

no end to Vietnam? Haven't we done more than enough? We sacrificed 46,000 lives, squandered \$150 billion. What do we have to show for it? The war goes on, and more American aid just means more killing. Why not call it quits and let the South Vietnamese fend for themselves?

So speak the critics of further aid to South Vietnam, and their words are persuasive to an American public still enduring tragic consequences of an ill-conceived venture in Vietnam. There can be no quarrel about our epic mistakes of the past. But must we so brood over the past that we blind ourselves to responsibilities of the present and future? Must we be so zealous in avoiding repetition of old mistakes that we commit new ones at least equally perilous to national security?

We were not wrong to help South Vietnam resist naked aggression. Our mistake consisted in trying to do the whole thing ourselves. We not only bled our nation needlessly but lost precious time preparing the South Vietnamese to defend themselves.

The Paris Accords called for a ceasefire but, as we know all too well, the firing has never ceased. One might disagree as to which side has been guilty of this or that incident, but there can be no doubt that North Vietnam has contemptuously ignored the Accords from the start. It has done so by persistent heavy attacks near the demilitarized zone and by relentless build-up of troops, supplies, and arms throughout South Vietnam. Whatever flimsy mask of respectability remained has now been torn away by the launching of a major offensive, supported by heavy artillery and tanks, that has resulted so far in capture of the entire province of Phuoclong.

The South Vietnamese face an enemy more strongly massed, far better supplied, and more heavily armed than it was at any time when we were doing the fighting. Having only a small part of our firepower and mobility, they must substitute guts and staying power. What was once a supply trail from Hanoi to the South, constantly harassed and interdicted by air, has become an unmolested freeway. Last year it brought eight times as many supplies into South Vietnam as the trail carried through in the year of build-up and support for the all-out invasion of 1972.

The Paris Accords strictly forbade even the replacement of enemy troops then in South Vietnam, but Hanoi has since doubled its forces in the South. These are main-force units of the Army of North Vietnam, filled out no more than a tenth by local Viet Cong. Seven additional regular divisions are stationed in reserve in North Vietnam. In resisting this powerful enemy, the South Vietnamese have suffered more combat deaths in the last two years than we did in our entire seven years of warfare.

Man for man and unit for unit, they have outfought the North Vietnamese. That may be hard to believe but it is true.

We cannot expect them to provide bullets as well as blood. They could if the invader were also fighting with its own weaponry. But North Vietnam is supplied in plenitude by the Soviet Union and China.

Meanwhile, we have provided far less than the one-for-one replacement of consumed supplies permitted by the Accords. In fact, Congress enacted a double-barreled cutback last year when it reduced the authorized aid program by \$400 million and appropriated \$300 million less than the authorization. Inflation cut real aid even further. Some wished to believe that our cutting of aid would reduce the level of violence by forcing President Thieu to fight less and negotiate more, as if it were all up to him. The result has been quite the opposite. Sensing American abandonment of South Vietnam, Hanoi stiffened its negotiating stance while launching a military offensive. When military victory seems at hand, why should Hanoi negotiate for something less?

Some opponents of military assistance argue that the South Vietnamese economy is a mess and will collapse sooner or later anyhow. This is a groundless myth. The South Vietnamese economy has suffered many strains, but it has responded with remarkable resilience and vigor. Recent performance is all the more admirable because we had patronized the South Vietnamese in economic as well as military affairs doing for them what they needed to learn to do for themselves, and often doing it wrong. In addition, the economy became distorted in trying to serve Americans in the style to which they are accustomed. Fortunately, much progress was made during Vietnamization in building the foundation for an ultimately self-reliant economy.

Consequently, the brutal shock of the final American withdrawal and the 1972 invasion was quietly absorbed by the economy. So was the sharp rise in oil prices last year. The standard of living has, of course, gone down while inflation and unemployment have gone up, but the people tighten their belts.

In current prices, imports fell by 45 per cent in the second half of 1974 and by 10 per cent in the year as a whole. Since import prices were rising by 35 per cent, the reduction in real imports was much larger. The rate of domestic inflation was cut by more than a third in 1974. The cost of living remained stable over the entire final quarter. What other country can claim such a record?

Meanwhile the long-run program for creating a self-reliant economy has been working despite the deteriorating security situation. In a word, the economy has been performing extremely well under the circumstances.

