I was wondering whether something different is being done or whether this report from that meeting reflects increasing concern about social stability in Vietnam?

Mr. Sullivan. Well, that report which, again, appeared in the New York Times, was from a letter that had been sent to Ambassador Colby by one of the people concerned with the refugee problem particularly in the northern military regions. We think it was couched in rather dramatic language.

We do have a situation developing in a place such as Da Nang. Da Nang has been, of course, the center of the area where our U.S. Marines were centered. We have also supplied our 101st Division and part of the 23d Division through that port.

Therefore, there were a great many people who were employed working for the U.S. Government in that area. As we pull out, these people will at least temporarily be unemployed. A great many of them are people who came from the countryside or from areas where fighting had taken place and perhaps came to Da Nang originally in a refugee status.

We don't believe there is going to be anything quite as dramatic as that letter suggests in terms of urban violence but there will be some social problems resulting from unemployment and loss of jobs as we move out.

Senator Kennedy. I think you have touched on something which is terribly important and that is as we move out, there will be the creation of this kind of a social climate which will lend itself to a great deal of unrest.

Are we doing anything? Is that part of our plan?

Mr. Sullivan. Yes, sir; indeed it is and we had the Vietnamese Minister of the Economy over here recently and had some detailed talks with him about the prospects for being able to meet this problem.

Let me say that the problem is not numerically very large and it is not extensive throughout the country. It is pretty much confined, as we can foresee it, to the city of Da Nang. That is the one area that is going to have a problem. The rest of the country still has pretty much a labor market which is characterized by a tight employment situation rather than an unemployment situation.

But in that particular area there is going to have to be something done and we are working on the prospects of some industrialization projects. We are also working on the prospects of some investment from other countries. There isn't very much in the way of American investment going on. But in general, in trying to absorb these people very rapidly into the Vietnam economy the underemployment problem at this time is a minor one and the country is very heavily mobilized as you know.

Senator Kennedy. Thank you very much.

Senator Mathias. Mr. Chairman?

Senator Kennedy. Senator Mathias.

Senator Mathias. I wonder if you could tell us what the status of the abandoned children of American servicemen is.

Does that come within the purview of your program?

Mr. Sullivan. Yes, sir. We have had some correspondence with our mission in Saigon about it and we have had some people looking into it.
Let me say first of all that I think in approaching this problem we should understand that the social attitudes towards illegitimacy in Asian countries, particularly in a country such as Vietnam, are quite different than they are here in this country. There is a certain amount of polygamy. There are cases of fathers of children by more than one wife and it is quite accepted socially and it is quite accepted legally as far as this is concerned.

In this instance, according to the Vietnamese Ministry of Social Welfare there are about 10,000 to 15,000 racially mixed children living in the care of their families. We are unable to determine exactly how many of these may have been fathered by American servicemen. The mothers have either kept the children themselves or they have been moved to the parents of the mother and there is little or no social stigma or other problem that is associated with them.

Only about 300 in the 120 orphanages recognized and subsidized by the Vietnamese Government, along with a great many other children who have either become orphans or have been abandoned or temporarily placed in orphanages by their parents during the course of the turbulence of the war.

Our general concern is one of attempting to provide assistance to those orphanages without any particular discrimination in favor of these people but being sure that these youngsters are encompassed in some program of assistance. As far as adoption is concerned, there has been a limited amount of adoption by Americans of either illegitimate children, half Vietnamese and half American, or of purely Vietnamese children. The Vietnamese children, largely because of this very strong family attachment, are not as keen about having people adopt their children and take them out of the country away from them.

So it doesn't appear to us that there is going to be any great prospect for American adoption agencies to meet this problem. We think it has to be through assistance to orphanages rather than otherwise.

Senator Mathias. What is the total population of these children in the orphanages now?

Mr. Sullivan. I would have to get that statistic for you. There are about 49,000 children in the 120 orphanages recognized and subsidized by the Vietnamese Government.

Senator Mathias. Would you? It's not primarily Vietnamese fathered by Americans?

Mr. Sullivan. No, the overwhelming bulk of the children in the orphanages are pure Vietnamese.

Senator Mathias. But you would say that the bulk of those in orphanages are there because of some war-related incident?

Mr. Sullivan. Most of the children, yes. Most of them are there because their parents have been killed, or have abandoned them or temporarily given them over to the care of the orphanages.

Senator Mathias. Thank you.

Senator Kennedy. Do you have the numbers in terms of how many North Vietnamese men have been killed?

Mr. Sullivan. We think somewhere around 750,000.

Senator Kennedy. How many South Vietnamese men have been killed?

Mr. Sullivan. Certainly not less than 150,000.
Senator Kennedy. Just in terms of that whole country there is going to be a monumental problem with all these young people, let alone those that are in the orphanages.

The number in orphanages when I was over there actually is a very small percentage, but as I understand the Government of Vietnam figures by 1970 there will be some 258,000 orphans, is that correct?

Mr. Sullivan. I wouldn’t be surprised at that statistic, since we have estimates that 320,000 children have lost one or both parents.

Senator Mathias. 258,000?

Senator Kennedy. Yes. Which is an enormous figure. And I am sure there are lots on the street, too.

Senator Mathias. I wonder if the Ambassador could clarify one statement, he said that 700,000 North Vietnamese were killed——

Mr. Sullivan. Between 700,000 and 750,000 is our best calculation.

Senator Mathias. Are these North Vietnamese nationals, or are these people fighting on that side?

Mr. Sullivan. No, I am talking in terms of those who have gone outside of North Vietnam to fight whether it is in South Vietnam or Cambodia or Laos.

Senator Mathias. That’s all I wanted to know.

Senator Kennedy. As I understand, there was a meeting last week of a group that was very interested in this problem—I believe on Monday.

Mr. Sullivan. The International Social Services.

Senator Kennedy. The subcommittee had some representatives there and I visited at the end of the day with some of those who had been involved. I understand it was difficult getting a consensus but there were some very important points made and very useful recommendations and I certainly hope that those observations made will be brought to your attention, as I am sure they will be. We are going to try to continue to follow this question; I hope you will give these recommendations some consideration.

Mr. Sullivan. Yes, sir.

Senator Kennedy. I have just a couple of final areas and then I would like to submit some questions.

I would be interested, Mr. Secretary, on the question of the Soviet Jewry. Do you have anyone with you on that? I commend you for coming here this morning, because we are covering about 25 or 30 potentially very troublesome questions involving a lot of difficult areas—but could you, or do you have some people, who might be able to bring us up-to-date on Soviet Jewry? Or if you want to submit a note to us we’ll be glad to get that.

Mr. Irwin. Perhaps I could speak briefly and we could try to furnish any further information you may wish, Mr. Chairman. As I know you are and the Congress is, the Executive is also deeply concerned about the inability of the Jewish community in the Soviet Union to have the right to leave if they wish.

They have many other problems within the country. They are discriminated against in many ways and only one of which is the inability to immigrate. We have spoken to this problem at various times and various ways.

President Nixon some time ago wrote a letter to the American Jewish leaders in which he gave his support to the concept of freedom of travel by the Soviet Jewish community.
Secretary Rogers has also had statements released by the Department on this. Secretary Rogers has spoken personally to Gromyko about it. Our press spokesman has spoken several times about it. Our representatives in the United Nations Human Rights Commission have urged the Government of the Soviet Union to give the right of freedom of emigration to Jews and other Soviet citizens and also freedom to practice the religion of their choice. And lastly Ambassador Beam has made various representations to the Soviet Government.

Since March there has been an increase in the number of Soviet Jewish citizens who have been permitted to leave the country, and in prior years I understand emigration has not exceeded about a thousand a year. The 6-month total for this year has been about 5,000. We are not certain exactly what has caused the increase this year. But in any case there has been a slight increase.

We have had such incidents as Mr. Rigerman being permitted to leave the Soviet Union. That became quite played up in the press. But as far as any basic change in the Soviet policy of denial of emigrations, I don't think we can speculate too much on that. Certainly there has been no evidence of any basic change of heart.

Senator Kennedy. As you know, the Intergovernmental Committee for European Migration has been a constructive force in the movement of people in Central Europe. They have been somewhat active in some of the Cuban refugee problems. In January I sent a letter to the Soviet Union on this question and I would be interested if either now or perhaps later you would let us know what your response would be.

Mr. Irwin. If I may ask Mr. Kellogg to speak to that.

Mr. Kellogg. Mr. Chairman, I was present at the international conference of ICEM last fall when your suggestion was made that their offices be used for this purpose. The U.S. Government and the Department has supported that effort. We know that ICEM did in fact make the approach. To date, I don't believe that there is any evidence or any hope of a response by the other side.

Senator Kennedy. Finally, on the question of internationalizing relief efforts in Indochina, Mr. Secretary, could you tell us, or perhaps Mr. Sullivan would have some comment, about the efforts by the United States to utilize various specialized agencies of the U.N. in terms of meeting humanitarian needs in the Indochina Peninsula.

Mr. Sullivan. The efforts we have made in that direction, Mr. Chairman, have not been very fruitful so far. The International Committee of the Red Cross and some of the Red Cross societies of other countries have contributed assistance especially in Vietnam. In Cambodia there has been similar Red Cross assistance coming from the Japanese, Australians and others. The United Nations as such, we have not been able to engage in this but we will have submitted for the record a summary of what we have done and what the responses have been.

(Subsequently, the following information was provided:)

The main thrust of American economic and social assistance in Indochina has been to improve the capability of the governments of the region to handle their own problems including the problems of refugees and other dislocations resulting from the war. At the same time, we have welcomed and encouraged contributions from the United Nations and its specialized agencies, and from third countries. A summary of such assistance follows:
VIET-NAM

The United Nations and its specialized agencies are making a contribution to the social and economic development of Viet-Nam. Under the Technical Assistance Component (TA) of the United Nations Development Program (UNDP), Viet-Nam may plan for projects of a duration up to four years, although expenditures thereon are determined on the basis of annual targets. The target figure for 1971 is $380,000. Over the past several years, the TA component has financed expert services and fellowships in such varied fields as maternal and child health, agriculture, labor administration, educational planning, telecommunications, meteorology and civil aviation. This assistance is carried out by various agencies in the UN system such as the ILO, FAO, UNESCO, WHO, ICAO, ITU, WMO and the Department of Economic and Social Affairs of the UN.

The Special Fund component of the UNDP is financing two major projects. An Offshore Fishery Development Project with allocations of $1,103,800 is executed by the FAO with the purpose of carrying out exploratory and experimental fishing in offshore waters and the South China Sea, as well as commercial feasibility and market studies. The United States has pledged $2 million to enlarge the scope of this project through a funds-in-trust arrangement. The Netherlands Government is providing a fishing vessel for the project, also financed by a funds-in-trust arrangement.

The second UNDP Special Fund project in Viet-Nam is to improve and expand higher grade technical facilities and help the GVN to establish a National Technical Institute. UNESCO is executing this project for which the UNDP has earmarked $1,484,900.

A number of other UN agencies are assisting Viet-Nam. UNICEF is conducting a health and child welfare program. WHO is providing assistance through its regular program for the establishment of a National Institute of Public Health in Saigon for the training of medical and para-medical personnel.

