<table>
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<tr>
<th>Budget presentation</th>
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<th>Estimates</th>
<th>1975 proposed</th>
<th>Budget presentation</th>
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<tr>
<td><strong>Drug Enforcement Administration (Department of Justice):</strong></td>
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<td></td>
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<td>Salaries, benefits, foreign allowances</td>
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<td>0</td>
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<td>Operating expenses</td>
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<tr>
<td><strong>Total</strong></td>
<td>(I) 63</td>
<td>63</td>
<td>(I) 125</td>
<td>(I) 125</td>
<td></td>
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<td><strong>Federal Supply Service (General Services Administration):</strong></td>
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<td>Salaries and related expenses</td>
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<td>Travel (in-country)</td>
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<td><strong>Department of the Treasury: Exchange Stabilization Fund—Assessment of South Vietnam’s financial and economic development:</strong></td>
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<tr>
<td>Salaries and related expenses</td>
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<tr>
<td><strong>Total</strong></td>
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<td>31</td>
<td>(I) 148</td>
<td>(I) 148</td>
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<td><strong>Internal Revenue Service:</strong></td>
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<tr>
<td><strong>Total</strong></td>
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<td>(I) 0</td>
<td>(I) 0</td>
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<td>Salaries and other personnel expenses</td>
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<tr>
<td></td>
<td>0 285,203</td>
<td>629,328</td>
<td>560,200</td>
<td>(I) 380,417</td>
<td>178,813</td>
<td>152,475</td>
<td>(I) 2,229,236</td>
<td>1,874,253</td>
</tr>
</tbody>
</table>

1 Not provided by agency.
2 Does not include cost of approximately 120 U.S. and 650 foreign national employees of 14 DOD agencies.
3 Not broken down by country. Estimated at $9,000,000 in fiscal year 1974 and $9,400,000 in fiscal year 1975.
4 Pro-rata share of AID’s worldwide technical and administrative activities which support the Indochina program. Estimated at $16,900,000 in fiscal year 1974 and $18,700,000 in fiscal year 1975.
5 This figure not specified in budget.
6 Totals represent sum of available figures.
APPENDIX III—LETTER TO SENATOR KENNEDY FROM A.I.D. COMMENTING ON G.A.O. REPORTS ON SOUTH VIETNAM AND CAMBODIA
Hon. EDWARD M. KENNEDY,
DEPARTMENT OF STATE,
AGENCY FOR INTERNATIONAL DEVELOPMENT,

Chairman, Senate Judiciary Subcommittee on Refugees,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In my letter to you of September 6, 1974, I conveyed our comments on the GAO Follow-Up Review of Laos and indicated that we would furnish our comments on the GAO Follow-Up Reports on South Vietnam and Cambodia as soon as we had received the views of our Missions in each of those countries. Our Missions have now furnished their views and these are incorporated in the commentary that follows.

SOUTH VIETNAM

The report presents an accurate overview of the status of the refugee/social welfare and health programs as they existed just over a year ago. In the intervening period a significant organizational change has taken place affecting the Ministry of Social Welfare (MSW) and the Directorate General for Land Development and Hamlet Building (LDHB). Since February 28, 1974, the MSW and the LDHB have been fused into one functional organization under the authority of the Deputy Prime Minister, Dr. Phan Quang Dan, who is also Minister of Social Welfare and Director General of LDHB. As a result, LDHB now receives full support from the Logistics, Finance and Reports branches of the MSW, as well as from the MSW Field Staffs in the regions and provinces. The MSW now also receives the leadership and representation in governmental circles of a Deputy Prime Minister.

The immediate benefits that have begun to accrue from this change are reflected in the A.I.D. comments on the GAO statements:

1. GAO: No reports of expenditures are received from the Directorate General of Land Development and Hamlet Building. For the social welfare program, however, USAID receives a monthly report which compares the amount of funds programmed with the amount of funds allocated. Funds allocated in the social-welfare program usually represent transfers to institutions or voluntary agencies who administer the program concerned. The Relief and Rehabilitation Directorate receives no additional reporting on the final disposition of allocated funds.

Comments: Since June 30, 1974, all LDHB expenditures in the provinces have been included in the periodic reports of the MSW.

2. GAO: GVN officials, however, believe that camp conditions are still unsatisfactory even after this camp improvement. They believe the only way to improve conditions is to move the people out of camps through resettlement and return-to-village (RTV) programs.

Comments: The overcrowding in refugee camps that contributed significantly to the “unsatisfactory” conditions has been largely eliminated by the resettlement and RTV programs undertaken by the GVN. The total number of refugees in camps has been reduced from 233,800 on January 1, 1974, to 41,200 as of November 6, 1974. It should be noted that of this total only 14,900 are Vietnamese. The balance of 26,300 are Cambodian refugees who cannot return to their country at this time.

3. GAO: Although USAID Public Health officials conclude that the Montagnard health problems can be related to unsanitary and crowded conditions at Montagnard temporary camps, they also admit that Montagnards living outside of camps have higher mortality rates than their ethnic Vietnamese counterparts. GVN, however, is planning no special health program for the Montagnards, according to USAID, even though they have greater health problems than their ethnic counterparts. USAID said that both groups will continue to receive the same type of health care, including the construction of village and hamlet dispensaries and visits from province health teams. USAID public health officials believe that the sooner the Montagnards are resettled, the better off they will be.
Comments: Health care provided by the GVN to refugees in temporary camps is considered adequate and is the same for Montagnards as for ethnic Vietnamese. The real solution to health problems which are inherent in overcrowded camp living conditions is to press for early resettlement. Such resettlement is being accomplished, much having been done in this important area during the past year.

4. GAO: Vehicle maintenance was one of the largest problems at these depots... Although the Ministry has had some success in training medical equipment maintenance personnel, it is still short of qualified personnel.

Comments: The achievement of an acceptable level of repair and maintenance of Ministry of Health (MOH) vehicles has long been recognized as a serious problem. Special efforts are being made by the MOH to have the Ministry of Education accredit the excellent MOH training course for mechanics. Such accreditation would enable MOH trained mechanics to secure a higher civil service rating and to receive salaries competitive with those in the private sector.

