee declared that, "while not making aid conditional upon support for our foreign policy, aid should not ordinarily be forthcoming to":

--Nations "whose heads of state (like Nassar) engage in continual intemperate abuse of the United States."

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--Nations "which give military aid to our enemies in Vietnam or which engage in military aggression."

--Nations "which, in contravention of international law, harass American citizens engaged in commerce, or confiscate American-owned property without fair compensation."

"Aid and comfort," the Committee said, "should not be given by the U.S. to those who consistently help our enemies or the enemies of other free men. Nor should aid be given to those who rattle swords or engage in aggression."

"If private representation to the nation's leaders does not produce results, the Voice of America, in certain instances, might make this fact clear to the people of a country."

"This does not mean that like Robespierre, Hitler or Stalin we should insist upon support for our foreign policy in all its aspects. We are dealing with independent nations and a measure of demonstrated independence from us in certain matters is often a political necessity for their leaders."

The report adopted by the Coordinating Committee was prepared by a subcommittee of the Task Force on the Conduct of Foreign Relations headed by Ernest Griffith, former Dean of American University in Washington. The Chairman of the Task Force is former Ambassador Robert C. Hill.

Recalling that the Republican Party had always "endorsed the purposes of foreign aid," and had always promoted ideas aimed at making aid programs more effective, the Coordinating Committee said:

"Republicans believe that it is again time for innovation and that the methods used in administering the aid program today fall far short of what the people have a right to expect."

The Committee, which represents the top leadership of the Republican Party, pointed out that more than \$117 billion in assistance has been extended to more than 100 nations in the 20 years that the aid program has been in operation. It said:

"We look forward to the eventual termination of all grants in aid and toward the time in which the normal processes of trade, production and loans will carry the burden of development."

Vietnam was classed by the Committee as "a special case." The Committee said:

"There are many reasons for our involvement, and the search for order and stability is but one among many. It is self-evident to all of us that, if and when peace, security and stability are attained in Vietnam, our national interest will be greatly enhanced all over the world. It is also clear that in attaining such peace, security and stability, large-scale economic and technical, as well as military, aid will be necessary."

The Committee said: "No aid should be extended without commensurate self-help on the part of those aided." It said that in this connection "the following activities have been grossly under-emphasized."

Community development, involving the "active participation of people at the village and town level." The Committee named rural cooperatives as an example, and said "hundreds and even thousands of communities in Latin America, Pakistan, and elsewhere are engaged in cooperative self-help," and that often the least costly projects are among the most successful.

--Utilization at home of capital funds now exported by nationals of the countries aided. The Committee recalled an estimate that as much as \$17 billion of indigenous capital is at present invested abroad by Latin-American nationals.

--Family planning. In this connection, the Committee stressed the need for population control, and said that for many nations population increases in excess of 2.5 per cent a year likely will exceed the practicable annual gains in gross national agricultural production.

Declaring that many nations are losing ground in the race between population and food production, the Committee said these nations "must meet this problem." The Committee added:

"We can cooperate technically and financially, but only a determined effort on their part to check their population growth can really do the job. At its present rate of growth, the world's population will double in less than 30 years. No such increase in food production is in sight."

The Coordinating Committee said that, in seeking to aid the world's hungry, more emphasis should be placed on the use of United States agricultural technology and marketing and credit know-how, which the Communists have never been able to challenge.

Stressing the value of private enterprise as encouragement to development, the Committee said this requires "a more favorable climate in the nations concerned," and that "we on our part must be more ready to share controls with foreign nationals" and to take other cooperative measures.

The Committee said: "Evidence that technical assistance is often a better stimulant to growth than large-scale capital transfers should be seriously examined, particularly in the light of the United States' balance of payments problem."

Other recommendations by the Coordinating Committee:

--Regional marketing plans which would give small developing nations wider markets for their products should be explored.

--Special attention should be given situations "in which substantial aid is forthcoming from other nations, and in which we are asked to cooperate."

--Means of increasing the earning capacities of developing nations should be explored.

--The role of the United States ambassador as chief of mission should be strengthened.

--The techniques and insights of the social sciences should be employed upon development problems and projects.

--Continued emphasis should be placed on securing qualified personnel to administer aid.

--More attention should be paid in the United States to a realistic evaluation of what the aid program actually is accomplishing, and in this respect both the Executive and Legislative branches of the Government should broaden their supervision over the aid program.

--Generalizations should be avoided, as each nation presents a distinct problem.

The Committee said: "If we can help to set the developing nations squarely on the road to prosperity, our trade with them will inevitably increase."

8/8/67

Adopted by
The Republican Coordinating Committee
July 24, 1967

Presented by
The Task Force on the Conduct of Foreign Relations

FOREIGN ECONOMIC ASSISTANCE

Prepared under the direction of:
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FOREIGN ECONOMIC ASSISTANCE

The Cost of U. S. Foreign Assistance

The post-war efforts of the United States Government to assist other nations of the globe are now twenty years old.

During that period -- from July 1, 1946 through June 30, 1966 -- the United States provided more than \$117 billion to over 100 foreign nations. This aid ranged in amount from one hundred thousand dollars to the African state of Gambia to \$9.5 billion to France. (Appendix A is a listing of these expenditures since June 1, 1946.)

The foreign aid program today involves major annual expenditures of funds. In the fiscal year ended June 30, 1966, foreign aid expenditures totalled \$3.4 billion -- some 3.1 percent of the total Federal Budget. To this amount should be added the agricultural surpluses distributed abroad, loans by the U. S. Government's Export-Import Bank and the U. S., portion of funds loaned by various multilateral agencies.

The Problem's Magnitude

The economic gap between the United States and the developing nations is increasing every year. The per capita Gross National Product (GNP) of the United States for 1966 was \$3,648. For the same year, that of India was \$104; Indonesia \$70; Nigeria \$117; Bolivia \$149 -- an average of \$110 for the four. The gap: \$3,538.

The United States per capita GNP in 1960 was \$2,993; for the same other four nations it averaged \$97. The gap: \$2,896.

This gap, in thus widening from \$2,896 to \$3,538, over six years, increased by 22.2 percent.

Our GNP has gone up 21.9 percent since 1960; theirs 13.4 percent. Today, their GNP as a percentage of ours is 3.0 percent, in 1960 it was 3.3 percent. This is the situation -- in spite of all the foreign aid efforts of ourselves and others.

We must recognize that neither the U. S., nor all the prospering powers of the world combined for that matter, can solve all the world's economic problems. Such is the stark magnitude of the problem presented to the world in general, and especially to the United States as its wealthiest nation.

American Attitudes Toward Foreign Aid

Support for the principles of foreign aid, private or public, lies deep within our framework of national tradition. Americans responded to Belgian Relief in 1914, the Tokyo earthquake in 1923, and the Arno River flood of 1966 with equal alacrity.

The \$117 billion spent by the U. S. Government since 1946 speaks for itself. Just as surely, Americans recognize that serious flaws exist in our present methods, and in the response or lack of response of others to these methods. Republicans believe we should be able to buy more aid and development for much less money.

We cannot abandon the goals; we cannot continue present activities without major changes.

Republicans Have Always Favored Sensible Forms of Foreign Aid

In many instances, American programs of assistance to foreign nations and peoples have proved enormously worthwhile; and often Republican leadership made these successes possible.

The program of relief to Europe after World War I, led by Herbert Hoover, rescued whole nations from the clutches of famine; nor have the Finns forgotten

the aid directed to them under Mr. Hoover in 1940. The UNRRA program, whose first director was the former Republican Mayor of New York City, Fiorello H. La Guardia, saved millions of lives after World War II.

The Point Four and Marshall Plan programs, of prime importance in the post-war reconstruction of Europe, would never have come into existence without the approval and support of the Republican 80th Congress.

The Peace Corps and Food-for-Peace concepts were legally incorporated into our aid program by the Republican 83rd Congress under the leadership of President Eisenhower. The International Voluntary Service idea of 1953 was simply enlarged and renamed Peace Corps by the Democrats. The program of distributing agricultural surpluses abroad also began in 1953 under Public Law 480 and was merely renamed Food-for-Peace by the Democrats.

The military aid program was a major element in the alliance system fashioned under the Eisenhower-Dulles foreign policy.

Even the recent special emphasis status for Latin America stems from the Bogota meeting of Western Hemisphere heads of state chaired by President Eisenhower. The enabling legislation for special emphasis aid to Latin America was passed in 1960 during the Eisenhower Administration. Again the Democrats have developed no new ideas -- they have simply added the name Alliance for Progress.

Thus it is clear that the Republican Party has always endorsed the purposes of foreign aid.

Moreover, we have always promoted new ideas and changes in the aid program aimed at making the large amounts of official capital spent abroad more effective.

Republicans believe that it is again time for innovation and that the methods used in administering the aid program today fall far short of what the people have a right to expect.

PURPOSES OF FOREIGN ECONOMIC ASSISTANCE

The Republican Party supports the following five purposes of foreign economic aid:

- (1) The promotion of peace, security, and stability abroad in our own national interest.

To a peace-loving nation such as the United States, security and stability throughout the free and the uncommitted worlds are in our national interest as well as theirs.

Where domestic economic and political frustrations pile up in the nations of these worlds, resentful leaders seek foreign enemies to explain domestic failures. Wars, near-wars, and armaments are costly -- to us as well as to them. Hence, much of our aid should be directed toward cooperation in securing national security and stability. Peace is not guaranteed thereby, but the scales are weighted in its direction. Much of our aid has been and should continue to be directed toward those nations which are most likely to cooperate in building up internal order, especially when pointed toward increasing freedom and prosperity. Korea, the Republic of China, Iran, Turkey, Tunisia, Chile will serve as examples. All of these -- as with all nations which are in similar stages of development -- have areas of instability, but their chances of progress toward economic and political maturity have demonstrably been aided by our cooperation. We should continue such cooperation.