In addition to the United States and the United Nations specialized agencies, some thirty-eight countries have provided some non-military aid to the people of South Viet-Nam.

LAOS

UN specialized agencies in Laos have been involved in a number of programs, such as WHO's medical assistance program, which have obvious benefits for refugees. This program in 1970 reached a level of $204,000 and occupied 13 UN staff members in Laos.

Japan leads among third countries providing assistance to refugees including $800,000 in rice in 1968, $500,000 in rice in 1969, $200,000 worth of agricultural equipment and $30,000 in drugs and other commodities in 1970. In 1971, Japan agreed to make available $200,000 worth of agricultural equipment for the Lao relief program.

Among other countries, the French Committee for the World Campaign Against Hunger, a private organization, recently donated 30 tractors, four bulldozers, several trucks, and assorted agricultural equipment for use in the resettlement of refugees. The same organization in the past has donated rice, roofing, canned milk, and drugs for refugee relief. The United Kingdom, until last year, provided an advisor to the Laos Ministry of Social Welfare who worked closely with the refugee relief program.

CAMBODIA

Acting upon a request in June 1970 of the Government of Cambodia, the UN High Commissioner for Refugees made a survey of the refugee problems in that country with the view to lending his assistance if and to the extent that such problems involved refugees fell within the UNHCR terms of reference. The UNHCR, following receipt of the report of his representative who visited Cambodia, made available an amount of $50,000 from his Emergency Fund for support of assistance measure already initiated toward meeting acute emergency relief needs. The High Commissioner's contribution was entrusted to the Cambodian Red Cross and earmarked particularly to improve living conditions of the most destitute refugee groups. The UNHCR is also undertook to keep UNICEF, WHO and the World Food Program advised as to the situation in Cambodia.

The UNHCR finding that he was within his terms of reference to provide assistance in the refugee relief effort in Cambodia was predicated upon the fact...
that, while the overwhelming majority of the refugees in Cambodia were of Cambodian nationality or origin, there were nevertheless some thousands of refugees of South Vietnamese nationality or origin. Many of these being persons in effect displaced from their homes in South Viet-Nam would qualify, by virtue of having crossed an international frontier and being in Cambodia, as being within the competence of the UNHCR.

The UNHCR somewhat earlier had established an office in South Viet-Nam and had sent a senior official to represent the interests of his office in that country. The terms of reference of this official were subsequently extended to cover Cambodia as well.

These actions by the UNHCR, although resulting directly from requests by the Cambodian and Vietnamese Governments, were given the strong support of the United States Government. As of the present time, the UNHCR does not have an active assistance program in either of these countries and no allocations of funds beyond the initial allocation of $30,000 for each country have been made. The reason for this is that the refugee situations within these countries have become exclusively or almost exclusively internal refugee situations, i.e., Cambodians displaced within Cambodia and South Vietnamese displaced within South Viet-Nam. The UNHCR terms of reference do not extend to refugees displaced within the boundaries of their own nation.

Meanwhile, the War Victims Commission of the Cambodian Ministry of Social Action and Labor continues to look after refugee problems. By the spring of 1971, it had expended approximately $3 million of its own money and was expected to continue expenditures at a rate of some $55,000 per month for relief operations at present levels. The Commission has also received funds from 17 foreign relief organizations and Red Cross/Red Crescent societies. Donations so far have totalled approximately $2.5 million. The Red Cross/Red Crescent aspect of this support is coordinated by a representative of International Committee of the Red Cross.

Senator KENNEDY. That would be very helpful. I raised this because first of all I can remember visiting with a number of agencies myself at the U.N. some time ago and feeling that most of them had at least a limited program in terms of the Indochina situation and were willing to consider some kind of expansion. I also note that in a recent interview Dean Rusk said in terms of the Pentagon Papers, that he expressed regret that the United States hadn't utilized the U.N. machinery more effectively and more significantly during his term of responsibility. Having listened to him make that comment, I am just wondering if there aren't some additional initiatives that might now be made in this area?

Mr. IRWIN. On the basic question of seeking U.N. support in this area, we would be very happy if we could obtain it.

As Mr. Sullivan said, our efforts have not been fruitful but it is not because we would not much prefer to have them. As in all of our relief areas and humanitarian areas, we feel that the efforts are really on such a large scale and so important to all countries of the world that we would welcome the participation of the U.N. and also of other individual countries.

Senator KENNEDY. I would like to submit some questions on a wide variety of other areas and perhaps you can elaborate on some of the answers you have given here.

I want to express my appreciation for your presence here.

Mr. Kellogg, we want to thank you very much for coming and the others that have been kind enough to join Secretary Irwin and we'll look forward to working with you in the future.

Thank you very much.

The subcommittee will stand recessed.

(Whereupon, the hearing was recessed at 12:30 p.m.)
APPENDICES

APPENDIX I

AID RESPONSES TO 1970 GENERAL ACCOUNTS OFFICE REPORTS ON REFUGEE RELIEF AND CIVILIAN HEALTH AND WAR-RELATED CASUALTY PROGRAMS IN LAOS AND SOUTH VIETNAM

On February 11, 1971, the chairman submitted to Dr. John A. Hannah, AID Administrator, five General Accounting Office reports on refugee relief and civilian health and war-related casualty programs in Laos and South Vietnam. Printed below is the text of the chairman's transmittal letter and Dr. Hannah's responses of May 7 and 25, 1971. Sections of the response on Laos have been deleted at the request of AID on the grounds that such deletions are in the interests of national security.

FEBRUARY 11, 1971.

Hon. JOHN A. HANNAH,
Administrator, Agency for International Development, Department of State,
Washington, D.C.

DEAR DR. HANNAH: On April 21, 1970, as Chairman of the Senate Judiciary Subcommittee on Refugees I requested the General Accounting Office (GAO) for a series of reports on war-related civilian problems in South Vietnam and Laos. The GAO has completed its inquiry, and in recent months has filed six reports with the Subcommittee. Summaries of two of these reports, both on war victims in Laos, were released this past Sunday. Enclosed are copies of these two reports, as well as the other reports of direct concern to the Agency for International Development, which were previously made available to members of your staff on an informal basis:

1. Need for Improvement in the Control over Refugee Relief Commodities Shipped to Laos, September 21, 1970—unclassified.
2. Limited Review of the Refugee Relief Program in Laos, November 5, 1970—classified "secret".
3. Civilian Health and War-Related Casualty Programs in Vietnam, November 9, 1970—unclassified.
5. The Civilian Health and War Casualty Program in Laos, November 25, 1970—classified "secret".

These reports make findings in several general areas of immediate congressional and public concern: the deteriorating situation among war victims; the official understating of the extent war-related civilian problems exist in South Vietnam and Laos; the continuing lack of priority to these basically humanitarian concerns; the frequent inadequacy of official records relating to war victims and assistance programs; the frequent lack of general management procedures, contingency planning, et cetera; and, in the case of Laos, the apparently continuing diversion of foreign economic assistance funds and supplies into basically military concerns.

Members of the Subcommittee are deeply dismayed by the general findings of the GAO, and we would like to request your views and comments on these reports. In this connection, we would like to stress, especially, our concern over the findings on assistance to military, paramilitary forces and their dependents in Laos. We share your view that such assistance is incongruous with the purposes of the Agency for International Development, and we strongly feel that if such assistance is continuing in Laos, or elsewhere, remedial measures should be taken immediately, preferably through administrative procedures. We are extremely hopeful that you and your colleagues in the executive branch will be
able to supply us with definitive information on this important aspect of the
GAO inquiry.
We appreciate very much your consideration, and look forward to hearing
from you soon.
Sincerely,

Edward M. Kennedy,
Chairman, Subcommittee on Refugees.

Department of State,
Agency for International Development,

Hon. Edward M. Kennedy,
Chairman, Subcommittee on Refugees, Committee on the Judiciary, U.S. Senate,
Washington, D.C.

Dear Mr. Chairman: With the help of our Mission in Laos, we have completed
our review of the GAO reports you sent us on our refugee and health programs
in that country. Our detailed comments, summarized below, are presented in ap­
pendices to this letter. Our comments on those GAO reports which dealt with
Vietnam will be transmitted to you shortly.

Your letter of February 11 stressed particularly your concern regarding the
GAO findings on A.I.D. "assistance to military, para-military forces and their
dependents in Laos."

As the GAO notes, there had previously been shifts of assistance in this area.
As a result, most such assistance had been transferred to non-A.I.D. financing
prior to the GAO report. During this fiscal year, our Mission and we have ex­
amined the Laos program to identify any remaining costs that fall in this area
and shift them to non-A.I.D. financing as soon as practicable. I can report to
you now that with one shift made early this year and others that will be ef­
fective at the beginning of FY 1972, all of the A.I.D. financing with which you
have been concerned will be terminated. Our appendices show the specifics.

Your letter expressed the view that our Laos and Vietnam programs reflected
a "lack of priority to ... basically humanitarian concerns."

I would like to stress that nothing in our A.I.D. program has a higher priority
than helping refugees and civilian war casualties. It is, of course, generally im­
possible to have good and healthful living conditions immediately in an area
into which large numbers of refugees have to be moved suddenly, or to avoid in­
adequacy of medical facilities in the face of a sudden influx of people needing
emergency health care. Our missions, however, do all they can, in cooperation
with the host government, to remedy unsatisfactory conditions as quickly as
possible.

I might mention as an example the situation at Luang Prabang, the Lao
Royal Capital, which experienced an enemy rocket attack on March 21 and
around which there has since been vigorous military action by enemy forces.
There had been almost 20,000 refugees in that general area. As a result of the
enemy action Luang Prabang, whose normal population is about 20,000, experi­
enced an influx of about 12,000 refugees—about 8,000 who were already in
refugee status and about 4,000 newly created refugees. Our Mission immediately
provided the refugees with food, clothing, and blankets, and began inoculation
and sanitation programs. By April 8 all the refugees inoculation against cholera,
a program to inoculate the regular population had been initiated, and addi­
tional sanitary facilities had been constructed at five schools where it had been
necessary to house many of the refugees temporarily. By April 26 temporary
relocation of refugees had enabled the schools to re-open. All refugees are re­
ceiving sufficient food and medical assistance (with outstanding help from a
Swiss Red Cross medical team) and have been provided with adequate shelter
and sanitary facilities. Plans have been made for more permanent settlement of
the refugees or to move them back to their home villages if possible, but the
plans are contingent on developments in the enemy-initiated military action.

We believe those who have seen refugee and health centers established with
USAID/Laos assistance and unaffected by enemy action can attest to the ac­
complishments of our Mission in making such sites satisfactory in all respects
within only minimal periods.

In this connection, we would cite this passage from the Digest of the GAO re­
port on the Laos health program: "Given the wartime conditions in Laos and
the general lack of economic and technical resources, GAO believes that the
contributions of the public health program represent a substantial achievement. Comments in this report are not intended to detract from these accomplishments. GAO’s observations at field medical facilities were those seen through Western eyes and what might appear to be shortcomings may not be so considered by Laotian standards.”

