HUMANITARIAN PROBLEMS IN INDOCHINA

HEARING
BEFORE THE
SUBCOMMITTEE TO INVESTIGATE PROBLEMS
CONNECTED WITH REFUGEES AND ESCAPEES
OF THE
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE
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JULY 18, 1974

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HUMANITARIAN PROBLEMS IN INDOCHINA

THURSDAY, JULY 18, 1974

U.S. Senate,
Subcommittee on Refugees and Escapees,
of the Committee on the Judiciary,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 11:40 a.m., in room 2228, Dirksen Senate Office Building, Senator Edward M. Kennedy (chairman) presiding.

Present: Senators Kennedy (presiding) and Fong.

Also present: Dale S. deHaan, staff director; Jerry M. Tinker, staff consultant; Marc Ginsberg, assistant; Joanna Reagan, secretary; and Mrs. Dorothy Parker, assistant to Senator Fong.

Senator Kennedy. Would you place on the record my apologies to the witnesses and my appreciation for their understanding and patience for the delay this morning, and now, off the record.

[Discussion off the record.]

Senator Kennedy. Today's hearing resumes the Subcommittee's public inquiry into the crisis of people created by the Indochina war.

OPENING STATEMENT

We meet today—as we have for nearly 10 years—to review American policy towards Indochina and to make the case again that the humanitarian problems of refugees, civilian casualties, orphans, and war victims of all kinds must be a matter of vital concern to the American people and their government.

Last year marked a watershed in the history of America's involvement in Indochina. The ceasefire agreements in Vietnam and Laos—the promise of an agreement in Cambodia—and the return of our servicemen and prisoners of war—were hopeful signs that peace, at long last, was truly at hand. And for the first time in many years, our Nation had new opportunities to embark on new policies, to reorder our priorities, to change the level and character of our involvement in Indochina, and to finally practice some lessons from the failures and frustrations of the past.

We could at last end our direct and manipulative involvement in the remaining political and military confrontations of the region—and finally chart a new beginning, in cooperation with other nations, as well as with the governments of Indochina, to help repair the damage of conflict and heal the wounds of war.

But regrettably, the record shows very little change in the character of American policy, and even less progress towards securing peace throughout the area. Despite the rhetoric of peace with honor, there
is no peace. The tragedy of Cambodia increases every day. War continues. And the level of human misery deepens.

As Cambodia bleeds, as the human toll mounts with each day of continued war, in South Vietnam the "ceasefire war" has also meant that more Vietnamese have been killed, more refugees have been displaced, and more civilians have been wounded or maimed. In fact, more Vietnamese have died in 1 year of the ceasefire than all American casualties over an entire decade of war. Fighting continues in South Vietnam because our diplomacy has failed to end it.

In Laos, serious questions remain over our policy towards the newly established Provisional Government of National Union. Despite our country's general public support for the ceasefire agreements and the formation of the new government, several indicators suggest that the intent of some of our remaining presence in Laos can only help to perpetrate old relationships and the division of that country. We have gone that route once before, with tremendous cost to our own country and the people of Laos. We must not repeat this mistake and failure of the past. The new government must be given a chance to work.

Meanwhile, the humanitarian needs of the Laotian people remain as great as ever. Tens of thousands of refugees are still crowded on land that will neither support their needs nor give them any hope for the future.

A regional crisis of people remains acute today throughout Indochina—because our aid program has yet to place top priority on requested, it "will be a violation of the clear understandings the South Vietnamese had from us at the time of the ceasefire."

Regrettably, the record shows that our Government is still more interested in funding armies than in providing humanitarian assistance. And the budget priority remains with the means of war rather than with the tools for building peace.

We are told we have a "moral commitment" in Indochina. And we hear officials say that if Congress doesn't provide the amount of aid requested, it "will be a violation of the clear understandings the South Vietnamese had from us at the time of the ceasefire."

What "understandings"? And who made them? And why are they hidden from Congress and the American people? And what about our "moral commitment"? What is so moral about providing vast quantities of ammunition for Indochina? What is so moral about an aid program that places a priority on fueling war and keeping a war-economy afloat, rather than helping to meet the needs of war victims?

We have no moral commitment to any army in Indochina. We have no moral commitment to this or that government—to this or that official or faction. Our only true remaining moral obligations are with the people—to the millions of people in Indochina who cry for help.

We have a moral obligation to help accomplish the political goals of the ceasefire agreements. We have a responsibility to remove our assistance to the people of Indochina from the political conflict, by
channeling it through United Nations and other international humanitarian organizations. We have a duty to help people, not to buy time for governments too weak to support themselves.

Until these obligations also become the focus and priority of our aid program in Indochina, we are destined to meet again in a hearing next year to find, once again, that peace is still a stranger in Indochina, and that the plight of the people remains as serious as before. Until the violence ends, and political settlements are negotiated, the only “take-off” we will see is an increase in the number of refugees, civilian casualties, orphans and other victims of continuing war.

STUDY MISSION REPORT

Our first witnesses this morning are members of our study mission which returned 2 weeks ago from a field trip to South Vietnam and Cambodia.

Mr. Wells Klein is no stranger to this subcommittee, having first testified on refugee problems in South Vietnam in 1965. He has served, in his private capacity, as a special consultant to this subcommittee on several occasions since, and was a member of the study mission team which visited Indochina last year.

Mr. Klein has been actively involved with humanitarian problems in Indochina for many years, and brings to this subcommittee a great deal of knowledge and expertise concerning the problems of war victims, especially among refugees and children. He is currently the executive director of the American Council for Nationalities Service in New York.

We also welcome Dr. David French, who is director of the Office of Community Health affairs of the Boston University Medical Center, and professor of the Department of Community Medicine at Boston University. Dr. French has shown a very deep interest in the problems of community medicine and public health problems in the Third World, and has been one of the important leaders, I know, in my own State in attempting to translate the health expertise of the university and medical centers out into the community where it is needed.

Dr. French served as a consultant to the subcommittee last year, and was a member of the study mission team that visited Laos and North Vietnam in 1973. We will especially value this perspective in receiving his testimony this morning on conditions in South Vietnam and Cambodia.

We have followed their advice and recommendations and embodied them in amendments which in most instances have been accepted by the Senate. In some instances they have been dropped in conference, and in a number of instances they have been enacted into law.

We want you to know that we appreciate your tireless pursuit of our mutual goals and of our continued commitment towards trying to provide some relief to suffering of people whose only mistake in life was the geography in which they were born.

We welcome you, Mr. Klein and Dr. French.
STATEMENT OF WELLS KLEIN, EXECUTIVE DIRECTOR, AMERICAN COUNCIL FOR NATIONALITIES SERVICE, NEW YORK, AND MEMBER OF THE SUBCOMMITTEE STUDY MISSION TO SOUTH VIETNAM AND CAMBODIA

Mr. Klein. Thank you, Mr. Chairman. It is a pleasure to be here. I think Dr. French and I have fairly long statements here, and I wonder how you would like to handle this. Obviously there will not be time to read the statements in their entirety.

Senator Kennedy. Why don’t we put it all in the record and then you can highlight it, Mr. Klein.

Mr. Klein. I will highlight it then.

Senator Kennedy. Yes.

[The prepared statement of Mr. Klein follows:]

STATEMENT OF WELLS KLEIN, EXECUTIVE DIRECTOR, AMERICAN COUNCIL FOR NATIONALITIES SERVICE, AND MEMBER OF THE SUBCOMMITTEE STUDY MISSION TO SOUTH VIETNAM AND CAMBODIA

Mr. Chairman. It is a pleasure to be here this morning to report to you on the visit Dr. David French and I recently made to Vietnam and Cambodia in our private capacity as consultants to this Subcommittee. As you know the purpose of our visit was to review humanitarian problems particularly in the fields of health, child welfare, and refugee assistance, which have been of concern to this Subcommittee for many years. Because of the shortness of time and the rather large body of data and observations we wish to transmit to the Subcommittee we will confine our testimony this morning to general observations and recommendations to be followed by a more detailed report later in the summer.