Vietnam is a special case. There are many reasons for our involvement, and the search for order and stability is but one among many. It is self-evident to all of us, that if and when peace, security and stability are attained in Vietnam, our national interest will be greatly advanced all over the world. It is also clear that in attaining such peace, security and stability, large-scale economic and technical, as well as military, aid will be necessary.

(2) The promotion of prosperity in other nations as an aid to prosperity at home.

It is well known that prosperity increases trade; that most of our trade, both exports and imports, is with the prosperous nations. Of our total exports last year, Canada, Australia, New Zealand, South Africa, Japan and Western Europe accounted for \$13.5 billion or about two-thirds of our exports.

As nations increase in prosperity, their purchases from us likewise increase: they consume even more than they compete. For example, Japan, with a per capita income of \$93 in 1935, bought \$225.8 million from us. In 1966, with a per capita income of \$922, it bought \$2.9 billion. During the same 30 years, Mexico's figures were respectively \$61 and \$66.4 million in 1935, and \$470 and \$1.7 billion in 1966. Iran's were \$50 and \$23.3 million in 1935, and \$220 and \$83.7 million in 1966. Venezuela's were \$92 and \$125.7 million in 1935, and \$895 and \$1.1 billion in 1966.

If we can help to set the developing nations squarely on the road to prosperity, our trade with them will inevitably increase.

(3) The attempt to narrow the dangerous gulf between the "haves" and the "have nots."

The gap between the Gross National Products (GNP's) of the "haves" and the "have nots" is increasing dramatically. Despite all foreign aid efforts to date, the figures at the beginning of this paper indicate that the magnitude of this problem has been increasing, rather than decreasing, during the 1960's. Attempting to narrow this gap is a matter of conscience as well as sound policy.

In the event of a great disaster, our people have always been ready to respond generously. However, here we are dealing with a long-range situation in which a single gift from our wealth is not the answer. What is needed is the wise use of a portion of our growing annual increment in those situations in which a permanent gain in the productivity of the "have nots" will result. What is also needed -- needed more perhaps than our money, machines, food surpluses or technical know-how -- is the infusion of our economic philosophy, with its stress on freedom of opportunity and incentive, which has generated the spectacular growth in the "have" nations.

As people nurtured in the Judeo-Christian humanitarian tradition, we are impelled to help others less fortunate than ourselves. Our churches and synagogues, our schools and colleges are the strongest supporters of this approach.

- (4) The demonstration that the free world can give a more satisfying, prosperous life than Communism.

Clearly we are anti-Communist. Clearly the Communist way of life outrages our deep love of freedom and our religious faith. Yet these great values are not universally shared in the form in which we hold them. Where corrupt governments, exploiting landowners, and greedy money-lenders are able to bleed their people, Communism has all too strong an appeal. It is for us in such circumstances to demonstrate that alternatives which include freedom as a goal can do better than either reaction or Communism. The people in the Republic of China on Taiwan are dramatically outperforming the regimented Chinese on the mainland. In scores of other developing nations -- India, Pakistan, Indonesia, Nigeria, Brazil -- a crucial drama is being played out. If these nations fail,

it should not be because we denied them assistance. Ours is an affirmative approach -- to build on what there is, with our eyes fixed steadily on the end result.

(5) The spread of cooperation and friendly partnership among freedom-loving nations.

We must encourage other developed nations to increase their assistance to the "have nots." We should be prepared to cooperate with other "have" nations in establishing priorities and plans for large projects in developing countries. For long term aid in support of major development schemes, cooperation would be increased and U. S. costs reduced by devising consortiums composed of other non-Communist donors.

The spirit of cooperation must also be shared by those we would aid. The developing partnerships should not be viewed as being one sided, for the aided nations have much to give us while working with us for a peaceful world. They can enrich us with their culture. They can help our students overseas. Above all, they can and must take the necessary cooperative steps within their own boundaries to develop and spread the will to work with the West toward mutually beneficial goals. There are values in such partnerships which pay dividends in peace and understanding to all concerned.

PRINCIPLES AND METHODS

Discouragement and erosion of support for foreign aid have come about, not initially because of disagreement with these purposes, but because of mounting evidence of waste, misuse, and downright failure in far too many cases. It is both easy and fashionable to attack foreign aid itself because of these failures. In some instances, expectations have been too great; in others, the recipients themselves have been largely to blame; in still others, administrative short-comings on our part are responsible. Not all of these latter are blameworthy, except in retrospect, for the foreign aid program itself was essentially a great experiment.

However, Republicans believe that the United States should attempt to improve its aid program based on the evidence deriving from past experience. Unfortunately, successive Democratic administrations have by and large failed to understand that the amazing and rapid success of the Marshall Plan could not be quickly duplicated among peoples who have not had in their history the experience of industrialization or the social conditions making for progress. Yesterday's problems in Europe are not the same as today's problems in Asia, Africa and Latin America. The disappointing results of the Alliance for Progress bear adequate testimony to this -- so far, people's expectations, rather than their living standards, are often the only thing which have been raised.^{1/}

It is obvious that promises of much publicized development programs, if not fulfilled, can be positively dangerous to the fragile social structure of developing nations. Therefore, we must realize that the development methods of the late 1960's must be different in many ways from the reconstruction methods

¹The Alliance's basic goal was very appropriately stated in human terms -- to increase per capita income not less than 2.5 percent per year over the next 10 years. At the half-way point in 1966 only 7 of 19 countries had managed to meet this goal, and they represent slightly less than 30 percent of Latin America's total population.

used in Europe in the late 1940's. One crucial point is that the time span involved will be far longer; recipients must be told this rather than being given glib promises about what the future can bring.

It appears that the U. S. Government is learning these things the hard way. It is no service to the objectives of foreign aid to gloss over these difficulties and failures. However, we believe that such problems will yield to diagnosis, given the necessary realism in analyzing their principal causes.

Therefore, the Republican Party attaches special importance to the following methods and principles, the failures to apply which have accounted for most of the justified criticism of aid to date. It pledges itself to their vigorous application.

(1) No aid should be extended without commensurate self-help effort on the part of those aided. In this connection, the following activities have been grossly under-emphasized.

- (a) Community development, enlisting the active participation of people at the village and town level. Rural cooperatives are an example, even though they challenge existing local power structures. Such power structures often involve, not only the landlords and politicians, but also the bankers and other money lenders and at times even the religious leaders. Obstacles of this character have been noticeable in nations as diverse as Turkey, India, Brazil, the Philippines.

Painfully but surely, with many mistakes but with many successes, hundreds and even thousands of communities in Latin America, Pakistan, and elsewhere are engaged in cooperative self-help. Often the least costly projects financially are

among the most successful. Leadership may be local, A.I.D., or Peace Corps. A modest knowledge of accounting is obviously necessary, but even more important is the capacity for dedicated realistic service that recognizes that permanent benefits can only arise from ultimate local responsibility.

Over-enthusiasm can bring premature multiplication of such projects, as in Peru; but in Peru also can be found some of the greatest successes. Wherever the local effort is most hopeful, aid, however modest, of a financial and technical nature should, where practicable, be forthcoming. This "grass roots" development of attitudes is far more productive in the long run future of a nation than many a grandiose project.

- (b) Utilization at home of capital funds now exported by nationals of the countries aided. It is reliably estimated that billions, some say perhaps as much as \$17 billion, of indigenous capital is presently invested abroad by Latin American nationals. This sum may be more than the total U. S. aid to these same nations since 1945. The late Prime Minister of one of the Asian countries aided was found to have a vast fortune banked abroad at the time of his death -- an amount perhaps equivalent to the total economic and military aid annually extended by us to his country.

It is not enough merely to criticize these wealthy people; nor perhaps should we penalize their rank-and-file citizens therefore. Local people often have the same fears about investing in their own economies as our capitalists have.

Inflation, instability, corruption, fears of confiscation all take their toll. On the other hand, it is neither justifiable nor possible to bail out nations which are unable or unwilling to create the necessary conditions for investment. Perhaps a combination of taxing exports of capital, joint guarantees or insurance of a substantial portion of investment at home by their governments and ours, together with quiet but persistent pressure for a slow but sure improvement of business practices and climate, may turn the tide.

- (c) Family planning. The export of American agricultural surpluses, and even progress in international agricultural development, are often at best simply "buying time." Population increases in excess of 2.5 percent a year are likely to equal or exceed the practicable annual gains in gross national agricultural production for many nations. India, the United Arab Republic, Brazil, Indonesia will serve as examples. In Latin America the population increased 17 percent between 1960 and 1965 while their food production increased only 10 percent. Thus many countries are actually losing ground.

In some fashion these and other nations similarly situated must meet this problem. We can cooperate technically and financially, but only a determined effort on their part to check their population growth can really do the job. At its present rate of growth, the world's population will double in less than 30 years. No such increase in food production is in sight.

Even the United States with its diminishing grain surpluses could not meet the needs of the single nation of India at its present rate of population growth and need for more than two or three years longer.

(2) The spread of American agricultural knowledge and techniques should be emphasized. The great majority of the world's people are poorly nourished and the Communist system has repeatedly demonstrated it is unable to meet this challenge. As Professor Don Paarlberg has said, "Agricultural capacity is an asset which we have, which our friends need and which our rivals lack." He suggests we move more decisively in attempting to help the world's hungry people by putting more emphasis on technical aid designed to exploit our agricultural technology, capabilities in fertilizers, insecticides and food processing industries, and agricultural business know-how, especially in developing credit and marketing facilities.