Your letter and the GAO reports show a third area of major concern as regards Laos—Mission management in the refugee and health fields.

Within this general area one of the concerns expressed is that USAID/Laos management is too often of a contingency nature, that there is insufficient long-range planning.

Unfortunately, the Laotian situation has for a long time been fluid and unpredictable. One of the primary reasons for the existence of our refugee and health programs is precisely to react to contingencies, and I believe this has been done very well. But forward planning also takes place to the extent possible. As an example, in the latter part of 1970 the Mission embarked upon a program to increase substantially the hospital bed capacity in Military Region II and at a nearby point in MR III. This was done in anticipation of additional refugee requirements which did materialize as a result of communist actions.

The Mission constantly considers where new refugees who may be generated might be relocated. But it cannot actually prepare centers for new refugees until it is clear where new refugees may be created and to where it may be feasible to relocate them. Enemy military action can generally not be predicted far enough in advance to permit the pre-development of new refugee centers.

The second aspect of USAID/Laos management with which the GAO and you have been concerned is the control of refugee relief commodities.

The GAO team, while still in Laos, brought to the attention of the Mission certain weaknesses in the accounting and control procedures applied to refugee relief commodities. As shown in the GAO report, the Acting Mission Director ordered an immediate examination of the problem. One result was a USAID/Laos Action Memo, incorporated in the GAO report, providing for improvement in the Mission’s organization and procedures in the fields covered by the GAO report. The Mission has since then made further improvements of this sort.

Investigation by the Mission revealed that most of the losses cited by the GAO were not losses of the commodities themselves but reflected mis-filing or non-arrival of documents at the time the GAO report was made. Nevertheless, we attach high importance to the proper control over the receipt of refugee relief commodities, and are pleased that, as a result of the GAO visit, improvements in our Mission’s organization and procedures for the control of refugee commodities have been effected.

I believe you will find the detailed comments which are attached comprehensive and responsive. I want to add that we are always glad to have constructive criticism. Our Laos and Vietnam programs are broad and complex, and an outside perspective frequently helps us achieve the objective you and we share—programs as helpful to those unfortunate countries and as efficient as we can possibly make them.

Sincerely yours,

(8) JOHN A. HANNAH.
when refugees are being displaced or created over an extended period, the Mission cables weekly or more frequent status reports and projections of future developments.

A.I.D./W, from 12,000 miles away, does not attempt to manage the Mission’s program in any detail. It must, however, approve the overall lines of the Mission’s program, make the funds available, select the personnel (except those hired locally) and approve personnel changes within the Mission. In these ways and by stepping in on specific program matters when that is considered necessary, A.I.D./W exercises as much program management as we consider appropriate.

2. GAO

“USAID/Laos does not have written operating procedures and its functional and Mission statement is outdated.”

Comments

The Mission in September 1970 revised its refugee relief organization—elevating and expanding it—pursuant to a USAID/Laos Action Memo of September 1, 1970, which is attached. (Restaffing, see also 4, below.)

This Action Memo also enunciated Mission refugee assistance policy and procedures. In addition the Mission issues statements of policy and procedures that apply to all USAID activities including the refugee program—e.g., in the fields of procurement management and transportation.

3. GAO

“USAID/Laos has stated that contingency plans have not been developed for movement of refugees in the event of dislocations caused by future military actions. U.S. officials have said that they have been reacting to the exigencies of the situation, rather than anticipating future needs and preparing alternative movement plans.”

Comments

In planning refugee assistance the Mission regularly estimates probabilities, e.g., numbers of persons who might come out of certain areas and where they might be accommodated, in order to prepare to the extent possible to deal with them. One specific example of this planning is Ban Xon (Site 272), a former road camp whose facilities the Mission maintained while improving its airstrip and ramps in anticipation of their need if Sam Thong and/or Long Tieng should fall. These actions considerably eased the transformation of Ban Xon to its present status as a major refugee site.

Regardless of planning, the nature of the refugee problem makes it inevitable that the first phase of assistance takes place in emergency situations. The people generally prefer to stay on their land and in their homes as long as possible before fleeing. It is normally impossible to anticipate with precision how many will flee—successfully—and also what, if any, necessities they will be able to bring out with them.

Refugee warehouses outside Vientiane normally contain limited quantities of a broad range of commodities that can be distributed to new or displaced refugees as required. The central refugee warehouses in Vientiane normally contain greater quantities of commodities, awaiting distribution to outlying warehouses or directly to refugees as necessary. In an emergency, these can be delivered to any refugee site in Laos in a matter of hours. Experience has shown this to be a much more efficient system than attempting to preposition large amounts of commodities in outlying areas.

4. GAO

“USAID/Laos was not fully staffed to manage both the refugee program and its other programs. After repeated efforts, however, seven additional American positions for the refugee program were authorized on June 26, 1970. Quite a long time will elapse before these people are physically in Laos, because it takes time to select, process, train (including 6 months of Lao language instruction), and comply with other administrative requirements. In the meantime, personnel from other programs have been assigned temporarily to refugee operations.”

Comments

As of April 1, 1971 the Mission’s Office of Refugee Affairs had 24 U.S. personnel on board full time, an increase of 10 over last July. In addition, the Education Division has one full time Refugee Education Advisor, and other divisions (such as Health and Agriculture) assign personnel to full-time work on refugee
matters as needed. The Office of Refugee Affairs has about 40 local employees. Six of the Mission's seven Area Coordinators spend at least 50% of their time on refugee matters. Many other Mission personnel, both American and local, regularly devote a substantial amount of their time to helping refugees in one way or another, particularly in the community development and agriculture fields.

While the Mission's permanent Refugee Affairs staff has been expanded, it may still be necessary from time to time, as in the past, to "borrow" persons temporarily from other elements of the Mission for work in the refugee organization. This is much more efficient than attempting to staff the Office of Refugee Affairs with the maximum number of refugee officers that could ever be needed, and with every type of technician that might ever be needed temporarily to assist refugees. Calling upon Mission on-board personnel has the added advantage of utilizing persons familiar with the local language, customs, officials and terrain.

5. GAO

"With the exception of full assistance to refugees who recently have fled their homes, the amounts and types of support given other categories of refugees are not clearly defined. USAID/Laos has said that, because of the unstable and diverse conditions in Laos, standards have not been established as to the amounts and types of assistance. Instead, on the basis of their familiarity of the country and people, the needs of a particular group are assessed by Laotian Government and A.I.D. refugee officers on the spot."

Comments

Refugee assistance is categorized by the Mission as "full relief," "partial relief," and "relocation and resettlement assistance." As the GAO notes, the Mission has established quantitative standards for "full relief." However, the types and amounts of "partial relief" needed to assure refugees the basic necessities, and of "relocation and rehabilitation assistance" needed to make refugees self-sufficient, vary considerably, as shown on page 13-15 of the GAO report.

6. GAO

"During field visits to a limited number of refugee villages, GAO did not observe serious food shortages although it was understood that refugees do not have enough protein from animal sources. Refugees usually were poorly clothed. In some areas water supplies appeared inadequate, housing was small and crowded, farmland was limited, and medical dispensaries were lacking."

Comments

Insufficiency of animal protein from natural sources is a problem common to most Lao. It is a particular problem among refugees, many of whom in the course of one or more displacements have had to abandon livestock in favor of escaping with more precious possessions. Aware to the dietary implications of this problem, the Mission supplies protein supplement for as long as U.S. medical personnel determine it to be necessary. The Mission also supplies ducks, fingerlings and in some cases pigs, in areas where refugees will be able to raise and keep them as sources of protein.

The Mission does its best to ensure that all refugee sites have access to adequate water, housing, medical facilities, classrooms and cropland. Although not every site may have everything it needs at a given moment, the Mission is constantly working towards this goal and its achievements have been notable. Adequate cultivable land in a continuing problem on at least two counts: (1) Many of the refugees are hilltribe people who normally live and produce crops on plateaus and hillsides; much of this land is under enemy control and therefore not accessible; (2) Not all the land otherwise available for crop production by lowland refugees has been determined to be cultivable; the Mission and the Royal Lao Government presently have personnel working full time on soil surveys, land classification, and determination of ownership with respect to 95,000 acres of land in the Vientiane-Borikhane area—where presently 4,500 refugee families are situated in 27 villages—for possible refugee relocation on the basis of 5-7½ acres per family.
The two funding transfers mentioned above, one effective at the beginning of FY 1969 and the second effective at the beginning of FY 1971, amounted to about $6 million and about $3.5 million, respectively.

During FY 1971, USAID/Laos and A.I.D./W have examined the Laos program for the purpose of shifting to other agencies all remaining A.I.D. financed assistance to military/paramilitary personnel and dependents. The results in terms of medical support are shown under 2 of our comments on the GAO report on our health program. In addition, protein supplement and miscellaneous items (pots, pans, blankets, tools, etc.) for paramilitary dependents will also be shifted to non-A.I.D. financing effective at the beginning of FY 1972. With these transfers, no A.I.D. funds will any longer be used for assistance to military/paramilitary personnel and dependents.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT TO LAOS

ACTION MEMO

To: All Vientiane Offices and Field Stations.
From: Charles A. Mann, Director.
Subject: Mission Organization (Subject Index 220).

Effective September 1, 1970, the following organizational changes are effected in the USAID Mission to Laos:
A. The Rural Development Division is abolished.
B. The Office of Refugee Affairs (ORA) is established, in accordance with the following policy:

It is the policy of the USAID Mission to Laos to assist, materially and technically, the Royal Lao Government to provide timely and adequate assistance to refugees displaced, directly or indirectly to military actions and political instability in Laos.

This policy is based on a fundamental humanitarian concern—concern for the condition and distress of those people uprooted by war and unable, because of circumstances beyond their control, to provide their own basic requirements for survival.

Because of the non-deferrable, life or death nature of requirements, relief assistance to refugees will normally receive the highest priority within all USAID projects and supporting services in claims on material and human resources.

The goals of the refugee program are:

To demonstrate the humanitarian concern of the RLG and the USG for the victims of the war.

To ensure that the RLG has necessary resources to assist refugees.

To promote and assist reestablishment of civilian government authority and services for refugee groups, strengthening their ties with and loyalty to the RLG.

To assist the RLG to bring the economic, social and political condition of the refugees to a level equal to that of Lao citizens (i.e., non-refugees) living in the general area of relocation, whose immediate physical condition and environment have not been directly affected by the war.

Appropriate USAID resources will be applied to the refugee program in the following order of priority:

1. Emergency movements created by or in anticipation of military action—evacuation assistance; emergency medical care and attention; provision of food by surface, air-drops or landed load location, provisioning and emergency staffing of temporary safe-haven and staging areas for displaced refugees; etc.

2. Relocation of refugees—allocation of land area; transportation to relocation areas; provision of food, blankets, clothing, utensils, shelter materials, medical care, assurance of potable water supply; movement of refugees into individual family housing constructed on self-help basis.

