

THE NEW YORK TIMES, MONDAY, JANUARY 20, 1975

That Aid to South Vietnam



Carol Waid

By Gabriel Kolko

VEZELAY, France—Essential to the Ford Administration's policy of continuing involvement in South Vietnam is the illusion among increasingly skeptical Congressmen and the public that there is indeed a "light at the end of the tunnel" of billions of dollars necessary for the very existence of the Saigon regime.

Last April 26, Secretary of State Kissinger promised Congress a plan to phase out the vast United States economic and military aid to Saigon by 1980, and since then the Administration's appeal for more money in 1975 and 1976 has been geared to the premise that large funds now will eliminate the need later.

But when Mr. Kissinger at the end of July finally gave Congress his plan he classified most of it secret, and the small part eventually made public excludes the projected military aid data as well as much of the vital economic information that would show the Administration's protracted, expensive and violent intentions.

The conditions upon which the Administration bases its promise of eventual lower economic aid to Saigon are unattainable, and the lapses of the Government's censors permit us now to know what the State Department would not allow Congress to print.

All the Congress could initially report was that Mr. Kissinger's five-year projections anticipated economic aid to Saigon of \$1.9 billion to \$2.8 billion in "constant" 1974 dollars during fiscal 1976-80, which in real dollars would be about \$3.8 billion. Cut was the explicit assumption that two major new sources of aid to Saigon would also have to emerge

quickly if the plan is to be realized.

One desired new philanthropy would be a vast increase of grants from such nations as Japan, France and West Germany, as well as virtual gifts from the World Bank's International Development Association and the Asian Development Bank.

Collectively, these other nations would nearly have to equal United States aid by 1977, but in fact there is not the remotest chance of their doing so given the balance-of-payments crisis.

While the World Bank may eventually fulfill its informal pledge to the United States to give Saigon \$50-million in return for the American contribution to the next I.D.A. fund drive, the controversy this promise has already generated is likely to diminish, if not eliminate, additional I.D.A. help to Saigon.

Altogether, there is little chance that Saigon by 1980 will be receiving the \$770 million in annual economic grants the World Bank says will be essential to its survival—except if the United States gives most of it.

The other premise in American planning is a vast increase in foreign investment in South Vietnam, even though capital flight and disinvestment has far exceeded Saigon's investment income since January, 1973.

Agency for International Development studies reveal that Saigon will require \$360 million in foreign capital annually over a decade just to reach self-sufficiency and maintain the crisis-level 1974 per capita consumption.

Other A.I.D. plans hypothesize equally untenable increases in South Vietnam's exports, but A.I.D. officials have privately admitted to Senate investigators that virtually none of these economic assumptions so critical

to the lower aid projections of the Kissinger five-year plan are realistic.

Though the State Department censored projected 1976-80 military aid to Saigon because Mr. Kissinger wished to avoid "revealing the military assumptions on which it [the five-year projection] is based," A.I.D. officials in Saigon felt less constrained.

"It is assumed," Dr. W. D. Sharpe of A.I.D. told the American Chamber of Commerce in Saigon last July, "that the security situation remains about as it is, and that no substantial demobilization of the Vietnamese Army is possible."

And this means, given casualties of well over 100,000 in South Vietnam in 1974, that annual 1976-80 military aid requests to Congress will equal, if not exceed, the Administration's demand for \$1.45 billion in 1975.

The complete Kissinger five-year plan for Vietnam shows, in effect, that the Administration is seeking only to gain further Congressional and public patience with a policy of sustaining with billions a moribund Saigon economy and an incredibly bloody level of military combat.

Gabriel Kolko, professor of history at York University in Toronto, is on a sabbatical in France.