VIETNAM

I should have wished to begin this report on a positive note, for there have been some significant achievements in Vietnam this past year in relation to meeting the basic needs of people whose lives have been disrupted by war. Unfortunately, despite these achievements and changes in the specific nature of some of our humanitarian concerns, nothing has happened in broad terms, in the balance, to ameliorate the severity of human suffering in Vietnam. In fact, today the condition of people, the general level of misery, is as bad if not worse, than it was a year ago, and the situation continues to deteriorate.

Mr. Chairman: where we could once consider such matters as refugee care and resettlement, health services, and child welfare, as discreet areas of concern without specific reference to economic considerations, this is no longer possible. Vietnam’s deteriorating economy and mounting inflation affect every aspect of humanitarian assistance.

In its simplest terms the basic problem is the continuing war with no end in sight and apparently no interest on either side in seeking a solution except on its own terms, and the eschewed economic structure and utilization of human resources dictated by total preoccupation with military considerations. Thus in 1973 Vietnam suffered a 65% inflation despite our economic aid, and another 26% in the first four months of this year. In ten years Vietnam’s urban population has grown from 15 to 45 percent, and with the withdrawal of American forces, with their same 300 million dollars of personal and military spending, unemployment and underemployment are rampant in urban areas. With this unemployment, the more than one million men in the armed forces, and the large number of people in government service, more than half of Vietnam’s work force is either working or unproductive in economic terms. In short, Vietnam is in the midst of serious economic depression compounded by an alarming and mounting inflation.

Against this backdrop it is not surprising that malnutrition is increasing alarmingly in urban areas as people are forced by economic necessity to switch from rice and protein rich foods to starchy substitutes. School drop-outs are
rising as thousands of families can no longer scrape together the 3,000 piasters or five dollars per year required for school attendance. It is estimated that the number of "street children" has doubled since the beginning of last year, and infant abandonment is clearly rising as a result of economic pressure despite efforts to keep children with their families.

Mr. Chairman, it seems to be generally acknowledged that humanitarian concerns in Vietnam, especially today cannot be viewed, or resolved, outside of the broader economic context. The degree of unanimity on this is reflected in the similar views held by yourself and Ambassador Martin. Obviously there is need for economic stabilization if the people of Vietnam—refugees, children, orphans, the elderly, and the urban poor and destitute are to have any reasonable chance of progression beyond the struggle for sheer survival. How stability is to be achieved, at what level, with what hard decisions and bold tightening, and with what economic input from the United States, and through what mechanisms; these are the critical policy decisions to which this Subcommittee, the Congress, the Administration, the American people and the GVN must address themselves. Furthermore we must be clear in our own minds as to our obligations and our objectives. We may not agree, but at least let us understand the relationships between the economic, the political and the military in Vietnam. Finally, in considering how some degree of economic stability can be fashioned in Vietnam, we must also consider the needs of our own country caught in the pincers of inflation, and recession, and what some of us feel to be our basic humanitarian obligations in other lands such as the Sahel and Bangladesh where survival, not stability, is the pertinent concern.

Before turning to these questions, I would like to digress and report to the Subcommittee on recent developments in the fields of refugee resettlement and child welfare, particularly because the apparent, if still somewhat tentative, success of refugee resettlement has implications for broader policy.

**Refugee Resettlement**

A year ago, following the 1972 offensive and the upsurge of fighting after the ceasefire, refugee camps throughout Vietnam contained over 600,000 refugees with many additional people in refugee status out of camps. The deplorable situation of these people was documented in our testimony and the Subcommittee report last year.

As of our visit several weeks ago, however, these camps were almost entirely empty with the few remaining thousand refugees scheduled for resettlement in late June or early July. This significant achievement of return-to-village and resettlement was carried out by the GVN with major financial assistance and support from AID, I do not mean to suggest that there are no problems with the resettlement program, for there are many, but the overall direction is appropriate, given that conditions prohibit many people from returning to their original homes, and the program is being handled relatively well.

It was also comforting to note there is no indication that the GVN is using refugee resettlement as a means of expanding territorial control although in some cases this may inadvertently occur. By its nature, resettlement in Vietnam means placing people on previously untitled land. Thus resettlement could possibly be interpreted by the PRG as a move by the GVN to extend its territorial control, but such an interpretation based on present evidence would be both incorrect and most unfortunate, for there is no advantage to either side in making refugee resettlement sites a new focus of armed conflict.

Also, and contrary to the views of our Embassy, we could see no evidence that the PRG or NVA are specifically targeting refugee resettlement sites for military harassment. In Quang Ngai, a good deal of military activity swirls about resettlement and return-to-village locations, but this pattern has been endemic in Quang Ngai for many years. Otherwise, while refugee sites are periodically caught up in the fighting or receive almost random attacks, so do other civilian locations. Main force military activity seems to devolve around strategic objectives and lines of communication rather than population centers.

As mentioned earlier there are many operational problems, some of them serious, in the resettlement program. These include: inordinate delays in land clearing causing a backup of refugees living in totally inadequate staging sites; problems of land title; inadequate support from other ministries; particularly agriculture, public works, and health; fresh water supply and irrigation; and insufficient attention to local development projects. Also the GVN
and AID have been generally overoptimistic with regard to the period of time refugees will need supplemental assistance before becoming economically viable. Some land areas selected for resettlement seem, at best, marginal, and these people will require considerable assistance not presently budgeted or programmed if they are to become self-sustaining.

Yet with all of its problems one must conclude that the resettlement program, if given sufficient follow through, will have significant results in moving large numbers of people out of a squalid state of dependency back to the land and their own homes (whether new or old) where they will once again be economically and socially productive.

CHILD WELFARE PROBLEMS

The apparent success of the refugee resettlement program under the able leadership of Deputy Prime Minister Doctor Phan Quan Dan has led some 600,000 non-refugee families, mostly urban unemployed and poorly resettled refugees of previous epochs, to apply for resettlement under this same program. While it is unlikely that 600,000 families, or over three million additional people could, or would, be resettled in this manner, Dr. Dan estimates (and he has a good track record) that upwards of 1,000,000 people could be returned to the land over the course of the next two or three years. Short of peace, which is the ultimate solution, such a program, if adequately supported, would be a major contribution to economic and social stability, and would begin to bring some semblance of normality to Vietnam.

Unfortunately progress in the field of child welfare has not paralleled that in refugee resettlement. Only in the area of adoption has significant progress been made as measured by services presently available to children. There are now six American and international adoption agencies working in Vietnam. In general they are adequately funded including major support from the U.S. Government. It is important to recognize that intercountry adoption is the best available alternative for only a few of Vietnam's tens of thousands of disadvantaged children, and that those voluntary agencies now engaged in inter-country adoption are sufficient in number and professional competence to handle the problem in terms of the essential criterion—what is best for the children.

Members of this Subcommittee will remember that in previous testimony I have emphasized the need for adequate intercountry adoption services in Vietnam. With the progress made in recent months I must now state just as forcefully that further preoccupation with inter-country adoption, as against other child welfare services, would pose a false issue working to the detriment of those tens of thousands of disadvantaged children for whom Vietnam is, and will always be, home.

Turning now to other aspects of child welfare. It was more than fourteen months ago that this Subcommittee held a special hearing on "Orphans and Child Welfare in Vietnam." Subsequent to that hearing we received many assurances from the Government that child welfare concerns in Vietnam would receive priority attention. You will remember, Mr. Chairman, that shortly thereafter you and I met with Secretary of State Rogers on this same matter, and that during our discussion it was evident that the State Department and AID recognized the urgency of child welfare concerns in Vietnam. In short, it appeared that at long last the children of Vietnam would receive some reasonable attention.