3. Assistance in provision of essential facilities (health, education, police, etc.), RLG services to necessary physical facilities such as schools, dispensaries, roads and wells and assist in establishing appropriate agricultural production to bring the refugee groups to a living condition equal to that of non-refugee in the general area where refugee groups are relocated. Any further assistance extended will be as part of normal rural assistance in health, education, agriculture, manpower development and the like as part of regular and national pro-
grams. While former refugees frequently are unusually susceptible to undertaking innovative practice and therefore constitute a special development resource, assistance basically designed to foster economic development should be extended as other than refugee assistance. As a minimum, the assistance designated as priority I will be given to any and all refugees where assistance has been requested by the RLG. As a maximum, assistance will be given under the aegis refugee affairs to bring refugee relocation villages to the approximate level of non-refugee neighbors. Once permanent schools, dispensaries or medical services, access roads, sources of potable water, self-sufficient agricultural production and civil authority have been assured at a level consonant with that of the larger community of which the refugee area is a part, no further assistance will be given as refugee relief, and the inhabitants of the relocation area will no longer be considered refugees.

C. The Office of Refugee Affairs is directed by an Assistant Director for Refugee Affairs (AD/RA) who is responsible for implementation of the above policy. It is composed of Refugee Relief, Refugee Affairs Administrative, Refugee Relocation, and Food for Peace Branches.

1. The Refugee Relief Branch (RRB) backstops all refugee Operations Officers in the field (who are responsible to the Area Coordinator of the area to which they are assigned). Included in the responsibilities of this branch are: Planning and monitoring of actions to provide initial emergency relief to refugees as they are initially displaced; implementation of requirements for refugee censuses; determination of overall initial commodity requirements, including medical supplies; coordination of logistics requirements, and preparation of requests for transportation of commodities; monitoring of refugee supplies (1) when received from Supply Management Branch and stored in RLG facilities, (2) when issued to Transportation Branch for surface or air transport to refugee sites, and (3) through reports from field operations officers, end-use and receipt of commodities by refugees.

2. The Refugee Affairs Administrative Branch (RAA) is responsible to AD/RA for programming preparation, record-keeping, organization, monitoring and serving as a central repository of all information relative to refugee affairs including information furnished by other elements of the Mission. It conducts a running evaluation of conditions of refugee groups assisted and keeps AD/RA informed as to problems, progress and potential for phase-out of assistance.

3. The Refugee Relocation Branch (RRL) plans, monitors, backstops, and provides necessary liaison with other Mission elements to assure implementation of steps designated as second and third priorities. It assists the Administrative Branch in assuring documentation, reporting and records relative to this phase of refugee relief operations.

4. The Food for Peace Branch (FFP) will program and monitor the implementation of PL-480 commodities. Responsibility for receipt and issue of PL-480 commodities, however, will remain with SMB until such time as issue is made to RLG or USAID offices, which then assume responsibility through end-use.

D. Personnel

1. Personnel of FO are unchanged.
2. Personnel of the Community Development Branch are unchanged.
3. Mr. John W. MacQueen is designated Assistant Director for Refugee Affairs.
   a. Mr. Jack Williamson is designated Refugee Affairs Officer.
   b. Mr. Robert Dakan is designated Refugee Relief Officer. He is assisted by two Assistant Refugee Relief Officers.
   c. Mr. Fred Luning is designated Refugee Administrative Officer. He is assisted by Mr. Frederick Benson.
   d. Mr. Roger S. Sprowls is Food for Peace Officer.
   e. Mr. Hugh Brady is Refugee Relocation Officer. He is assisted by a Refugee Education Advisor, a Refugee Agriculture Advisor, a Refugee Public Works Advisor, and a Refugee Health Advisor, to be designated subsequently.
4. The Community Development Branch is transferred in its entirety to the Office of Field Operations and is redesignated Community Development Staff. Implementation of Rural Self-Help activities is the responsibility of the Assistant Director for Field Operations, in addition to his present duties, which are unchanged.
AID COMMENTS ON GAO REPORT ENTITLED “THE CIVILIAN HEALTH AND WAR CASUALTY PROGRAM IN LAOS”

(The GAO findings and conclusions presented below with our comments are drawn from the GAO “Digest.”)

1. GAO

“USAID has had to subordinate the development of long-range public health institutions and training of manpower under this project in view of the war in Laos.”

Comments

The war has certainly inhibited public health development. Nevertheless, considerable development has been accomplished under the USAID Public Health Project, which includes the Village Health Program and the Operation Brotherhood (OB) activity. The Village Health Program has been responsible for the construction and operation of hospitals, dispensaries and training facilities throughout Laos, operation of a medical warehouse, in-country and third-country training of medics, practical nurses, and other technical public health personnel. The Operation Brotherhood Activity has developed and operated seven hospitals throughout Laos and has conducted training to facilitate replacement of OB personnel by Lao and integration of the OB program into the RLG national health system.

Since 1965, USAID has sponsored training for over 1,386 Lao personnel in public health fields. The trainees have become laboratory, medical, and sanitation technicians, hospital administrative personnel and in some cases doctors or doctors' assistants. Most of the training has been done in Laos, to utilize the environment in which the trainees must utilize their new skills and knowledge. When this has not been feasible, the training has most often been done in Thailand in order to take advantage of an environment similar to that in Laos.

In addition, USAID in 1969 established a Maternal and Child Health Project which aims to improve the well-being of the Lao people by better health care of mothers and infants and by introducing family planning techniques. A national maternal-child health center is being established in Vientiane, 5 provincial centers are being constructed, and 10 rural centers are being renovated, to provide medical care, training and dissemination of information and commodities in the fields of maternal and child health and family planning. The RLG is supplying staff for these facilities; UNICEF and WHO are providing teachers of nurses and midwives, and USAID is sponsoring technical training for Lao in both medical and administrative support fields.

2. GAO

(Deleted)

Comments

AID financing of some of the costs in question was terminated during FY 1971. Effective at the beginning of FY 1972, AID will no longer fund any of the costs in question.

(Deleted)

3. GAO

“AID’s management seemed less than adequate in consideration of the relatively high priority assigned to these projects. The Public Health Division was generally reacting to the exigencies of the situation and there was little emphasis placed on development of long-range plans related to civilian war casualties.”

Comments

One of the primary responsibilities of the Public Health Division is to react to the “exigencies of the situation.” However, within the limitation imposed by the difficulty of predicting enemy actions and the refugee health needs that may result, long-range planning is done. In the latter part of 1970, for example, the Mission undertook a substantial increase in the bed capacity of two hospitals in MR II, at Ban Xon (Site 272) and Sam Thong and of the hospital at nearby Vang Vieng in MR V, on the likelihood of increased refugee requirements which did materialize. The increase in capacity has totaled 100 beds and another increase of 100 beds in being made, which will raise the total bed capacity in MR II and at Vang Vieng to 450.
4. GAO

"During GAO's fieldwork in Laos, it was noted that the many crises arising from the war (such as the destruction of the Sam Thong hospital) kept top management fully occupied and precluded any substantive development of long range plans. Management officials felt that the recent authorization of another administrative position would alleviate the situation somewhat."

Comments

Since February 1970 the Public Health Division has been increased by one Administrative Officer, one Public Health Physician position (nominee being processed), and two Maternal and Child Health staff members. The Public Health Division is now authorized 14 U.S. employees, of whom 13 are on board plus two MCH staff.

5. GAO

"GAO representatives visited four of the seven Operation Brotherhood hospitals in Laos. Although these hospitals were above average, compared with other medical facilities visited in Laos, they generally had to care for more patients than the hospitals were designed to handle, and sanitary conditions seemed substandard. Patients were allowed to wear dirty street clothes, and bathrooms were generally lacking."

Comments

Like many hospitals in the U.S. today, hospitals in Laos generally have far more patients than they were designed to handle. This is the lesser of two evils; the greater would be to refuse treatment to the "excess" people. However, facilities are being expanded and improved all the time.

A continuing effort is made to maintain acceptable sanitary conditions in all USAID-supported medical facilities. This is a particularly challenging problem when faced with such things as overcrowding and local custom, which permits families to remain constantly with patients. In Operation Brotherhood hospitals, bed patients are in many cases issued robes and pajamas. Ambulatory patients wear street clothes.

6. GAO

"The one Village Health hospital visited during our review was markedly inferior to the Operation Brotherhood hospitals visited. The dispensaries visited appeared to have somewhat crude facilities but seemed adequate under the circumstances."

Comments

USAID had begun to expand the Site 272 (Ban Xon) Village Health hospital when the GAO representatives visited. It had been the intent to do this from the time it became clear that the facilities and services at Sam Thong would have to be transferred to Ban Xon. The full effects of the Communist's dry season offensive continued into June, however, requiring first priority attention to emergency care (food, shelter, medical) of refugees and less immediate concern for the conditions of facilities from which the care was dispensed.

Ban Xon hospital today has four large, airy wards (total capacity 200 beds) with a separate, screened kitchen for preparing patients' meals, and a vegetable garden, fish ponds, poultry and hogs to provide supplement and balance to patient diets.

7. GAO

"At the time of GAO's visit in July 1970, the Public Health Division of USAID/Laos had compiled some data on war casualties treated in the Village Health Project dispensaries. No war casualty information, however, was compiled until June 1970 for the seven Operation Brotherhood Project hospitals. Information on overall casualty figures was furnished by USAID for earlier years; however, these figures were not very accurate. Also data on civilian war casualties does not include those who were killed as well as those who were wounded but did not seek medical attention."

Comments

Within the past year the Mission has considerably improved its monthly reporting of public health statistics, with an average of about 85 percent of USAID-supported dispensaries and hospitals now providing reasonably reliable information on the nature and number of patients, including civilian casualties,
treated. Although not separately identified, information on casualties dead on arrival or who die while undergoing treatment is included in the above statistics. The report is quite correct, however, in stating that no data are included on persons who are wounded but do not seek medical attention.

Our Mission reports that RLG hospitals and dispensaries not assisted by the U.S. maintain their statistics in accordance with the WHO international statistical classification format which does not differentiate between civilian and military patients and between war-connected and other injuries and deaths. The RLG does not require these installations to report war casualties as such on a regular basis. The RLG report system includes about 40 RLG dispensaries in areas with little or no military conflict or refugee problem.

8. GAO

"GAO's inquiry into the extent of mortality among all refugees in Laos showed that reports on refugee mortality were incomplete. USAID had established maximum mortality levels for Lao refugees which, if exceeded, called for special remedial measures. GAO found, however, that corrective action was not initiated by USAID even when these levels were exceeded."

Comments

The USAID management and public health staff take very seriously the need to assess and minimize refugee mortality rates. This is a continuing effort, but is easily complicated and temporarily frustrated by such things as communications breakdowns, insecurity, reporting snafus, etc.—all conditions common to underdeveloped countries and to wartime. USAID, of course, cannot take action in those cases where it is not aware of a need to act. In those cases where it is informed of a need, USAID takes all practicable corrective actions. Generally speaking, the mortality rate for refugees is well within acceptable norms.

What the GAO refers to as the USAID "maximum mortality level" is a rule of thumb death rate of one per day per 13,000 population derived from the normal life expectancy of 35 years (or about 13,000 days) throughout Laos.