5. GAO: In previous years as much as nine years elapsed between prosthetic requirements and artificial limb production. USAID said prosthetic production and repair has increased, from 8,169 devices in 1971 to an estimated 10,000 in 1973. Through August 1973 a total of 7,081 devices were produced or repaired. Because of plant capacity, the Institute cannot increase annual output beyond 10,000 units, so many amputees will probably continue waiting extended periods of time for these devices.

Comments: The rehabilitation centers are operating at a maximum capacity in the production and fitting of artificial limbs and in the training of recipients in their use. The main center, the three regional and the ten provincial satellites now produce or repair 30,000 devices per year. There is no waiting period for admission to the NRI or to one of its branch centers. Once a patient is admitted, the average time for the construction and fitting of a device is two weeks. At the current rate of production the backlog of untreated cases should be eliminated in two and one half years.

6. GAO: GVN had not been providing timely payment to war damage victims, and the situation at the time of our review was much the same. The backlog of payments has increased from 241,000 claimants in September 1971 to about 308,000 as of August 31, 1973. More than 68,000 of the claims were made before the January 1973 cease-fire. We were told that the reason for these backlogs was the low priority GVN placed on the program.

Comments: While 246,000 people submitted claims in 1972, the number doubled to nearly half a million in 1973. Compensation was provided to some 600,000 people during the year for claims submitted in 1973 or in prior years.

7. GAO: Although numerous programs have been established to assist other war victims, none have been directed towards the undetermined, but large number of urban refugees. From 1971 to 1973, GVN continued its policy of providing no direct assistance to war victims who sought refuge in urban areas. The reason for this policy was to discourage further overcrowding of the cities.

Comments: The LDHB has requested A.I.D. assistance in resettling displaced persons living in urban areas. Should the funds requested of the Congress for this purpose be provided, we estimate that about 300,000 urban dwellers can be resettled in FY 1975.

8. GAO: The Director General of Land Development and Hamlet Building—an agency independent of the Ministry of Social Welfare—said that his staff was short in both the field and in headquarters.

Comments: The LDHB staff has now been augmented, as noted above, by the fusion of the LDHB and the MSW.

9. GAO: Conditions in Vietnam still preclude the gathering of accurate and reliable statistics on the total number of civilian war-related casualties. USAID is currently reporting only admissions to the Ministry of Health civilian hospitals as compiled by Ministry of Health. The number of casualties receiving treatment at other hospitals and the number who received no treatment or who died without treatment is unknown.

Comments: Both the MOH and the USAID are acutely aware of the shortcomings of the casualty reporting system now in use. However, it is encouraging to note that casualty reporting from the District Health Centers to the Province hospitals has improved; mainly due to the Joint Utilization Program whereby Vietnamese military medical personnel have been assigned to District-level facilities for the treatment of the civilian population. The MOH, in a measure toward improving civilian casualty reporting, has directed the District Health Centers to report known casualties to the Provincial Hospitals for inclusion in the Hospital reports to the Ministry.
Cambodia

The following are Mission comments on the GAO report on refugees:

1. **GAO**: To help carry out resettlement, the A.I.D. staff responsible for refugee matters in Phnom Penh has been increased from one to six direct-hire personnel. **Comments**: In March of 1974, the Resettlement and Development Foundation was established as a semi-autonomous government approved agency to deal with medium and long-term refugee resettlement programs. USAID funded its operations for the balance of the calendar year.

2. **GAO**: Since GAO's last review, the Cambodian Government has established a new Ministry of Social Action and Refugees which has overall responsibility for refugee matters. **Comments**: The Ministry of Social Action and Refugees is still functional but has been incorporated into the new Ministry of Refugees and Community Development which is discussed below in detail.

3. **GAO**: The functions and responsibilities of six agencies which contribute to relief of refugees are, however, still fragmented and lack coordination. The Government has not yet developed an overall program for dealing effectively with refugee problems and continues to provide relief on a case-by-case basis. **Comments**: The impression is left by the GAO report that the Khmer Government (CKR) was taking an interest in refugee relief but was not yet able to establish and administer a unified refugee program. When the GAO report was prepared, this assessment was accurate. Now, however, the situation is significantly different. In June of 1974, the CKR reorganized the refugee program and replaced the unwieldy and ineffective Ministry of Social Action, Refugees, Labor and Community Development with a new streamlined Ministry of Refugees and Community Development. Led by an active, American-trained minister, this new Ministry has started to lay the groundwork for what we hope will be a unified, comprehensive refugee program. The first change instituted by the Ministry was to establish a number of provincial refugee bureaus staffed by Community Development personnel. (Six bureaus are already operational.) Next, the Ministry instituted the first comprehensive survey of refugees ever organized in the Khmer Republic. Five provinces have been surveyed already and the information gathered is now being compiled. In addition to these "in-house" innovations, the new Ministry has also started to more effectively coordinate the relief roles of the various agencies involved. Already the responsibility for emergency relief in six provinces has been assigned to individual relief agencies in order to avoid the confusion caused by too many agencies working in a single area. The Ministry has also started to standardize the distribution of relief commodities and all of the relief agencies have for the first time started to distribute identical rations of rice. In the coming months, as the Ministry gains more experience, we expect that it will play an even more effective coordinating role in the refugee relief program.

4. **GAO**: Cambodia reported that, in August 1973, 10,000 registered refugees were living in camps; 393,000 were living in and around Phnom Penh, but outside the camps; and 330,000 were in provincial cities. The Government no longer publishes estimates of the total number of Cambodians displaced by hostile actions. The U.S. Embassy in Phnom Penh estimated in August 1973 that an additional 200,000 refugees were not registered. **Comments**: The refugee statistics compiled by the GKR since 1972 are neither accurate nor complete. In addition, since they are accumulative, they also reflect the considerable number of refugees who have been able to resettle on their own and who are no longer in need of assistance. However, even with all of these deficiencies, the GKR statistics do serve one useful purpose in that they reflect the overall increase in the size of the Khmer refugee problem from the beginning of 1972. The GKR Ministry of Refugees and Community Development has again started to publish the estimated number of unregistered refugees, but the Mission has refrained from using these figures since we still are not clear on how they were compiled. However, it is certain that the number of unregistered refugees has not decreased since the GAO report was prepared, and in all likelihood has increased. The following updates refugee statistics:
Registered refugees:

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<tr>
<th>Inside Cambodia:</th>
<th>August 1972</th>
<th>August 1973</th>
<th>August 1974</th>
</tr>
</thead>
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<tr>
<td>Phnom Penh</td>
<td>2,137</td>
<td>9,913</td>
<td>65,992</td>
</tr>
<tr>
<td>In camps</td>
<td>269,642</td>
<td>393,388</td>
<td>428,340</td>
</tr>
<tr>
<td>Out of camps</td>
<td>228,096</td>
<td>329,580</td>
<td>576,390</td>
</tr>
<tr>
<td>Provinces</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Outside Cambodia:</td>
<td></td>
<td></td>
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<tr>
<td>Thailand</td>
<td>2,652</td>
<td>7,582</td>
<td></td>
</tr>
<tr>
<td>Laos</td>
<td>1,496</td>
<td>8,481</td>
<td></td>
</tr>
<tr>
<td>South Vietnam</td>
<td>23,937</td>
<td>42,447</td>
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</tr>
<tr>
<td>Malaysia</td>
<td>16</td>
<td>16</td>
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</tr>
<tr>
<td>Total</td>
<td>499,875</td>
<td>762,992</td>
<td>1,129,246</td>
</tr>
</tbody>
</table>

5. **GAO**: An A.I.D. official reported in November 1973 that living conditions have deteriorated in Phnom Penh. Food is scarce and has become more expensive. Unemployment has increased, and overcrowding has become acute.

**Comments**: Unfortunately, this assessment is as valid now as it was before. There are several reasons for this. First the already swollen ranks of unemployed refugees are continually expanding as new refugees come in. Since January 1974, over 300,000 new refugees have left communist controlled areas and many of them have not been able to find work. Second, the land area controlled by the Government has in some locations decreased during 1974 and the resulting loss of farmland has forced many refugee farmers to seek employment elsewhere. Third, the influx of new refugees into the already limited job market and the continuing inflation have disrupted the livelihood of any previously self-supporting refugees and their standard of living has, as a result, deteriorated rapidly. Because of these factors, the Mission now estimates that the number of refugees in need of assistance has increased from 250,000 in late 1973 to about 500,000 at the present time.

6. **GAO**: The Cambodian Government recorded war damage claims totaling $176 million. The U.S. Embassy in Phnom Penh reported that none had been paid as of October 1973.

**Comments**: At the present time, the GKR is not in a position to repay war damage claims; but, they do continue to receive and record such claims. As of December 10, 1974, the claims totaled approximately 73 billion riels ($45 million at the exchange rate then current).

7. **GAO**: The four U.S. voluntary and international agencies to which A.I.D. made cash grants are filling some war-affected Cambodians' needs for food, clothing, and simple medical care.

**Comments**: Since the compilation of the information used in the GAO report, the refugee relief program in the Khmer Republic has significantly expanded and diversified. As before, the voluntary and international agencies continue to carry the brunt of emergency relief. Now, however, with more staff and larger budgets, these relief agencies are able to assist a greater number of refugees than before. In January 1974, the voluntary and international agencies were able to provide emergency relief to 270,000 needy refugees. By September, this number had nearly doubled to over 510,000. Along with an increase in the number of refugees assisted, there has also been a concurrent increase in the number of relief services provided. In support of emergency relief, the voluntary and international agencies have greatly expanded their medical programs and in total they now have a combined Khmer/International Medical Staff totaling more than 200 people who, on an average, treat more than 40,000 patients a month. Medical care provided now includes inoculations, child care, maternity classes, nutritional programs, general health and surgery. Apart from medical assistance, the second most significant expansion and diversification in the relief agencies' programs has been in the field of emergency economic development. Here, the emphasis has been on helping settled refugees to reach self-sufficiency by establishing such small-scale projects as vegetable growing, fishing, weaving, etc., though each voluntary agency emphasizes different aspects of emergency development. The impact of their combined programs is significant. During September 1974 alone, over 46,000 refugees received economic assistance and the number is growing every month.

In addition to the refugee relief programs of the voluntary and international agencies, there is also the resettlement program of the Resettlement and Development Foundation (RDF). Little more than a concept when the GAO report
was being compiled, the RDF is now fully operational and is concentrating as planned on large-scale, permanent refugee resettlement. Already, after being in existence for only nine months, the RDF has resettled over 7,000 families (35,000 people) and is planning to expand even further during the next dry season.

To evaluate precisely the impact of the refugee relief program in the Khmer Republic is difficult while the military and economic situation is so unstable. However, judging from the number of refugees reached by the various parts of this program, it is safe to say that it has a significant impact on the overall refugee problem which goes far beyond "filling some war-affected Cambodians' needs for food, clothing, and simple medical care."

The following updates voluntary and international agency refugee activity statistics.

<table>
<thead>
<tr>
<th></th>
<th>CRS</th>
<th>CARE</th>
<th>WVRO</th>
<th>ICRC</th>
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<tr>
<td>A. Personnel:</td>
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<tr>
<td>International</td>
<td>38</td>
<td>6</td>
<td>23</td>
<td>25</td>
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<td>Khmer</td>
<td>90</td>
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<td>60</td>
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<td>B. Budget—Fiscal year 1974:</td>
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<td>Riel (millions)</td>
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<td>712</td>
<td>28</td>
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<td>U.S. dollars (millions)</td>
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<td>1.1</td>
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<td>C. Assistance provided, September 1974:</td>
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<tr>
<td>Emergency</td>
<td>197,000</td>
<td>129,000</td>
<td>57,000</td>
<td>92,000</td>
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<tr>
<td>Medical</td>
<td>19,500</td>
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<td>13,000</td>
<td>5,000</td>
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<tr>
<td>Economic</td>
<td>25,000</td>
<td>7,500</td>
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<tr>
<td>Total</td>
<td>241,500</td>
<td>136,500</td>
<td>85,500</td>
<td>97,000</td>
</tr>
</tbody>
</table>

8. GAO: These recipients—refugees, displaced persons, and other war victims—are not required to be officially registered.