Yet, fourteen months later funds for child welfare services (with the exception of adoption) are only now reaching those voluntary agencies who will actually program these services. The urgency articulated in Washington seems not to have reached Saigon, say nothing of the children who are, by and large, as they were fourteen months ago.

AID funds for child welfare services are being channeled primarily through voluntary agencies. Those agencies have the professional staff and experience to provide immediate impact which the Ministry of Social Welfare lacks. Yet, in essentially by-passing the Ministry of Social Welfare to achieve immediate impact, AID is mortgaging the future of services to children in Vietnam. As Dean Dumpson stated in his testimony last year "... most of what we can do for children in Vietnam can only be accomplished through Vietnamese institutions. It is, therefore, imperative to strengthen the Vietnamese Government and
voluntary agencies at the same time we are addressing ourselves directly to the immediate needs of children." Ignoring this admission is a serious deficiency in our approach to child welfare. The objectives of immediate impact and of strengthening Vietnamese social welfare institutions are not mutually exclusive. Another area of great concern which persists is the question of priority given to child welfare by the GVN. In our testimony last year Dean Dumpson and I urged the U.S. Government to "... raise the issue of the welfare of children with the Vietnamese Government at the highest level so that child welfare programming will receive equivalent priority on the Vietnamese side." We observed that "at this point the Vietnamese Ministry of Social Welfare is at the bottom of the Government's administrative structure and receives scant support in terms of funds and personnel."

In a separate report submitted to AID last fall after visiting Vietnam at the invitation of Ambassador Martin, Jean and John Thomas recommended "... what is needed in the welfare field is the same type of attention from President Thieu as he gave to the refugee efforts. What is most necessary is the enacting of a Presidential decree establishing an interministerial entity for social welfare."

Whatever the mechanism, it is apparent that our approach to child welfare will remain lopsided and inadequate until both we and the GVN are willing to give equivalent priority to this area. We would once again suggest that the Embassy and AID raise the question of child welfare and strengthening the Ministry of Social Welfare at the highest level.

LEVEL OF ECONOMIC ASSISTANCE

Mr. Chairman, I would now like to return to that basic question which the Congress must shortly face in its deliberations on the Foreign Aid Bill—what should be the level of economic assistance to Vietnam and to achieve what objectives? The Administration has asked for 750 million dollars in FY 1975. This is an amount far in excess of that provided in FY 1974. The rationale for this request is that if we provide a higher level of economic assistance for several years Vietnam will achieve economic self-sufficiency and will no longer be dependent on the United States. This is a seductive argument but I have a strange feeling of "deja vu". I fear we are again being asked to see the light at the end of the tunnel.

In economic terms there is considerable question whether self-sufficiency can be achieved in this time frame particularly in the midst of a continuing war. The World Bank suggests that South Vietnam will be dependent on outside economic assistance and foreign exchange support until at least the 1980's. Furthermore, a significant portion of the 750 million dollars is slated for capital development in one form or another. One must question whether a war-time economy with all its attendant abnormalities is the place to embark on a major program of economic development.

The proposed level of economic assistance to Vietnam must also be viewed in relation to our own domestic needs, which are considerable and obviously growing worse, and in relation to our economic assistance responsibilities in other areas of the world. Many of the less developed countries could achieve significant economic progress and in some cases reach "take-off" with a continuing infusion of capital on the order suggested for Vietnam.

Economic assistance obviously has political implications. With the level of assistance proposed for Vietnam we are trying to achieve by economic means what we could not by military—we are caught in the inertia of the past, and are still trying to "win the war." But peace can not be bought. If peace is to come to Vietnam, as it eventually must, then it will result from the resolution or compromise of those basic differences between the contestants which have been generic to the conflict for decades. Nothing will be achieved by the big powers loading their respective sides of the scales with more and more assistance. On the contrary, this dependence on others has the effect of further rigidifying the situation and prolonging the war. Why seek a resolution, why start the long and painful process of identifying possible areas of compromise and reconciliation when the United States, China, or Russia are always ever present to maintain the status quo?
In advocating both a reduction in, and restructuring of, our economic assistance to Vietnam from that proposed I am not suggesting we have no obligations—we clearly do have. However, our obligations are not to a specific government but rather to the people of Vietnam and to the elusive promise of peace. The objectives of our economic assistance must be the achievement of economic and social stability and the reconstruction of the human and material resources of Vietnam. As a nation we should be willing to underwrite the costs of these programs. However, our commitment to long range economic development, to a new and more sophisticated economic structure, to industrial parks and the like, these should be held in abeyance until such time as a peace settlement is achieved and such proposals can be judged on their own merits and in relation to similar requirements in other parts of the world.

INTERNATIONALIZATION OF ASSISTANCE

Over the years you, Mr. Chairman, and this Subcommittee have repeatedly emphasized the need to involve multilateral UN family agencies in programs of humanitarian assistance to Vietnam and other countries of the Indochina peninsula. In the past some of these agencies have evidenced some reluctance to become too deeply involved in Indochina, and our government has hardly played the enamored suitor. At this junction, however, UNICEF, UNHCR and the IOG are each considering significant program expansions in Indochina, while WHO, UNDP and others may be considering similar actions. These initiatives are in keeping with the recommendations of this Subcommittee over many years and, theoretically at least, they are in line with the Administration's policy of encouraging additional economic and humanitarian assistance to people of Vietnam, Laos and Cambodia.

There is a great deal which can be accomplished, and probably best accomplished, through multilateral assistance. In Vietnam, for instance, the Ministry of Social Welfare desperately needs technical assistance, as well as recognition, if it is to fulfill its mandate. UNICEF is the logical vehicle to provide assistance of this nature. If one considers Vietnam's estimated three percent rate of population increase together with its population structure of an unusually large number of young women about to enter their child bearing years, the prospects for economic stability, say nothing of growth in real per capita income, are alarming. So far, for political and religious reasons Vietnam has been unwilling to come to grips with its population problem. Yet it must, and on a crash basis, if any economic assistance is to be meaningful. Multilateral assistance in family planning and maternal and child care, through UNICEF and the UN Fund for Population Activities would probably be the most effective and expeditious approach to this critical requirement. If something is not done immediately to control population growth in Vietnam, we automatically shelve any prospect for economic stability.

In both Vietnam and Cambodia UNHCR could provide vital assistance in refugee care and resettlement programs as could WHO and IOG in the health field. The important city-to-farm program in Vietnam would be a logical focus for assistance from UNHCR. In Cambodia, UNICEF and WHO could make important contributions to assisting the Khmer government in dealing with its serious health and nutritional problems.

In each of these program areas "funds in trust" mechanisms as well as "earmarked funds" can be utilized to support multilateral assistance and internationalize humanitarian assistance to Indochina. Yet at the very moment when it finally seems possible to anticipate significant multilateral assistance to the countries of Indochina, our government has taken a major action which, if followed to its logical conclusion, could unravel the entire structure of multilateral assistance throughout the world. I refer, of course, to the recent statement that since the United States provides 25% of UNICEF general funds, no UNICEF general funds should be used in PRG or DRVN areas of Vietnam. Obviously, if this dictate is enforced, then any nation, contributing to any general fund, of any UN agency, could exercise veto power over the entire program of that agency.

Mr. Chairman, I will end my testimony on Vietnam with the following observation. If it is our policy to isolate the PRG, the DRVN and the Khmer
Rouge from international contact as was for so long our policy toward China, then our stance vis-a-vis the use of UNICEF general funds has a certain narrow international logic, even though it sets a precedent we may one day regret. If, however, we believe that international contact may open up channels of communication and possibly lead to a lessening of the extreme rigidity which presently characterizes the PRG, DRVN and Khmer Rouge factions, then our policy with regard to the use of UNICEF general funds, and its broader implications is totally unrealistic and reflects a level of political paranoia that borders on the absurd. Do we really believe that our interests will be violated if UNICEF provides assistance to children in these areas, or are we simply caught in the same inertia of the past with its tunnel vision?

