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Remarks
Understand _____ is to attend this
SIG (per O/DDCI).

Executive Secretary

26 Jul 85
Date

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UNITED STATES COORDINATOR
FOR REFUGEE AFFAIRS
WASHINGTON, D.C. 20520

85- 99317

July 22, 1985

MEMORANDUM

TO: Mr. Nicholas Platt
Executive Secretary
Department of State

Mr. Stephen Galebach
Senior Special Assistant
to the Attorney General
Department of Justice

Mr. Malcolm Butler
Executive Secretary
Agency for International
Development

Colonel David R. Brown
Executive Secretary
Department of Defense

Mr. David A. Rust
Acting Exec. Secretary
Department of Health
and Human Services

Mr. Alton Keel
Associate Director for
National Security and
International Affairs
Office of Management
& Budget

FROM: Ambassador H. Eugene Douglas *U.S. Coor*
U.S. Coordinator for Refugee Affairs

SUBJECT: Southeast Asian Refugee Program -- Issues for
Consideration

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Attached are Southeast Asian refugee program policy issues for consideration at the July 29 Senior Interagency Group. Agencies should be prepared to discuss their views and recommendations on the issues outlined in the attached papers. Final recommendations on proposed policy changes will be developed following the SIG meeting and circulated to agencies for comment.

The following papers are included for agency review:

1. Current Status of USG Southeast Asian Refugee Program.
2. Residual Refugee Populations in the Region.
3. Regional Program Consolidation.
4. Expanding First-Asylum Holding Capacity.
5. Shifting Emphasis to Immigration Processing.

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CONFIDENTIALI. Current Status of the Southeast Asian Refugee Program

The international community's response to the Indochinese refugee situation -- in which the United States has played a major role -- has been one of the great humanitarian success stories of this century. To date, 1.4 million refugees from Southeast Asia have been resettled in third countries, including over 750,000 in the United States.

Although we have passed the crisis stage, much remains to be done. Until there is an overall political solution, refugees will continue to arrive in first asylum countries. We are faced, for example, with such immediate problems as: how to deal with the continuing influx of Lao into Thailand, which has resulted in Thailand's first-asylum population increasing; and how to formulate USG policy with regard to the 225,000 displaced Khmer now in Thailand. In addition, growing Southeast Asian residual refugee populations who are without current third-country resettlement prospects have become a critical problem which must be addressed. We must also address the problem of the continuing refugee boat flow from Vietnam which persists, despite the dangers of piracy and loss of life at sea, as a primary method of fleeing Vietnam.

These problems must be dealt with in the overall context of our refugee policy. This policy must uphold several important principles, including maintaining refugee first-asylum stability, reducing first-asylum populations in the region, and maintaining good bilateral relations with the ASEAN first-asylum states. The policy must be conducted in the context of the overall costs and effectiveness of the Southeast Asian refugee program, and must not ignore the important relationship between our Southeast Asian refugee program efforts and the U.S. domestic resettlement program.

In pursuing these policy goals, our objectives have been to ensure effective burden-sharing by our refugee resettlement allies, that the USG not continue to be the principal guarantor of Southeast Asian refugee resettlement, that refugees are adequately prepared to be resettled in the United States, that the UNHCR substantially increase its efforts to develop non-resettlement solutions for Southeast Asian refugees, and that commitments made by the United States and other governments to do their fair share with regard to residual refugee populations in Southeast Asian countries are honored.

