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3. cable		10/21/82	P1
4. cable	060735Z Oct 82 (6 pp.) NLSF 95-601 #63	10/6/82	P1
5. cable	040755Z Sep 82 (2 pp.) D 5/28/95 +164	9/4/82	P1
6. memo	to Ambassador Holdridge (2 pp.) $NL1 = 85-001$ #65	9/9/82	P1
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residential Records Act - [44 U.S.C. 2204(a)]

- 3-1 National security classified information [(a)(1) of the PRA].
- 3-2 Relating to appointment to Federal office [(a)(2) of the PRA].
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- F-5 Release would constitute a clearly unwarranted invasion of personal privacy [(B)(6) of the FOIA]
- of the FOIA]
 F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions ((b)(6) of the FO(A).

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EUR/P (TJC) REDRAFT 12/28/82 .

FIETNAM

LET BESSHOO MO

DESCRIPTION OF MEG.

TO THE USSR AND EAST EUROPE

Summary

Since 1981, Vietnamese have been sent to work on a variety of projects in the USSR and East Europe under secret intergovernmental agreements distinct from long-standing training and study programs. Estimates range from less than 100,000 up to 500,000 between 1981-1985. The Vietnamese work for fixed periods in a capacity similar to indentured status, with a substantial portion of their wages withheld by the Vietnamese regime to be credited against Hanoi's mounting deficits in these countries. There have been claims that the USSR itself withholds additional sums from the Vietnamese workers' wages. The terms of employment evidently are spelled out beforehand when the worker signs a contract with the Hanoi government, although precise working and living conditions probably are not detailed.

A preponderance of evidence suggests that many Vietnamese youths genuinely volunteer for labor contracts in the USSR and Eastern Europe. They hope for a relative improvement over the poverty and unemployment in Vietnam, although many express bitterness upon experiencing the reality of labor in the USSR and Siberia. There are charges that dissidents from "reeducation" camps are being forced into the program. However, countering evidence suggests that the Vietnamese authorities exclude any applicants who collaborated with the Americans or with the former Government of Vietnam.

Complaints have been reported from some Vietnamese workers in the USSR about the cold, hard work, surveillance, and the less-than-expected availability of goods. In addition, the workers live a largely segregated existence as do other foreign laborers. There is little doubt that Vietnamese laborers have worked on the Soviet domestic pipeline network as well as on other large-scale development projects. There is no conclusive evidence that they have worked specifically on the export pipeline.

New "Labor Cooperation" Program

Since 1981, the Vietnamese government has been engaged in a new program of exporting labor under intergovernmental agreements. Although the program probably began earlier on an experimental basis, the first agreement (still secret) was

signed with the USSR on April 2, 1981, followed by a protocol in November presumably covering 1982, and another recently reported was under negotiation. Czechoslovakia first signed an accord in September 1981 -- although Prague probably also had received earlier contingents -- followed by Bulgaria in November and by East Germany in January 1982. An additional protocol was signed with the Czech Government in early November 1982.

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The Vistnamese regime apparently hopes to receive some training for its surplus of unemployed, low-skilled youths, as well as to offset deficits with these communist countries. - No overall projected number has been published officially. Estimates range from 100,000 (unidentified Vietnamese spokesman 12/82), to "hundreds of thousands" (Dao Tien Thi, Labor - "be-Minister, Vietnam), 250,000 (Nguyen Co Thach, 1/82) to 500,000 (London Economist and Ho Chi Minh City Giai Phong, 9/81). Whatever the figures for the countries concerned, there may be an absorption problem. Popular discrimination against the Vietnamese and instances of open hostility have cropped up in Czechoslovakia, according to official Czech, as well as Western, press reports.

> Although the text of the April 1981 Soviet-Vietnamese accord on "labor cooperation" remains a secret treaty, descriptions of it by spokesmen a year later suggest that itcovers wages and social benefits (supposed to be comparable to their Soviet counterparts), living conditions, social benefits, vacations and length of service. Clandestine communications from Vietnamese workers in Siberia and elsewhere in the USSR charge that they are paid one-half the Soviet workers' wage. Also, Vo Thanh Cong, of the Ho Chi Minh City Labor Bureau, stated recently that the monthly salary for the Vietnamese worker in the USSR is 60 rubles, 50 % of which is paid directly to the worker and 50 % deposited in the National Savings Banks He did not indicate to whose account the 50 % withholding is credited. (NOTE: The national average monetary wage in then USSR for 1981 was 175 rubles.)

A subsequent treaty was signed in December 1981 defining the legal rights of Vietnamese in the USSR as well as those for Soviet citizens in Vietnam. It went into effect September, 1982. Each foreign resident is entitled to the same legal safeguards as the citizen of the country of employment, and the country in which a crime is committed has the sole right to try the offender.

Candidate Selection

Candidates for the program are recruited by the Vietnamese Ministry of Labor, and their backgrounds are checked by the

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Ministry of Interior. Candidates must be relatively young (age ranges of both 17-25 and 17-35 have been given). "Reeducation" camp inmates or paroless do not appear to be participants in the program. The term of participation can be as long as seven years. Some reports say that those with personal backgrounds unacceptable to the authorities are specifically excluded. Candidates, if eligible, also reportedly must have fulfilled and their military obligation.

Once recruited, and having completed an orientation course in Hanoi, the candidates sign contracts which lay out their duties, rights and wages, including the fact that a considerable portion will be retained by the state. They are not allowed to choose their destination, but most reportedly hope for Czechoslovakia or Bast Germany, rather than Bulgaria or the USSR. They generally travel to their posts by air, but recent reporting has included sea lifts of workers bound for eastern bloc countries.