The examples cited in the report, three villages with deaths far greater than the USAID rule of thumb "mortality rate" would seem to allow, are derived from single month figures and must be considered in that light. Figures taken for other villages in the same month or for these villages in other months would show entirely different results. For example, Na Nga, one of the three villages, in both April and December 1970 had no deaths, yielding a "mortality rate" of zero. In these three examples, the Mission had not been informed by the RLG of the excessive number of deaths until after the fact. Had it been informed in time, as is usually the case, it would have taken immediate and appropriate action to determine and eliminate the cause of the deaths.

A more meaningful reference to the USAID "mortality rate" could have been made by applying it to the 22,000 refugees on the Vientiane Plain who, from March through December 1970, suffered 329 deaths. Using the above rule of thumb death rate as a guideline, there should have been about 515 deaths among this group in this period. The lesser figure of 329 was therefore well within acceptable norms for Laos.
Thai Government entity, without documentation that refugee commodities had been received in Laos."

Comments

Payment to ETO by the Bangkok Operations Office is based on a signed Shipping and Receiving Report accompanying each invoice as evidence that the cargo was delivered to Thanaleng (Port of Entry for Laos). These payments are in accord with standard commercial practices relative to the payment of transportation invoices. At Thanaleng ETO delivers the cargo to Société de Gestion et d'Outillage Public de la Province de Vientiane (SOGOV—a Lao Government controlled firm operating the in-transit customs warehouse) where it is, in turn, picked up by the Lao Transport Association for delivery to USAID. In every instance cited by the GAO, ETO produced receipts to prove it had performed the transportation service before payment was made.

The above procedure applies to approximately 90% of all ETO shipments. The other 10% consists of cargo which, for one reason or another, cannot be conveniently off-loaded and reloaded at Thanaleng and which the Royal Lao Government permits to be transported directly to receiving warehouses by the Thai trucks after clearing customs. These shipments are received, checked and signed for by USAID personnel and the Mission knows of no deficiencies in accounting for transportation services performed.

3. GAO

"Regarding shipments made by a second transportation company, Ear Peng Chiang, the GAO noted: 'Many of the commodities shipped with this carrier were signed for by employees of a USAID contractor and the Royal Lao Government.' GAO observed some weaknesses in the receiving operation, including the use of inexperienced students and lack of signature authorization procedures."

Comments

The USAID Supply Management Branch (SMB) has taken over the receipt of all refugee relief commodities. Third Country National (TCN) personnel receiving commodities work in the SMB Supply Warehouse Section under American supervision.

Stock control records are maintained for all non-bulk items and all issues are via Supply Requisition/Issue and Return Document (Lao Form 203). The bulk commodities, rice, salt, etc., are handled differently after receipt by SMB since they are never actually stored for long periods but pass through KM-4 and Wattay Warehouses in transit to the refugee sites. The normal period for holding rice in Vientiane before transshipment is 24 to 48 hours. SMB monitors all shipments between KM-4 and Wattay Warehouses. A daily summary in and out record book is maintained and the balances on hand are verified by evening floor counts.

Signature cards are being obtained from all stations for those personnel authorized to receive refugee commodities. A set of these cards is maintained both at SMB/Vientiane and at the Bangkok Operations Office.

4. GAO

"On the basis of very limited tests, GAO found unexplained shortages amounting to about $100,000 worth of commodities shipped with the two companies identified above. GAO was not able to determine whether any of these commodities were diverted to private use. After GAO's field review was completed, USAID informed GAO that receiving documents were found to account for most of the shortages."

Comments

The following are the specific shortages found by the GAO and the results of further USAID action thereon:

(1) The GAO states (p. 8) that: "Records at USAID/Laos showed that, of 39,250 bags of Public Law 480, Title II cornmeal, shipped from Bangkok during the period January through June 1970, only 37,515 were received, a shortage of 1,735 bags."

As footnoted in the GAO report (p. 8), USAID subsequently located documents accounting for all but 10 bags. It later found that another 10 bags could not be accounted for. It has submitted a claim on the missing 20 bags.

(2) The GAO states (p. 8) that: "Records at the medical warehouse showed that, of 74,985 pounds of milk products shipped to Vientiane in May 1970, only 56,760 were received, a shortage of 18,225 pounds."
The apparent shortage resulted from the misdirection of three conex containers. These were received subsequent to the shipment mentioned by the GAO and with their arrival receipt of the entire shipment was accounted for.

(3) The GAO states (p. 8) that: "Records at USAID/Laos showed that, of 8,993 cases of Singapore canned beef shipped from Bangkok to Laos during the period March through June 1970, only 6,055 cases were received, a shortage of 2,938 cases."

As footnoted in the GAO report (p. 8), all but 29 cases were subsequently accounted for. Later findings reduced the missing quantity to 25 cases plus 23 cans. A claim was filed on the missing quantity.

(4) The GAO states (p. 9) that it examined into "shipments of 2,174,400 cans of buffalo beef sent to Laos over a 6 month period in fiscal year 1970" and "found that USAID could not account for receipt of 312,900 cans, valued at about $63,000."

As footnoted in the GAO report (p. 9), USAID subsequently located documents accounting for all but 176 cans of buffalo beef. It later accounted for the receipt of another 80 cans, reducing the number of unlocated cans to 96. A claim was filed on the missing quantity.

(5) The GAO states (p. 10): "We found that shipments of steel bars and axes could not be accounted for as having been received in Laos, although Ear Peng Chiang had been paid for shipping them."

This matter was explained to GAO representatives by the Bangkok Operations Office. The steel bars and axes were shipped in mixed loads, part of which were signed for on the manifest at the SMB Thong Thoun Warehouse, Vientiane, with the axes and bars deleted. The balance of the shipment was signed for at the Refugee Relief Tha Khao Warehouse on a separate receiving report. Both documents were shown to the GAO representatives.

5. GAO

"A USAID internal audit report dated August 1969 stated that USAID controls over receipts of bulk commodities were weak and that rice inspection services did not conform to requirements of the contracts. The report showed that rice quantity and quality certifications were made at the shipping sources in Thailand rather than at the delivery points in Laos. The report showed also that no count of rice was made at the receiving warehouse in Laos."

Comments

The USAID Supply Management Branch is verifying the quantities of all Thai rice received as an integral part of its receiving function. Quality is guaranteed by the Royal Thai Government under the terms of USAID contracts. In addition, International Inspection and Testing Corporation (INTECO) is now inspecting refugee commodities at the Lao point of receipt.

Regarding control over receipt of bulk commodities, see 3, above, and 6, below.

6. GAO

"GAO does not know what improvements, if any, were made after issuance of the USAID report. GAO can only conclude, on the basis of its own review, that weaknesses in the controls over receipts of refugee supplies still exist and that there is a need for USAID to restudy its operation and make improvements."

Comments

Effective August 13, 1970, as outlined in USAID/Laos Action Memo 71-02 of that date (incorporated in the GAO Report as Appendix II), the Supply Management Branch (SMB) took over the receipt of all refugee commodities at the principal warehouses (KM-4, Wattay Airport and Thong Thoun), and accounting and control procedures were tightened up. In October 1970, SMB was assigned the responsibility for the receipt of all refugee relief commodities, and also for their inspection, storage and issuance. A special warehouse unit was established in the SMB Supply Warehouse Section to deal with refugee relief commodities. Further, since the GAO report, three additional Third Country Nationals (TCN's) have been recruited to deal with the receipt, storage, inspection and issuance of bulk refugee relief food commodities at Wattay Airport and KM-4 warehouses and at a large warehouse newly rented in November 1970.

At stated under 3, above, the TCN's work under American supervision. In addition, another American employee is being hired for SMB work in this field under a personal services contract.
7. GAO

"GAO's review showed that USAID was not processing most claims against carriers for shortages or damages incurred in transit. GAO observed weaknesses in internal control, both in evaluating losses or damages and in not processing potential claims against carriers, among the responsible organizational elements of USAID."

Comments

In instances where shortages or damages are noted but claims are not filed, this is due to the minor amounts involved. The "rule of thumb" in deciding which shortages and/or damages are significant is $15 or over. Appropriate claims are then filed accordingly.

The Supply Management Branch in conjunction with the Office of Refugee Affairs (ORA) and the Bangkok Operations Office (BOO) investigated the shortages mentioned by the GAO and filed claims against the transportation companies on the quantities found to be missing. Five additional claims, for a total value of about $270, have been filed on missing commodities since the Supply Management Branch took over the receipt, storage, and issuance of refugee relief commodities in October 1970.

The GAO notes (p. 12) that as of July 31, 1970 the Mission had not collected on a claim for $239 against the transportation of certain medical equipment that had been lost. This was correct, but after an additional Mission effort (November 1970) to collect this amount was unsuccessful, the amount was deducted from the transporter's subsequent billing.

8. GAO

"USAID pays about $56 more per 10-ton truckload for cargo moved from Bangkok to Vientiane by the Express Transportation Organization than for cargo transported by Ear Peng Chiang."

Comments

As the GAO report recognizes elsewhere, the Express Transportation Organization is a Thai Government corporation having the sole authority to transport international cargo off-loaded in Thailand to the Lao border. It is correct that the Mission obtains lower rates from Ear Peng Chiang, with whom it contracts for transporting to Laos commodities bought in Thailand. The ETO rates, however, have been reduced four times over the past eleven years; they are now about 20 percent less than they were prior to June 1, 1960. We are hopeful that further reductions can be achieved. The Joint Lao-Thai Committee for Economic Cooperation, which held its first meetings in 1970 and in concerning itself with transportation matters among others, may be helpful in this regard.

DEPARTMENT OF STATE,
AGENCY FOR INTERNATIONAL DEVELOPMENT,

HON. EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees, Committees on the Judiciary, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: We have now completed our review of the GAO Reports you sent us on our Refugee and Health Programs in Vietnam. Our detailed comments are presented in the attachments to this letter.

In your letter dated February 11, 1971 to me, you noted that the GAO Reports spoke of a deteriorating situation in which the victims of the war have found themselves. I would like to take this opportunity to supplement the comments in the attachments on this particular issue.

No one can or will deny that the conflict in Vietnam has brought great human suffering to the people of Vietnam. Since 1964, over five million people, or nearly one-third of the total population, have become refugees or suffered damage to life, limb, and property. This occurred at a time when the human and material resources of the country, already strained by twenty years of war, were taxed to the limit by the rapid escalation of internal conflict and external aggression. With the national economy disrupted by the demands of the war, with a disproportionate amount of the national budget required for purposes of defense, with the buildup to more than one million men under arms—not counting the People's Self Defense Force and the National Police—and with no tradition of institutionalized relief and social welfare services to build upon, the GVN Min-
istry of Social Welfare had to start from scratch creating the machinery to
scope with the massive influx of refugees and other war victims. Its weak and
largely inexperienced organization was overwhelmed and disrupted time and
time again, first by almost a million new refugees in 1967 and 1968, next by over
a million victims of the VC/NVA Tet offensive in 1968, then by over 200,000
repatriates from Cambodia in the summer of 1970, and again by over 300,000
flood victims in the Northern provinces in the fall of 1970.