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Our expectation that the first-asylum population in Thailand would be substantially diminished by the end of 1985 as a consequence of concluding Khmer processing and developing non-resettlement options for the Highland Lao population will not be met. The evacuation of large numbers of Khmer from the border, who are unlikely to return to the border encampments because of the continuing Vietnamese presence and destruction of the border camps, will likely increase over time the Thai Government's anxiety about their first-asylum population. While refugee boat arrivals have dropped sharply in Thailand, they have increased in Indonesia and Malaysia. Vietnamese continue to appear at the Cambodian border via the land route through Phnom Penh and Sisophon. This movement continues despite heavy fighting along the border. A growing Vietnamese population at the border (from 900 in May 1984 to 4,300 in December 1984), who are now located in an evacuation site, further exacerbates an increasingly difficult situation for the Thai Government and the international community. Moreover, approximately 19,000 Lao crossed the border into Thailand in 1984, over twice the amount of the preceding two years. A screening system has been established by the Thai Government to separate bona fide refugees from other border crossers. We are encouraged by the Thai Government's agreement to screen Lao border crossers with UNHCR participation, but its effectiveness cannot yet be predicted. Posts are aware of the static refugee population in Hong Kong. The efforts of the House of Commons to encourage the United Kingdom to accept additional refugees from Hong Kong are encouraging, but have not been successful to date.

Despite efforts of the United States, Australia, Canada, and Japan during the past year to convince the UNHCR that they must increase their efforts to develop and implement effective non-resettlement solutions for Southeast Asian refugees, there has been no discernible movement away from the emphasis on third-country resettlement. Continuing to resettle Southeast Asian refugees in the traditional resettlement countries is becoming more difficult as the principal method of maintaining first-asylum stability and reducing Southeast Asian first-asylum refugee populations.

Maintaining a large Southeast Asian refugee resettlement program is becoming increasingly difficult for the United States as well. While the United States will continue to

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accept Indochinese refugees, there is increasing resistance to maintaining high levels of Southeast Asian refugee admissions from certain segments of the Congress and from certain state governments. There is virtually no support for a substantial increase in refugee admissions from Southeast Asia. Much of the resistance to an expanded U.S. refugee program is a function of the extremely high costs of a few state programs, and the inefficiencies and disincentives of managing a refugee resettlement program through our state-run public assistance systems. Efforts to modify the public assistance programs of some of the more heavily impacted states have not achieved the cost reductions and improvements in program operations that are regarded as important and necessary to the domestic program.

Nevertheless, we must continue to pursue our current efforts to pressure the international resettlement community to maintain at least current levels of offtake from Southeast Asia, actively encourage the development and implementation of non-resettlement solutions, and continue preparing Southeast Asian refugees for resettlement in the United States by maintaining and improving our overseas medical and training programs.

We will continue, however, to face problems of first-asylum stability in Southeast Asia and a potentially static first-asylum population, principally in Thailand, and to a slightly lesser extent in Indonesia and Malaysia. Annual reductions in first-asylum will not be as high as in recent years. The consequences of recent events on the Thai-Cambodian border for weakening first-asylum stability, or for additional outflows from Vietnam, Laos, and Cambodia into Southeast Asian countries of first-asylum, are speculative at this point. We should be cautious, however, about assuming an overly optimistic view that these problems will resolve themselves without thoughtful and effective intervention.

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Since May 1982, when the U.S. Government stopped processing Priority 6 refugees in Southeast Asia, there has been a steady build-up of refugees in this category in Southeast Asian first-asylum locations. The increases in this residual caseload are creating significant bilateral problems for the U.S. with ASEAN first-asylum governments. It is clear that appropriate action must be taken by the international community to resolve this growing residual population.

We face the twin challenges of managing the current Southeast Asian refugee resettlement volume and the problem of the increasing non-refugee character of the population in first asylum. Our system of priority categories and processing guidelines exists in its present form and content because the United States can neither cope with the number of refugees potentially seeking admission to the United States, nor can we accept the refugee credentials of many already in first asylum as well as many new arrivals. The pressing need to deal quickly with boat populations (due to Thai, Malaysian, and Indonesian sensitivities) leads to a sort of "warehousing" of tens of thousands of Vietnamese who are unlikely to be voluntarily repatriated and whom ASEAN states will not absorb. A similar situation prevails with Lao refugees currently in Thailand and those who are still arriving. These people make up the so-called "longstayers" or "residual" population who are of great concern to the first-asylum governments and who should be of greater concern to the major resettlement countries who may eventually have to receive many of them.