CAMBODIA

The situation in Cambodia is markedly different from that in Vietnam in almost every respect, and comparisons between the two countries are not generally fruitful. During the four years of war in Cambodia a good half of the some seven million population have been displaced to some degree. The American Embassy estimates that there are currently upwards of 1,200,000 registered and unregistered refugees in the approximately 20% of the land area presently controlled by the government. These refugees represent approximately 23% of the total population under government control.

Since early 1978 the refugee population almost doubled its previous size. To quote a recent Embassy report: “The refugee problem has been compounded by a commensurate drop in production as refugees moved from the land into and around urban areas. This in time has led to shortage of many basic food stuffs and is one of the contributing factors in the hyperinflationary situation which exists in Cambodia today.” The report goes on to say that “The key to the refugee situation then is not only to provide immediate assistance but also to resettle as many of the refugee population as possible on productive land.”

To provide a point of reference for discussion of present conditions permit me to quote from my own testimony to this subcommittee a little over a year ago. At that time I said “To summarize the refugee situation, the prognosis is dismal. Neither our government nor the Cambodian Government have any organized refugee program. Adequate housing, sanitation, and medical service are either nonexistent or in short supply. Increasing numbers of refugees are being generated by an accelerated level of military activity and intensified American bombing. The repression on both sides is increasing with the government losing its precarious control and relying more and more on American intervention. And in the midst of this are a million refugees, half of them children. They are receiving virtually no assistance and face malnutrition, serious food shortages and, in some areas, the real specter of starvation.”

While the military and economic situations have further eroded and the conditions of refugees are certainly no less serious than a year ago, the recent responses of the United States and Khmer governments to the refugee problem are encouraging. Because of statutory limitations on the number of official American personnel who can be in Cambodia at any given time and because the voluntary agencies represent an excellent resource, the U.S. Government has contracted with World Vision, CARE, and CRS to provide emergency refugee assistance, medical services and resettlement assistance particularly to the refugee population. Though these agencies in their programs reflect different stages of development, each is operational and making a significant contribution. Together they utilize 47 international staff and 141 Khmer staff. In addition, the Indochina Operations group of the international Red Cross (ICRC & ICROSS) has five highly effective medical teams operating in Cambodia.

On its part, the Khmer Government has begun the difficult task of reorganizing its response to the refugee crisis. The new Minister of Refugees, M. Kong Orn appears both concerned and competent. He faces a difficult task and deserves all the support that the U.S. Government can provide. Although the present government structure is clearly inadequate to deal with the enormity of the Khmer refugee problem, a reality recognized by both governments, it is,
nonetheless, important that U.S. Government and private agency efforts be undertaken in a consultation and coordination with the Khmer Government. This is a matter of both principle and practical effectiveness.

In response to a suggestion from the American Embassy the Khmer Government has recently organized the Resettlement and Development Foundation, a semi-autonomous body where membership is drawn from the Khmer business community. With U.S. funding the R.D.F. will concentrate on refugee resettlement. Although it only received its first funding in April the Foundation is already at work in Phnom Penh and Kompong Thom.

While the unfortunately belated responses of the United States and Khmer governments are quite clearly insufficient to meet the enormity of the refugee problem, a positive beginning has been made and both governments appear to be moving forward as rapidly as their respective circumstances permit. Yet obviously, much more is needed, and it is to be hoped that future planning and program expansion will reflect the same energy and commitment that presently characterize U.S. and Khmer efforts.

Some specific recommendations may be in order:

While the U.S. Embassy now has six positions allocated to refugee personnel, an additional two or preferably three slots are immediately needed, particularly in view of the increasing logistical support both the voluntary agencies and the Resettlement and Development Foundation will require. In addition, if one or two additional voluntary agencies are interested in working with the refugee problem, and if they are professionally competent to do so, they should be encouraged to participate in the program with substantial U.S. funding.

Finally, though I do not suggest changing the ceiling on U.S. government personnel in Cambodia, an interpretation of the law or a statement of Congressional intent which would exclude U.S. voluntary agency personnel working in Cambodia on humanitarian programs under U.S. government contract from inclusion in this ceiling would be very helpful. It would permit voluntary agencies to use their personnel in the most effective manner without impinging on the intent of the ceiling.

In closing these summary remarks on the refugee situation I would like to briefly comment on our policy in Cambodia. While I deplore the circumstances and decisions which led to our deep involvement in Cambodia, I have the impression that our Embassy is searching for alternatives and for a resolution of the current conflict. We seem to be looking to the future rather than to the past, and this is an encouraging sign in the midst of an otherwise depressing scene.
Mr. KLEIN. With your permission, then, I will try to summarize some of what I consider to be the more pertinent points, and I presume Dr. French, my colleague and traveling companion, will do the same.

Mr. Chairman, my report contains three basic elements: first, a discussion of the present situation with regard to refugees in Vietnam; second, a discussion of the present situation with the welfare of children in Vietnam; and third, a discussion of the overriding issue which must be considered by the Congress. Namely, what level of economic support should be provided to South Vietnam, and for what purposes.

I will attempt to summarize the refugee and the social welfare situation and then go on to the question of the level of economic aid. I believe this is the critical and underlying question which concerns us all.

Senator KENNEDY. I would like to recognize Senator Pong, the ranking minority member of this committee, and one of our very active members. We are just getting started, if you have a statement.

Senator Pong. I have no statement, Mr. Chairman.

Senator KENNEDY. Fine. You may proceed, Mr. Klein.

REFUGEE SITUATION

Mr. Klein. First the refugee situation, Mr. Chairman.

Fourteen months ago when representatives of this subcommittee visited Vietnam there was a horrendously bad situation with regard to refugees. There were hundreds of thousands of refugees living in squalid refugee camps, and additional thousands outside of camps living in totally unsatisfactory conditions. These conditions were documented in our report last year. As of our visit several weeks ago, the refugee camps were almost entirely empty, with the few 1,000 remaining refugees scheduled for resettlement in late June and July.

The significant achievement of return to village and resettlement was carried out by the Government of South Vietnam (GVN) with major financial assistance and support from AID. I do not mean to suggest that there are no problems with the resettlement program, for there are many, but the overall direction seems appropriate, given conditions which prohibit many people from returning to their original homes. And the program seems to be handled relatively well, as compared to years past.

RESETTLEMENT PROBLEMS

This is really a remarkable achievement. Hundreds of thousands of people are being resettled. While there are significant problems which must be recognized and faced, these are operational problems. They are not conceptual or programmatic problems. One is the length of time it takes to adequately clear land. A second is the problem of land titles for resettled refugees. Third is the problem of adequate

1 See "Relief and Rehabilitation of War Victims in Indochina; Part IV, South Vietnam and Regional Problems," Hearing, Subcommittee on Refugees and Escapees, Committee on the Judiciary, U.S. Senate, August 1, 1974, pp. 5–88.
ministerial support, support for resettled refugees from the ministries of agriculture, health and public works, in particular.