Comments: Since its creation, in June 1974, the Ministry of Refugees and Community Development has reorganized its registration program and has energetically tried to register all new refugees. This program still needs to be expanded, however, and in some areas the lists of registered refugees kept by the Ministry are not up-to-date or complete. Therefore, while the Ministry continues to refine its registration system, the voluntary and international agencies in some areas continue to draw up their own distribution lists which do not necessarily include only registered refugees. In the future, however, we expect that the relief agencies will more and more rely on the Ministry’s list of registered refugees.

9. GAO: The Cambodian Government gave its Ministry of Social Action and Refugees the equivalent of $125,000 for relief of civilian war victims in 1973. A.I.D. was unable to provide data on amounts that Cambodia budgeted to other ministries.

Comments: During Calendar Year (CY) 1974, the CKR budget for the Ministry of Social Action and Refugees was 81 million riels ($115,000) and for the Ministry of Community Development, 83 million riels ($118,000). For calendar year 1975, we expect the new Ministry of Refugees and Community Development to receive a budget of around 160 million riels. In addition to this GKR budgetary support, the United States Government also provided 100 million riels ($142,000) additional funds to the Ministry of Refugees and Community Development in calendar year 1974; and, we expect to provide additional funds in calendar year 1975.

10. GAO: The International Committee of the Red Cross and other international voluntary relief organizations have helped to provide assistance to civilian war victims in Cambodia, Japan, Britain, the Chinese Republic, and other countries have provided needed commodities to Cambodia.

Comments: The spending levels and project descriptions for CRS, CARE, WVRO and the ICRC are included in the comments under paragraph number 7. In addition, the following voluntary and humanitarian agencies are also involved in refugee relief in the Khmer Republic:

Seventh Day Adventists: Clothing Distributions;
Neighbors Aid to Asia (NATA): General Relief Work With Orphans and Refugees;
Asian Christian Service: Medical and Social Work Among the Refugees in Phnom Penh and Kompong Chhnang;
Save the Children Fund: Child Welfare, Mostly in Phnom Penh; Oxfam: Support for Relief Programs of Local Khmer Organizations; Thomas A. Dooley Foundation: Medical Assistance; and UNICEF: Educational, Medical, and Nutritional Work Among Refugees. Besides these voluntary and humanitarian agencies, Oisca International, a Japanese agency, also donated five M/T of clothing during October 1974.

11. GAO: The U.S. Embassy in Phnom Penh reported that Cambodia’s records show that as of July 1973 at least 29,000 civilians had been wounded and 12,661 killed because of fighting in that country.

Comments: During CY 1974, the GKR Ministry of Public Health estimated that the number of civilian war casualties continued at about the rate of 7,000 per month.

12. GAO: The number of doctors and medical personnel appears to be adequate. However, the extent to which sanitary methods are used in treatment and the quality of indigenous medical personnel in Cambodia are generally below average for Southeast Asia. In five major hospitals 25 percent of the equipment is estimated to be inoperative because it is over 20 years old, and maintenance facilities and practices are reportedly inadequate. Since GAO’s last review, the pharmaceuticals situation has improved.

Comments: The medical equipment situation has improved since A.I.D. moved ten, fully equipped, 200 bed Mobile Emergency Surgical Hospitals (MESH) to Cambodia. Nine of these units are in place and are operating at the Ministry of Health provincial and Phnom Penh hospital sites. One MESH unit has been issued to the recently completed, but not yet operational, Go Be Hospital just outside of Phnom Penh. It is still true that approximately 25 percent of the medical equipment in some hospitals is inoperative due to age, lack of replacement parts and poor maintenance. Replacement parts are particularly difficult to obtain for old equipment manufactured in Communist Bloc nations.

The Ministry of Health is improving its ability to cope with the health and medical care problems of the population by sponsoring advanced medical training for about 100 physicians in such countries as France, Germany, Malaysia and Singapore. The International Committee of the Red Cross, World Vision Relief Organization and Catholic Relief Services have fielded medical teams under A.I.D. grants, to improve the professional level of medical care in Cambodia. The Lutheran World Relief also will provide a medical team under an A.I.D. grant when this is executed in January 1975. In addition, UNICEF plans to upgrade health facilities and to conduct training for health workers under a program to be supported by an A.I.D. grant.

We hope this information on South Vietnam and Cambodia will be helpful to you. If we can be of further assistance, please let us know.

Sincerely yours,

JOHN E. MURPHY,
Deputy Administrator.
APPENDIX IV.—TEXT OF THE LAW GOVERNING UNITED STATES ASSISTANCE TO INDOCHINA

(From Public Law 93–559, approved December 30, 1974)

Note: On the eve of the second anniversary of the Paris Agreement, the Congress passed the Foreign Assistance Act of 1974, placing for the first time tight controls and legislative guidelines on continued United States assistance to South Vietnam, Cambodia and Laos. It established for the first time a national "policy with respect to Indochina," as well as "principles governing economic aid to Indochina." Because of this law's significance in affecting future relations with the countries of Indochina, the complete text is printed below.
POLICY WITH RESPECT TO INDOCHINA

SEC. 34. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake the following measures:

1. to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

2. to urge by all available means that the Government of the Khmer Republic enter in negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union, and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

3. to utilize any public or private forum to negotiate directly with representatives of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

4. to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

5. to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

SEC. 35. (a) Congress calls upon the President and Secretary of State to take the following actions designed to maximize the benefit of United States economic assistance:

1. to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

2. to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;

3. to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;
(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;
(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing, income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress;
(6) to include in Indochina economic planning and programming specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipient's efforts and to determine whether, and what amount of, continued United States funding is justified; and
(7) to provide humanitarian assistance to Indochina wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel.

(b) This section shall not be construed to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

**INDOCHINA POSTWAR RECONSTRUCTION**

SEC. 36. (a) There are authorized to be appropriated to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos, in addition to funds otherwise available for such purposes, for the fiscal year 1975 not to exceed $617,000,000. Of the amount appropriated for fiscal year 1975—

1. $449,900,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 38 of this Act;
2. $100,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 39 of this Act;
3. $40,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 40 of this Act;
4. $4,100,000 shall be available only for the regional development program;
5. $16,000,000 shall be available only for support costs for the agency primarily responsible for carrying out this part; and
6. $7,000,000 shall be available only for humanitarian assistance through international organizations.

