

# **Vietnam's Refugee Machine**

**An Intelligence Assessment**

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**National  
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# Vietnam's Refugee Machine

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## **An Intelligence Assessment**

*Research for this report was completed  
on 26 June 1979.*

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This paper has been coordinated with the Office of  
Economic Research, the Office of Geographic and  
Cartographic Research, and the National Intelligence  
Officer for East Asia [Redacted]

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*PA 79-10292  
June 1979*

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**Vietnam's Refugee Machine** [Redacted]

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**Key Judgments**

By mid-June over 250,000 Vietnamese had fled to non-Communist Southeast Asia, and the number is increasing dramatically. Many more do not succeed. Some observers estimate that as many as one-half to two-thirds of those who set out perish at sea—victims of rough weather, unseaworthy, overcrowded craft, or pirates. If this ratio is correct, about 250,000 to 375,000 people have died leaving Vietnam.

Vietnam has created elaborate but highly efficient machinery for expelling what it considers its undesirable population. This involves principally the 1.5 million ethnic Chinese, but also anyone Hanoi regards as potentially disloyal. Indeed, ethnic Vietnamese are making up an increasing percentage of the boat refugees.

Since the spring of 1978 alone tens of thousands have been systematically pressured into leaving, subjected to organized extortion, stripped of all but a few belongings, and put to sea.

By some estimates Hanoi last year netted \$115 million—approximately equal to its known official foreign exchange holdings—from the refugee trade. This economic consideration plus Hanoi's security concerns assures that the refugee exodus will continue.

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***The Officials***

The Vietnamese Politburo decided in March 1978 that worsening relations with China made Vietnam's Chinese minority of 1.5 million a fifth column that had to be eliminated. The Ministry of Interior issued an order allowing Chinese to leave, and the systematic persecution that followed made the option attractive. Chinese, including those who had lived peacefully in the north since 1954, were dismissed from their jobs and threatened with conscription or transfer to a New Economic Zone.<sup>1</sup> By midsummer, thousands of Chinese had joined the stream of ethnic Vietnamese fleeing by boat to non-Communist Southeast Asia. Hanoi cut back on the program in late 1978 after Vietnam's neighbors complained, but the program resumed full tilt in late March 1979 after the border war with China during February and early March.

Two special offices were created in early 1978 to manage the program: one in Haiphong for the northern half of the country and one in Ho Chi Minh City (Saigon) for the southern half. Subordinate offices are located in provinces with the largest ethnic Chinese populations. Originally located in government buildings, the offices were moved to unofficial facilities to preserve the fiction that the government is not involved. The offices report to the Ministry of Interior on the government side and directly to the Politburo on the party side. [redacted] either Pham Van Dong, the number three man in the leadership, or Nguyen Van Linh, the number twelve man, has the oversight responsibility for the Politburo. [redacted]

Day-to-day administration of the program rests with the local Public Security Bureau, the political police. It certifies the passenger list for each boat, collects the fees, and sets the date of departure. In some cases

<sup>1</sup> New Economic Zones are primitive communes generally located on remote agricultural land. People assigned to New Economic Zones receive little if any real assistance from the state; they are expected to be self-reliant. Many Vietnamese, particularly urbanites, regard transfer to a New Economic Zone as a death sentence. [redacted]

Public Security officers themselves arrange for the purchase and repair of the boats. Total processing originally took about six months, but now can be accomplished in as little as one month. [redacted]

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***The Middleman***

The middlemen are the link between the official structure and the people who want to leave. Most middlemen or "organizers" are Chinese who were southern businessmen before the Saigon government fell in 1975. They often arrange for the departure of a number of boats before leaving themselves. [redacted]

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The middleman enlists the passengers, collects the going passage price, and negotiates the per capita exit tax with the Public Security Bureau that grants permission to leave. He then locates a boat and arranges for any needed repairs. Because building materials are scarce, he must often acquire them from the Public Security Bureau. The organizer must arrange for fuel, supplies, a chart, and compass on his own. These items are available on the black market. [redacted]