### TABLE 1. Statistical summary of refugee and war victim movement in South Vietnam, 1965-74

<table>
<thead>
<tr>
<th>Year</th>
<th>Newly registered refugees</th>
<th>Cambodian repatriates, ethnic Vietnamese expelled from Cambodia</th>
<th>Estimated casualty and damage claimants, including some 1,000,000 temporarily displaced during Tet and May 1968</th>
<th>Displaced persons in PRG-controlled areas and other nonregistered refugees from the 1972 offensive</th>
<th>Estimated nonregistered refugees, including some 1,000,000 in Saigon ineligible since 1964 to register</th>
<th>Cumulative total since 1965</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td>772,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,147,100</td>
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<tr>
<td>1966</td>
<td>906,000</td>
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<tr>
<td>1967</td>
<td>436,000</td>
<td></td>
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<td></td>
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<tr>
<td>1968</td>
<td>434,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1969</td>
<td>590,000</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>1970</td>
<td>129,000</td>
<td></td>
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<td></td>
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<tr>
<td>1971</td>
<td>281,000</td>
<td></td>
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<tr>
<td>1972</td>
<td>136,000</td>
<td></td>
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<tr>
<td>1973</td>
<td>268,000</td>
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<tr>
<td>1974 (thru June 30)</td>
<td>1,320,000</td>
<td></td>
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<td></td>
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<tr>
<td>Cumulative total</td>
<td>6,209,100</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2. Cambodian repatriates, ethnic Vietnamese expelled from Cambodia</td>
<td>210,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>210,000</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3. Estimated casualty and damage claimants, including some 1,000,000 temporarily displaced during Tet and May 1968</td>
<td>2,028,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Displaced persons in PRG-controlled areas and other nonregistered refugees from the 1972 offensive</td>
<td>700,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Estimated nonregistered refugees, including some 1,000,000 in Saigon ineligible since 1964 to register</td>
<td>2,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative total since 1965</td>
<td>11,147,100</td>
<td></td>
<td></td>
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</tbody>
</table>

1. For 1972 USAID indicates only 88,000 new refugees were officially registered; however, the Subcommittee estimate includes the total number of refugees generated during the year, both in government controlled as well as estimates of PRG areas, as well as those temporarily displaced during the immediate post-cease-fire "land grabs," but not registered. For example, USAID acknowledges 200,000 casualty and damage claimants in its updated 1973 statistics, some of whom are here estimated as refugees, since they were forced to move temporarily from their homes during the post-cease-fire struggle.

2. This represents the official estimate of refugees for the first 6 months of 1974, and is broken down as follows: 17,500 newly registered ethnic Vietnamese refugees in camp; 4,700 newly registered Montagnard refugees in camp; 16,700 new Cambodian refugees in South Vietnam; 2,200 new ethnic Vietnamese repatriated from Cambodia; and 17,100 in-place war victims. USAID estimates that the total is much higher, but they have yet to be officially registered.

3. This cumulative total on casualty and damage claimants was updated by USAID in May 1974, but not shown here for 1974.

4. USAID claims no official estimates. This estimate is based upon the subcommittee's hearings and findings from 1965-73.

Another problem is the prolonged backup of refugees when housing and land clearance are not available at the time when they move in. However, there are operational problems, and if the GVN and the U.S. Government are able to deal with them effectively, this should be a successful program.

One of the more important things we observed is that there seems to be no indication that the GVN is systematically using refugee resettlement for territorial acquisition and population control purposes. You will remember this was one of our concerns last year.

Likewise, and I think we are at some difference of opinion with our Embassy in Saigon, we saw no indication that the PRG or the NVA are specifically targeting refugee sites although refugee resettlement and return to village sites are periodically caught in the war, and there are refugee areas which are occasionally and almost
arbitrarily attacked. However, there does not seem to be a purposive attempt by the other side to disrupt refugee resettlement.

If the GVN were to use refugee resettlement for territorial control purposes, or if PRG targeted refugees for political purposes, both actions would be most unfortunate.

**CITY TO FARM PROGRAM**

The refugee resettlement program has been carried out under the guidance and leadership of Dr. Dan, the Deputy Prime Minister. We were quite surprised at the effectiveness of the program. Recently, Dr. Dan has moved further, and is planning to adapt the present program to moving large numbers of people from congested urban areas and earlier, but now inadequate resettlement sites, and move them to new and we hope viable locations. AID has called this a city-to-farm program. If this is done, and can be supported and is successful, it would go a long way toward meeting some of the really very serious problems of urban congestion and poor refugee resettlement of earlier epochs. However, city-to-farm remains more of an objective than a specific plan of action.

On the whole, I think our view is that refugee assistance in Vietnam over this past year, in spite of many problems, many holes, is that refugee assistance has finally turned around the corner. It is being handled effectively, and I hope with some degree of permanence in terms of the lives of the people involved.

**CHILD WELFARE PROBLEMS REMAIN**

Let me briefly report now on the child welfare situation. I wish we were able to comment as favorably in this area as on the refugee resettlement program. With the exception of adoption, the child welfare program, the programming funds which have been allocated and made available for child welfare services in Vietnam, has gone exceedingly slow. Money is only now getting to the voluntary agencies which have agreed to and contracted to provide child welfare services.

The reasons for this are many, some perhaps understandable, some not. But in essence, the urgency which was articulated by Washington last year on child welfare, never seems to have reached Saigon, and certainly did not reach the children in terms of services available for them.

The exception to this, as I say, is adoption. And I think it is important to note that services for intercountry adoption in Vietnam are adequate, as defined by the needs of the children. To continue to press for further efforts in the intercountry adoption field would, I believe, raise a false issue in terms of the needs of the tens of thousands of children within South Vietnam who are disadvantaged by the war and on whose concerns we must now focus much more effectively than we have in the past.

**STRENGTHENING MINISTRY OF SOCIAL WELFARE**

Finally, in terms of the child welfare situation, I think it is important to emphasize once again that we cannot and should not
bypass the Ministry of Social Welfare in programmed services for Vietnamese children, even though it may seem more effective in the immediate sense to do so. In other words, because of the relative inadequacy of the Ministry to carry out child welfare programs of the dimensions we are talking about, it may seem easier to bypass the Ministry and utilize voluntary agencies only. Voluntary agencies can and will do an effective job, and they really have to be considered the first line of assistance to children.

But it is also very important that whatever we do, we also strengthen and build the Ministry of Social Welfare because it will be this Ministry's responsibility in the long run to provide continuing services for children in Vietnam in the years to come.

**Why so little progress in child welfare?**

**Senator Kennedy.** How do you explain the fact that the adoption program has been worked out reasonably well and the child welfare program has not?

**Mr. Klein.** I am not entirely sure, Mr. Chairman.

**Senator Kennedy.** Are the same people running the program?

**Mr. Klein.** The same people are running it. I think one of the reasons for the difference is that pressure in the United States has been on inter-country adoption rather than on other child welfare services. In other words, the administration was more under the gun on this question—under congressional and public pressure. Also providing effective services in inter-country adoption is perhaps not as complicated, from an AID point of view, as is providing other types of child welfare services. By that I mean, the adoption agencies in Vietnam, and those which have more recently arrived, have the basic competence and skills to handle inter-country adoption. All that they needed was money to hire staff and implement programs.

However, in other fields of child welfare, programming is more complicated and in some cases has to be started from scratch. But a beginning can, I think, be made if there is support and pressure on this side of the ocean.

**Senator Kennedy.** Did they not have some $7 million in child welfare funds?

**Mr. Klein.** Yes, $7.2 million.

**Senator Kennedy.** Do you have any feeling of how that is being used or how it is being allocated, or the effectiveness of it?

**Slow allocation of funds**

**Mr. Klein.** Unfortunately, Mr. Chairman, our concern and complaint is that most of it has not been utilized. It has taken an inordinately long period of time to move from the drawing boards, if you will, from the program drawing board to implementation of programs.

**Senator Kennedy.** Why is that?

**Mr. Klein.** I am not sure that I know all the answers. Part of it has to do with a number of changes in personnel in Vietnam. Another part of it has to do with bureaucratic hold-ups and going through the paperwork.
But I am afraid another part may well have been that the child welfare program was held hostage to the passage of the foreign aid bill last year. I cannot demonstrate this, but I am afraid there is some validity to it. If so, it is unfortunate because I do not think the urgent needs of children should be dealt with in this manner.

Senator Kennedy. Do you mean they were holding child welfare programs hostage to the passage of the Indochina aid program?

Mr. Klein. That was the implication of what we learned, although I do not think it was necessarily true. I think child welfare programming was held in abeyance until the Foreign Aid bill was passed, as a quid pro quo.