Such amounts are authorized to remain available until expended.

(b) The authority of section 610(a) of the Foreign Assistance Act of 1961 may not be used in fiscal year 1975 to transfer funds made available for any provision of such Act of 1961 into funds made available for part V of such Act for South Vietnam, Cambodia, or Laos under this section.

(c) No assistance may be provided to South Vietnam, Cambodia, or Laos in fiscal year 1975 under part I (including chapter 4 of part II) of the Foreign Assistance Act of 1961. This prohibition may not be waived under section 614(a) of such Act of 1961 or any other provision of law.

(d) Notwithstanding subsection (b) of this section, funds made available under any provisions of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia during fiscal year 1975 may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development, if such transfer does not result in a greater amount than is allocated for such country under paragraph (1), (2), or (3) of subsection (a).

(e) To the extent not inconsistent with the provisions of this Act, all prohibitions, restrictions, limitations, and authorities contained in the Foreign Assistance Act of 1961 which are applicable to part V of such Act of 1961 shall apply with respect to the assistance authorized by this section.

**ASSISTANCE TO SOUTH VIETNAMESE CHILDREN**

SEC. 37. (a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions re-
lated to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 36(a) of this Act, $10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

SEC. 38. (a) The $449,900,000 made available in accordance with section 36(a)(1) of this Act shall be allocated as follows:

(1) $90,000,000 for humanitarian assistance, of which there shall be available—

(A) $70,000,000 for refugee relief;

(B) $10,000,000 for child care; and

(C) $10,000,000 for health care;

(2) $154,500,000 for agricultural assistance, of which there shall be available—

(A) $85,000,000 for fertilizer;

(B) $12,000,000 for POL (for agriculture);

(C) $6,000,000 for insecticides and pesticides;

(D) $10,000,000 for agricultural machinery and equipment (including spare parts);

(E) $3,500,000 for agricultural advisory services;

(F) $20,000,000 for rural credit;

(G) $10,000,000 for canal dredging;

(H) $4,000,000 for low-lift pumps; and

(I) $4,000,000 for fish farm development;

(3) $139,800,000 for industrial development assistance of which there shall be available—

(A) $124,000,000 for commodities;

(B) $10,000,000 for industrial credit; and

(C) $5,800,000 for industrial advisory services (including feasibility studies);

(4) $65,600,000 for miscellaneous assistance, of which there shall be available—

(A) $47,900,000 for the service sector (including POL, machinery equipment, and spare parts); and

(B) $17,700,000 for technical services and operating expenses.

(b) (1) No funds made available in accordance with section 36(a)(1) may be transferred to, or consolidated with, the funds made available for military assistance, nor may more than 20 per centum of the funds made available under paragraph (1), (2), (3), or (4) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

(2) Whenever the President determines it to be necessary in carrying out this section, any funds made available under any subparagraph of paragraph (1), (2), (3), or (4) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other subparagraph of that same paragraph.

(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (1) or (2) of this subsection prior to making such transfer.

(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(d) After the date of enactment of this section, whenever any request is
made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(e) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

(f) (1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

(3) For purposes of this subsection, “executive agency of the United States Government” means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

(4) This subsection shall not be construed to apply with respect to any individual in South Vietnam who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in South Vietnam.

(g) This section shall not be construed as a commitment by the United States to South Vietnam for its defense.

LIMITATIONS WITH RESPECT TO CAMBODIA

SEC. 39. (a) Section 655 of the Foreign Assistance Act of 1961 is amended as follows:

(1) by striking out “$341,000,000” in subsection (a) and inserting “$377,000,000” in lieu thereof,

(2) by striking out “1972” in subsection (a) and inserting “1975. Of that sum, there shall be available no more than $200,000,000 for military assistance. In addition to such $377,000,000, defense articles and services may be ordered under section 506 of this Act for Cambodia in an amount not to exceed $75,000,000 in fiscal year 1975.” In lieu thereof,

(3) by striking out “$341,000,000” in subsection (b) and inserting “$377,000,000” in lieu thereof,

(4) by striking out “1972” in subsection (b) and inserting “1975” in lieu thereof.

(b) Section 656 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: “This section shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia.”

(c) The $100,000,000 made available in accordance with section 36(a)(2) of this Act shall be allocated as follows:

(1) $20,000,000 for humanitarian assistance;

(2) $65,000,000 for commodity import assistance;

(3) $15,000,000 for multilateral stabilization assistance; and
(4) $2,000,000 for technical support and participant training.

(d) No funds made available in accordance with section 36(a)(2) may be transferred to, or consolidated with, the funds allocated for military assistance to Cambodia under section 655(a) of the Foreign Assistance Act of 1961, nor may more than 20 per cent of the funds made available under any paragraph of subsection (e) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.

(e) No funds may be obligated for any of the purposes described in section 655(a) of the Foreign Assistance Act of 1961 in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(f) This section shall not be construed as a commitment by the United States to Cambodia for its defense.

LIMITATIONS WITH RESPECT TO LAOS

SEC. 40. (a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $70,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

(1) $30,000,000 for military assistance; and

(2) $40,000,000 only for economic assistance, of which there shall be available—

(A) $11,000,000 for humanitarian assistance;

(B) $6,500,000 for reconstruction and development assistance;

(C) $16,100,000 for stabilization assistance; and

(D) $6,400,000 for technical support.

(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, materials, or equipment provided, to, for, or on behalf of Laos but in no case less than 33 1/3 per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

(g) This section shall not be construed as a commitment by the United States to Laos for its defense.
SAIGON.—What is the American interest in South Vietnam in 1975, nearly two years after the signing of the Paris cease-fire agreement? What is the American policy here, and what should it be?

While the debate on these questions no longer dominates American political life, it remains, here at least, as bitter and sometimes as hysterical as ever. A senior American diplomat at a recent dinner described a reporter for a major American newspaper here as a “traitor.” A liberal Democratic congressman, visiting Saigon recently, gazed glumly from a coffee shop at the heavy downtown traffic and said: “Yeah, I listened to all [U.S. Ambassador Graham] Martin’s arguments. What a bunch of crap.”