In this connection, we must instill in the recipients the idea that the distribution of American agricultural surpluses is an emergency, rather than a routine, measure. Where necessary they should be asked to agree to improve their own agricultural capacity as a pre-requisite for receiving Food-for-Peace shipments. All too often in the past the provision of our surplus food has interfered with market forces which otherwise would have encouraged agricultural production and has thus fostered the continuance of foolish, centralized planning -- usually aimed at building uneconomic industries as in India.

(3) We should rely more on private enterprise to encourage development abroad. This requires a more favorable climate in the nations concerned. Threats of nationalization, confiscatory taxation, undue limitations on interest rates, general hostility to investors from other nations, and the lack of native managerial ability do not encourage the influx of private capital. We on our

part must be more ready to share controls with foreign nationals, more ready to impart our skills and techniques to them so as to stimulate indigenous investment capable of competing, more willing to accept lower immediate returns in anticipation of a fair and profitable return over a longer period. Puerto Rico's progress under Operation Bootstrap is an outstanding example of what can be accomplished when a liberal private investment climate is created in a developing area.

(4) Special care should be taken to avoid aid being used to bolster corrupt and self-perpetuating oligarchies. No error on our part has been more exploited by the Communists than this. There are the obvious examples, and they have been far from exceptional. Where corruption has been a way of life and where oligarchies, military and otherwise, are the general rule, the dilemma of how to reach the poor man at the bottom is a cruel one. The acid test is whether the benefits are really reaching the masses of the people in increasing measure -- and are not disassociated from the United States as a source. Constant, unrelenting pressure toward reform in these matters may be labelled "interference" or "aid with strings attached," but there is no other defensible and permanent answer. Situations will increasingly arise in which aid should be reduced or completely cut off pending reform.

(5) We should explore the economic viability of regional marketing plans which will give small developing nations wider markets for their products. The success of the Central American Common Market illustrates possibilities for similar modest groupings in parts of Africa and elsewhere in Latin America. By extending bilateral aid to individual countries participating in such cooperatively-planned efforts, we can promote the economic viability of many of the smaller nations, at least until such time as they prove themselves willing to go beyond joint planning to closer economic or even political association.

Extending U. S. bilateral aid to a country which has agreed with its neighbors on what type of development each will undertake in order to safeguard against duplication in a small market area, such as Central America, is quite a different matter from trying to force nations together which have different aspirations and cultural backgrounds. In this connection, Republicans believe the Administration's plan, as outlined in the Korry Report, of trying to force newly independent and highly nationalistic African states into regional groupings as a pre-requisite for receiving American aid is unrealistic. Moreover, trying to give aid to an amorphous regional grouping cannot possibly garner as much credit for the U. S. as can direct bilateral aid.

Naturally we expect developing countries to place emphasis on productive efficiency so that they can quickly develop the ability to compete in world markets. They gain little by simply widening the area in which protected industries are sustained behind high tariffs or other controls.

(6) More emphasis should be placed on projects that will visibly reach the masses of people. Land reform accompanied by marketing cooperatives (as in Chile), land regrouping (as in the Republic of China), and collective availability of up-to-date agricultural machinery and credit are cases in point. Under such conditions, there would be encouragement to greater productivity. Simple roads to market towns, as in Panama, will often mean more than super highways. Schools, health clinics, instruction in home industries and mechanics, are further examples.

(7) While not making aid conditional upon support for our foreign policy, aid should not ordinarily be forthcoming to (a) those nations whose heads of state (like Nasser) engage in continual intemperate abuse of the United States or (b) those nations which give military aid to our enemies in Vietnam or which

engage in military aggression, or (c) those nations which, in contravention of international law, harass American citizens engaged in commerce, or confiscate American-owned property without fair compensation. Aid and comfort should not be given by the U. S. to those who consistently help our enemies or the enemies of other free men. Nor should aid be given to those who rattle swords or engage in aggression. If private representation to the nation's leaders does not produce results, the Voice of America, in certain instances, might make this fact clear to the people of a country.

This does not mean that like Robespierre, Hitler, or Stalin we should insist upon support of our foreign policy in all its aspects. We are dealing with independent nations and a measure of demonstrated independence from us in certain matters is often a political necessity for their leaders.

(8) Our aid should be concentrated in countries of special importance to the United States. A limited number of countries should receive the major portion of our aid, because (a) they are important economically in that they have an ordered timetable for eliminating the necessity of economic aid -- such as Tunisia, Turkey and Iran; (b) they are important to us militarily -- such as non-Communist Korea, Vietnam and Turkey; or (c) they are important politically in that our Communist rivals have failed and a new government wants help in returning to free enterprise development -- such as Indonesia and Ghana. In other nations we should consider instituting small aid programs designed to demonstrate friendship and maintain a minimum presence. In these latter nations we should attempt to cooperate with the greater efforts of other developed countries. Our list of priority countries should be flexible so that new countries can be added, and hopefully so that some countries will develop to the point that they are able to dispense with our economic aid altogether. For example, the Republic of China no longer needs our economic aid, and also

requires less military aid (although it must be kept in mind that termination of military aid is not controlled solely by development factors), and Turkey is approaching a similar situation.

We look forward to the eventual termination of all grants in aid and toward the time in which the normal processes of trade, production and loans will carry the burden of development.

(9) Evidence that technical assistance is often a better stimulant to growth than large scale capital transfers should be seriously examined, particularly in light of the United States' balance of payments problem. It is becoming increasingly apparent in foreign, as well as domestic, affairs, that attempts by the Democrats to solve problems by simply applying large amounts of tax dollars to them do not necessarily work. When aid to less developed countries was first proposed, experts stressed the need for technical aid and warned against a large scale public capital investment program. Then, as now, the absorptive capacity of developing countries was definitely limited by a lack of administrative and technical skills. Moreover, large scale grants and loans, particularly program loans which provide balance of payments support, have in many cases made it possible for recipient countries to persist in policies which discourage domestic savings and private investment (both foreign and domestic) and inhibit the development of efficient export production. Republicans believe future aid should be contingent upon the recipients pursuing policies calculated to maximize economic efficiency and the utilization of private capital and know-how.

The Administration's contention that the adverse effect on our balance of payments of capital outflow under aid programs is slight, because aid is "tied" to procurement of U. S. goods and services, is now widely recognized to be misleading. The Department of Commerce published figures in March 1967 showing that the direct balance of payments drain resulting from U. S. foreign aid programs in 1966 was nearly three quarters of a billion dollars. Actually the amount may be higher since these figures include all offsets resulting from "tied" aid. Foreign governments all too often meet requirements that they spend our aid money on purchases from the U. S. by attributing normal purchases from the U. S. to our aid disbursements.^{2/} The Administration should instruct AID to publish figures showing the true effect of foreign assistance on our balance of payments.

(10) Special attention should be given to situations in which substantial aid is forthcoming from other nations, and in which we are asked to cooperate.

Excellent examples are the International Development Association and the Inter-American Development Bank -- both Republican ideas -- and the Asian Development Bank.

(11) We should explore with developing countries ways and means of increasing their earning capacities. Inasmuch as many developing nations -- Brazil, Colombia, Nigeria -- have lost more in some years by the fall in the international price of their export commodities than they have gained by foreign aid, the worldwide stabilization of raw material prices is one possible solution which should be considered.

²The testimony of N. R. Danielian, President of the International Economic Policy Association before the Senate Foreign Relations Committee on June 12, 1967 reports, "An examination of net non-military assistance and the U. S. trade balance with selected countries, which have received between 50 and 60 percent of total U. S. aid for the years 1958-1965, shows clearly that total net U. S. economic assistance exceeded our trade surpluses with these selected countries by an amount fluctuating between \$1.3 and \$1.7 billion a year." See Appendix B for the I.E.P.A. figures on the trade imbalance. Indications that "tying" often actually amounts to substitution for normal purchases is also demonstrated by the fact that our trade imbalance in 1958 with these 25 countries was \$1.8 billion and in 1965, when assistance was substantially "tied," it was \$1.6 billion, or nearly the same.

Another possible remedy for one-crop economies is obviously diversification. However, we should keep in mind that many countries, such as Malaysia and the Ivory Coast, have built boom economies by simply emphasizing production of the one or two crops which they produce most proficiently. At the same time, other countries, such as Indonesia and Ghana, have destroyed what should have been viable economies, based upon agricultural earnings, by trying to diversify into uneconomic industrial activity. Still others, such as India, have ignored the most basic food needs of their people in their haste to industrialize. The United States should certainly not encourage any such basically uneconomic activity.

(12) We should realize that, while certain problems are common to all or almost all of the developing nations, each one is in many matters separate and distinct. Generalizations -- including those in this document -- are dangerous. Those in the field realize the truth of this more than those in Washington. These latter attach too much importance to "uniformity."

(13) We should strengthen the Ambassador in his role as chief of mission. Only the very strongest considerations should be allowed to over-rule his veto; and, subject only to budgetary limitations, his affirmative recommendations should normally be accepted. His small discretionary fund of \$25,000 for self-help projects which was recently abolished, should be restored. Increased flexibility based on the sound Republican principle of decentralization (but with full accounting) will allow the Ambassador to adapt the U. S. program to the peculiarities of each different situation.

(14) The techniques and insights of the social sciences should be brought to bear upon development problems and projects. Social scientists in the countries concerned should aid in tackling their own problems of economics and technology. In this way their peculiar knowledge can assist in overcoming the barriers found in the existing customs of their countries which stand in the

way of modernization. Tribalism in Africa, the now dwindling hacienda society in rural Latin America, certain religious traditions and practices elsewhere will serve as examples.

(15) To insure a more effective aid program, continuous emphasis should be placed on securing qualified personnel to administer aid. Aid should not be given unless there are really qualified personnel, both American and local nationals, available to administer it. Qualifications must include a capacity to understand the culture in which a person is to work. Without constructive competency and solid training, aid will be wasted. Many of our failures can be laid at the door of the limited number of such persons, the inadequacy of their training, and the absence of the right motivation. It is equally important that we assist developing nations to produce qualified administrators who can work with the U. S. and perhaps others in promoting growth.