Reports that pressure has been applied in recruitment are outweighed by evidence that there is little difficulty in securing volunteers who welcome a perceived chance to leave the poverty of Vietnam. Neither letters complaining about conditions nor the rumors about a massive exodus to Siberia (prevalent in southern Vietnam earlier this year) appear significantly to have dampened interest. Over two dozen refugees, who recently departed Vietnam legally, reported that places in the work-study program were sought by youths who think they will be able to remit substantial goods and funds back to Vietnam. Similar opinions were offered by southern boat refugees recently interviewed. When concern about the program is voiced, it is usually by suspicious southerners acquainted with "reeducation" camps -- who fear a repetition in more frigid conditions.

Deductions to Credit Vietnam's Accounts

There seems little doubt that, after a deduction for living expenses and pocket money, a considerable portion of the salary is credited against Vietnam's account in the USSR and a smaller part is supposed to be deposited in Vietnamese banks for the worker's family. Although the monthly stipend is low, there are reports that incentive bonuses are paid directly to the workers.

Both Moscow and Hanoi have labeled as "slander" reports that Vietnamese workers are laboring to pay off Vietnam's indebtedness to the USSR. They have not, however, directly denied it or denied that the labor is being credited against Vietnamese imports of Soviet goods which, in 1981 alone, ran almost 600 million rubles over Vietnam's exports to the USSR.

Both sides claim that Vietnam's war debt was excused by Moscow in 1975, and Vietnamese Foreign Minister Thach said that further debts were excused in 1978. Nonetheless, although figures are not available, much of the Soviet aid since the war has been in the form of loans and credits, not grants.

Crediting labor against present or future imports has been standard practice in the case of East European and Finnish "guest workers," and the Yugoslav newspaper Borba (June 10) suggested that this was the arrangement for the Vietnamese as well. Furthermore, sources in Hanoi reportedly acknowledged (Far Eastern Economic Review, May 14) that an unspecified amount is withheld from the Vietnamese workers. Other reports estimate that between 30 and 70 percent of wages is withheld.

Living Conditions

Most workers are to labor for five to six years after a period of language and technical training, depending on the job involved. A mid-way "home leave" in Vietnam, partially at Soviet expense, is said to be part of the arrangement. The April accord apparently provided that the Soviets arrange suitable housing, eating and social facilities. As implied in the propaganda and reported back in letters, the Vietnamese generally live apart in dormitories or compounds and lead a rather segregated life, as do other foreign workers there (and as do the Russians in Vietnam). Although Soviet trade unions and youth organizations are said to be involved with the workers, it seems likely that the primary off-the-job supervision comes from the Vietnamese cadre who accompany the contingents.

Most groups appear to be sent to European Russia or to the southern tier of Siberia which, to a Vietnamese, still would seem exceedingly cold in the winter. Adjustment to winter conditions appears to be a problem. The Russians issue winter clothing which, according to some workers, is inadequate.

Letters complaining about the cold, hard work, low stipend and surveillance by Vietnamese overseers reportedly have reached Vietnam as well as the West. There are a number of refugee reports that letters have been received by families in Vietnam, which suggests that correspondence is permitted. However, it may well be subjected to censorship by Vietnamese cadres in charge at the work sites. To avoid this, some Vietnamese have found ways to smuggle letters out. One who did had no qualms about openly receiving letters from the West, but asked that they be well sealed. The correspondent also claimed that their Vietnamese overseers provided form letters to send home extolling their life abroad.

Types of Work

The April accord presumably also covered types of employment and training, as well as how wages were to be allocated and perhaps even the location of work. The Communist press claims that the Vietnamese are working in a variety of jobs which require some skill. This may reflect Vietnam's concern that some workers gain experience that will be useful later at home -- an interest undoubtedly shared by frustrated Soviet operators of aid projects there. However, we do not know the extent of the training received. A considerable number clearly are engaged in manual labor.

Among the activities cited by Soviet and Vietnamese media are textile and chemical factories, machine-tool factories, coal mines, land reclamation and transportation projects. The latter two undoubtedly absorb large amounts of manual labor. A letter from one worker, which appears authentic, tells of his "hard work" on the new railroad paralleling the Trans-Siberian line. In addition, a contingent of Vietnamese was observed working near a railroad in the Soviet Par East and subsequently another was seen in Khabarovsk by Western travelers -- an area which, incidently, has not been mentioned in Communist media.

The Soviets, speaking through Vladimir Lomonosov, who negotiated the original agreement with Vietnam, have flatly denied that any Vietnamese are working on the Siberia-Western Europe pipeline. In Congressional testimony last summer, Vietnamese expatriate Doan Van Toai claimed that he had "met" (presumably a mistranslation) nine Vietnamese who were working on the pipeline; he supplied names and their Vietnamese addresses. We have been unable to confirm this testimony independently.

The evidence we have regarding the Vietnamese-Soviet labor program is still sketchy, given the closed nature of the societies both in Vietnam and in the Soviet Union. The allegations, made by responsible parties, of human rights violations in connection with the program continue to concern the US Government. The program's secrecy and inherent potential for abuse is obvious. The US Government will continue to monitor the program with sincere interest in the human rights issues involved.