Finding a solution to the residual refugee population will be difficult because we cannot simultaneously continue to resettle new arrivals in first asylum and, at the same time, turn our attention to resettling the residual refugee population. The attitude of Congress is clear on this point: short of a new life-threatening crisis, they are not likely to support increased admissions of refugees from Southeast Asia. Nor will we be able to rely on resettlement as the sole means of solving the residual refugee issue. We must insist that the UNHCR be far more determined to bring about voluntary repatriation as well as regional programs which would permit certain "longstayers" greater self-sufficiency.

Liberalizing the current USG processing guidelines is being considered as a means of reducing this residual population. However, we must proceed cautiously in evaluating proposals to liberalize our processing guidelines to increase the number of residuals who may be admitted to the United States. Modifying

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USG processing regulations to expand refugee admissions eligibility to the current P-6 population may have the adverse effect of increasing the first asylum and resettlement pull factor from the Indochinese states. We must also be aware that there may not be a direct correlation between expanded eligibility of residuals for the U.S. program and a similar expansion of refugee admissions eligibility for residuals from other resettlement governments. Moreover, modification of U.S. refugee processing regulations must ensure that the requirements of section 101 (a) (42) of the Refugee Act of 1980 are upheld.

Issues for consideration are:

1. The extent to which U.S. processing guidelines should be liberalized, if at all;
2. What specific modifications to the processing guidelines would be most appropriate;
3. Should the administration, and at what point in time, consider other alternatives (such as restoration of some form of humanitarian parole) in conjunction with a multilateral effort to reduce Southeast Asian residual refugee populations?

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III. Regional Program Consolidation

It has been ten years since the fall of Indochina and the development of a large and complex refugee resettlement program in which the United States has played the principal role. The United States processes refugees for resettlement at three locations in Southeast Asia (Thailand, Indonesia and the Philippines) and operates large language and cultural orientation training program in these three locations. In addition, a comprehensive medical/dental facility is maintained in the Philippine Refugee Processing Center in Bataan to upgrade the health of Indochinese refugees prior to their arrival in the United States. These programs are crucial in preparing refugees for resettlement in the U.S. and are regarded as an important part of our overseas programs both by the Administration and by the Congress.

As the number of refugees eligible for resettlement has declined over the past few years and with the resultant decreases in our annual refugee ceilings from this region, we need now to consider whether a regional program consolidation effort is appropriate in the context of improving program management and achieving greater cost savings in our Southeast Asian refugee program. Continuing to maintain three processing centers and three separate training programs may now be less efficient than it was several years ago when the numbers of Southeast Asian refugees eligible for resettlement in the United States was significantly higher than it is today. There is no question that our processing and training activities in Southeast Asia must continue. What we must now determine is whether the time has come to begin consolidation of these activities.

Proposals have been made to gradually phase out the processing facilities at Galang, Indonesia and Phanat Nikhom, Thailand and to expand the Philippine Refugee Processing Center to consolidate the Galang and Phanat Nikhom populations and training programs at this site. Expanding the PRPC would allow maximum utilization of its health care facilities and ensure adequate holding capacity and training facilities for future processing of Indochinese refugees who have been accepted for admission to the United States. The government of the Philippines has advised us informally that an expansion of the PRPC would be acceptable. Current cost estimates of an expansion in the PRPC's holding capacity of approximately 10,000 refugees is \$3.5 million. Additional costs will accrue

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as a result of expanding the training and health care programs. These increased costs would be offset by phasing out processing and training activities in Thailand and Indonesia.

In assessing the cost and management effectiveness of a proposed expansion of the PRPC, careful consideration must be given to the stability of the Philippine Government and security of the PRPC. Recent opposition activities in central Luzon may have an important impact on a proposed expansion of the PRPC.