All sides seem convinced that the way this drama finally plays itself out will deeply affect our self-image as well as the world’s view of us as a people and a nation.

Our policy on how to close the drama here appears to be: Get out of Vietnam by ending massive military and economic aid as quickly as possible without letting the Communists take over. Or, if they do eventually take over, without letting it appear that this was due to a lack of U.S. will.

As part of this goal the State Department, through the U.S. embassy here, appears during the last year to have been waging two fights, one a propaganda battle against the U.S. Congress and the other a secret struggle to keep President Nguyen Van Thieu in line with U.S. objectives. Both battles are going on essentially out of view, although the first has surfaced frequently in the form of the American embassy's strained relations with the press.

Martin exploded publicly a year ago over a lengthy news article documenting the hypothesis that massive U.S. assistance to Saigon set the pace of the war. Now that U.S. military aid has been halved to $700 million and the pace of the war has dramatically shifted, with Saigon on the defensive inside the South, it seems possible that Martin’s anger was stimulated more by the article’s impact on Congress than by any errors it might have contained.

This conclusion seems all the more likely given the bitter mood of many American diplomats here. One quickly learns that not only journalists but surprisingly large number of American congressmen seem to be on the “traitor” list.

During the past month of spectacular Communist battlefield successes, this bitterness has been accompanied by fear. “Jesus, this is the worst it’s ever been,” an American diplomat recently. “We may not even be able to get out of here.”

“A SENSE OF OBLIGATION”

Martin is an experienced, resourceful and tough diplomat who has formed a clear idea of what he hopes to accomplish here and who believes that, regardless of the atmosphere on Capitol Hill today, most Americans and members of Congress ultimately will share his point of view.

With adequate U.S. economic aid, Martin told the Senate Foreign Relations Committee in testimony last July, “We can confidently anticipate that in a very few years we will be able to regard our Vietnam involvement as closed. If the secretary's [Kissinger’s] recommendations are heeded, our involvement will be closed in the way that the great majority of Americans quite obviously want it closed—leaving the Republic of Vietnam economically viable, militarily capable of defending itself with its own manpower against both external aggression and externally supported internal subversion, and free to choose its own leaders and its own government as its citizens themselves may freely determine.”

Kissinger, in a letter last June 1 to the chairman of the Senate Armed Services
Committee, wrote, “I have a very personal sense of obligation to do everything I can to make good on our moral commitment to assist [South Vietnam] in its survival as an independent state.” This survival, wrote the secretary, “is indispensable to the creation of an enduring structure of peace in Southeast Asia.”

Kissinger also wrote—and this a year and a half after the cease-fire agreement—that America’s longer-range objective “is not just a reduction in the level of hostilities but more importantly the creation in Southeast Asia of an environment conducive to enduring peace and reconstruction.”

CONFRONTATION WITH HANOI

These goals have tended to keep the United States in a position of stark confrontation with Hanoi two years after the cease-fire agreement.

In the U.S. embassy’s view, Hanoi is principally to blame for this. According to intelligence reports, Hanoi has not given up its goal of total victory in the South by political, military and economic means. Its troops are now attacking widely in key areas of the country in what intelligence sources say might be termed a limited offensive. Politically, the Communists, encouraged for a time by the rise of a vocal political opposition to Thieu in Saigon, have announced that they will no longer negotiate with Thieu but only with a more reasonable successor.

In its public statements, the U.S. embassy appears to be backing Thieu to the hilt. Thus the embassy consistently has attacked the Communists with an intense rhetoric reminiscent of the height of American involvement here. It also is examining closely every expenditure to make sure that money is going for the most necessary items. And tallies of Communist troops and equipment are being carefully reevaluated for presentation to Congress. Since purchasing comparable military talent and equipment costs more in the American economy than in Communist lands, the experts say, this analysis should encourage Congress to appropriate more money for South Vietnam.

THE BATTLE WITH THIEU

From this overall situation of confrontation and continuing war, one gets the sense that the cease-fire agreement has been forgotten and replaced by a win-lose situation, with no other possibility for resolving the conflict. But American diplomats here last year were indeed exploring other possibilities.

While the U.S. embassy was doing its best to support South Vietnam’s fight against the Communists and was willing to talk publicly about this, it was not willing to talk about its secret battle to keep President Thieu in line with American objectives.

In fact, Martin bridled frequently during the past year at any suggestion in the press of tensions between the embassy and the Saigon government. But extensive interviews with Western diplomats and Vietnamese government officials here suggest that President Thieu may be too intransigently anti-Communist to suit American policymakers.

Martin has been pressuring Thieu for at least a year to be more flexible toward the Communists, sources say. What this “flexibility” is exactly is unclear, but observers have suggested that it might mean making some substantial concession that would get political talks going again in Paris under the terms of the cease-fire agreement.

“Flexibility” is something that may fit well under the rubric of detente with the major Communist powers that forms Secretary Kissinger’s global policy. But Thieu, according to reliable reports, would have nothing to do with it. An abashed Thieu supporter, Thieu is said to regard the crusty diplomat as completely untrustworthy and ready to cut Thieu’s throat politically at a signal from Henry Kissinger that this would be in the U.S. interest.

AN APOCALYPTIC VIEW

Whether Thieu really has anything to fear from Martin and Kissinger is an open question. However, Thieu, whose military and political position has eroded
broadly in the past two years, clearly has much to fear from the U.S. Congress. November's Democratic landslide had a tremendously disheartening impact on his government, coming as it did atop the last Congress' slash in Saigon military aid and its rejection of any significant increase in economic aid.

Militarily, the cutbacks have not only placed the country in a completely defensive posture but have generated a psychology of desperation and retreat. If this trend continues, it is not at all clear that it will lead to a balanced political settlement in the South.

For one thing, the Communists, sensing victory, may simply press on all the harder. For another, Thieu himself is said by some who know and watch him carefully to be somewhat apocalyptic in his view of developments. He is said to feel deeply and bitterly that his former American allies now are undercutting him. In his speeches during the past year, Thieu has spoken passionately of fighting to the last drop of blood and the last bullet, and has proclaimed that there can be no coalition government with the Communists.

If the situation deteriorates too much, some observers think, Thieu may be inclined to simply pull out and let the house of cards fall.