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EXDIS/NOFORN/NOCONTRACT/ORCON - FOR AMBASSADORS ONLY E.O. 12356: DECL: OADR
TAGS: XE, PINR, VM
SUBJECT: INR'S INTELLIGENCE NOTES ON EAST ASIA AND PACIFIC,
NOVEMBER 14-20, 1982, REPORT NO. 43, SUPPLEMENT 1

1. MEMORANDUM FOR: EA - AMBASSADOR HOLDRIDGE FROM: INR/EAP - WEVER GIM

VIETNAM: SOCIALIST BLOC FRUSTRATION OVER AID MIS-MANAGEMENT



NONE OF THE LARGE SOVIET INDUSTRIAL PROJECTS INITIATED SINCE 1975 HAVE BEEN COMPLETED. MOSCOW IS SEEKING TO HELP ALLEVIATE HANOI'S CHRONIC SHORTAGE OF TECHNICIANS, MANAGERS, AND SKILLED LABOR BY TRAINING VIETNAMESE IN THE USSR FOR ONE-YEAR PERIODS SPECIFICALLY TO WORK ON SOVIET AID PROJECTS, ACCORDING TO A HANOI PRESS REPORT. BUT HANOI'S EMPHASIS ON POLITICAL QUALIFICATIONS OVER EXPERTISE WILL CONTINUE TO CREATE MANAGERIAL PROBLEMS IN VIETNAM AND PRO-BABLY WILL INFLUENCE SOCIALIST BLOC DONORS TO LIMIT THEIR THEIR AID TO PRESENT LEVELS. (J MOHANCO) SHULTZ

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CONFIDENTIAL SECTION 01 OF 02 VIENTIANE 1141

CINCPAC ALSO FOR POLAD

E.O. 12356: DECL: OADR TAGS: PEPR, PINT, VM

SUBJECT:

REF: BANGKOK \$5881

R-ENTIRE TEXT.

GAVE US SOME IMPRESSIONS OF VIETNAM DURING A THREE-DAY VISIT TO VIENTIANE EN ROUTE HOME AFTER COMPLETING HIS TWO-YEAR ASSIGNMENT.

3. INTERNAL POLOTICS.

A. GENERAL SITUATION. DURING THE LAST YEAR SOCIAL AND ECONOMIC CONDITIONS IN HANDI HAVE DETERIORATED. THERE IS A MARKED INCREASE IN THEFT AND BURGLARY, AND POPULAR MORALE IS SAGGING. THE LEADERSHIP OR ELEMENTS THEREIN RECOGNIZE THE SITUATION AND ARE FUMBLING ABOUT IN EFFORTS TO AMELIORATE IT, BUT HE SEES NO PROSPECT OF SIGNIFICANT CHANGE UNTIL THE PRESENT LEADERSHIP PASSES FROM THE SCENE.

B. POLITICAL SUCCESSION. SUSPECTS" THAT THE PARTY HAS NOT BEEN ABLE TO DECIDE ON WHO SHOULD REPLACE LE DUAN. IN LATE 81 LE DUAN "BEGAN TO FADE AWAY." HE WAS NOT SEEN IN PUBLIC UNTIL THE MARCH PARTY CONGRESS. HE DISAPPEARED FROM VIEW AGAIN UNTIL THE SECOND PLENUM AT THE BEGINNING OF JULY. DURING THAT PERIOD HE WAS IN MOSCOW UNDERGOING SOME FORM OF TREATMENT; BELIEVES THAT HE MAY HAVE UNDERGONE A SERIOUS OPERATION. HOWEVER, LE DUAN APPEARED VIGOROUS DURING HIS PARTICIPATION IN SEPT 2 NATIONAL DAY CELEBRATIONS. IN RECENT WEEKS, HANOI MEDIA HAS REPORTED THAT LE DUAN HAS TRAVELED OUT OF HANO! AND PARTICIPATED IN VARIOUS CEREMONIES.

C. THUONG CHINH AND LE DUC THO. ACCORDING TO THE CHOICE OF LE DUAN'S SUCCESSOR LIES BETWEEN THESE TWO. TRUONG CHINH HAS REPRESENTED THE PARTY AND SRV IN THE RECENT VISIT TO MOSCOW AND WAS TO GO ON TO HAVANA. SOME CHARACTERIZE HIM AS "ABSENT-MINDED", BUT SEES KIM AS HAVING "MILEAGE REMAINING." JUST BEFORE LEAVING HANOI, HOWEVER, WAS TOLD BY THAT TRUNONG CHINH "WOULD TAKE A REST AFTER

HIS TRIP TO MOSCOW AND HAVARA," PRESUMABLY IN THE SOVIET UNION. LE DUC THO IS BELIEVED TO BE IN CHARGE OF THE PARTY GORANIZATION AND IN COMPLETE CONTROL OF THE APPARA-TUS. HE STAYS OUT OF THE PUBLIC EYE AND IS BACKED UP BY NGUYEN DUC TAM, WHO IS IN CHARGE OF NUTS AND BOLTS OF RUNNING THE PARTY MACHINERY.

D. OTHER POLITBURO FIGURES. PHAM VAN DONG, IN THE SOVIET UNION FOR MEDICAL "CHECK-UP" SINCE O/A SEPT 18, APPEARS "REMOVED, PHILOSOPHICAL." TO HUU SEEMS TO RUN THE GOVERNMENT. PHAM HUNG SEEMS NOT TO BE REGARDED AS EFFECTIVE IN HIS FUNCTION OF MINISTER OF INTERIOR --THERE ARE "SUGGESTIONS THAT HE WILL FADE OUT," AND HIS INFLUENCE IS LESS THAN HIS FORMAL RANKING AS FOURTH IN THE POLITBURO. ACCORDING TO THE POLITBURO MEM-BERS RANKED AFTER GENERAL VAN TIEN DUNG ARE "SOMETHING OF A NEW BREED. " PHAM HUU IS PERHAPS THE LEAST IN-FLUENTIAL OF THE "OLD BREED."