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The demand for boats is so great that a boat construction industry has sprung up in some southern ports. Most are 15 to 25 meters in length with a lean-to, two toilets, and a small cooking platform above deck. Ventilation pipes carry air to the passengers below deck. Small irrigation engines are sometimes used for power. These frail, often overloaded craft are easily swamped in rough seas. [redacted]

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***The People***

Refugees are exploited at every turn once they declare their intention to leave. Those who still have jobs soon lose them, and ration cards are often reduced or invalidated. They generally sell all their personal property or forfeit it to the state. The price of passage does not include a safe conduct pass to the point of embarkation, so bribes must be paid at each checkpoint along the way. [redacted]

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Vietnamese swim from a sinking boat to a Malaysian beach \*



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Once at the embarkation point, refugees often must wait in holding camps until the Public Security Bureau grants permission to leave. In mid-April, for instance, several thousand people were waiting for boats at a camp on the southwest coast of Vietnam. The wait, which can stretch into months, forces the refugees to draw down further whatever funds they have with them [redacted]

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The Vietnamese authorities in charge of the program wash their hands of the refugees as soon as they board the boats. The refugees must then still elude the coastal patrols. If they are stopped by the authorities, they must pay additional bribes before they can press on for the open sea. [redacted]

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Not all the refugees deal with middlemen. Many deal directly with the Public Security Bureau, and the fees they pay go into the pockets of the security officials. As a result of such arrangements, the refugees generally become unofficial passengers who do not appear on any manifest and who are crowded aboard the boats at the last minute. As many as 20 percent of the boat's total passengers may be unofficial. [redacted]

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**The Money**

The passage price varies, but generally it ranges from six to 10 taels of gold per adult (approximately \$1,800 to \$3,000), half of that for children and no charge for those under six.<sup>2</sup> Bribes and living costs in the camps add to the expense. Middlemen can make a considerable profit—perhaps as much as \$1,000 to \$2,000 per passenger—but their overhead is also high. Large boats can cost as much as \$180,000, not including fuel and supplies. [redacted]

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The state and corrupt officials along the way make the greatest profit. An exit tax of approximately \$1,000 to \$1,300 per capita is charged. In some cases the Public Security Bureau collects a portion of the purchase price of the boats—as much as 40 percent—and in other cases the bureau itself is in the boat business. Strict currency regulations force private boat builders to deposit their earnings in the state bank where they are hard to retrieve. [redacted]

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<sup>2</sup> A tael of gold equals 1.21 ounces or approximately \$302 figured at \$250 per ounce. [redacted]

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All figures are approximate, but the *Far East Economic Review's* estimate that last year Vietnam made \$115 million from refugee taxes seems reasonable.<sup>3</sup> This is approximately equal to Hanoi's annual hard currency export earnings or to its known official foreign exchange holdings. [REDACTED]

A refugee must pay in gold. A great deal of gold was in private hands when Saigon fell, and a covert banking system has evolved to transfer it to the people who need it. The rich may already have enough gold or may be able to convert their belongings into sufficient gold to pay for passage. Others must seek help from an overseas relative. This benefactor can remit money to his relative in Vietnam through state channels, but the exchange rate is unfavorable. Most prefer to transfer a lump sum in hard currency to a Vietnamese expatriate who still has funds in Vietnam. He then instructs a friend or relative in Vietnam to transfer an appropriate amount of gold to the potential refugee. [REDACTED]

#### *The Outlook*

The exodus will continue for some time. Each of southern Vietnam's 20 provinces reportedly has been given a quota of 15,000 Chinese to expel. The time within which this quota must be met is unclear. Vietnam has approximately 1.5 million Chinese residents to draw from. [REDACTED]

Over the long term, it is not just an ethnic Chinese exodus. More and more ethnic Vietnamese are purchasing bogus papers documenting them as Chinese in order to escape. In 1978, about 29 percent of the boat arrivals at the Pulau Bidong camp on the east coast of Malaysia were ethnic Vietnamese; the proportion is now 52 percent ethnic Vietnamese. [REDACTED]

<sup>3</sup> The figure is calculated by multiplying the estimated number of refugees by the average cost per person. [REDACTED]

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Approved For Release 2006/11/17 : CIA-RDP80T00942A001200070001-3

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