**POLITICAL CONCESSIONS**

Politically, the congressional aid cutbacks forced Thieu to make a series of concessions to his opponents inside South Vietnam and made possible last fall's anti-government demonstration.

Whether the political concessions amount to genuine democratic reforms remains an open question. Western diplomats here tend to view Thieu as an enormously skillful politician who is determined to hang on to every scrap of power he can. He did this, observers say, while at the same time grudgingly yielding to pressures and suggestions from the U.S. embassy to make such concessions, again if only to dress up his image for the U.S. Congress.

A year ago, Thieu seemed to all outward appearances to be in a very strong position both militarily and politically. But even then, palace insiders say, Thieu and his key advisors foresaw fairly clearly the coming aid crisis and the probability that it would be exacerbated by the weakening and possible destruction of the Nixon administration by Watergate.

At that time, the insiders say, Thieu and his intimates developed the strategy that they are still following today: Determination not to make any significant political concessions to the Communists, combined with limited concessions to internal political opponents, especially prior to this year's Vietnam elections.

As an added twist to this complex equation, some South Vietnamese government officials say they think Thieu is privately prepared to accept some sort of political solution with the Communists in the south, but only if he is absolutely sure of keeping the upper hand. As Thieu's position continues to deteriorate, though, this possibility seems less and less likely.

**SOUNDINGS ON A COALITION**

Thieu's two-pronged strategy seems to explain a number of developments during the past year that seemed odd when viewed in isolation.

Last June Thieu began a series of exceptionally passionate speeches declaring that he would never bend to the Communists or allow a coalition government to be imposed on the South, despite being partially undercut by his former allies. The Paris agreement contemplates a political solution in the South but not necessarily a coalition government, and many observers were puzzled at Thieu's long denunciations of coalition.

He spoke of a "second agreement" being forced on South Vietnam, one that would set up a coalition that the Communists could take over. The Communists could never win the elections contemplated in the Paris agreement, Thieu contended, which is why they were stalling in political talks.

Speaking of U.S. aid in a June 6 speech, Thieu declared: "If the U.S. ally also forsakes this half of our nation and country, it will end up by adding strength to the Communist empire . . . If we are asked: 'Go ahead and sign a coalition agreement in return for aid,' I do not know if someone would do that, but certainly not me."

It then transpired, according to Western diplomats here, that senior U.S. embassy officials had been going around to top South Vietnamese officials and politicians, deliberately raising the question of a coalition in the South and eliciting views on the subject. This apparently encouraged Thieu's conviction
that Kissinger would cut Thieu's throat the moment he felt a coalition—no matter how disadvantageous to Thieu—could be achieved, thereby extracting the U.S. from Vietnam.

No amount of reassurance of support by Martin or other U.S. officials could shake this view, since the U.S. obviously would want to give every appearance of supporting Thieu prior to cutting him loose in order to achieve the best possible terms in a coalition.

How much of this is real and how much is simply South Vietnamese government paranoia is unclear, but Thieu evidently wanted to make his deeply felt position clear in speeches while stopping short of publicly accusing the U.S. of outright betrayal.

FIRINGS IN THE PALACE

Martin also pressured Thieu, according to sources, to make a series of concessions to the political opposition—in short, to democratize, or at least to give the appearance of democratizing. In some cases, Martin presented the names of persons he wanted Thieu to get rid of in face-to-face conversations with Thieu. In other cases, the pressure was reportedly less direct.

Thieu went along with many of these suggestions, firing longtime aides and apparently divesting himself of some powers. The advantages seemed clearer than in the case of being flexible with the Communists: If Thieu comes to the presidential election next October as the only real candidate, the negative reaction in the American Congress is likely to be drastic.

Last May he fired Nguyen Van Ngan, the palace strongman who had engineered Thieu's iron control over the legislature and gained passage of a constitutional amendment allowing Thieu to run for an unprecedented third term of office.

Thieu also apparently weakened his own powerful Democracy political party by announcing that civil servants and soldiers, who built the party into the only strong and nationwide party, could no longer officially support it.

Last summer a group of Catholic priests boldly announced that they would launch an anti-corruption movement aimed at Thieu himself. Surprisingly, the idea did not die immediately but developed into a broad anti-government movement including other groups and launching the series of sometimes violent street marches that have disrupted Saigon in the last few months of 1974.

Apparently in accord with demands by these groups—but also fitting into his original strategy—Thieu made additional political concessions. He allowed the legislature to rewrite the political party law to make it easy for any number of parties to field candidates in this year's elections. He fired another controversial palace strongman, Information Minister Hoang Duc Nha, plus other allegedly corrupt ministers, three top generals and other military officers who were said to be corrupt.

CONTACTING THE OPPOSITION

It is probably true, in the view of some political observers here, that the United States might prefer some other, more pliable leader than Thieu—but only if such a change would not lead to an immediate collapse of South Vietnam to the Communists.

Thus when the political opposition to Thieu was at its height last October and November, U.S. officials and an augmented corps of senior CIA agents were opening fresh contacts with the opposition, reportedly convincing Thieu that the United States might be about to topple him. Opening these contacts, or reopening them in many cases, in fact amounted to a major policy move because it appeared to open a new option of dropping Thieu in favor of one of his opponents.

The situation cooled, however, after the embassy became convinced that the opposition could put forward no powerful leaders who could command a truly massive following among the people. On Oct. 21, the embassy issued a six-page statement of wholehearted support for Thieu, denying that it supported any of the dissenting political groups and attacking the Communists in page after page of strong rhetoric.

The Oct. 21 statement was followed by a warm message of support from President Ford on the occasion of National Day, Nov. 1. Thieu appeared in public that day, ebullient. There hasn't been a truly serious anti-government demonstration since then.

This may also be due to the fact that the leadership of the various protesting groups seems badly divided, and most of the leaders seem fundamentally con-
servative. They, too, didn't want to topple Thieu if that might bring chaos and an immediate Communist takeover.

The recent cooling of the protests takes place in an atmosphere of massive police intervention, but exercised with political subtlety. There are still marches in Saigon, but the police have learned how to isolate marchers from the crowds of sidewalk onlookers who might join them as they did in some of the earlier, larger demonstrations. Secret police have also infiltrated universities and student groups, effectively silencing them. And police intimidation—with prolonged arrests and threats of physical abuse—has been used against some newspapermen and others.