E. TOP MILITARY FIGURES. EMBOFF SUGGESTED TO THAT GENERAL CHU HUY MAN HAD FIRST RESPONSIBILITY FOR LAOS: WE BASED THIS ON SEEING HIS NAME MENTIONED PROMINENTLY ON OCCASIONS INVOLVING TOP LEVEL LPDR-SRV VISITS. REPLIED THAT HE HAD NOT ESPECIALLY ASSOCIATED CHU HUY MAN WITH LAOS, BUT SUGGESTED THIS

> DECLASSIFIED IN PART NLSF95001

Department of State

INCOMING TELEGRAM

PAGE Ø1 ACTION EA-12 VIENTI Ø1141 Ø2 OF Ø2 21Ø436Z

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CONFIDENTIAL SECTION 02 OF 02 VIENTIANE 1141

CINCPAC ALSO FOR POLAD

CINCPAC HONOLULU HI

WOULD ROUND OUT A DIVISION OF LABOR-VAN TIENG DUNG APPEARED TO HAVE PRIMARY MILITARY RESPONSIBILITY FOR VIET-NAM AND LE DUC ANH APPEARED RESPONSIBLE FOR THE SRV MILITARY INVOLVEMENT IN KAMPUCHEA. JUMPING OVER TO DUNG SY NGUYEN, SECOND ALTERNATE POLITBURO MEMBER, SAID HE KNEW LITTLE OF HIM OTHER THAN HE SEEMED TO HAVE A BACKGROUND IN TRANSPORTATION ("COMMUNICATIONS") AND MIGHT BE SOMETHING OF A TECHNOCRAT.

4. SRV-LPDR RELATIONS.

ADMITTED TO BEING RATHER POORLY INFORMED ABOUT LAOS AND THE SRV-LPDR LINK. (HE HAD NOT VISITED LAOS DURING HIS 'ASSIGNMENT.) ASKED WHAT HE THOUGHT THE SRV'S STRATEGIC INTERESTS AND OBJECTIVES WERE IN ITS INVOLVEMENT IN LAOS, LAID SPECIAL EMPHASIS ON "VIETNAM'S OBSESSION WITH ITS SECURITY; " HE BELIEVED THE SRV WANTED LAOS TO SERVE AS A BUFFER. OTHER CONTRIBUTING FACTORS ARE HISTORIC VIETNAMESE EXPANSIONISM AND AN UNGRAINED SENSE OF VIETNAMESE SUPERIORITY TOWARD ITS INDOCHINESE NEIGHBORS.



6. FYI - BANGKOK'S 55881 ARRIVED AS THIS REPORT WAS IN PREPARATION. REMARKS TO US CONCERNING SRV-SOVIET AND SRV-KAMPUCHEAN RELATIONS WERE CONSISTENT THEREWITH.

THE MOSCOW/BEIJING/HANOI TRIANGLE. OBSERVED THAT SINCE BREZHNEV'S BAKU SPEECH
THE PRC EMBASSY IN HANOI HAS ASSUMED A WITHDRAWN POSTURE VISA-VIS THE VIETNAMESE, PROJECTING A "WE'LL TAKE CARE OF RELATIONS FOR YOU (THE SRV) WITH MOSCOW. "

THOMAS

MEMORANDUM

Vietnam And

NATIONAL SECURITY COUNCIL

September 7, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

ROGER W. ROBINSONUR

SUBJECT:

Extension of Embargo Authorities

Under the Trading with the Enemy Act

Richard Darman has requested your comments on the attached Presidential Determination (Tab I) to extend for one year those regulations under the Trading with the Enemy Act which implement U.S. trade and financial embargoes against Kampuchea, Cuba, North Korea and Vietnam; controls on exports of U.S. strategic goods located abroad to Communist countries; and the freezing of assets of certain Communist countries.

RECOMMENDATION:

That you sign the response block at Tab I indicating that you have no objection to the attached Determination and letters to the Speaker of the House and President of the Senate.

Approve	Disapprove	
	\sim	

Fontaine, Pipes and Childress concur.

Attachment

Tab I Stockman Memo forwarded by Darman

Document No. ____

WHITE HOUSE STAFFING MEMORANDUM URGENT

DATE:	<u>8/31/82</u>	ACTION/C	CONCUR	RENCE/COMMENT DUE BY:	Friday,	9/3/82
				HORITIES UNDER TRADI		_P*
	ACT					
		ACTION	FYI		ACTION	FYI
	VICE PRESIDENT			FULLER		
	MEESE			GERGEN		
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	DUBERSTEIN			BRADY/SPEAKES		
	FELDSTEIN			ROGERS		
	FIELDING					

Remarks:

Please let us know by Friday, 9/3/82 if you have any problems with the attached.

Thank you.

Richard G. Darman Assistant to the President (x2702)

Response:

I have reviewed the attached and recommend that the President sign the Determination extending the regulations and the letters to the Speaker of the House and President of the Senate advising them of the decision.



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 3 0 1982

MEMORANDUM FOR: THE PRESIDENT

FROM:

David A. Stockman

SUBJECT:

Extension of Embargo Authorities

The authority under the Trading With the Enemy Act for certain regulations administered by Treasury's Office of Foreign Assets Control will expire on September 14, 1982, unless you extend it. These regulations implement U.S. trade and financial embargoes against Kampuchea, Cuba, North Korea, and Vietnam; controls on exports of U.S. strategic goods located abroad to Communist countries; and the freezing of assets of certain Communist countries.

I recommend that you sign: (1) the attached Determination that it is in the national interest to extend this authority for a one-year period, and (2) the attached letters to the Speaker of the House and the President of the Senate informing the Congress of your decision.

These documents should be signed no later than Thursday, September 9, 1982 so that the Determination can be published in the Federal Register on September 10, prior to the expiration date of the current authority. The Departments of State, Justice and Treasury concur in the recommendation.

Attachments

THE WHITE HOUSE

Presidential	Determination
No	

MEMORANDUM FOR:

THE SECRETARY OF STATE

THE SECRETARY OF THE TREASURY

SUBJECT:

Extension of the Exercise of Certain Authorities

Under the Trading With the Enemy Act

Under section 101(b) of Public Law 95-223 (91 Stat. 1625; 50 U.S.C. App. 5 note), and a previous determination made by the President on September 10, 1981 (46 Fed. Reg. 45321) (1981)), the exercise of certain authorities under the Trading With the Enemy Act is scheduled to terminate on September 14, 1982.