Many will ask: So the South Vietnamese are making their own way. But what do we owe them? Well, we owe them no more than our hearts tell us. We owe them neither more nor less than it means to our conscience to forsake the principle of self-determination and to acquiesce in a bloodbath of innocents.

We should also ask what we owe ourselves, and that is a matter of the head. What we owe ourselves depends on how much difference it makes to live in a disintegrating world order. For nothing will diminish our ability to wield a stabilizing influence in world affairs so much as a well-deserved reputation for infidelity and unreliability in time of trouble.

There is no doubt where my sympathies lie. I was in charge of Vietnamization from beginning to end, and I cannot forget its deeper meaning. That deeper meaning derived from the Guam Doctrine, which proclaimed to the world that we would provide material assistance to any nation that demonstrated the resolve to fight for itself in resisting aggression. This we would do instead of fighting others' battles for them. Vietnam was to be the first case of the new doctrine at work. The Mideast could be the second.

Well, they are fighting their own battle, and now the world waits to see whether we shall stick to our end of the bargain.

THE FRANK PEROFF CASE

Mr. JACKSON. Mr. President, as chairman of the Senate Permanent Subcommittee on Investigations, yesterday I made public a subcommittee staff study entitled "The Frank Peroff Case."

I wish to commend the staff for a thorough and responsible investigation and a fair and clear presentation of the facts in a very complicated case.

I ask unanimous consent that certain aspects of the 100,000-word study be printed in the RECORD including the introduction; the chronology; the findings and conclusions; and my memorandum

transmitting the study to other members of the subcommittee.

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

THE FRANK PEROFF CASE

INTRODUCTION

On April 28, 1974 in a Federal courtroom in New York City, former Attorney General John Mitchell and former Commerce Secretary Maurice Stans were found not guilty of conspiracy, obstruction of justice and perjury. The trial was one of the most sensational in American history. Never before had two Cabinet members been tried together on criminal charges connected with official or political duties.

The charges against Mitchell and Stans revolved around \$250,000 in campaign contributions made to the 1972 re-election campaign of President Nixon. The money was from Robert Vesco, the internationally known financier. The Government prosecutors alleged that in return for the contributions Mitchell and Stans had sought to influence a Securities and Exchange Commission inquiry into Vesco's activities.

The grand jury that indicted Mitchell and Stans May 10, 1973 also indicted Robert Vesco. But Vesco was living overseas, dividing his time between Costa Rica and the Bahamas. Efforts to extradite Vesco failed. The Government, through its office of the U.S. Attorney for the Southern District of New York, went ahead with prosecution of Mitchell and Stans. Vesco remained abroad, a fugitive from justice. The trial began February 19, 1974 and ended 46 days later with the acquittals.

Robert Vesco, while avoiding prosecution, was conspicuous by his absence. His name came up many times during testimony. And, after the jury's verdict was read, there was still considerable comment about Vesco. One juror, Clarence Brown, was quoted in the April 29, 1974 Washington Post as saying, "They [the Vesco people] wanted to get something going but I don't think that Stans and Mitchell fell for it. Vesco was trying to get to any top figure to embarrass the President."

The same edition of the Post quoted a government prosecutor, John R. Wing, as saying, "I feel rotten. I feel very disappointed in the verdict. If we could have gotten Vesco back it would have been different." Wing's boss, Paul J. Curran, the U.S. Attorney for the Southern District of New York, told the New York Daily News of April 30, 1974 that Vesco "is not off the hook" and could still be charged in connection with crimes Mitchell and Stans had been acquitted of. Curran said that Vesco "is a fugitive from justice and certainly will be prosecuted if he should step foot in the United States, or move to a country from which he can be extradited."

Curran was referring to the Government's two unsuccessful efforts to have Vesco extradited, first from the Central American country of Costa Rica, then from the Caribbean nation of the Bahamas. The failure to have Vesco for the Mitchell-Stans trial was a setback to the Government's side.

In the fall of 1973—at a time when the Federal Government was trying to extradite Vesco and preparing its case against Mitchell and Stans—a man came to the Senate Permanent Subcommittee on Investigations and said he had information to show that Robert Vesco was a principal in a \$300,000 heroin smuggling conspiracy. He said the Federal Government knew about the plot but had deliberately sabotaged efforts to investigate the conspiracy and expose Vesco's role in it. He said the Federal Government was protecting Robert Vesco.

The man making these charges was Franklin Peroff. He got in touch with the staff of the Investigations Subcommittee October 4, 1973. Peroff, 36, was known to the Subcom-