In addition to the pressures on Thieu, American diplomats for at least a year have been seriously discussing coalition with Vietnamese officials on an informal, private basis. A typical approach has been, "All right, now what do you really think about the possibilities of a coalition?"

Such conversations, apparently conducted in a fairly widespread and systematic way by U.S. officials, have contributed to the impression of some observers that, ultimately, the American interest in South Vietnam may be adequately served by considerably less than Thieu is willing to settle for.

AMERICANS IN VIETNAM

SAIGON.—There are more Americans in South Vietnam now than there were a year ago, but the number working for the U.S. Government has dropped dramatically.

Today there are 6,862 Americans here, according to a U.S. embassy spokesman, and 2,837 of these work for the American government.

This category includes 1,255 working as civilians for the embassy and its large defense attache's office, 142 U.S. military personnel, 1,488 American contractors doing work for U.S. agencies and 42 club and commissary managers and the like, working for U.S. officials and paid with non-appropriated funds.

Last year, the embassy spokesman said, there were 6,665 Americans in South Vietnam, and 5,051 of these worked for the U.S. government.

Thus, during the year, the number of persons working for the U.S. government has been reduced by 2,114 according to the official statistics. Most of these reductions (1,658) have been contractors whose contracts were discontinued as a result of congressional cutbacks in military aid to South Vietnam, the spokesman said. The other large reduction was of civilians working for the embassy and its defense attache.

This year there are 3,925 non-government Americans here in comparison with 1,614 last year, the spokesman said, an increase of 2,311.

Most of this increase has been due to an influx of businessmen connected with exploration for oil off the shores of Vietnam and with other businesses, the spokesman said. He also cited increases in the number of American students, professors, missionaries, doctors and tourists in the country.

There are 354 dependents of U.S. civilian and military officials here, the spokesman said, and these are counted as non-government Americans.

The 142 American military personnel here include 48 in the defense attache's office, 75 Marine guards, and 19 involved with the search for missing Americans in Indochina.

The 1,265 civilian U.S. officials are categorized: 729 in the Defense Department, 375 in the Agency for International Development, 129 in the State Department, 24 in the U.S. Information Service, 3 in the Foreign Broadcast Information Service, 2 in the Treasury Department and 3 in the Drug Enforcement Administration.

The spokesman refused to say how many Central Intelligence Agency personnel are in South Vietnam, but he said they were mixed in with the other figures to make the grand total of U.S. personnel correct.

The CIA here is called the Office of the Special Assistant to the Ambassador, or OSA. A recent edition of the U.S. embassy phone book here lists 29 OSA employees in Saigon alone, all with American names. There are CIA employees stationed in all the important areas of the country that are controlled by the government, sources say.

Various sources estimate that there are 100 to 300 American CIA personnel in the country. The number may fluctuate greatly as agents come in and out, the sources say. The number rose during last fall's anti-government demonstrations here.
SHAKY VIETNAM ACCORDS—THEIR INFLUENCE SEEMS TO BE WANING AS THE PACE OF THE CONFLICT INCREASES

(By David K. Shipler)

SAIGON.—The Paris agreements appear to be exerting less influence on events in Vietnam than at any time since they were signed two years ago. Although they led to the release of American prisoners and the withdrawal of American troops, the war they sought to end is being fought at a tempo comparable to that of the early years of American involvement: More South Vietnamese soldiers died in 1974 than in 1965, 1966 or 1967.

The agreements call for democratic liberties and open, peaceful political struggle between the two sides, but the Saigon Government has continued to exclude Communists from any legal role in political life even though such a role of mandated. The Communists, in a recent hardening of their position, have announced their refusal to negotiate with President Nguyen Van Thieu, calling instead for his overthrow, as they have in the past.

Far from tempering this propaganda war, the agreements become increasingly an instrument of denunciation by both sides rather than a vehicle for compromise.

Some foreign diplomats and Vietnamese officials are convinced that the agreements still impose a measure of military inhibition on the combatants, preventing the Communists, for example, from attacking Saigon. But others see the restraint eroding badly, and some diplomats have even begun speaking of the Paris settlement as merely a historical fact, comparing it to the abortive Indochina accords reached in Geneva in 1954.

"LANGUAGE NOBODY SPEAKS"

"When I first got here I was reading the Paris agreement like my Bible every night,” said one of the four members on the paralyzed International Commission of Control and Supervision. “But now I don’t need it any more. Nobody is looking at it any more. It’s like a dictionary for a language that nobody speaks.”

As usual Saigon is full of speculation that the next months will bring the grinding conflict to some fresh turning point, that from the Communists’ current accelerated military campaign will come new negotiations.

Diplomats theorize that President Thieu may offer to carry out parts of the agreements that Hanoi and the Vietcong have considered favorable to their side: the formation of a tripartite National Council of National Reconciliation and Concord, for example, consisting of Government, Vietcong and neutralist representatives to oversee national elections in which the Vietcong would participate.

There is no hard evidence that Mr. Thieu is about to do this, so the speculation remains only a tentative counterpoint to the dominant theme—continued warfare.

The seeds of the present violation of the Paris agreements were planted early.

The cease-fire came in a period when the South Vietnamese armed forces were stronger than they had ever been, thanks in part to last-minute American efforts to send advanced aircraft and large quantities of modern weapons and ammunition before the deadline.

SAIGON FLEXED MUSCLES

The purpose was to augment Saigon’s stockpile so it would not suffer under the requirement that all resupply be held to one-for-one replacement of items destroyed, damaged, worn out or used up.

According to foreign military men and diplomats the American program also encouraged the South Vietnamese to flex their muscles. “They did not want the cease-fire,” a military attache noted. “Morale was up. They had done well during ’72. For their purposes the cease-fire should have come later.”

In retrospect Western military analysts also consider the hour at which the truce was to have begun ill-chosen from the Government's viewpoint. Coming at midnight, Greenwich mean time —8 A.M. on Jan. 28, 1973, in Vietnam—it was preceded by hours of darkness, a time of maximum Vietcong mobility and supremacy in much of the countryside.