Let me say this, Mr. Chairman. Everyone knew that substantial funds would be available for child welfare programs in Vietnam, whether the AID program continued to operate on a continuing resolution or whether a new foreign aid bill was passed. Yet, there was a long period of delay between the time of your hearings on the subject last year—when firm promises were made—and the time the real program began to be discussed in serious terms in late fall or early winter.

Senator Kennedy. Well, the fact remains that there were these delays, as I understand, in terms of obligations of funds available from the time they were appropriated and the authority was given to the Department, to the time they actually reached the people. That period of time is what, 10 months?

Mr. Klein. 10 to 14 months.

Senator Kennedy. 10 to 14 months.

Mr. Klein. In other words, it was known last spring that the funds would be forthcoming, one way or another.

THE AMBASSADOR'S RESPONSIBILITY

Senator Kennedy. Others can draw their own conclusion, but I would think that the Ambassador bears a heavy burden of responsibility in that. I am sure, if you thought this was important, you are going to get the job done. If you knew that monies were available, and this was something of a priority, more progress would and could be made. Yet we have this kind of administrative backlog, and it seems to me that the Ambassador bears a heavy responsibility. Maybe others can draw other conclusions, but I am sure if this was a front burner item we would not have had this kind of delay.

Mr. Klein. I think it is clear that the urgency articulated here in Washington, which we all heard clearly, was not heard or acted on in Vietnam.

Senator Kennedy. Well, I must say it is discouraging. As you will remember, we had, I thought, a very successful meeting last year with Secretary of State William Rogers, about this particular problem. And I thought Secretary Rogers was extremely sensitive to it. You could not expect the Secretary of State to understand all of the intricacies and details of a child welfare program, but I thought that he was sensitive to our concerns and to the nature of the problem, and to the desire of getting things done.
I was impressed that the Department made a very legitimate effort to make sure that our recommendations, which were the result of the study mission last year regarding child welfare and orphan problems, that they were going to get them implemented. And at least I understood from our monitoring of that effort that the Department here was in full support of the program.

But now we find out that the delay has come from Saigon. I think it is intolerable, and I think it is a terrible reflection on those responsible for it.

You may not be willing to hold the Ambassador responsible, but I think he must know of the great interest of the Department and of many of us in Congress on this particular program, so I will hold him responsible.

Mr. Klein. I share the same understanding of our meeting with the Secretary of State.

**WHAT LEVEL OF ECONOMIC AID IS NECESSARY?**

Senator Kennedy. Could you now turn to your written statement, one the bottom of page 4?

Mr. Klein. Yes, Mr. Chairman. I would now like to return to that basic question which the Congress must shortly face in its deliberations on the foreign aid bill, what should be the level of economic assistance to Vietnam and to achieve what objectives? The administration has asked for $750 million in fiscal 1975. This is an amount far in excess of that provided in fiscal 1974. The rationale for this request is that if we provide a higher level of economic assistance for several years Vietnam will achieve economic self-sufficiency and will no longer be dependent upon the United States. This is a seductive argument but I have a strange feeling of “deja vu.” I fear that we are again being asked to see the light at the end of the tunnel.

In economic terms, there is considerable question whether self-sufficiency can be achieved in this time frame, particularly in the midst of a continuing war. The World Bank suggests that South Vietnam will be dependent on outside economic assistance and foreign exchange support until at least the 1980s. Furthermore, a significant portion of the $750 million is slated for capital development in one form or another. One must question whether a wartime economy with all of its attendant abnormalities is the place to embark on a major program of economic development.

The proposed level of economic assistance to Vietnam must also be viewed in relation to our own domestic needs, which are considerable and obviously growing worse, and in relation to other economic assistance responsibilities in other areas of the world. Many of the less developed countries could achieve significant economic progress and in some cases reach “takeoff” with an infusion of capital on the order suggested for Vietnam.

**PEACE CANNOT BE BOUGHT**

Economic assistance obviously has political implications. With the level of assistance proposed for Vietnam we are trying to achieve by
economic means what we could not by military, we are caught in the inertia of the past, and are still trying to “win the war.” But peace cannot be bought. If peace is to come to Vietnam, as it eventually must, then it will result from the resolution, or compromise, of those basic differences between the contestants which have been generic to the conflict for decades. Nothing will be achieved by the big powers loading their respective sides of the scales with more and more economic assistance. On the contrary, this dependence on others has the effect of further rigidifying the situation and prolonging the war. Why seek a resolution, why start the long and painful process of identifying possible areas of compromise and reconciliation when the United States, or China, or Russia are always present to maintain the status quo?

In advocating both a reduction in and restructuring of our economic assistance to Vietnam from that proposed, I am not suggesting we have no obligations; we clearly do have. However, our obligations are not to a specific government but rather to the people of Vietnam and to the elusive promise of peace. The objectives of our economic assistance must be the achievement of economic and social stability and the reconstruction of the human and material resources of Vietnam.

As a nation we should be willing to underwrite the costs of these programs. However, our commitment to long range economic development, to a new and more sophisticated economic structure, to industrial parks and the like, should be held in abeyance until such a time as a peace settlement is achieved and these proposals can be judged on their own merits and in relation to similar requirements in other parts of the world.

**AID TO SAIGON A HOPELESS TASK?**

Senator Fong. You have come to the conclusion, then, that it is a hopeless task?

Mr. Klein. No, sir. I do not think the achievement of economic and social stability is a hopeless task. I would have real question, however, whether economic “takeoff”—of economic viability in the sense of independence from outside support—can be achieved in the midst of a war economy. Also, I am not sure that our obligations are to provide this high level of assistance to South Vietnam vis-a-vis other aid requirements in other parts of the world where there are similar humanitarian concerns.

Senator Fong. In other words, you feel we should lessen our support to the people of Vietnam, because you do not like the government?

Mr. Klein. I am not sure I would phrase it that way. I think we must maintain our support to the people of Vietnam. I think we have some very basic humanitarian obligations there, obligations which derive from our long involvement in Vietnam, but I do not think meeting these obligations is the same as trying, by economic means, to win the war or to maintain the present government in power. I think there is a basic difference.
Senator Fong. How are you going to funnel your help to them, through UNICEF?

Mr. Klein. I am not suggesting we by-pass the government. The government in South Vietnam is indeed the Government of South Vietnam.

I would suggest, however, that as much as possible we utilize multilateral mechanisms. This obviously cannot include the total of whatever economic aid we provide Vietnam. A significant, if not the largest portion of it will have to go through the government, and I have no objection to this. I do not think this is the problem. But I think that we have to be clear as to what our objectives are in providing this economic assistance.

If we are clear on this question, whatever level we decide will be appropriate. One may not agree with it, but it is appropriate in this democratic society. But I worry that we are not entirely clear as to what our objectives are, or what objectives we are trying to achieve with this high level of economic aid. I believe it is more than double the direct economic aid of fiscal year 1974. It is a quantum jump.

Senator Fong. Is there an implication in your statement that they should get together, the North and South? Is this what you are talking about?

Mr. Klein. I firmly believe they should get together, the North and the South, and I am not sure that a massive input of economic assistance to the South is going to bring that about any more quickly.

The resolution of the basic conflict, unfortunately, is going to take time. I am afraid both sides seem to be rigidified in their positions. It seems to me the balance is such now that neither side is going to give, except on its own terms. Whatever we can do to lessen their dependency on outside assistance and loosen up this rigidity is going to be positive.

WITHOUT U.S. AID, WILL SOUTH VIETNAM FALL?

Senator Fong. If we lessen our support economically, then is it not a foregone conclusion that the Government of South Vietnam will fall?

Mr. Klein. No, I do not believe so, Senator. First of all, I am not advocating that we lessen our support from current levels. Current levels of direct support are $354 million a year. That was fiscal year 1974. I would not suggest that we go below that level in 1975. In fact, I think there may be reasons why we should exceed that level.