(16) Much more attention must be paid in the U. S. to the realistic evaluation of what our aid is actually accomplishing. Both the Executive and Legislative Branches must broaden their supervision over AID and insure maximum objectivity. If the sponsoring agency under the present Administration is unwilling to be realistic in such matters, then Congress must act responsibly in giving its own time and in employing the necessary qualified staff to perform this function. This requires much more than a "fishing expedition." It should be approached constructively.

* * * *

The importance of effective aid cannot be over stressed and the issues involved in improving the program are far too important for narrow partisanship. Aid is an expensive humanitarian experiment. The American people have a right to expect sound administration of their funds and solid progress as a result.

APPENDIX A

TOTAL UNITED STATES FOREIGN ASSISTANCE, BY COUNTRY
JULY 1, 1946 THROUGH JUNE 30, 1965

Near East and South Asia

Afghanistan	\$307.1 million
Ceylon	92.2
Cyprus	20.9
Greece	3,685.8
India	5,941.5
Iran	1,550.3
Iraq	102.6
Israel	1,133.1
Jordan	512.3
Lebanon	93.0
Nepal	86.1
Pakistan	2,944.9
Saudi Arabia	136.9
Syrian Arab Republic	84.0
Turkey	3,752.4
United Arab Republic (Egypt)	1,100.3
Yemen	39.1
Central Treaty Organization	52.4
Near East and south Asia regional	<u>1,119.5</u>

Near East and South Asia

total----- \$22,754.4 million

Latin America

Argentina	\$712.9 million
Bolivia	435.9
Brazil	2,871.5
British Guiana	17.1
British Honduras	3.8
Chile	1,130.3
Colombia	734.7
Costa Rica	136.3
Cuba	57.6
Dominican Republic	207.9
Ecuador	248.8
El Salvador	99.9
Guatemala	210.7
Haiti	110.6
Honduras	74.8
Jamaica	40.3
Mexico	1,055.1
Nicaragua	112.0
Panama	159.6
Paraguay	90.2
Peru	675.2
Surinam	5.0
Trinidad and Tobago	43.3
Uruguay	113.6
Venezuela	388.1
Other West Indies	3.3
ROCAP	84.1
Latin American regional	<u>740.1</u>

Latin American total----- \$10,561.7 million (cont.)

APPENDIX A (Continued)

Far East

Burma	\$114.6 million
Cambodia	343.1
China	4,778.2
Hong Kong	55.7
Indochina, undistributed	1,535.2
Indonesia	875.9
Japan	4,138.7
Korea	6,315.9
Laos	418.6
Malaysia	39.1
Phillippines	1,914.8
Ryukyu Islands	325.7
Thailand	442.8
Vietnam	2,383.7
Far East regional	<u>2,723.9</u>
Far East total -----	<u>\$26,405.9 million</u>

Africa

Algeria	\$163.7 million
Burundi	72.4
Cameroon	25.1
Central African Republic	2.8
Chad	4.2
Congo (Brazzaville)	2.4
Congo (Leopoldville)	317.4
Dahomey	8.7
Ethiopia	247.6
Gabon	4.8
Gambia	.1
Ghana	170.4
Guinea	70.2
Ivory Coast	26.0
Kenya	36.4
Liberia	237.0
Libya	217.3
Malagasy Republic	7.9
Malawi	8.7
Mali	15.8
Mauritania	2.8
Morocco	529.4
Niger	8.8
Nigeria	163.7
Rwanda	1.7
Senegal	25.0
Sierra Leone	27.2
Somali Republic	47.6
Republic of South Africa	167.4
Southern Rhodesia	7.1
Sudan	91.5
Tanzania	44.0
Togo	9.9
Tunisia	470.3
Uganda	17.3
Upper Volta	5.5

(cont.)

APPENDIX A (Continued)

Zambia	30.2
East Africa regional	11.2
Regional USAID/Africa	1.0
Africa regional	<u>54.1</u>

Africa total----- \$ 3,354.6 million

Europe

Albania	\$ 20.4 million
Austria	1,257.1
Belgium-Luxembourg	2,107.3
Czechoslovakia	193.0
Denmark	933.7
East Germany	0.8
Finland	146.7
France	9,465.1
Germany (Federal Republic)	5,149.0
Berlin	131.9
Hungary	31.5
Iceland	76.4
Ireland	195.9
Italy	6,089.4
Netherlands	2,617.7
Norway	1,283.4
Poland	573.6
Portugal	531.1
Spain	1,908.7
Sweden	125.2
United Kingdom	9,269.8
U.S.S.R.	186.4
Yugoslavia	2,761.4
Europe regional	<u>2,796.5</u>

Europe total----- \$47,852.0 million

Canada	40.0 million
Australia	142.6
New Zealand	21.5
Trust Territory of Pacific Islands	107.4
Nonregional total	<u>5,779.0</u>

Total----- \$ 6,090.5 million

Total assistance to all
countries-----\$117,019.1 million

Source: Data obtained from the General Accounting Office by Senator Dirksen who inserted these statistics into the Congressional Record, July 20 1966, pp. 15714-15750.

U. S. NONMILITARY FOREIGN ASSISTANCE (NET) AND TRADE BALANCES BY COUNTRIES, 1958-1965

(millions of dollars)

Countries	1958		1959		1960		1961		1962		1963		1964		1965	
	Net Eco. Aid ^a	U. S. Trade ^b Balance	Net Eco. Aid ^a	U. S. Trade ^b Balance	Net Eco. Aid ^a	U. S. Trade ^b Balance	Net Eco. Aid ^a	U. S. Trade ^b Balance	Net Eco. Aid ^a	U. S. Trade ^b Balance	Net Eco. Aid ^a	U. S. Trade ^b Balance	Net Eco. Aid ^a	U. S. Trade ^b Balance	Net Eco. Aid ^a	U. S. Trade ^b Balance
Afghanistan	19	-4	19	-10	13	-10	30	6	13	-8	32	-3	37	6	34	2
Bolivia	22	17	22	14	13	14	23	16	29	20	44	18	33	17	30	7
Brazil	145	-33	35	-216	42	-147	270	-68	157	-117	128	-186	212	-148	149	-183
Cambodia	37	-2	21	-7	25	-	24	9	20	5	20	2	7	-1	2	-
Ceylon	20	-5	19	-12	8	-25	9	-17	8	-19	4	-21	4	-27	4	-23
Chile	47	-7	33	-76	10	-	121	43	87	-24	109	-32	96	-38	104	24
Colombia	92	-147	32	-134	-7	-54	54	-31	43	-50	69	-9	38	-35	34	-80
Ecuador	3	-9	2	-12	7	-11	11	-4	11	-26	14	-11	17	-4	17	-28
India	243	63	320	129	523	412	370	230	528	411	736	509	864	651	849	580
Indonesia	24	-112	17	-123	45	-132	54	-29	88	-15	77	-7	32	-102	-4	-123
Jordan	57	10	60	16	62	17	61	24	53	20	54	37	45	20	37	19
Korea	311	213	232	131	261	148	228	155	233	204	231	211	157	169	165	149
Laos	30	2	35	3	33	1	51	2	30	4	31	6	39	7	58	8
Liberia	8	14	9	59	8	-4	19	17	35	20	11	4	12	-13	25	-11
Malaysia	c	-85	c	-150	1	-138	2	-126	12	-155	6	-150	2	-82	4	-123
Morocco	26	33	45	29	61	29	97	55	48	42	53	49	38	31	51	49
Nepal	6	nss	3	na	8	na	10	na	9	na	14	na	17	na	16	1
Pakistan	145	81	142	65	229	131	218	158	322	243	378	341	377	336	348	291
Philippines	42	18	24	-36	24	-10	11	17	24	-59	8	-34	49	-27	45	-34
Poland	99	75	66	43	127	111	57	34	60	48	46	66	52	84	-6	-31
Thailand	30	-4	48	-28	42	11	29	25	31	32	29	57	18	58	25	67
Tunisia	26	4	30	7	55	21	77	38	53	44	38	25	45	31	54	39
Turkey	122	72	111	44	101	66	153	69	202	106	173	154	126	96	132	81
Vietnam	204	57	168	46	186	48	144	62	148	101	189	114	221	131	300	187
Yemen	-	na	5	na	5	na	6	na	6	na	8	na	6	na	5	na
TOTALS	1,758	251	1,498	-218	1,882	478	2,129	685	2,250	827	2,512	1,140	2,544	1,160	2,478	868

a/ Disbursements less repayments.

b/ Exports and imports, f.o.b.; includes U. S. exports financed by military grants and credits.

c/ Less than \$500,000

na Not available.

nss Not statistically significant.

SOURCES: International Monetary Fund, Direction of Trade, Annual 1958-1962, pp. 128-130; March 1965, pp. 63-64; Annual 1961-1965, p. 285; National Advisory Council, Semiannual Report to the President and Congress, January-June 1964, pp. 75-77; U. S. Department of Commerce, Foreign Grants and Credits (Wash.: U.S. Government Printing Office, 1964 and 1965).



REPUBLICAN NATIONAL COMMITTEE

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NEWS

FOR RELEASE

MONDAY AM's
August 14, 1967

SWEEPING REFORMS IN FOREIGN AID RECOMMENDED BY REPUBLICAN COORDINATING COMMITTEE

The Republican Coordinating Committee recommended today a far-reaching 16-point program for overhauling foreign aid and declared that assistance "should not ordinarily" be extended to nations that show continued hostility to the United States or that give military aid to its enemies in Vietnam.