I hereby determine that the extension for one year of the exercise of those authorities with respect to the applicable countries is in the national interest of the United States.

Therefore, pursuant to the authority vested in me by section 101(b) of Public Law 95-223, I extend for one year, until September 14, 1983, the exercise of those authorities with respect to countries affected by:

- (1) the Foreign Assets Control Regulations, 31 CFR Part 500;
- (2) the Transaction Control Regulations, 31 CFR Part 505;
- (3) the Cuban Assets Control Regulations, 31 CFR Part 515; and
- (4) the Foreign Funds Control Regulations, 31 CFR Part 520.

This memorandum shall be published in the Federal Register.

Dear Mr. President:

Today I issued a Determination that the extension for one year of certain authorities currently exercised under section 5(b) of the Trading With the Enemy Act, 50 U.S.C. App. 5(b), with respect to the countries indicated below, is in the national interest. This determination was issued pursuant to section 101(b) of Public Law 95-223, December 28, 1977, 91 Stat. 1625.

The Foreign Assets Control Regulations, 31 CFR Part 500, prohibit persons subject to the jurisdiction of the United States from engaging in unlicensed commercial or financial transactions with North Korea, Vietnam, Kampuchea or nationals of these countries. The Regulations prohibit importation or dealing in merchandise of these countries or transactions in blocked assets of these countries or their nationals absent a license from the Office of Foreign Assets Control, Department of the Treasury.

The Transaction Control Regulations, 31 CFR Part 505, are Treasury regulations which prohibit U.S. persons from engaging in unlicensed sales of strategic goods located abroad to almost all Communist countries.

The Cuban Assets Control Regulations, 31 CFR Part 515, are parallel to the Foreign Assets Control Regulations in content. However, foreign subsidiaries of U.S. firms may engage in certain non-strategic types of trade with Cuba under Treasury license.

The Foreign Funds Control Regulations, 31 CFR Part 520, continue to block certain property of the German Democratic Republic blocked since World War II pending a settlement of private American claims. The Regulations also continue to block certain assets of Estonia, Latvia, and Lithuania blocked since World War II as a reflection of the U.S. policy of nonrecognition of the forcible incorporation of those countries into the USSR.

The Honorable
George H. Bush
President,
United States Senate

I have determined that the exercise of these authorities should be extended, as described above. The lapse of these authorities would be unacceptable in light of present U.S. foreign policy objectives and their extension would be in the national interest of the United States for the following reasons:

- (1) Current trade and financial embargoes against Kampuchea, Cuba, North Korea, and Vietnam should continue until such time as the policies of those countries make it appropriate for us to modify our restriction on trade and financial transactions with those countries.
- (2) The Transaction Control Regulations are needed to support controls to which we have agreed with our allies with respect to the export of strategic goods to Communist countries.
- (3) Freezing of Vietnamese and Cuban assets and controls over the remaining World War II assets of the German Democratic Republic should continue until American claims against these countries are settled. Controls over the remaining World War II assets of the Baltic States should continue as a reflection of the U.S. policy of nonrecognition of the forcible incorporation of these countries into the USSR. In addition, authority must be retained for collection of information on previously blocked assets of Czechoslovakia, which were unblocked in connection with the claims settlement agreement entered into early this year. Certain information is to be provided to Czechoslovakia as required by the agreement.

In light of these considerations, pursuant to Public Law 95-223, I have extended the exercise of these authorities for another year, until September 14, 1983.

Sincerely,

Dear Mr. Speaker:

Today I issued a Determination that the extension for one year of certain authorities currently exercised under section 5(b) of the Trading With the Enemy Act, 50 U.S.C. App. 5(b), with respect to the countries indicated below, is in the national interest. This determination was issued pursuant to section 101(b) of Public Law 95-223, December 28, 1977, 91 Stat. 1625.

The Foreign Assets Control Regulations, 31 CFR Part 500, prohibit persons subject to the jurisdiction of the United States from engaging in unlicensed commercial or financial transactions with North Korea, Vietnam, Kampuchea or nationals of these countries. The Regulations prohibit importation or dealing in merchandise of these countries or transactions in blocked assets of these countries or their nationals absent a license from the Office of Foreign Assets Control, Department of the Treasury.

The Transaction Control Regulations, 31 CFR Part 505, are Treasury regulations which prohibit U.S. persons from engaging in unlicensed sales of strategic goods located abroad to almost all Communist countries.

The Cuban Assets Control Regulations, 31 CFR Part 515, are parallel to the Foreign Assets Control Regulations in content. However, foreign subsidiaries of U.S. firms may engage in certain non-strategic types of trade with Cuba under Treasury license.

The Foreign Funds Control Regulations, 31 CFR Part 520, continue to block certain property of the German Democratic Republic blocked since World War II pending a settlement of private American claims. The Regulations also continue to block certain assets of Estonia, Latvia, and Lithuania blocked since World War II as a reflection of the U.S. policy of nonrecognition of the forcible incorporation of those countries into the USSR.