But I think the type of economic assistance we give, and the purpose for which it is given, should be in terms of humanitarian assistance, the development of economic and social stability, reconstruction of human and material resources, and should not be aimed at qualitative changes in the level of sophistication of the Vietnamese economy.

I do not think we need industrial parks and the paraphernalia of major economic development programs: a) because I do not think it
is possible, b) because I do not think we should do this in terms of the prevailing military and political situation in Vietnam, and c) I think we must balance our commitments to Vietnam with other commitments we have, or should have, to other people in need around the world.

I am not advocating a reduction of economic aid below present levels.

DO WE HAVE AN ‘OPEN-ENDED’ COMMITMENT

Senator Kennedy. What is the alternative to some kind of political settlement? It appears to be an open-ended continued expenditure of taxpayers' funds for war, does it not, looking at the immediate fact?

Mr. Klein. The request this year is $750 million, double last year.

Senator Kennedy. If we do not get a political settlement, it seems, based upon the statements and comments by administration officials, it seems that we have an open-ended raid on the Federal Treasury to support a war-economy in Vietnam.

Mr. Klein. The administration suggests that with a surge effort, 2 or 3 years of major economic investment, South Vietnam will become economically self-sufficient. I frankly doubt this. Despite its seductive sound I think it is wishful thinking and not sound policy.

Senator Kennedy. If you would yield on that, as you can see, it really depends who you ask about it.

If you talk to AID people, that is what they say; "2 years of pumping this money in and South Vietnam will take off." If you talk to the military, they are talking about a complete disaster—of an offensive from the North, the build-up of military equipment, the tanks coming down from the North, and a precarious military situation.

So they try to whipsaw Congress both ways. They come up and say Vietnam is stable and progressing, and is about to take off economically, if we give additional hundreds of millions of dollars of economic aid. And then they come down the corridor to the Appropriations Committee and Armed Services Committee and say, this place is about to fall apart. But we have lost 55,000 American lives, 350,000 wounded, billions of dollars, and therefore, unless we continue to boost our military aid, as requested this year, it will fall apart. How can you have it both ways?

Mr. Klein. I will not argue with you, Senator. I do not think that we can.

INFLATION IN SOUTH VIETNAM

Senator Kennedy. You mention the rate of inflation in South Vietnam.

It seems to me other allies of the United States are suffering the same problem. You take the rate of inflation in the Philippines; that is up to about 45 percent. The rate of inflation in Israel is 44 percent; India, 28 percent, let alone the United States, which is 12 percent.

So South Vietnam had 26 percent inflation last year—maybe more this year. It is not as high as India, Israel or the Philippines, and it is only somewhat more than the United States. So I do not know
whether we want to be using it as a justification for doubling our aid to South Vietnam next year.

Mr. Klein. I think we have some obligations in Vietnam, and that they will cost some money. I do not think we can "dump Vietnam," and I assume that you do not either from many of your past statements.

But I think we have to extricate ourselves as quickly as possible in a manner which is befitting this country, and which permits us to recognize and meet some of our other obligations, both at home and elsewhere in the world. In other words, there is a balance which must be struck, and certainly inflation should not form a new commitment for more aid.

Senator Kennedy. This leads you naturally into the issue of international support and involvement of international agencies; and that is another part of your testimony.

Could you develop that?

Mr. Klein. Over the years—

Senator Fong. Before you get to that, may I ask you one question?

Mr. Klein. Certainly.

Senator Fong. How do you reconcile what you are thinking about with our country's agreement or what was expressed or implied when we took our troops home from Vietnam and promised them that we would give them continuing help?

Mr. Klein. Well—

Senator Kennedy. I hope you will be able to define that agreement, I certainly can't.

Mr. Klein. I was going to ask what the agreement was.

Senator Fong. I do not know, but there seemed to be an understanding and everyone seemed to understand that—

Senator Kennedy. Except the Congress.

Senator Fong [continuing]. That we were going to continue to help them.

LEVEL OF ASSISTANCE

Mr. Klein. I do not see a contradiction, Senator. I think we do have obligations, although I know of no formal agreement. I think we must continue to provide economic assistance to Vietnam. My concern, and I think is is a valid and real one is this: what is the purpose of our proposed economic assistance, and at what level should it be to achieve those purposes?

I have a basic reservation, for a number of reasons, about doubling our economic assistance and trying to reach an illusionary "take-off" phenomenon. In the midst of a war economy and an inflation situation, I think our objectives must be somewhat more realistic. But I am not suggesting that we should not provide assistance.

Senator Fong. That is what we are trying to find out—how far do we go? How much do we give?

Mr. Klein. If we can get a realistic discussion of that in this country and in the Congress, I think we would make progress, and whatever the resolution of this, whatever level of aid we agree on, would be appropriate for this society in terms of its processes.
Again my fear is that we will arbitrarily pick an amount without relating that amount to realistic objectives, either economic and political.

**SUPPORTING A ‘WAR-ECONOMY’?**

Senator Kennedy. Before we leave this point, would you not agree with me that in relation to the type of economic assistance we are providing now, we are, in effect, simply keeping a war economy afloat?

Mr. Klein. We are, indeed.

Senator Kennedy. Rather than providing a stimulus for an economic take-off, we are sustaining a war economy. There is a rather fundamental difference, and I think we should be under no illusions. Maybe, as you point out, there are policy considerations why we should keep them afloat. But I do not think that we should delude ourselves into thinking that we are providing money purely for economic take-off.

Mr. Klein. What we are providing now is for the support of this economy, which, because of the war, is by definition, a war economy.

With the vast increase requested in the appropriation of $750 million, we are, in essence, trying to buy a victory. I think we are still caught in a “win-the-war” syndrome. I think we are caught, as I said, in the inertia of the past, still trying to achieve a goal which is impossible to achieve. It is depressing.

**STILL TRYING TO “WIN-THE-WAR”?**

Senator Fong. Did you feel, when you were in South Vietnam, that that was the goal of the South Vietnamese people, to win a war?

Mr. Klein. I am not sure that I am in a position to answer that, because I simply did not have that much contact with the Vietnamese people, particularly the people in the street.

Senator Fong. Then this win-the-war syndrome is from home?

Mr. Klein. I believe that it is an American syndrome as reflected in our policy toward Vietnam.

Senator Fong. Are we not completely out of Vietnam already?

Mr. Klein. Pardon me?

Senator Fong. Are we not physically out of Vietnam?

Mr. Klein. Our troops are out, but we have a large——

Senator Fong. Our money is there.

Mr. Klein. And our personnel is there, large numbers of AID, Embassy, military, CIA and other personnel. There is still an immense American establishment in South Vietnam.

Senator Fong. You think the American establishment there still wants to win the war?

Mr. Klein. I think the American establishment in Vietnam, as I interpret it, wants to “win the war.”

The present government of South Vietnam, under President Thieu, is thinking in terms of winning the war, or, if not winning the war, certainly holding off any change in the present situation. The present government has the screws down tight in Vietnam. It is very much in control, and for obvious reasons, I think it would be reluctant to
I would like Senator Fong, even though it is getting ahead of the testimony, to contrast South Vietnam with my impressions of Cambodia. Although I deplore the reasons we got into Cambodia and the decisions which led to it, I have a feeling that our Embassy, our Ambassador in Cambodia, our whole attitude there is quite different. We are looking, I feel, toward the future rather than towards the past. We are not trapped, in terms of options or policy, by the past. I think we are searching for alternatives in approaches and ways to resolve the present conflict.

The recent new offer of negotiations by the Khmer government, although it may or may not be accepted, is indicative of the kind of positive influence we are having in Cambodia. I do not have that feeling about our decisions, our policy, our personnel, in Vietnam.

These are two embassies of the same government, but they seem to be operating differently.

Senator Fong. The relief in Cambodia is being funneled through private organizations. Is that not correct?

Mr. Klein. Yes, generally, refugee relief is being channeled through private organizations.

Senator Fong. Not through American agencies.