In a 23-page report adopted at its meeting in Washington, D.C., July 24, the GOP leadership group recommended basic reforms which it believed would reduce abuse and waste in the foreign aid programs and make them more realistic and effective.

The document, released today by Republican National Chairman Ray C. Bliss, stressed such key factors as self-help efforts on the part of nations receiving aid, more technical assistance rather than large loans, extending United States agricultural knowledge and techniques to countries in need, reliance on private enterprise, care not to bolster corrupt regimes, the need for projects that reach the masses, and concentrating aid in nations of special importance to the United States.

The Coordinating Committee declared that, "while not making aid conditional upon support for our foreign policy, aid should not ordinarily be forthcoming to":

--Nations "whose heads of state (like Nassar) engage in continual intemperate abuse of the United States."

-more-



--Nations "which give military aid to our enemies in Vietnam or which engage in military aggression."

--Nations "which, in contravention of international law, harass American citizens engaged in commerce, or confiscate American-owned property without fair compensation."

"Aid and comfort," the Committee said, "should not be given by the U.S. to those who consistently help our enemies or the enemies of other free men. Nor should aid be given to those who rattle swords or engage in aggression."

"If private representation to the nation's leaders does not produce results, the Voice of America, in certain instances, might make this fact clear to the people of a country."

"This does not mean that like Robespierre, Hitler or Stalin we should insist upon support for our foreign policy in all its aspects. We are dealing with independent nations and a measure of demonstrated independence from us in certain matters is often a political necessity for their leaders."

The report adopted by the Coordinating Committee was prepared by a subcommittee of the Task Force on the Conduct of Foreign Relations headed by Ernest Griffith, former Dean of American University in Washington. The Chairman of the Task Force is former Ambassador Robert C. Hill.

Recalling that the Republican Party had always "endorsed the purposes of foreign aid," and had always promoted ideas aimed at making aid programs more effective, the Coordinating Committee said:

"Republicans believe that it is again time for innovation and that the methods used in administering the aid program today fall far short of what the people have a right to expect."

The Committee, which represents the top leadership of the Republican Party, pointed out that more than \$117 billion in assistance has been extended to more than 100 nations in the 20 years that the aid program has been in operation. It said:

"We look forward to the eventual termination of all grants in aid and toward the time in which the normal processes of trade, production and loans will carry the burden of development."

Vietnam was classed by the Committee as "a special case." The Committee said:

"There are many reasons for our involvement, and the search for order and stability is but one among many. It is self-evident to all of us that, if and when peace, security and stability are attained in Vietnam, our national interest will be greatly enhanced all over the world. It is also clear that in attaining such peace, security and stability, large-scale economic and technical, as well as military, aid will be necessary."

The Committee said: "No aid should be extended without commensurate self-help on the part of those aided." It said that in this connection "the following activities have been grossly under-emphasized."

Community development, involving the "active participation of people at the village and town level." The Committee named rural cooperatives as an example, and said "hundreds and even thousands of communities in Latin America, Pakistan, and elsewhere are engaged in cooperative self-help," and that often the least costly projects are among the most successful.

--Utilization at home of capital funds now exported by nationals of the countries aided. The Committee recalled an estimate that as much as \$17 billion of indigenous capital is at present invested abroad by Latin-American nationals.

--Family planning. In this connection, the Committee stressed the need for population control, and said that for many nations population increases in excess of 2.5 per cent a year likely will exceed the practicable annual gains in gross national agricultural production.

Declaring that many nations are losing ground in the race between population and food production, the Committee said these nations "must meet this problem." The Committee added:

"We can cooperate technically and financially, but only a determined effort on their part to check their population growth can really do the job. At its present rate of growth, the world's population will double in less than 30 years. No such increase in food production is in sight."

The Coordinating Committee said that, in seeking to aid the world's hungry, more emphasis should be placed on the use of United States agricultural technology and marketing and credit know-how, which the Communists have never been able to challenge.

Stressing the value of private enterprise as encouragement to development, the Committee said this requires "a more favorable climate in the nations concerned," and that "we on our part must be more ready to share controls with foreign nationals" and to take other cooperative measures.

The Committee said: "Evidence that technical assistance is often a better stimulant to growth than large-scale capital transfers should be seriously examined, particularly in the light of the United States' balance of payments problem."

Other recommendations by the Coordinating Committee:

--Regional marketing plans which would give small developing nations wider markets for their products should be explored.

--Special attention should be given situations "in which substantial aid is forthcoming from other nations, and in which we are asked to cooperate."

--Means of increasing the earning capacities of developing nations should be explored.

--The role of the United States ambassador as chief of mission should be strengthened.

--The techniques and insights of the social sciences should be employed upon development problems and projects.

--Continued emphasis should be placed on securing qualified personnel to administer aid.

--More attention should be paid in the United States to a realistic evaluation of what the aid program actually is accomplishing, and in this respect both the Executive and Legislative branches of the Government should broaden their supervision over the aid program.

--Generalizations should be avoided, as each nation presents a distinct problem.

The Committee said: "If we can help to set the developing nations squarely on the road to prosperity, our trade with them will inevitably increase."

8/8/67

Adopted by
The Republican Coordinating Committee
July 24, 1967

Presented by
The Task Force on the Conduct of Foreign Relations

FOREIGN ECONOMIC ASSISTANCE

Prepared under the direction of:
Republican National Committee
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FOREIGN ECONOMIC ASSISTANCE

The Cost of U. S. Foreign Assistance

The post-war efforts of the United States Government to assist other nations of the globe are now twenty years old.

During that period -- from July 1, 1946 through June 30, 1966 -- the United States provided more than \$117 billion to over 100 foreign nations. This aid ranged in amount from one hundred thousand dollars to the African state of Gambia to \$9.5 billion to France. (Appendix A is a listing of these expenditures since June 1, 1946.)

The foreign aid program today involves major annual expenditures of funds. In the fiscal year ended June 30, 1966, foreign aid expenditures totalled \$3.4 billion -- some 3.1 percent of the total Federal Budget. To this amount should be added the agricultural surpluses distributed abroad, loans by the U. S. Government's Export-Import Bank and the U. S. portion of funds loaned by various multilateral agencies.

The Problem's Magnitude

The economic gap between the United States and the developing nations is increasing every year. The per capita Gross National Product (GNP) of the United States for 1966 was \$3,648. For the same year, that of India was \$104; Indonesia \$70; Nigeria \$117; Bolivia \$149 -- an average of \$110 for the four. The gap: \$3,538.

The United States per capita GNP in 1960 was \$2,993; for the same other four nations it averaged \$97. The gap: \$2,896.

This gap, in thus widening from \$2,896 to \$3,538, over six years, increased by 22.2 percent.

Our GNP has gone up 21.9 percent since 1960; theirs 13.4 percent. Today, their GNP as a percentage of ours is 3.0 percent, in 1960 it was 3.3 percent. This is the situation -- in spite of all the foreign aid efforts of ourselves and others.

We must recognize that neither the U. S., nor all the prospering powers of the world combined for that matter, can solve all the world's economic problems. Such is the stark magnitude of the problem presented to the world in general, and especially to the United States as its wealthiest nation.

American Attitudes Toward Foreign Aid

Support for the principles of foreign aid, private or public, lies deep within our framework of national tradition. Americans responded to Belgian Relief in 1914, the Tokyo earthquake in 1923, and the Arno River flood of 1966 with equal alacrity.

The \$117 billion spent by the U. S. Government since 1946 speaks for itself. Just as surely, Americans recognize that serious flaws exist in our present methods, and in the response or lack of response of others to these methods. Republicans believe we should be able to buy more aid and development for much less money.

We cannot abandon the goals; we cannot continue present activities without major changes.

Republicans Have Always Favored Sensible Forms of Foreign Aid

In many instances, American programs of assistance to foreign nations and peoples have proved enormously worthwhile; and often Republican leadership made these successes possible.

The program of relief to Europe after World War I, led by Herbert Hoover, rescued whole nations from the clutches of famine; nor have the Finns forgotten

the aid directed to them under Mr. Hoover in 1940. The UNRRA program, whose first director was the former Republican Mayor of New York City, Fiorello H. La Guardia, saved millions of lives after World War II.

The Point Four and Marshall Plan programs, of prime importance in the post-war reconstruction of Europe, would never have come into existence without the approval and support of the Republican 80th Congress.

The Peace Corps and Food-for-Peace concepts were legally incorporated into our aid program by the Republican 83rd Congress under the leadership of President Eisenhower. The International Voluntary Service idea of 1953 was simply enlarged and renamed Peace Corps by the Democrats. The program of distributing agricultural surpluses abroad also began in 1953 under Public Law 480 and was merely renamed Food-for-Peace by the Democrats.

The military aid program was a major element in the alliance system fashioned under the Eisenhower-Dulles foreign policy.

Even the recent special emphasis status for Latin America stems from the Bogota meeting of Western Hemisphere heads of state chaired by President Eisenhower. The enabling legislation for special emphasis aid to Latin America was passed in 1960 during the Eisenhower Administration. Again the Democrats have developed no new ideas -- they have simply added the name Alliance for Progress.

Thus it is clear that the Republican Party has always endorsed the purposes of foreign aid.

Moreover, we have always promoted new ideas and changes in the aid program aimed at making the large amounts of official capital spent abroad more effective.

Republicans believe that it is again time for innovation and that the methods used in administering the aid program today fall far short of what the people have a right to expect.

PURPOSES OF FOREIGN ECONOMIC ASSISTANCE

The Republican Party supports the following five purposes of foreign economic aid:

- (1) The promotion of peace, security, and stability abroad in our own national interest.

To a peace-loving nation such as the United States, security and stability throughout the free and the uncommitted worlds are in our national interest as well as theirs.