The Honorable
Thomas P. O'Neill, Jr.
Speaker,
House of Representatives

I have determined that the exercise of these authorities should be extended, as described above. The lapse of these authorities would be unacceptable in light of present U.S. foreign policy objectives and their extension would be in the national interest of the United States for the following reasons:

- (1) Current trade and financial embargoes against Kampuchea, Cuba, North Korea, and Vietnam should continue until such time as the policies of those countries make it appropriate for us to modify our restriction on trade and financial transactions with those countries.
- (2) The Transaction Control Regulations are needed to support controls to which we have agreed with our allies with respect to the export of strategic goods to Communist countries.
- (3) Freezing of Vietnamese and Cuban assets and controls over the remaining World War II assets of the German Democratic Republic should continue until American claims against these countries are settled. Controls over the remaining World War II assets of the Baltic States should continue as a reflection of the U.S. policy of nonrecognition of the forcible incorporation of these countries into the USSR. In addition, authority must be retained for collection of information on previously blocked assets of Czechoslovakia, which were unblocked in connection with the claims settlement agreement entered into early this year. Certain information is to be provided to Czechoslovakia as required by the agreement.

In light of these considerations, pursuant to Public Law 95-223, I have extended the exercise of these authorities for another year, until September 14, 1983.

Sincerely,

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DEPARTMENT OF STATE

Washington, D.C. 20520

August 97

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MEMORANDUM

TO:

EA - Ambassador Holdridge

THRU:

EA - Mr. O'Donohue

FROM:

EA/VLK - L. Desaix Anderson

SUBJECT:

Reporting on Vietnam

read several cables to me Wednesday which suggest increased flexibility in Hanoi.

Citing an Asian diplomat in Hanoi, said that the Vietnamese Communist Politburo met in May to hear Foreign Minister Thach discuss his April travels to Europe. Thach noted that aid from the Soviets was inadequate and declining. Thach advocated moves to seek Western assistance, but noted that the Europeans would only be willing to help Vietnam if ASEAN urged them to do so, and ASEAN would change its stance only if Vietnam were more flexible on Kampuchea, which he advocated. He was supported by Vo Van Kiet and Dong Si Nguyen. He was opposed by Truong Chinh, Pham Hung, Le Duc Tho, To Huu, and Do Muoi, who wanted to continue a tough line. Thach finally persuaded the Politburo to go along with a more flexible line when he promised that he would do nothing to endanger Vietnamese national security. The Ho Chi Minh City communique was the resultant "flexible line."

said that the had reports that Vietnamese Vice Foreign Minister Vo Dong Giang during the SSOD in New York in June told UNSYG Perez de Cueller that Vietnam wanted to improve relations with China and sought his advice and assistance in doing so. The Secretary General urged Vietnam to "make a gesture" toward China. From a third cable, cited a "fully reliable report that either a Vietnamese Vice Foreign Minister or Director General level official had called in the Chinese Ambassador July 27 in Hanoi and told him that Hanoi wished to indicate to Beijing a desire to improve relations. He asked the Chinese Ambassador what Hanoi should do to signal this hope to Beijing. The Chinese Ambassador merely promised to convey this message to Beijing.

then added that Thach's recent travels suggest more tactical flexibility, but do not see any sign of a change in Hanoi's basic positions. The flexibility may arouse suggestions, he said, that ASEAN friends should "make a gesture" to Hanoi so that they realize that Vietnam has an alternative.

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I countered, and seemed to agree that these were indications that the ASEAN strategy was working and should be sustained. Hanoi knows it has an alternative, if it agrees to negotiate a settlement based on the ICK Declaration.

Drafted: EA/VLK:LDAnderson:mm 08/09/82:X23132

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CONFIDENTIAL SECTION #1 OF #3 KUALA LUMPUR #5742

E.O. 12356: DNG: CO 88/6/88
TAGS: PEPR, ASEAN, CB, VM, MY
SUBJECT: GOM VIEWS ON THACH VISIT AND ITS AFTERMATH
ON EVE OF BANGKOK ASEAN FM MEETING

1. TO ENTIRE TEXT.

2. SUMMARY. THE AMBASSADOR THAT IN TERMS OF SUBSTANCE THERE WAS "REALLY NOTHING NEW" WHICH EMERGED FROM THE RECENT VISIT. THACH'S APPROACH, NOWEVER, IN BOTH BANGKOK AND KL WAS MORE CONCILIATORY. THACH DID RECOGNIZE ASEAN'S LEGITIMATE CONCERN WITH THE PRESENCE OF VIETNAMESE TROOPS IN KAMPUCHEA AND ASKED THE ASEANS TO UNDERSTAND HANOI'S PROBLEMS WITH THE CHINESE THREAT. GHAZALI TRIED TO CON-VINCE THACH THAT THE ICK FORMULA, INCLUDING THE NEUTRALIZATION OF KAMPUCHEA, WAS THE BEST WAY TO PROTECT VIETNAM FROM THE CHINESE SUBVERSIVE THREAT. INDICATED THAT BEIJING NOW SUPPORTED THE ICK FORMULA AND THAT THERE WAS LESS MALAYSIAN SUSPICION THAT THE CHINESE WERE ONLY INTERESTED IN RESTORING POL POT. MALAYSIA WILL CONTINUE TO PURSUE THE IDEA OF AN INTERNATIONAL CONFERENCE AS A WAY OF DRAWING HANDI INTO THE MEGOTIATING PROCESS. IT WOULD NOT BE THE MEETING PROPOSED IN THE HO CH! MINH CITY DECLARATION AND IT WOULD HAVE TO TAKE PLACE IN THE FRAMEWORK OF THE OBJECTIVES OF THE ICK. THACK SAID THAT HAND! IS READY TO NORMALIZE RELA-TIONS WITH THE U.S. END SUMMARY.

AT A MEETING WITH THE AMBASSADOR

DISCUSSED CURRENT GON VIEWS
ON THE RECENT THACH VISIT TO THE ASEAN AREA AND
THE KAMPUCHEAN PROBLEM IN GENERAL. THE AMBASSADOR
THANKED FOR MAKING TIME IN HIS VERY BUSY
SCHEDULE

SAID THAT
IT HAD INDEED BEEN A BUSY TIME SINCE THACH HAD
DEPARTED, WITH FOREIGN MINISTER GHAZALI HAVING
FLOWN OFF TO BRIEF HIS COUNTERPARTS IN SINGAPORE,
JAKARTA AND BANGKOK

AND THEN RETURNED FOR THE AUGUST 1-4 PERIOD TO GREET VISITING AUSTRALIAN PRIME MINISTER FRASER.

