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U.S Has Lost Control of Aid To Viet Nam, Fulbright Says

By the Associated Press

Sen. J. W. Fulbright says South Viet Nam is a "pretty horrible example" of how foreign aid can get out of the control of the country that is providing it.

He meant that the amount and type of almost all U.S. aid to the Asian country now are dictated by political and military considerations not under U.S. control.

"These programs have a way of getting us involved, and then it is hard to get out of these entanglements," the Arkansas Democrat said in an interview.

He said the U.S. connection with South Viet Nam started with the Aid program, and he would not want to see a similar entanglement in the Congo.

Fulbright said this is one of the things that prompted him to announce that he would not act as Senate floor manager for the Johnson administration's annual foreign aid authorization bill this year.

Changes Demanded

Fulbright is only one of those who calling this year for basic changes in the foreign aid program, which began 17 years ago with the Marshall Plan for help for postwar Europe.

Another is Sen. John Sherman Cooper, R-Ky., who wants to halt all aid until a thorough review and assessment is made.

These men are longtime supporters of the principle of foreign aid. Fulbright, a former Rhodes scholar, is chairman of the Senate Foreign Relations Committee and his influence is powerful in the administration's foreign policy councils. Cooper was ambassador to India under President Dwight D. Eisenhower.

In the house, Rep. Thomas E. Morgan, D-Pa., chairman of the Foreign Affairs Committee, favors keeping the status quo.

He noted in a separate interview that longterm authorization for two major programs — the Alliance for Progress and the development loan fund — expire at the end of the next fiscal year, June 30, 1966.

"That is the logical time for a reappraisal," Morgan said.

Fulbright said he has been urging a reappraisal for three or four years and "this year is a good year too."

Passman Critical

Criticism of the program also was voiced by Rep. Otto Passman, D-La., chairman of an appropriations subcommittee handling Aid financing. He said in an interview that unless there are some far-reaching changes in the program, the United States not only will lose friends abroad but will be in serious economic trouble.

"It is time," Passman said, "for the executive branch to tell the American people that a very large percentage of our dollar claims against foreign nations are long-term and uncollectible and also to tell the American people that foreign nations have waxed fat and accumulated, at our expense, short-term dollar credits for which they can demand all of our diminishing gold reserves."

"Unless all the spigots of foreign aid are drastically reduced," he said, "then the dollar will be in even more serious trouble."

Administrator in Middle

In the middle of the debate is David E. Bell, administrator of the AID program, whose job is to present this year's $3.38 billion authorization request to Congress.

On the bill's prospects for trouble, Bell reminded a reporter that the House has many new Democratic members this year, while the Senate makeup remains about the same.

"Sen. Fulbright has said he's not prepared to plead the administration case in the Senate, and that's a setback," Bell said, adding. "So you can say that the situation looks a little better in the House, and not so good in the Senate."

Fulbright's minimum demand for a change in the program this year was a complete separation of military assistance and economic aid.

But Morgan contends that such a separation would leave the economic portion of the aid program — funds for building dams and railroads and the like — an easy target for opponents. So far he has blocked successfully the separation idea.

Fulbright wants to see an end to U.S. loans to underdeveloped countries. "It is a difficult relationship. It causes bad feeling," he said, as between debtor and creditor. Fulbright said those loans should be handled through such agencies as the International Bank.