Where domestic economic and political frustrations pile up in the nations of these worlds, resentful leaders seek foreign enemies to explain domestic failures. Wars, near-wars, and armaments are costly -- to us as well as to them. Hence, much of our aid should be directed toward cooperation in securing national security and stability. Peace is not guaranteed thereby, but the scales are weighted in its direction. Much of our aid has been and should continue to be directed toward those nations which are most likely to cooperate in building up internal order, especially when pointed toward increasing freedom and prosperity. Korea, the Republic of China, Iran, Turkey, Tunisia, Chile will serve as examples. All of these -- as with all nations which are in similar stages of development -- have areas of instability, but their chances of progress toward economic and political maturity have demonstrably been aided by our cooperation. We should continue such cooperation.

Vietnam is a special case. There are many reasons for our involvement, and the search for order and stability is but one among many. It is self-evident to all of us, that if and when peace, security and stability are attained in Vietnam, our national interest will be greatly advanced all over the world. It is also clear that in attaining such peace, security and stability, large-scale economic and technical, as well as military, aid will be necessary.

(2) The promotion of prosperity in other nations as an aid to prosperity at home.

It is well known that prosperity increases trade; that most of our trade, both exports and imports, is with the prosperous nations. Of our total exports last year, Canada, Australia, New Zealand, South Africa, Japan and Western Europe accounted for \$13.5 billion or about two-thirds of our exports.

As nations increase in prosperity, their purchases from us likewise increase: they consume even more than they compete. For example, Japan, with a per capita income of \$93 in 1935, bought \$225.8 million from us. In 1966, with a per capita income of \$922, it bought \$2.9 billion. During the same 30 years, Mexico's figures were respectively \$61 and \$66.4 million in 1935, and \$470 and \$1.7 billion in 1966. Iran's were \$50 and \$23.3 million in 1935, and \$220 and \$83.7 million in 1966. Venezuela's were \$92 and \$125.7 million in 1935, and \$895 and \$1.1 billion in 1966.

If we can help to set the developing nations squarely on the road to prosperity, our trade with them will inevitably increase.

(3) The attempt to narrow the dangerous gulf between the "haves" and the "have nots."

The gap between the Gross National Products (GNP's) of the "haves" and the "have nots" is increasing dramatically. Despite all foreign aid efforts to date, the figures at the beginning of this paper indicate that the magnitude of this problem has been increasing, rather than decreasing, during the 1960's. Attempting to narrow this gap is a matter of conscience as well as sound policy.

In the event of a great disaster, our people have always been ready to respond generously. However, here we are dealing with a long-range situation in which a single gift from our wealth is not the answer. What is needed is the wise use of a portion of our growing annual increment in those situations in which a permanent gain in the productivity of the "have nots" will result. What is also needed -- needed more perhaps than our money, machines, food surpluses or technical know-how -- is the infusion of our economic philosophy, with its stress on freedom of opportunity and incentive, which has generated the spectacular growth in the "have" nations.

As people nurtured in the Judeo-Christian humanitarian tradition, we are impelled to help others less fortunate than ourselves. Our churches and synagogues, our schools and colleges are the strongest supporters of this approach.

- (4) The demonstration that the free world can give a more satisfying, prosperous life than Communism.

Clearly we are anti-Communist. Clearly the Communist way of life outrages our deep love of freedom and our religious faith. Yet these great values are not universally shared in the form in which we hold them. Where corrupt governments, exploiting landowners, and greedy money-lenders are able to bleed their people, Communism has all too strong an appeal. It is for us in such circumstances to demonstrate that alternatives which include freedom as a goal can do better than either reaction or Communism. The people in the Republic of China on Taiwan are dramatically outperforming the regimented Chinese on the mainland. In scores of other developing nations -- India, Pakistan, Indonesia, Nigeria, Brazil -- a crucial drama is being played out. If these nations fail,

it should not be because we denied them assistance. Ours is an affirmative approach -- to build on what there is, with our eyes fixed steadily on the end result.

(5) The spread of cooperation and friendly partnership among freedom-loving nations.

We must encourage other developed nations to increase their assistance to the "have nots." We should be prepared to cooperate with other "have" nations in establishing priorities and plans for large projects in developing countries. For long term aid in support of major development schemes, cooperation would be increased and U. S. costs reduced by devising consortiums composed of other non-Communist donors.

The spirit of cooperation must also be shared by those we would aid. The developing partnerships should not be viewed as being one sided, for the aided nations have much to give us while working with us for a peaceful world. They can enrich us with their culture. They can help our students overseas. Above all, they can and must take the necessary cooperative steps within their own boundaries to develop and spread the will to work with the West toward mutually beneficial goals. There are values in such partnerships which pay dividends in peace and understanding to all concerned.

PRINCIPLES AND METHODS

Discouragement and erosion of support for foreign aid have come about, not initially because of disagreement with these purposes, but because of mounting evidence of waste, misuse, and downright failure in far too many cases. It is both easy and fashionable to attack foreign aid itself because of these failures. In some instances, expectations have been too great; in others, the recipients themselves have been largely to blame; in still others, administrative short-comings on our part are responsible. Not all of these latter are blameworthy, except in retrospect, for the foreign aid program itself was essentially a great experiment.

However, Republicans believe that the United States should attempt to improve its aid program based on the evidence deriving from past experience. Unfortunately, successive Democratic administrations have by and large failed to understand that the amazing and rapid success of the Marshall Plan could not be quickly duplicated among peoples who have not had in their history the experience of industrialization or the social conditions making for progress. Yesterday's problems in Europe are not the same as today's problems in Asia, Africa and Latin America. The disappointing results of the Alliance for Progress bear adequate testimony to this -- so far, people's expectations, rather than their living standards, are often the only thing which have been raised.^{1/}

It is obvious that promises of much publicized development programs, if not fulfilled, can be positively dangerous to the fragile social structure of developing nations. Therefore, we must realize that the development methods of the late 1960's must be different in many ways from the reconstruction methods

¹The Alliance's basic goal was very appropriately stated in human terms -- to increase per capita income not less than 2.5 percent per year over the next 10 years. At the half-way point in 1966 only 7 of 19 countries had managed to meet this goal, and they represent slightly less than 30 percent of Latin America's total population.

used in Europe in the late 1940's. One crucial point is that the time span involved will be far longer; recipients must be told this rather than being given glib promises about what the future can bring.

It appears that the U. S. Government is learning these things the hard way. It is no service to the objectives of foreign aid to gloss over these difficulties and failures. However, we believe that such problems will yield to diagnosis, given the necessary realism in analyzing their principal causes.

Therefore, the Republican Party attaches special importance to the following methods and principles, the failures to apply which have accounted for most of the justified criticism of aid to date. It pledges itself to their vigorous application.

(1) No aid should be extended without commensurate self-help effort on the part of those aided. In this connection, the following activities have been grossly under-emphasized.

- (a) Community development, enlisting the active participation of people at the village and town level. Rural cooperatives are an example, even though they challenge existing local power structures. Such power structures often involve, not only the landlords and politicians, but also the bankers and other money lenders and at times even the religious leaders. Obstacles of this character have been noticeable in nations as diverse as Turkey, India, Brazil, the Philippines.

Painfully but surely, with many mistakes but with many successes, hundreds and even thousands of communities in Latin America, Pakistan, and elsewhere are engaged in cooperative self-help. Often the least costly projects financially are

among the most successful. Leadership may be local, A.I.D., or Peace Corps. A modest knowledge of accounting is obviously necessary, but even more important is the capacity for dedicated realistic service that recognizes that permanent benefits can only arise from ultimate local responsibility.

Over-enthusiasm can bring premature multiplication of such projects, as in Peru; but in Peru also can be found some of the greatest successes. Wherever the local effort is most hopeful, aid, however modest, of a financial and technical nature should, where practicable, be forthcoming. This "grass roots" development of attitudes is far more productive in the long run future of a nation than many a grandiose project.

- (b) Utilization at home of capital funds now exported by nationals of the countries aided. It is reliably estimated that billions, some say perhaps as much as \$17 billion, of indigenous capital is presently invested abroad by Latin American nationals. This sum may be more than the total U. S. aid to these same nations since 1945. The late Prime Minister of one of the Asian countries aided was found to have a vast fortune banked abroad at the time of his death -- an amount perhaps equivalent to the total economic and military aid annually extended by us to his country.

It is not enough merely to criticize these wealthy people; nor perhaps should we penalize their rank-and-file citizens therefore. Local people often have the same fears about investing in their own economies as our capitalists have.

Inflation, instability, corruption, fears of confiscation all take their toll. On the other hand, it is neither justifiable nor possible to bail out nations which are unable or unwilling to create the necessary conditions for investment. Perhaps a combination of taxing exports of capital, joint guarantees or insurance of a substantial portion of investment at home by their governments and ours, together with quiet but persistent pressure for a slow but sure improvement of business practices and climate, may turn the tide.

- (c) Family planning. The export of American agricultural surpluses, and even progress in international agricultural development, are often at best simply "buying time." Population increases in excess of 2.5 percent a year are likely to equal or exceed the practicable annual gains in gross national agricultural production for many nations. India, the United Arab Republic, Brazil, Indonesia will serve as examples. In Latin America the population increased 17 percent between 1960 and 1965 while their food production increased only 10 percent. Thus many countries are actually losing ground.

In some fashion these and other nations similarly situated must meet this problem. We can cooperate technically and financially, but only a determined effort on their part to check their population growth can really do the job. At its present rate of growth, the world's population will double in less than 30 years. No such increase in food production is in sight.

Even the United States with its diminishing grain surpluses could not meet the needs of the single nation of India at its present rate of population growth and need for more than two or three years longer.