Issues for consideration are:

1. Should the Administration begin consolidation of the Southeast Asian refugee program overseas processing and training activities by gradually phasing out Galang and Phanat Nikhom processing centers and consolidating program activities at the Philippine Refugee Processing center;
2. Is the proposed consolidation justified on the basis of increased cost savings and improved program management;
3. Should the Philippine Refugee Processing Center be expanded to permit processing and training program consolidation given the uncertainties about the stability of that government?

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The complexion of persons fleeing the countries of Indochina has changed in recent years. While there are still those who can make a legitimate claim to national resettlement programs as political refugees, there are an increasing number who appear to be fleeing for economic motives or for reasons of family reunification in third countries, principally the United States. As our Southeast Asian refugee processing posts see additional numbers of persons whose claims of refugee status are questionable, even with the relatively generous categories of persons presumed to be persecuted in the Indochinese countries enumerated in the Worldwide Processing Guidelines, it has become increasingly difficult to continue justifying their admission to the U.S. as refugees under the authority of Section 101 (a) (42) of the Refugee Act. Our principal resettlement allies have also observed this change and have informed us that they are also concerned about continuing to admit persons into their resettlement programs whose refugee bona fides are in doubt. This attitude is reflected in decreased offtake from first-asylum (Australia), refocussing efforts toward refugee populations in other geographic regions (Australia and Canada) and emphasizing family reunion through equivalents of our Orderly Departure Program from Vietnam (Australia). In our own program, the expanding P-6 population, a population which has no links to the United States, contains many individuals who also cannot meet the requirements of the refugee definition either under the UNHCR Convention and Protocol or under the 1980 Refugee Act. Persons who continue to arrive in Southeast Asian first-asylum from Indochina frequently are unable to justify claims of individual political persecution in their countries of origin.

In addition to the problem of questionable claims to refugee status among a large portion of the first-asylum population in Southeast Asia, there is also the problem of continuing first-asylum stability in the region and attitudes of the first asylum governments. This is becoming particularly important as first-asylum offtake decreases and host governments express concern that they may be left with large first-asylum populations who cannot be resettled in third countries. The cap imposed by the Government of Indonesia has become a bilateral irritant. The refugee population in Indonesia is usually at the ceiling and occasionally exceeds it. The Indonesians have informed us recently that they are contemplating reducing their refugee ceiling from 10,000 to

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7,000. If the Indonesian Government takes this step, it will create considerable problems for us in our processing activities and training programs. The attitude of the Royal Thai Government is well known concerning their first-asylum population. We have no reason to believe that they will not continue to act responsibly with regard to refugees in Thai first-asylum, but the decrease in offtake from Thai first-asylum will be a substantial concern of that government. While boat arrivals in Thailand have decreased significantly, arrivals from Laos have increased over the past year. It is too soon to predict whether the recently inaugurated Lao screening program will have the desired effect of stemming the flow of Lao into Thailand. Although the 230,000 displaced border Khmer are not considered refugees and do not fall under the protection mandate of the UNHCR, they cannot be ignored in the larger context of Thai concerns about their first-asylum population and the efforts of the international community to preserve first asylum in Thailand.

Despite the problem of increasing numbers of persons in Southeast Asian first asylum whose refugee status is questionable, the larger humanitarian issue remains: what durable solutions can be found for an increasing population of Indochinese in Southeast Asian first-asylum for whom third-country resettlement as political refugees is a decreasingly viable option? Until such time as the international community can design and implement alternative solutions (such as, perhaps, a major shift to normal immigration programs, an international "camp clearance" program, or restoration of some form of humanitarian parole), we must ensure adequate protection and care of Indochinese who have fled their countries.