Mr. Klein. There are three American voluntary agencies, and there is American money going through the International Red Cross programs, and also through the Khmer government refugee program, whether directly or indirectly.

Senator Fong. Do you find that it is having results?

Mr. Klein. I was frankly quite encouraged, despite our incredibly belated response to the refugee situation in Cambodia; 1 year ago at this time we were sitting on our hands.

Nevertheless, in the past year there has been some rather remarkable progress made in dealing with the horrendous problem of human misery in Cambodia, a problem that is worse than it was 1 year ago. But at least we seem to be making some positive, effective moves to try to deal with it.

I was not sorry to be an American in association with the American Embassy in Cambodia. Even though I have many reservations about our policy, I still feel that our approach is positive and hopeful.

Senator Kennedy. As contrasted to Vietnam?

Mr. Klein. I am afraid so, sir.

WHAT CAN U.S. AID BE USED FOR?

Senator Kennedy. So we should not delude ourselves. There are 1 million men in the army in South Vietnam—about one-tenth the nation's population. So how can it be called a normal economy.

What is our economic aid being used for? I think we are just fooling ourselves if we think that money is going to be used, when
they have one-tenth of the population in the military, and not being used productively, how can we think in terms of any kind of economic takeoff?

Mr. Klein. Not for so-called "takeoff," but I think there are a number of things that can be done, Mr. Chairman, in Vietnam which would have a major ameliorative effect. For instance, a number of Americans and a number of Vietnamese have suggested that the level of the military establishment is beyond the real military requirements of Vietnam. So cuts could be made.

Some have suggested, for instance, that the Popular Forces—these are the local militia—should be demobilized, taken off the payroll. These 300,000 people could be put back on the land as productive units; they can keep their arms for self-defense purposes, but let's get them off the military payroll where they are nonproductive and get them back on the land where they can be productive.

This seems to me to be a reasonable approach and not one that we thought up out of the clear air. It is seriously discussed by both the Americans and the Vietnamese—or at least by some Americans and some Vietnamese. It is not yet policy.

INTERNATIONALIZATION OF ASSISTANCE

Senator Kennedy. Before we hear from Dr. French, do you want to talk a little bit about the internationalization of assistance. You have talked a little bit about it in Cambodia.

Is there anything else you want to say?

Mr. Klein. Yes. We have an interesting situation at this point. For many years, this subcommittee—you and others—have urged the use of multilateral mechanisms—

Senator Kennedy. I might, just to bring you up-to-date, read a bit of the history on this. When I asked administration witnesses over the period 1971 through 1973, they always said we were doing everything possible about involving the United Nations in Indochina relief.

This is in 1971, I asked Ambassador Colby, and he said:

We have also gone to some of the international agencies of the U.N. and the U.N. development program to try to get some involvement by other countries as well as ours in the effort.

In 1972, Mr. Nooter testifying:

We are always encouraging the U.N. organizations to take over in any of these areas in which they are able to.

Then, in 1973, again Mr. Nooter:

As I mentioned in my remarks, we are trying to broaden it. We have had discussions with the U.N. and indicated our support ... By the end of the year, hopefully, we will be further down the road—where others will be playing a large role and we will be playing a less predominant role there.

Given these statements from 1971, 1972, and 1973, and your visit there in 1974, what can you tell us about the role of international agencies?

Mr. Klein. In past years, United Nations agencies have been somewhat reluctant to become too deeply involved in multilateral assistance to countries of Indochina. I suspect that their concern was something on the order of whose irons were they pulling out of what fire.
But today there are clear indications that UNICEF and UNHCR and the IOG are not only willing, but are actually expanding their programs of assistance in the countries of Indochina. With other agencies, such as WHO, UNDP, among others, I think there is a good chance that they might also be willing to expand their presence.

Our articulated position has always been—by "our," I mean our government—that we want to have greater UN involvement, although we haven't gone to the extra mile to encourage it. But it would seem to be that these two concerns are now coming together and that the United States ought to be able now to stimulate major assistance to the people of Indochina channeled through these UN family agencies.

**TABLE 2: OTHER DONOR ASSISTANCE COMMITMENTS TO SOUTH VIETNAM, 1970-75**

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**A. Grant aid:**

1. **Bilateral:**
   - Australia
   - Canada
   - China (Taiwan)
   - France
   - West Germany
   - Japan
   - Netherlands
   - New Zealand
   - United Kingdom
   - Other

2. **International Institutions:**
   - U.N. agencies
   - Licenses including UNHCR and ICR
   - Asian Development Bank
   - Colombo plan

**Subtotal**

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<td>2. Japan</td>
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<td>5. Denmark and Netherlands</td>
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<td>6. Other countries</td>
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<td>7. IBRD</td>
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**Total loan**

|                  | 7.7 | 30.3 | 17.3 | 99.0 | 124.0 | 200.0 |

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<td>C. Total, grant and loan</td>
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**EAR-MARKING U.N. GENERAL FUNDS**

I must comment, however, as I did in my written testimony that at the same time these encouraging developments are taking place, we must be deeply concerned about the recent position that the United States has taken towards UN agencies and their use of funds in the PRG or DRVN or Khmer Rouge areas of Indochina. The position that the U.S. Government took vis-a-vis the use of UNICEF general funds is that because the United States provides 25 percent of these funds, none of the general funds should be used in PRG, North Vietnamese or Khmer Rouge territories.
This seems to me totally counterproductive. If this position were accepted or enforced, I think it would mean the end of multilateral aid. It would mean that any country under any circumstances, once they were contributing to the general fund, would therefore have a veto power over how all general funds were used.

The obvious implications of this would be that no U.N. agency could do anything which was not acceptable to everybody.

Senator Kennedy. So what you are saying is that these humanitarian programs of the United Nations, the specialized agencies, which I think have had an enormously valuable and successful record, that if the child has a health problem on one side of the demarcation line, because he lives on that one side, he would be ineligible for this UN aid, at least as far as the United States' portion. But if he is on the other side of the boundary, he is eligible.

Mr. Klein. Absolutely.

Senator Kennedy. Is that true about our support of the IOG?

Mr. Klein. No. Our restrictions on U.S. funding of the IOG is on earmarked funds. The UNICEF restriction applies to general funds. There is nothing wrong with earmarking funds. We do it, the Swedes do it, other people do it. It is a useful mechanism, as is the funds-in-trust approach, to achieving specific goals in the humanitarian field. But if we were to maintain our position about the use of general funds, it would mean that nothing could be done except with special earmarked funds, and the UN agencies themselves would be totally the tools of donor nations, with no ability themselves to perceive and act on problems in their area of concern and competence.

Senator Kennedy. But it does apply to UNICEF.

Mr. Klein. Yes it does.

Senator Kennedy. Such as feeding programs for children.

Mr. Klein. It means that the United States, if this procedure is enforced, would——

Senator Kennedy. You do not get milk if you are the son of a Vietcong?

Mr. Klein. That is right. If you are on the wrong side of the line, if you are sick or not, you would get no milk unless it comes from earmarked funds of someone else.

Senator Kennedy. Is that a congressional mandate? What is the basis for it?

Mr. Klein. I do not believe so, sir. I believe it is simply the State Department's position. The implications of this position at this particular juncture, when we can finally, perhaps, achieve some significant multilateral assistance to Indochina, these implications are serious.

Senator Kennedy. Our amendment, which I have introduced to this year's foreign assistance bill, addresses itself to this problem, and it is one of the reasons I hope it will be adopted.

STATEMENT OF DR. DAVID FRENCH, DIRECTOR, COMMUNITY HEALTH AFFAIRS, BOSTON UNIVERSITY MEDICAL CENTER, AND MEMBER OF THE SUBCOMMITTEE STUDY MISSION TO SOUTH VIETNAM AND CAMBODIA

Dr. French. Thank you, Mr. Chairman.
I wish to jump to several places in the written testimony.