(2) The spread of American agricultural knowledge and techniques should be emphasized. The great majority of the world's people are poorly nourished and the Communist system has repeatedly demonstrated it is unable to meet this challenge. As Professor Don Paarlberg has said, "Agricultural capacity is an asset which we have, which our friends need and which our rivals lack." He suggests we move more decisively in attempting to help the world's hungry people by putting more emphasis on technical aid designed to exploit our agricultural technology, capabilities in fertilizers, insecticides and food processing industries, and agricultural business know-how, especially in developing credit and marketing facilities.

In this connection, we must instill in the recipients the idea that the distribution of American agricultural surpluses is an emergency, rather than a routine, measure. Where necessary they should be asked to agree to improve their own agricultural capacity as a pre-requisite for receiving Food-for-Peace shipments. All too often in the past the provision of our surplus food has interfered with market forces which otherwise would have encouraged agricultural production and has thus fostered the continuance of foolish, centralized planning -- usually aimed at building uneconomic industries as in India.

(3) We should rely more on private enterprise to encourage development abroad. This requires a more favorable climate in the nations concerned. Threats of nationalization, confiscatory taxation, undue limitations on interest rates, general hostility to investors from other nations, and the lack of native managerial ability do not encourage the influx of private capital. We on our

part must be more ready to share controls with foreign nationals, more ready to impart our skills and techniques to them so as to stimulate indigenous investment capable of competing, more willing to accept lower immediate returns in anticipation of a fair and profitable return over a longer period. Puerto Rico's progress under Operation Bootstrap is an outstanding example of what can be accomplished when a liberal private investment climate is created in a developing area.

(4) Special care should be taken to avoid aid being used to bolster corrupt and self-perpetuating oligarchies. No error on our part has been more exploited by the Communists than this. There are the obvious examples, and they have been far from exceptional. Where corruption has been a way of life and where oligarchies, military and otherwise, are the general rule, the dilemma of how to reach the poor man at the bottom is a cruel one. The acid test is whether the benefits are really reaching the masses of the people in increasing measure -- and are not disassociated from the United States as a source. Constant, unrelenting pressure toward reform in these matters may be labelled "interference" or "aid with strings attached," but there is no other defensible and permanent answer. Situations will increasingly arise in which aid should be reduced or completely cut off pending reform.

(5) We should explore the economic viability of regional marketing plans which will give small developing nations wider markets for their products. The success of the Central American Common Market illustrates possibilities for similar modest groupings in parts of Africa and elsewhere in Latin America. By extending bilateral aid to individual countries participating in such cooperatively-planned efforts, we can promote the economic viability of many of the smaller nations, at least until such time as they prove themselves willing to go beyond joint planning to closer economic or even political association.

Extending U. S. bilateral aid to a country which has agreed with its neighbors on what type of development each will undertake in order to safeguard against duplication in a small market area, such as Central America, is quite a different matter from trying to force nations together which have different aspirations and cultural backgrounds. In this connection, Republicans believe the Administration's plan, as outlined in the Korry Report, of trying to force newly independent and highly nationalistic African states into regional groupings as a pre-requisite for receiving American aid is unrealistic. Moreover, trying to give aid to an amorphous regional grouping cannot possibly garner as much credit for the U. S. as can direct bilateral aid.

Naturally we expect developing countries to place emphasis on productive efficiency so that they can quickly develop the ability to compete in world markets. They gain little by simply widening the area in which protected industries are sustained behind high tariffs or other controls.

(6) More emphasis should be placed on projects that will visibly reach the masses of people. Land reform accompanied by marketing cooperatives (as in Chile), land regrouping (as in the Republic of China), and collective availability of up-to-date agricultural machinery and credit are cases in point. Under such conditions, there would be encouragement to greater productivity. Simple roads to market towns, as in Panama, will often mean more than super highways. Schools, health clinics, instruction in home industries and mechanics, are further examples.

(7) While not making aid conditional upon support for our foreign policy, aid should not ordinarily be forthcoming to (a) those nations whose heads of state (like Nasser) engage in continual intemperate abuse of the United States or (b) those nations which give military aid to our enemies in Vietnam or which

engage in military aggression, or (c) those nations which, in contravention of international law, harass American citizens engaged in commerce, or confiscate American-owned property without fair compensation. Aid and comfort should not be given by the U. S. to those who consistently help our enemies or the enemies of other free men. Nor should aid be given to those who rattle swords or engage in aggression. If private representation to the nation's leaders does not produce results, the Voice of America, in certain instances, might make this fact clear to the people of a country.

This does not mean that like Robespierre, Hitler, or Stalin we should insist upon support of our foreign policy in all its aspects. We are dealing with independent nations and a measure of demonstrated independence from us in certain matters is often a political necessity for their leaders.

(8) Our aid should be concentrated in countries of special importance to the United States. A limited number of countries should receive the major portion of our aid, because (a) they are important economically in that they have an ordered timetable for eliminating the necessity of economic aid -- such as Tunisia, Turkey and Iran; (b) they are important to us militarily -- such as non-Communist Korea, Vietnam and Turkey; or (c) they are important politically in that our Communist rivals have failed and a new government wants help in returning to free enterprise development -- such as Indonesia and Ghana. In other nations we should consider instituting small aid programs designed to demonstrate friendship and maintain a minimum presence. In these latter nations we should attempt to cooperate with the greater efforts of other developed countries. Our list of priority countries should be flexible so that new countries can be added, and hopefully so that some countries will develop to the point that they are able to dispense with our economic aid altogether. For example, the Republic of China no longer needs our economic aid, and also

requires less military aid (although it must be kept in mind that termination of military aid is not controlled solely by development factors), and Turkey is approaching a similar situation.

We look forward to the eventual termination of all grants in aid and toward the time in which the normal processes of trade, production and loans will carry the burden of development.

(9) Evidence that technical assistance is often a better stimulant to growth than large scale capital transfers should be seriously examined, particularly in light of the United States' balance of payments problem. It is becoming increasingly apparent in foreign, as well as domestic, affairs, that attempts by the Democrats to solve problems by simply applying large amounts of tax dollars to them do not necessarily work. When aid to less developed countries was first proposed, experts stressed the need for technical aid and warned against a large scale public capital investment program. Then, as now, the absorptive capacity of developing countries was definitely limited by a lack of administrative and technical skills. Moreover, large scale grants and loans, particularly program loans which provide balance of payments support, have in many cases made it possible for recipient countries to persist in policies which discourage domestic savings and private investment (both foreign and domestic) and inhibit the development of efficient export production. Republicans believe future aid should be contingent upon the recipients pursuing policies calculated to maximize economic efficiency and the utilization of private capital and know-how.

The Administration's contention that the adverse effect on our balance of payments of capital outflow under aid programs is slight, because aid is "tied" to procurement of U. S. goods and services, is now widely recognized to be misleading. The Department of Commerce published figures in March 1967 showing that the direct balance of payments drain resulting from U. S. foreign aid programs in 1966 was nearly three quarters of a billion dollars. Actually the amount may be higher since these figures include all offsets resulting from "tied" aid. Foreign governments all too often meet requirements that they spend our aid money on purchases from the U. S. by attributing normal purchases from the U. S. to our aid disbursements.^{2/} The Administration should instruct AID to publish figures showing the true effect of foreign assistance on our balance of payments.

(10) Special attention should be given to situations in which substantial aid is forthcoming from other nations, and in which we are asked to cooperate.

Excellent examples are the International Development Association and the Inter-American Development Bank -- both Republican ideas -- and the Asian Development Bank.

(11) We should explore with developing countries ways and means of increasing their earning capacities. Inasmuch as many developing nations -- Brazil, Colombia, Nigeria -- have lost more in some years by the fall in the international price of their export commodities than they have gained by foreign aid, the worldwide stabilization of raw material prices is one possible solution which should be considered.

²The testimony of N. R. Danielian, President of the International Economic Policy Association before the Senate Foreign Relations Committee on June 12, 1967 reports, "An examination of net non-military assistance and the U. S. trade balance with selected countries, which have received between 50 and 60 percent of total U. S. aid for the years 1958-1965, shows clearly that total net U. S. economic assistance exceeded our trade surpluses with these selected countries by an amount fluctuating between \$1.3 and \$1.7 billion a year." See Appendix B for the I.E.P.A. figures on the trade imbalance. Indications that "tying" often actually amounts to substitution for normal purchases is also demonstrated by the fact that our trade imbalance in 1958 with these 25 countries was \$1.8 billion and in 1965, when assistance was substantially "tied," it was \$1.6 billion, or nearly the same.

Another possible remedy for one-crop economies is obviously diversification. However, we should keep in mind that many countries, such as Malaysia and the Ivory Coast, have built boom economies by simply emphasizing production of the one or two crops which they produce most proficiently. At the same time, other countries, such as Indonesia and Ghana, have destroyed what should have been viable economies, based upon agricultural earnings, by trying to diversify into uneconomic industrial activity. Still others, such as India, have ignored the most basic food needs of their people in their haste to industrialize. The United States should certainly not encourage any such basically uneconomic activity.

(12) We should realize that, while certain problems are common to all or almost all of the developing nations, each one is in many matters separate and distinct. Generalizations -- including those in this document -- are dangerous. Those in the field realize the truth of this more than those in Washington. These latter attach too much importance to "uniformity."

(13) We should strengthen the Ambassador in his role as chief of mission. Only the very strongest considerations should be allowed to over-rule his veto; and, subject only to budgetary limitations, his affirmative recommendations should normally be accepted. His small discretionary fund of \$25,000 for self-help projects which was recently abolished, should be restored. Increased flexibility based on the sound Republican principle of decentralization (but with full accounting) will allow the Ambassador to adapt the U. S. program to the peculiarities of each different situation.