IN RESPONSE TO THE AMBASSADOR'S QUERY

AS TO MALAYSIA'S CURRENT PERSPECTIVE ON THE SIGNIFICANCE OF THE THACH VISIT

SAID THAT IN
SUBSTANCE IT WAS "REALLY NOTHING NEW. THE VIETNAMESE

ARE AS STEADFAST AS EVER". THEY TIE THE QUESTION
OF TOTAL WITHDRAWAL FROM KAMPUCHEA TO A RESOLUTION
OF THE CHINESE THREAT, AND WHILE IN ORDER TO REDUCE
TENSIONS THEY ARE PREPARED FOR PARTIAL WITHDRAWALS,
EVEN THIS WAS SUBJECT TO THE LEVEL OF THAI SUPPORT
FOR THE KHHER ROUGE

SAID THAT HANDI, IN
EFFECT, WISHES TO HAVE THAILAND DO ITS WORK IN
GETTING RID OF THE KHHER ROUGE.

SAID, WHILE NO SHIFT IN VIETNAM'S
POSITION WAS INDICATED DURING THE VISIT, THACH WAS
UNUSUALLY "CONCILIATORY" IN HIS APPROACH, BOTH IN
KL AND BANGKOK. (THE THAIS WERE QUITE SURPRISED
ACCORDING TO THACH WAS MORE CONFRONTATIONAL
IN HIS TACTICS IN SINGAPORE, BUT
SUBSTANCE OF ALL THREE MEETINGS WAS VIRTUALLY
THE SAME. FOR THE FIRST TIME, HOWEVER, SAID,

THACH TALKED ABOUT THE LEGITIMATE CONCERN OF ASEAN AND THAILAND IN TERMS OF THE VIETNAMESE TROOP PRESENCE IN KAMPUCHEA, ASKING, AT THE SAME TIME, THAT THE ASEAN COUNTRIES UNDERSTAND VIETNAM'S PROBLEM WITH THE CHINESE THREAT.

6. GHAZALI TOLD THACH THAT ASEAN COULD DO LITTLE
ABOUT THE DIRECT CHINESE THREAT TO VIETNAM, THAT
BT

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-C-C-K-F-I D-E-N-T-I-A-E-SECTION #2 OF #3 KUALA LUMPUR #5742

MAD TO BE RESOLVED BETWEEN BEIJING AND NANOI. BUT, NE CONTINUED, ASEAN COULD UNDERSTAND VIETNAM'S CONCERN FOR THE CHINESE THREAT OF SUBVERSION THROUGH KAMPUCHEA. ALL THE ASEAN COUNTRIES NAVE AND CONTINUE TO EXPERIENCE THIS SORT OF PROBLEM. CHAZALI TOLD THACH THAT THE BEST WAY TO BLUNT THIS THREAT IS THE NEUTRALIZATION OF KAMPUCHEA AS ENVISAGED IN THE ICK DECLARATION.

7. THE AMBASSADOR ASKED WHETHER THE GOM HAD RECEIVED A REACTION FROM CHINA ON THACK'S VISIT AND REPLIED IT NAD NOT YET RECEIVED A RESPONSE, BUT THAT THE AIM OF HALAYSIA WAS TO DEAL WITH CHINESE CONCERN OVER VIETNAMESE OR SOVIET EFFORTS TO ACHIEVE PREDOMINANCE IN KAMPUCHEA BY GETTING THE CHINESE TO UNDERSTAND THAT THE KAMPUCHEAN NEUTRALITY PROVIDED FOR IN THE ICK FORMULA WOULD MEET THEIR NEED AND THEIR CONCERNS. THE CHINESE'S MAIN INTEREST, AT THIS POINT, IS THAT KAMPUCKEA NOT BE SUBJECT TO THE INFLUENCE OF "ANOTHER" COMMUNIST POWER. WE BELIEVE, ADDED, THAT BEIJING WOULD NOW ACCEPT AS "THE SECOND BEST ALTERNATIVE" A TRULY NEUTRAL KAMPUCHEA. ONE IN WHICH, PARTICULARLY, SOVIET INVOLVEMENT IS REMOVED. CHINA WOULD NOT GIVE UP ITS LONG-TERM COAL OF DOMINATING THE AREA, BUT, SAID, THE CHINESE ARE VERY "PRAGMATIC" PEOPLE WHO UNDERSTAND NOW TO "SOLVE PROBLEMS". FOR EXAMPLE, HE NOTED, IN THE CASE OF MALAYSIA, BEIJING IN RECENT YEARS MAS EMPHASIZED GOVERNMENT-TO-GOVERNMENT TIES AND DOWN-PLAYED ITS CONNECTION WITH THE MALAYAN COMMUNIST PARTY MCP). HE ADDED, HOWEVER, THAT THE CHINESE DO NOT ABANDON FRIENDS AND JUST AS MALAYSIA DOES NOT EXPECT CHIMA TO ABANDON THE MCP, BEILING ALSO WILL NOT CUT ITS TIES WITH THE KHMER ROUGE SAID THAT THIS SITUATION IS FINE WITH MALAYSTA IN THAT IT WOULD ALLOW TIME FOR A NEUTRAL KAMPUCHEA TO BUILD ITS RESILIENCE AGAINST THE TIME WHEN BEILING MAY WISH TO REASSERT ITS INFLUENCE. WE KNOW, HE ADDED, THAT CHINA CONTINUES TO MAINTAIN

ITS AMBITIONS. THE AMBASSADOR NOTED THAT MALAYSIANS SEEN TO BE ARGUING THAT THE ICK FORMULA PROVIDES AN INTERMEDIATE-RANGE SOLUTION FOR BOTH CHINA AND VIETNAM, AND AGREED.