Under these circumstances, it is remarkable that the Ministry managed since
1967 to distribute benefits of one kind or another to 5.9 million persons, made
some progress toward upgrading more than 800 refugee sites, improving the
infrastructure of the hamlets to which the refugees have returned, and largely
re-establish the repatriates from Cambodia into normal living conditions.

To all this, A.I.D. technical assistance and financial support have made sub­
stantial contributions. Counting only direct dollar inputs by A.I.D.'s Vietnam
Bureau, the value of PL-480—Title II commodities and the dollar equivalents
of counterpart funds generated by the Commodity Import Program and made
available to the GVN Ministry of Social Welfare, A.I.D. has spent between 1967
and now more than a quarter of a billion dollars in support of refugee and social
welfare programs in Vietnam.

I don't intend to attempt to convey the notion that everything that could be
done for refugees has been done. I do, however, hope that the performance of
both A.I.D. and the GVN can be measured in terms of what is possible within
the constraints imposed by an unconventional wartime situation. I fully under­
stand and appreciate the fact that the GAO auditors were working under a time
limitation which afforded them no opportunity to attempt to evaluate the pos­
tive achievements which have been registered.

I trust you will find the attachments responsive. Please be assured that we do
appreciate the very helpful advice and suggestions that have come from your
Subcommittee and the GAO. Evaluations of our assistance programs by external
sources are always welcome, particularly in this case in which we share the com­
mon humanitarian objective of seeking ways to prevent avoidable war-induced
suffering and insecurity.

Sincerely yours,

MAURICE WILLIAMS,
(For John A. Hannah.)

AID COMMENTS ON GAO REPORT ENTITLED “CONTINUING DIFFICULTIES
IN ASSISTING WAR VICTIMS IN VIETNAM”

(The GAO findings and conclusions quoted below are drawn from the GAO
Digest.)

I. Program Management—GAO

“Although some changes have taken place in the roles of the Government of
Vietnam and the United States, overall program management remains in the
hands of the Government of Vietnam; advice is provided by American person­
nel.”

Comments

Unlike other GAO Reports, this one is essentially an examination into the op­
erations of a foreign government, the Government of Vietnam. The refugee and
other welfare programs in Vietnam are administered by the GVN Ministry of
Social Welfare under the direction of the Prime Minister. In program manage­
ment the role of the U.S. Government is limited to that of advisors to the Min­
istry and its provincial services. The Ministry establishes the level of benefits,
determines the location of, and manages camps and institutions, allocates with
USG concurrence the counterpart funds made available from the American Aid
Chapter and the Special Fund, and disburses these funds. The only leverage the
U.S. Government has is through the financial support it gives to these programs
and the technical advice given by American officials to the officials of the GVN—
the power of the pursestring and the power of persuasion. Most of the difficulties
discussed in this report can, therefore, be resolved only by the GVN.

It is notable, however, that contrary to earlier reports this GAO Report does
not contain any charges of misuse or diversion of funds or commodities by the
GVN or of any failure on the part of the American advisors to perform their
functions properly.
The principal criticisms contained in the report—the recognition of new refugees, the inadequacies of the statistics, the failure to develop social welfare programs in general and programs for the urban areas in particular, the inadequacies of some of the camp sites and of the hamlets to which the refugees have returned, and the delay in the delivery of the benefits to which the refugees are entitled, are directed at the Government of Vietnam, not against the Agency for International Development.

The questions raised about the generation of new refugees by American and allied military actions, are rooted in problems of military strategy and tactics, over which AID has no control.

Since 1968, the relationship between the Ministry of Social Welfare and the CORDS/Refugee Directorate (now the War Victims Directorate), has undergone far reaching changes. As the experience of the Ministry increased and its staff grew in both numbers and competence, it has become more and more independent and self-reliant. This is as is should be. Any reassertion of greater American control would be contrary to the President's policy of Vietnamization.

Meanwhile, critics of shortcomings need to bear in mind that as long as the war continues, the GVN efforts to improve the welfare of the war victims will remain severely limited by security conditions in the countryside and shortages of manpower, material and funds.

2. Priority Accorded to Refugee Relief—GAO

"Neither the United States nor the Government of Vietnam has established priorities for U.S. assistance programs. The primary emphasis during 1965-69 was on providing emergency relief in the form of resettlement allowances and temporary homes to the estimated 3.5 million refugees while the needs of other war victims such as widows, orphans, and the handicapped received less attention. Likewise, development of the sites in which refugees and former refugees are located has not received much attention."

Comments

The GAO is correct in pointing out that from 1965 to 1969 the GVN placed primary emphasis on providing emergency relief to the refugees. Considering the limitations of their capability mentioned above, this is again as it should have been. During 1968, normal refugee relief operations had come to a virtual standstill because of the Tet and May offensives and their aftermath. Throughout 1969 and deep into 1970 the Ministry concentrated on delivering the benefits it had promised the refugees and which it had not been able to deliver, in many instances, for a much as a year or even two. It succeeded in accomplishing this task to a large extent. In 1969 and 1970 it distributed refugee and war victims benefits to more than 2 1/2 million persons even though normal operations were once again disrupted by the emergency created by the flight of more than 200,000 ethnic Vietnamese from Cambodia to Vietnam in the Summer of 1970, and by the floods in the Northern provinces which made over 300,000 persons homeless.

It is not correct to say that neither the U.S. Government nor the GVN has established priorities for U.S. assistance programs. Both the 1970 Pacification and Development Plan and the 1971 Community Defense and Development Plan clearly establish the upgrading of campsites which must continue to be used and the improvement of the hamlets to which the refugees have returned as the two highest priorities in the overall war victims program.

3. (a) Reporting System—GAO

"Since February 1968 the refugee reporting system has undergone three major revisions, but the information being reported is still conflicting, confusing and inconsistent, in part because it is compiled by untrained personnel. Reliability of the reported data should be improved."

Comments

The GAO Report states correctly that CORDS and MSW are now using the fourth reporting system since 1968, and a fifth one is now in process of preparation.

Designed originally as a statistical system to count monthly the number of refugees by province, Corps and nationwide to obtain a running record of the magnitude of the refugee problem, the reporting systems have been gradually converted into a management tool to guide the decisions of American and Vietnamese officials concerning the deployment of personnel and material resources and to measure and monitor program performances. In the process, the systems have become steadily more complex and voluminous. As the classification of
refugees and other war victims, the variety and flexibility of benefit claims, the classification of refugee sites and the classification of claimants who had received all benefits to which they were entitled were steadily refined, the difficulties of reporting data accurately increased also, aggravated by the constant high mobility of the refugee population and the continuing hazards of security which from time to time impede access to places where refugees are located.

Despite all this, the quality and quantity of data has improved steadily, but it is unreasonable to assume that counting and classifying a volatile population of several million in over 850 different locations in the midst of wartime conditions can ever achieve the degree of accuracy to which auditors are accustomed.

CORDS and the Ministry are continuing their efforts to produce data which is essential for managing and monitoring all aspects of the refugee and social welfare programs. However, since these reports must be produced by the same people who carry the full burden of responsibility for operations, both the Ministry and CORDS must guard against the danger of imposing accuracy requirements which demand a disproportionate amount of the time of the operating officials.

3. (b) Number of War Victims

"During 1969 the number of refugees declined from a high of over 1.4 million in February to a low of 286,000 in December. This decrease is misleading because of:

A reluctance by the Government of Vietnam to report new refugees,

A policy of claiming refugees as resettled on the basis of payment of allowances even though many of these people need more help,

An apparent misinterpretation by Vietnamese officials which resulted in refugees being classified as returned to their original village or resettled when the Government of Vietnam only promised to pay allowances,

A policy of classifying refugees as returned to their original village and presumably self-sufficient when, in fact, many of them still cannot earn a living, and

A policy of removing from the rolls refugees living outside of camps who have received their temporary allowances, which terminate benefits until such time as they are able to return to their original villages.

"Other persons have suffered because of the war and are in need of assistance—war widows, orphans, and the physically disabled. The actual number in these categories is not known. There are, however, an estimated 258,000 orphans, 131,000 war widows, and 183,000 disabled persons. Some assistance had been provided these people by the Government of Vietnam."

Comments

While we agree that the statistical reports have been a source of confusion, we find it unfortunate that this GAO Report, like earlier ones, has again given undue emphasis to the importance of numbers. No less than 18 of the 39 substantive pages of the text are given over to a critique of the refugee statistics. Preoccupation with questions of statistical definitions and measurements of progress should not be allowed to obscure the basic fact, important in human and political terms, that very substantial progress has been made, through the dedicated efforts of Vietnamese and U.S. personnel, in meeting the needs of vast numbers of people.

Much of the controversy over the number of refugees stems from a misinterpretation of the figures on which it is based. It has its origin in the fact that the cumulative total of refugees and the current total of refugees are frequently confused.

The "cumulative total" is the number of persons who since the beginning of an organized, identifiable refugee program have been officially recognized by the MSW and its predecessor agency, the Commissariat for Refugees, as refugees, or who, to express it differently, have been on the government's refugee rolls at one time or another.

Estimates of the cumulative total vary depending on what categories of war victims are included. However, there is now general agreement that since 1964 approximately 3% million persons have been, at one time or another on the refugee rolls. By adding to the officially recognized refugees other categories of "war victims" like the one million persons displaced temporarily by the 1968 Tet and May offensives, the repatriates from Cambodia, and the persons entitled to various forms of compensation because of war related damages to life, limbs, and property, the cumulative total of refugees and war victims reaches 5.3 million persons.
The current total of refugees consists of those persons who, at any given time, are on the refugee rolls (in the “Active Caseload”). They are the persons who have not yet received all the benefits (temporary benefits, resettlement benefits, return-to-village benefits, and war victim benefits) to which they are entitled. This total fluctuates from month to month, depending on how many new refugees and war victims are added to the rolls, and how many are removed after they have received all benefits. On 31 December 1970, this figure stood at 428,000 refugees and 70,000 war victims.

As to the much criticized drastic reduction in the current total from 1.4 million in February to 270,000 in December 1969, the explanation lies in part in the fact that during this period those who had received previously or received at that time all the benefits to which they were entitled were dropped from the active rolls. Unfortunately, both CORDS and AID/Washington failed at the time to explain properly these statistical adjustments. The Government of Vietnam did not claim, as the report charges, “that refugees had been resettled on the basis of payment of allowances even though many of these people need more help.” Unfortunately, the statistical summaries prepared by CORDS reported those who had received resettlement benefits under the abbreviated column heading “resettled.” This has since been corrected. The removal from the rolls of large numbers of refugees living outside of camps, which accounted for another part of the reduction in the active caseload, was justified because most of these persons are in fact self-resettled and are as well, and sometimes even better off than their neighbors, and are economically self-sufficient. They remain eligible for full return-to-village benefits if and when they return to their original hamlets.

4. Refugees from Cambodia—GAO

“About 159,000 persons had left Cambodia as of July 1970 to seek refugee in South Vietnam—10,000 Cambodian refugees and 149,000 Vietnamese repatriates. They are not recognized as Vietnam refugees but are reported separately as refugees from Cambodia.”