(14) The techniques and insights of the social sciences should be brought to bear upon development problems and projects. Social scientists in the countries concerned should aid in tackling their own problems of economics and technology. In this way their peculiar knowledge can assist in overcoming the barriers found in the existing customs of their countries which stand in the

way of modernization. Tribalism in Africa, the now dwindling hacienda society in rural Latin America, certain religious traditions and practices elsewhere will serve as examples.

(15) To insure a more effective aid program, continuous emphasis should be placed on securing qualified personnel to administer aid. Aid should not be given unless there are really qualified personnel, both American and local nationals, available to administer it. Qualifications must include a capacity to understand the culture in which a person is to work. Without constructive competency and solid training, aid will be wasted. Many of our failures can be laid at the door of the limited number of such persons, the inadequacy of their training, and the absence of the right motivation. It is equally important that we assist developing nations to produce qualified administrators who can work with the U. S. and perhaps others in promoting growth.

(16) Much more attention must be paid in the U. S. to the realistic evaluation of what our aid is actually accomplishing. Both the Executive and Legislative Branches must broaden their supervision over AID and insure maximum objectivity. If the sponsoring agency under the present Administration is unwilling to be realistic in such matters, then Congress must act responsibly in giving its own time and in employing the necessary qualified staff to perform this function. This requires much more than a "fishing expedition." It should be approached constructively.

* * * *

The importance of effective aid cannot be over stressed and the issues involved in improving the program are far too important for narrow partisanship. Aid is an expensive humanitarian experiment. The American people have a right to expect sound administration of their funds and solid progress as a result.

APPENDIX A

TOTAL UNITED STATES FOREIGN ASSISTANCE, BY COUNTRY
JULY 1, 1946 THROUGH JUNE 30, 1965

Near East and South Asia

Afghanistan	\$307.1 million
Ceylon	92.2
Cyprus	20.9
Greece	3,685.8
India	5,941.5
Iran	1,550.3
Iraq	102.6
Israel	1,133.1
Jordan	512.3
Lebanon	93.0
Nepal	86.1
Pakistan	2,944.9
Saudi Arabia	136.9
Syrian Arab Republic	84.0
Turkey	3,752.4
United Arab Republic (Egypt)	1,100.3
Yemen	39.1
Central Treaty Organization	52.4
Near East and south Asia regional	<u>1,119.5</u>

Near East and South Asia

total----- \$22,754.4 million

Latin America

Argentina	\$712.9 million
Bolivia	435.9
Brazil	2,871.5
British Guiana	17.1
British Honduras	3.8
Chile	1,130.3
Colombia	734.7
Costa Rica	136.3
Cuba	57.6
Dominican Republic	207.9
Ecuador	248.8
El Salvador	99.9
Guatemala	210.7
Haiti	110.6
Honduras	74.8
Jamaica	40.3
Mexico	1,055.1
Nicaragua	112.0
Panama	159.6
Paraguay	90.2
Peru	675.2
Surinam	5.0
Trinidad and Tobago	43.3
Uruguay	113.6
Venezuela	388.1
Other West Indies	3.3
ROCAP	84.1
Latin American regional	<u>740.1</u>

Latin American total----- \$10,561.7 million (cont.)

APPENDIX A (Continued)

Far East

Burma	\$114.6 million
Cambodia	343.1
China	4,778.2
Hong Kong	55.7
Indochina, undistributed	1,535.2
Indonesia	875.9
Japan	4,138.7
Korea	6,315.9
Laos	418.6
Malaysia	39.1
Phillippines	1,914.8
Ryukyu Islands	325.7
Thailand	442.8
Vietnam	2,383.7
Far East regional	<u>2,723.9</u>
Far East total -----	<u>\$26,405.9 million</u>

Africa

Algeria	\$163.7 million
Burundi	72.4
Cameroon	25.1
Central African Republic	2.8
Chad	4.2
Congo (Brazzaville)	2.4
Congo (Leopoldville)	317.4
Dahomey	8.7
Ethiopia	247.6
Gabon	4.8
Gambia	.1
Ghana	170.4
Guinea	70.2
Ivory Coast	26.0
Kenya	36.4
Liberia	237.0
Libya	217.3
Malagasy Republic	7.9
Malawi	8.7
Mali	15.8
Mauritania	2.8
Morocco	529.4
Niger	8.8
Nigeria	163.7
Rwanda	1.7
Senegal	25.0
Sierra Leone	27.2
Somali Republic	47.6
Republic of South Africa	167.4
Southern Rhodesia	7.1
Sudan	91.5
Tanzania	44.0
Togo	9.9
Tunisia	470.3
Uganda	17.3
Upper Volta	5.5

(cont.)

APPENDIX A (Continued)

Zambia	30.2
East Africa regional	11.2
Regional USAID/Africa	1.0
Africa regional	<u>54.1</u>

Africa total----- \$ 3,354.6 million

Europe

Albania	\$ 20.4 million
Austria	1,257.1
Belgium-Luxembourg	2,107.3
Czechoslovakia	193.0
Denmark	933.7
East Germany	0.8
Finland	146.7
France	9,465.1
Germany (Federal Republic)	5,149.0
Berlin	131.9
Hungary	31.5
Iceland	76.4
Ireland	195.9
Italy	6,089.4
Netherlands	2,617.7
Norway	1,283.4
Poland	573.6
Portugal	531.1
Spain	1,908.7
Sweden	125.2
United Kingdom	9,269.8
U.S.S.R.	186.4
Yugoslavia	2,761.4
Europe regional	<u>2,796.5</u>

Europe total----- \$47,852.0 million

Canada	40.0 million
Australia	142.6
New Zealand	21.5
Trust Territory of Pacific Islands	107.4
Nonregional total	<u>5,779.0</u>

Total----- \$ 6,090.5 million

Total assistance to all
countries-----\$117,019.1 million

Source: Data obtained from the General Accounting Office by Senator Dirksen who inserted these statistics into the Congressional Record, July 20 1966, pp. 15714-15750.

U. S. NONMILITARY FOREIGN ASSISTANCE (NET) AND TRADE BALANCES BY COUNTRIES, 1958-1965
(millions of dollars)

Countries	1958		1959		1960		1961		1962		1963		1964		1965	
	Net Aid ^a	U. S. Trade ^b Balance	Net Aid ^a	U. S. Trade ^b Balance	Net Aid ^a	U. S. Trade ^b Balance	Net Aid ^a	U. S. Trade ^b Balance	Net Aid ^a	U. S. Trade ^b Balance	Net Aid ^a	U. S. Trade ^b Balance	Net Aid ^a	U. S. Trade ^b Balance	Net Aid ^a	U. S. Trade ^b Balance
Afghanistan	19	-4	19	-10	13	-10	30	6	13	-8	32	-3	37	6	34	2
Bolivia	22	17	22	14	13	14	23	16	29	20	44	18	33	17	30	7
Brazil	145	-33	35	-216	42	-147	270	-68	157	-117	128	-186	212	-148	149	-183
Cambodia	37	-2	21	-7	25	-	24	9	20	5	20	2	7	-1	2	-
Ceylon	20	-5	19	-12	8	-25	9	-17	8	-19	4	-21	4	-27	4	-23
Chile	47	-7	33	-76	10	-	121	43	87	-24	109	-32	96	-38	104	24
Colombia	92	-147	32	-134	-7	-54	54	-31	43	-50	69	-9	38	-35	34	-80
Ecuador	3	-9	2	-12	7	-11	11	-4	11	-26	14	-11	17	-4	17	-28
India	243	63	320	129	523	412	370	230	528	411	736	509	864	651	849	580
Indonesia	24	-112	17	-123	45	-132	54	-29	88	-15	77	-7	32	-102	-4	-123
Jordan	57	10	60	16	62	17	61	24	53	20	54	37	45	20	37	19
Korea	311	213	232	131	261	148	228	155	233	204	231	211	157	169	165	149
Laos	30	2	35	3	33	1	51	2	30	4	31	6	39	7	58	8
Liberia	8	14	9	59	8	-4	19	17	35	20	11	4	12	-13	25	-11
Malaysia	c	-85	c	-150	1	-138	2	-126	12	-155	6	-150	2	-82	4	-123
Morocco	26	33	45	29	61	29	97	55	48	42	53	49	38	31	51	49
Nepal	6	nss	3	na	8	na	10	na	9	na	14	na	17	na	16	1
Pakistan	145	81	142	65	229	131	218	158	322	243	378	341	377	336	348	291
Philippines	42	18	24	-36	24	-10	11	17	24	-59	8	-34	49	-27	45	-34
Poland	99	75	66	43	127	111	57	34	60	48	46	66	52	84	-6	-31
Thailand	30	-4	48	-28	42	11	29	25	31	32	29	57	18	58	25	67
Tunisia	26	4	30	7	55	21	77	38	53	44	38	25	45	31	54	39
Turkey	122	72	111	44	101	66	153	69	202	106	173	154	126	96	132	81
Vietnam	204	57	168	46	186	48	144	62	148	101	189	114	221	131	300	187
Yemen	-	na	5	na	5	na	6	na	6	na	8	na	6	na	5	na
TOTALS	1,758	251	1,498	-218	1,882	478	2,129	685	2,250	827	2,512	1,140	2,544	1,160	2,478	868

a/ Disbursements less repayments.

b/ Exports and imports, f.o.b.; includes U. S. exports financed by military grants and credits.

c/ Less than \$500,000

na Not available.

nss Not statistically significant.

SOURCES: International Monetary Fund, Direction of Trade, Annual 1958-1962, pp. 128-130; March 1965, pp. 63-64; Annual 1961-1965, p. 285; National Advisory Council, Semiannual Report to the President and Congress, January-June 1964, pp. 75-77; U. S. Department of Commerce, Foreign Grants and Credits (Wash.: U.S. Government Printing Office, 1964 and 1965).