Given the circumstances described above, it may now be appropriate to consider expanding a first-asylum facility in the region which will provide protection and care for Indochinese who continue to leave their countries. An expanded first-asylum facility, supported by the UNHCR and the international community, would contribute to the maintenance of first asylum in the region, afford protection and care to persons fleeing their countries of origin, and provide the necessary time for an international effort designed to achieve a durable solution for these people.

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Issues for consideration are:

1. Does the increasingly non-refugee character of the Southeast Asian refugee flow warrant expansion of a first-asylum facility in the region? Would an expanded facility enhance first asylum stability in the region thereby permitting sufficient time for the international community to develop and implement alternative solutions for persons who have fled, and continue to flee, from the countries of Indochina;
2. Would an expanded first asylum facility create a magnet effect for Indochinese who have not departed their countries of origin, particularly from Vietnam;
3. Which facility would be most appropriate for expansion? Should a location not now being utilized for first asylum be considered?

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V. Shifting U.S. Emphasis to Immigration Processing

There appears to be general agreement that emphasizing immigrant visa processing over refugee processing for admissions of Indochinese into the United States is an idea whose time has come. There are a substantial number of Indochinese in Southeast Asian first-asylum who are ineligible for admission to the U.S. as refugees, but who may be eligible for admission under immigrant visa family reunification programs. The U.S. has been emphasizing IV processing whenever applicable and increasing numbers of Indochinese are arriving as IV beneficiaries, especially from the Orderly Departure Program. Initiating IV processing for the P-6 residual population, as well as others who qualify, would be a significant step in reducing the Southeast Asian residual group within normal immigration processing programs.

Despite the view that moving in an IV direction would be helpful, several important problems will have to be resolved. For example, there is an issue of waiting time that could keep applicants in refugee camps for two to five years or longer. It may not make sense to require would-be immigrants who are coming to the United States in any event to be separated from their families for extended periods of time in first asylum camps. A major effort would have to be undertaken to persuade Indochinese in the United States to adjust their status after five years of residence here in order to apply for immigrant visas for their relatives in Southeast Asia. With the exception of a few genuine refugee cases and some cases of special humanitarian concern, the displaced Khmer along the Thai-Cambodian border may be admissible to the United States only under IV family reunification procedures. There is a special difficulty which is most pronounced among the Orderly Departure Program IV admittees. Despite the fact the ODP IV immigrants have increased in number, a desirable achievement from a foreign policy perspective, there is an adverse impact from the perspective of the domestic program. We are admitting persons from Vietnam who are otherwise indistinguishable from ODP refugees, but who do not receive overseas training and health care and who are not eligible for refugee services under the Refugee Act after their arrival in the U.S. Even though these ODP IV beneficiaries are not eligible for refugee services, they frequently find their way into the welfare system. The costs which accrue to state and local governments for these welfare services are not reimbursed by the Federal Government. And despite the public charge clause of the INA

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which subjects IV holders to deportation proceedings if they obtain welfare, the practical reality is such that deportations to Indochinese countries of origin are not possible or reasonable.

Although there will be problems in shifting to an immigrant visa approach, we should explore IV admissions modifications to ensure that emphasizing this approach will be workable and effective.

Issues for consideration are:

1. Should the Administration propose administrative or legislative remedies in any of the following areas? Can these proposed changes be justified on the grounds that persons in Southeast Asian first asylum deserve special consideration?
 - a. Decrease the current waiting period for refugees resident in the U.S. to adjust their status to citizen;
 - b. Modify naturalization processing to decrease the period of time between application and naturalization;
 - c. Permit refugees resident in the U.S. to file IV petitions while still in permanent resident alien status;
2. Should the Administration require ODP IV beneficiaries and Khmer IV beneficiaries (when IV processing of Khmer is permitted) to receive health care and language training in Southeast Asian refugee processing centers;
3. To what extent will a significant shift to IV processing of eligible persons in Southeast Asian first-asylum act as a magnet or as a deterrent to additional outflows from the Indochinese countries.

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