Comments

According to the latest available information, a total of approximately 210,000 ethnic Vietnamese have fled from Cambodia to Vietnam since March 1970. By March 1971, 155,000 had been paid self-settlement allowances and have melted into the population. Another 55,000 are currently participating in GVN group resettlement projects, most of which are succeeding very well.

There are no reports of any ethnic Vietnamese returning to Cambodia. However, approximately 2,000 ethnic Cambodians and Cambodian Montagnards have returned to that country from Vietnam.

As of February 1971 the GVN had allocated VN$587 million and expended VN$350 million for Temporary Relief and Resettlement of the Cambodian Repatriates. The amount of VN$600 million was transferred from the CORDS Special Fund to the Ministry’s American Aid Chapter to replace the funds used for relief for the Cambodian repatriates.

The integration of the repatriates has been greatly facilitated by the fact that many of them are from urban areas and have skills which can be readily utilized in the Vietnamese economy. Nevertheless, the quick response of the GVN in meeting the needs of such a large number of new arrivals, while maintaining relief assistance to the active caseload of in-country refugees is a striking accomplishment in the field of social welfare which is not likely to be matched by other developing countries in peacetime—much less in time of war.

5. War Victims in Urban Areas—GAO

“The number of persons seeking refuge in urban areas (primarily Saigon) is unknown but is estimated at one million. Because of high employment most people find jobs; however, these jobs are usually dependent on the presence of U.S. troops. The unemployed in the urban areas receive no assistance from the Government of Vietnam or the Agency for International Development and are dependent on relatives and voluntary agencies. An estimated 900,000 people are dependent upon the presence of U.S. troops but no plans have been formulated to deal with these people when the troops withdraw. The United States and the Government of Vietnam anticipate that most of these people will want to return to their original homes.”

Comments

It is estimated that approximately one million persons have moved from rural
to urban areas since 1965 either to seek refuge or more advantageous employment opportunities. It is difficult to distinguish between the influx associated with the characteristic "urban drift" which is a world-wide phenomenon and that attributable to insecurity in the countryside.

At the very beginning of the refugee program the GVN adopted a policy designed to discourage further overcrowding in congested cities and to facilitate return of refugees to their own villages as soon as possible by not registering as refugees persons who moved into urban areas on their own initiative.

In 1968, as security improved, the GVN initiated return-to-village benefits payable to registered refugees and other displaced persons who were forced to flee from their villages but were never registered as refugees. Among the hundreds of thousands who have returned to their villages and received RTV benefits since 1968, a substantial number were persons not previously registered as refugees who returned from urban areas.

Although unemployment has not surfaced as an urban problem to date, it is recognized that reduction in the American presence both military and civilian, will entail a period of economic readjustment. This will in part be offset by the inducements or improved economic opportunities in rural areas particularly for unskilled workers once post-war development gets underway. In addition to entitle ment to return-to-village benefits, land reform, improved agricultural systems, the village self-development program and other plans still on the drawing board for new land development will assist significant numbers to return to farming under more promising circumstances than before.

It is not possible to estimate the proportion of the persons now in urban areas who will remain regardless of economic or other hardship. To date, detailed plans have not been formulated to deal with accompanying urban problems. However, the GVN has taken steps to improve the environmental situation of all city dwellers such as housing, sanitation, creation of urban cadres to assist in local community efforts. These steps are as yet insufficient and a new office has been established within the U.S. Mission to assist the GVN and municipal authorities in more adequate planning for urban development. The MSW through grants to Vietnamese voluntary organizations is encouraging their efforts to assist with the problems of war victims in urban areas.

6. Status of Site Facilities—GAO

"There is still a considerable shortage of facilities—needed by war victims—such as housing, classrooms, wells, medical and sanitation facilities, and many of those that exist are inadequate."

Comments

The GAO states correctly that many of the refugee sites which are still in use and which will continue to be used for some time to come are seriously defective in one respect or another. Many such sites will continue in use either because the occupants cannot yet return to their original villages for lack of security, or because the occupants do not wish to leave at the present time due to the fact that their present, albeit inadequate, location offers them opportunities to support themselves which they think are better than what they can find elsewhere.

Upgrading of existing sites has not received the attention which was contemplated earlier, because the MSW, understandably and properly, gave first priority to the massive distribution of the basic benefits to which the refugees are entitled and whose distribution had fallen behind every time the Ministry's regular program was interrupted by some sudden emergency.

Nevertheless, much work was done in this area in 1970. The attached tabulation of "Statistics on Development Projects carried out from January 1, 1970 to December 31, 1970" shows that the Ministry allocated VN$171.3 million and expended VN$121.4 million for 350 classrooms, 30 Maternity Dispensaries, 183 self-help projects and the conduct of 170 vocational training classes.

The GVN's 1971 "Self Defense and Community Development Plan" has assigned a high priority to the upgrading of existing sites. At the end of 1970, 354 out of the 864 refugees sites were reported as being defective in one respect or another. CORDS and MSW have now singled out for priority attention those sites which are most in need of improvement, are likely to remain in use for some time to come and which are economically sufficiently viable to justify the investment of Improvement funds.

7. Correlation between Refugees Resettled and Amount of Resettlement Funds Expended—GAO

"GAO was not able to correlate spending with the number of refugees reported as resettled or returned home because (1) the number of refugees reported to
be resettled was not accurate and (2) refugees living in temporary camps, and scheduled for transfer into resettlement sites, did not receive monetary housing allowance if housing was provided."

Comments

The report correctly states that it is not possible to correlate the increases or decreases in the number of refugees resettled and the increase or decrease in allowances paid. This is due to the nature of the variable involved. In the first place, the number of refugees to be counted in such correlations poses some difficulty considering that (1) refugees living outside of camps who have received temporary allowances and are in fact resettled receive no resettlement benefits and are taken off the active rolls until such time as they may return to their original village when they become entitled to full return-to-village benefits; and (2) there may be duplications in reporting of resettled refugees who subsequently return to their villages.

The main factor, however, making precise correlation impossible stems from the fact that some payments are made not in money but in kind, and additionally most are made in installments which overlap the beginnings and ends of fiscal years. Thus a simple division of number of people into a sum of money expended in a certain time would not reliably indicate the expenditure per refugee.

8. Piaster Fund Releases by Ministry of Social Welfare—GAO

"Slow spending continues to be a problem in the refugee and social welfare program. As a result many refugees vacated controlled areas and returned to Viet Cong areas.

During the first 5 months of 1970, only 12 percent of the resettlement fund and 1 percent of the special welfare fund had been spent. During 1969—the first-year funds were provided for comprehensive social welfare—only 8 percent was used. Of the remaining funds, 28 percent were never spent and 66 percent were authorized for 1970 spending or transferred to other projects."

Comments

The GAO correctly reports slow expenditures of refugee resettlement funds in the first half of 1969 and in the first five months of 1970. They also correctly report that by the end of 1969, 94 percent of the funds budgeted for this purpose had been expended. By the end of 1970, 73 percent of funds budgeted for temporary relief and war victims, and 91 percent of funds budgeted for resettlement and return-to-village benefits had been expended. The disastrous floods in Region I during the autumn of 1970 causing displacement of 300,000 persons and necessitating concentration of efforts upon providing disaster relief were a major factor delaying both expenditures for refugee resettlement and return-to-village benefits and implementation of development projects to upgrade resettlement sites.

Nevertheless, the rate of spending for these programs is a problem and continues to receive attention by the U.S. Mission and MSW. The GVN procedures for release and expenditure of funds is complicated and not well adapted to emergency conditions. Changes in these procedures to increase flexibility are taking place. Resettlement, as other expenditures, however, always increase in the last half of the year. The slow start in the first months is basically caused by fiscal complexities at national and provincial levels largely beyond controls of a single Ministry.

After an intensive investigation, the Mission finds no evidence to substantiate the GAO statement that as a result of slow disbursement of resettlement benefits in Region IV "many refugees vacated controlled areas and returned to Viet Cong areas".

As regards assistance to the GVN social welfare program, the GAO correctly reports that counterpart funds for social welfare activities were first provided in 1969 and that slow spending of these funds continues to be a problem. However, of the VN $96,446,000 budgeted for the social welfare program in 1970, 99 percent was obligated by the end of the year.

The factors contributing to the slow development of a basic social welfare program by the MSW simultaneously with meeting the overwhelming demands of massive refugee needs are correctly reported by the GAO. With the dramatic changes in the refugee situation, more attention is now being focused upon social welfare training to strengthen the capability of GVN personnel at ministerial and province levels to upgrade and further develop social welfare programs particularly for widows, orphans and disabled war victims. The MSW
recognizes the importance of initiating plans and establishing the framework for a comprehensive social reconstruction and rehabilitation program. The GAO Report fails to make any reference to the fact that the Western concept of government responsibility for social welfare was virtually unknown in Vietnam until a few years ago. It will probably take several years before a system of public social welfare services and institutions can be developed in Vietnam.

9. U.S. Commodity Support—GAO

"The United States contributed food during fiscal years 1968, 1969, and 1970 worth $10 million, $14 million, and $20 million, respectively. About half of the commodities are distributed by the Government of Vietnam and the other half by voluntary agencies. The commodities are not distributed on the basis of need and therefore some inequities have resulted."

Comments

Since the GAO auditors reviewed the program, the distribution of PL 480 Title II surplus food commodities has been completely reorganized. Further shipment of certain commodities not acceptable to Vietnamese for human consumption, and consequently diverted by the recipients to use as animal feed, i.e. bulgur wheat, cornmeal, CSM and rolled oats, have been suspended. The level of shipments programmed for FY's 1971 and 1972 have been substantially reduced to bring them in line with actual need of eligible recipients. Overall control over both direct government distribution and distribution by participating voluntary agencies has been concentrated in the Ministry of Social Welfare and accounting controls over distributions in the field have been tightened. A joint committee composed of representatives of MSW, CORDS, USAID, and the voluntary agencies has been established to serve as advisory committee to the Ministry to oversee the program.

Because of the magnitude of this program (2.9 million recipients in FY 1971) it is impossible to conduct any kind of a means test to make certain that only "needy" people receive surplus food commodities. However, the tighter controls now instituted should substantially reduce the likelihood of less needy employed persons receiving such commodities.

As far as U.S. provided project commodities are concerned, their number and quantities have been greatly reduced in recent years. Except for tents and tarpaulins, none of the commodities mentioned by the GAO have been procured since 1969. Only 1,000 tents and 250 tarpaulins were programmed for FY 1971 and only 500 tents and no tarpaulins are programmed for FY 1972. Tents and tarpaulins are prime requirements for the emergency reception of new refugees and must be available in country at all times.
### Republic of Vietnam
### Ministry of Social Welfare
### Directorate of Refugee
### Vocational Training and Development Service

**STATISTICS ON DEVELOPMENT PROJECTS**
**CARIED OUT FROM 1 JANUARY TO 31 DECEMBER 1970**

<table>
<thead>
<tr>
<th>MILITARY</th>
<th>PROJECTS</th>
<th>FUNDS ALLOCATED</th>
<th>FUNDS EXPENDED</th>
<th>FUNDS REIMBURSED</th>
<th>OPERATIONS PERFORMED</th>
<th>NUMBER OF RECIPIENTS</th>
<th>REMARKS</th>
</tr>
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<tbody>
<tr>
<td>MR 1</td>
<td>Education</td>
<td>29,497,325</td>
<td>25,976,175</td>
<td>3,604,272</td>
<td>148 Classrooms</td>
<td>6,530</td>
<td>(e) Funds Allocated 171,352,446 $</td>
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<td>Health</td>
<td>6,135,256</td>
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<td>6 Maternity Disp.</td>
<td>3,400</td>
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<td></td>
<td>Self Help</td>
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<td>50 Projects</td>
<td>11,060 Persons</td>
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<td></td>
<td>Voc. Training</td>
<td>13,152,600</td>
<td>6,135,165</td>
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<td>26 Courses</td>
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<td></td>
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<td>MR 2</td>
<td>Education</td>
<td>20,332,517</td>
<td>16,897,342</td>
<td>300,000</td>
<td>74 Classrooms</td>
<td>4,684 Students</td>
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<td>Health</td>
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<td>4 Maternity Disp.</td>
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<td>10 Health Projects</td>
<td>17,250 Persons</td>
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<td></td>
<td>Voc. Training</td>
<td>6,278,500</td>
<td>6,661,636</td>
<td>526,000</td>
<td>32 Courses</td>
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<td>MR 3</td>
<td>Education</td>
<td>15,128,000</td>
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<td>Health</td>
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<td>Education</td>
<td>23,189,000</td>
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<td>Health</td>
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<td>500,000</td>
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<td>Not Yet Reported</td>
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<td>Voc. Training</td>
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<td>6,190,263</td>
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<td>Education</td>
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<td>GRAND TOTAL</td>
<td></td>
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<td>3,080,133</td>
<td>121,400,220</td>
<td>3,080,133 $</td>
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**RECAPITULATION**

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<tr>
<th>PROJECTS</th>
<th>FUNDS ALLOCATED</th>
<th>FUNDS EXPENDED</th>
<th>FUNDS REIMBURSED</th>
<th>OPERATIONS PERFORMED</th>
<th>NUMBER OF RECIPIENTS</th>
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<td>GRAND TOTAL</td>
<td></td>
<td>121,400,220</td>
<td>3,080,133</td>
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**Saigon, December 31, 1970**

Chief of Vocational Training and Development Service

**VU-HEI-MAM**
<table>
<thead>
<tr>
<th>Order Number</th>
<th>Name of Resettlement Camp or Refugee Hamlet</th>
<th>Education and Health</th>
<th>Self Help</th>
<th>Vocational Training</th>
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<td>Number of Projects</td>
<td>Number of Classrooms</td>
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<td>Tainh Quang-Thai Province</td>
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<td></td>
<td>Re-Thanh</td>
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<td>815,500$</td>
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<tr>
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<td>10 Market, Rail &amp; Road Construction</td>
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<tr>
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<td>Le-Ba</td>
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</tr>
<tr>
<td></td>
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<td>890,000$</td>
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</tr>
<tr>
<td>13</td>
<td>Cao-Dai</td>
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</tr>
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<tr>
<td>14</td>
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<td>0</td>
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<td>(2)</td>
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<tr>
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<td>Ben-Vang(Dinh-Xeai)</td>
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<tr>
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<td>An-Phu</td>
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<td>(1)</td>
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<td>(3)</td>
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<td>52</td>
<td>Tien Phi-Pho</td>
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<td>1 Pig Raising</td>
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<tr>
<td>53</td>
<td>Dong-Thanh</td>
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<td>1 Bridge Building</td>
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<tr>
<td>54</td>
<td>Tien Phi-Long</td>
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<tr>
<td>55</td>
<td>Tung-Ngai</td>
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<td>1 Maternity/Health Clinic</td>
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<tr>
<td>56</td>
<td>Ngai-Le</td>
<td>3 Classrooms</td>
<td>935,000</td>
<td>1 Maternity Clinic</td>
</tr>
<tr>
<td>57</td>
<td>An Hon</td>
<td>4 Classrooms</td>
<td>1,080,000</td>
<td>1 Maternity Clinic</td>
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<tr>
<td>58</td>
<td>Tien Phi-Lieu</td>
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<tr>
<td>59</td>
<td>Tien Phi-Pho</td>
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<tr>
<td>60</td>
<td>Tien Phi-Pho</td>
<td>2 Classrooms</td>
<td>280,000</td>
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</tbody>
</table>

Saigon, January 12, 1971
Acting Chief of Vocational Training and Development
Development of Health Education and Development Bureau

PHAM-THI-KHY-LIEN
AID COMMENTS ON GAO REPORT ENTITLED "CIVILIAN HEALTH AND WAR-RELATED CASUALTY PROGRAMS IN VIETNAM"

1. GAO

No specific AID project exists to care for civilian war-related casualties. Assistance to these people is provided under a medical care project as part of the AID health program.

Comment

The GAO Report notes "A.I.D. considers the treatment of civilian war casualties (CWCs) as a high priority item within the total Vietnam program. A primary goal of the United States in Vietnam for FY '71 is to ease the suffering of civilians displaced or injured by the war ..."

The United States and Free World assistance has been provided to the Ministry of Health (MOH) provincial and prefectural health services since 1963. This assistance, which focused during most of the time on CWC care, is provided by U.S. Military and Provincial Health Assistance Program (MILPHAP) teams; USAID contract teams (8 Korean and 1 Chinese teams); the American Medical Association Volunteer Physicians for Vietnam program (AMA/VPVN); the U.S. Catholic Conference and the International Rescue Committee. Free World voluntary medical teams, which receive USAID logistics support in varying degrees, also provide assistance.

While skilled medical manpower available for civilian care in Vietnam is limited, significant improvement has been shown over the past two years. This improvement in the GVN capability to provide improved medical care to CWCs, refugees, and the general population, is partially attributable to more effective utilization of GVN medical manpower and facilities. Implementation of the GVN decree which called for a joint utilization of military and civilian health manpower and facilities, resulted in additional ARVN personnel provided to 26 province hospitals and 185 districts. Thus far, 1600 military personnel have been assigned to MOH staff.

As a result of the increased responsibility taken by the Vietnamese in this program—as joint utilization has become operational—it has been possible to reduce the MILPHAP personnel and USAID-funded operational personnel (e.g., general duty nurses).

MOH and USAID policy focuses on upgrading medical practices and facilities for better medical care, including CWC. Both MOH and USAID require top priority by given CWC. There is no change in this policy, although CWC are currently 8% of hospital admissions.

2. GAO

No reliable data are available on the total number of civilian war-related casualties in Vietnam.

Comment

In October 1967 at the hearing held before the U.S. Senate Subcommittee on Refugees and Escapees of the Committee on the Judiciary, the then Administrator of the Agency for International Development, Mr. Gaud, testified: 

"... We have records we consider adequate of the number of people that have been treated, I think it is fair to say that the only figures that we have with reference to civilian casualties are the number of admissions to the hospitals."

"... The estimates beyond that are only estimates. * * *

"... We can tell you how many civilian casualties are treated in hospitals and we have that figure and we think it is an accurate figure, but we can't tell you and I don't think anybody can tell you how many civilian casualties are wounded in the boondocks, who don't get local treatment, and don't report their injuries and the like. These are figures that don't exist."

Dr. Hannah, Administrator for A.I.D., at the hearings before the Subcommittee to Investigate Problems Connected with Refugees and Escapees of the Committee on the Judiciary United States Senate, held in June 1969, in his statements to the Subcommittee reported: "While it is impossible to be precise as to the numbers of civilians killed or injured in the fighting in Vietnam, we do have quite reliable information as to the numbers of civilian war-related cases admitted to and treated in hospitals."

To our knowledge the GVN or U.S. Government sources do not cite CWC hospital admissions as a total figure. It is recognized that additional numbers of CWCs are treated at either facilities or not treated at all. There is no accurate method of determining the exact number of such cases and estimates of total CWCs are speculative.
3. GAO

Although some improvements have occurred with respect to Vietnamese medical personnel shortages, there is a continuing need for most medical specialties—primarily because of low Government salaries and the military draft.

Comment

The GVN has recognized the importance of the civilian medical program and has placed greater emphasis on improving and increasing medical service available to the civilian population. Two important indicators of the increased GVN concern for the level of medical care available to the civilian populace—manpower and funds—show a definite positive change in recent years. The following chart illustrates the significant increases in staff and funding for the MOH hospitals from 1966 to 1971:

<table>
<thead>
<tr>
<th>MOH staffing</th>
<th>Funding (VN dollars in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National and regular hospitalization</td>
<td>3,533</td>
</tr>
<tr>
<td>Providing health services and hospitalization</td>
<td>3,613</td>
</tr>
<tr>
<td>Total</td>
<td>7,146</td>
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</table>

Further, regarding the improvement in Vietnamese medical personnel, the increased emphasis on training should be noted.

The University of Saigon Faculty of Medicine is by international standards a very large medical school. Its graduating class (191 in 1970) is one of the largest in the world and the graduation of more than 200 physicians yearly from the Saigon and Hue Medical Schools is resulting in a 12.5 percent increase in physician strength annually, probably one of the largest annual increases in the world. The enlargement of the dental clinic space to be completed by June 1971 will make it possible to increase graduates to a maximum of 60 per annum. In the meantime, in dental as in medical education, particular emphasis is being placed on upgrading the quality of teaching, and on improving patient care, through the development and implementation of a modern curriculum and use of post-graduate training courses.

The number of nursing schools and, consequently, the number of graduate nurses has increased considerably. Since 1966 seven additional assistant nurse schools have been opened and the number of nurse graduates for 1970 has increased to 755 from 400 in 1966. The expected improvement in patient care has been slow to develop, however, in part because of other priorities and in part because of a traditional understanding of the role of the nurse which limited her actions and authority within the hospital and, consequently, within the Ministry of Health. An administrative step designed to correct this situation was taken on November 11, 1969, when the Bureau of Nursing was raised to a higher organization level in order to effect a higher status, increased allowances for Bureau personnel, and more authority to deal with nursing problems in provincial hospitals.

It is impossible to say that patient care provided by nurses has improved to the degree desired by American advisors. Nonetheless, the basis for improvement is firmly laid. The steps described above are leading in a direction which will permit an increasing recognition and acceptance of the nurse's function along the lines of modern Western nursing care. The present Minister of Health has firmly proposed that the nursing care program be further developed along such lines.

Progress in the Laboratory Technology project in 1969-70 is considered to be among the most rapid in the public health sector. A classification of all laboratories located in MOH facilities has been completed and standardized procedural manuals and supply kits have been provided, resulting in the increased use of diagnostic laboratory analysis by VN medical personnel.

The Laboratory Advisory Program has indeed established requirement goals for laboratory technicians and has made estimates of additional technicians required. Approximately 560 additional graduates of the one year assistant laboratory technician course will be required to staff hospital laboratories, malaria control activities, and dispensaries. This goal should be reached in the latter