- 8. THE AMBASSADOR NOTED THAT MALAYSIA'S VIEWS TOWARDS CHINA'S HOTIVES IN KAMPUCHEA SEEN TO HAVE CHANGED CONSIDERABLY SINCE THIS TIME LAST YEAR. AT THAT TIME MALAYSIA AND THE OTHER ASEANS WERE VERY SUSPICIOUS THAT BEIJING'S PREDOMINANT OBJECTIVE IN KAMPUCHEA WAS TO RESTORE POL POT TO POWER. NOW THERE SEEMS TO BE A BELIEF THAT BEIJING SUPPORTS THE ICK FORMULA. AGREED THAT THERE NAS BEEN A CHANGE IN THINKING AND SAID THAT WHILE THE CHINESE SUPPORT FOR THE ICK FORMULA IS PRO FORMA, IT WAS THE JOB OF ASEAN TO ENCOURAGE BEIJING TO GIVE MORE ACTIVE SUPPORT, PARTICULARLY FOR THE COALITION GOVERNMENT.
- 9. THE AMBASSADOR ASKED ABOUT MALAYSIA'S AGREEMENT WITH THACH TO STUDY THE IDEA OF AN INTERNATIONAL CONFERENCE. SAID THAT THIS WAS VERY MUCH OF "A PROBE", NOT A PROPOSAL. HE REITERATED THAT IT WAS NOT A RESPONSE TO THE CONFERENCE OUTLINED IN THE HO CHI MINK COMMUNIQUE, BUT SINCE MANOI DID NOT ACCEPT THE ICK FRAMEWORK, PERHAPS THE IDEA OF ANOTHER INTERNATIONAL CONFERENCE COULD BRING VIETNAM INTO THE NEGOTIATING PROCESS. WHAT WAS IMPORTANT, ACCORDING TO WAS NOT THE FORM, BUT THE PRINCIPLES OF THE ICK DECLARATION, TOTAL WITHDRAVAL OF VIETNAMESE TROOPS, SELF-DETERMINATION OF KAMPUCHEA AND NEUTRALIZATION OF KAMPUCHEA AND THESE WOULD HAVE TO BE ACHIEVED.

SAID THAT GHAZALI HAD TOLD THACH THAT ASEAN'S ZOPFAN IDEA WAS DIRECTED AT ELIMINATING

BIG POWER INTERFERENCE AND DOMINANCE IN SOUTHEAST ASIA, BUT WAS NOT DIRECTED AGAINST BIG POWER PRESENCE IN THE REGION. HE NOTED THAT THE BIG POWERS HAVE LEGITIMATE INTERESTS IN THE REGION. AT THIS POINT THACH RETORTED THAT VIETNAM WAS READY TO NORMALIZE. RELATIONS WITH THE U.S.; IN FACT, IT WAS READY IN 1978 "WHEN THE U.S. DECIDED TO PLAY THE CHINA CARD". BT

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O-O-H-F-I-D-E-N-T-I-A-L SECTION #3 OF #3 KUALA LUMPUR #5742

11. THE AMBASSADOR ASKED WHAT MALAYSIA EXPECTED TO EMERGE FROM THE UPCOMING FOREIGN MINISTERS'
MEETING IN BANGKOK. REPLIED THEY WOULD BE TALKING AGAIN ABOUT FINDING A POLITICAL SOLUTION TO THE KAMPUCHEAN PROBLEM IN THE FRAMEWORK OF THE ICK. THEY WOULD ALSO DISCUSS OBTAINING MORE SUPPORT FOR THE COALITION GOVERNMENT, WHICH IS A VERY IMPORTANT ELEMENT IN THE ASEAN STRATEGY. GRAZALI TOLD THACK THAT VIETNAM HAD NOTHING TO FEAR FROM THE COALITION AND ONCE THE VIETNAMESE REALIZED THIS, THEY SHOULD SEIZE THE OPPORTUNITY IT REPRESENTS. THACH CONTINUED TO REFER TO THE COALITION AS AN "ILLUSION". THACH SAID THAT STHANOUK WAS OKAY, BUT HAD "SOLD HIMSELF" BY JOINING WITH THE POL POT GROUP. SAID THAT THE MALAYSIANS HAD THE IMPRESSION THAT THACK HAD SOME RESPECT FOR SIHANOUK, BUT HE NEVER MENTIONED A WORD ABOUT SON SANN.

12. ON THE UNGA MEETING, SAID THAT SIHANOUK WILL BE ADDRESSING THE SESSION AS THE NEW PRESIDENT OF THE DK. HE STRESSED THAT THE FORMATION OF THE COALITION GOVERNMENT WOULD NOT ALTER THE LEGAL BASIS FOR THE DK'S MEMBERSHIP AT THE UN. IT MERELY REPRESENTED AN INTERNAL CHANGE IN LEADERSHIP. MALAYSIA HOPED THAT THE VOTE ON THE CREDENTIALS ISSUE WOULD BE MORE AFFIRMATIVE THAN LAST YEAR. IN REPLY TO THE AMBASSADOR'S QUERY ABOUT WHETHER MALAYSIA HAD ANY FURTHER WORD ON AUSTRALIA'S POSITION ON THE CREDENTIALS ISSUE FROM VISIT OF PRIME MINISTER FRASER RESPONDED NEGATIVELY BUT SAID THAT FRASER HAD BEEN BRIEFED ABOUT THE RECENT CHANGES REPRESENTED BY THE CGDK AND MALAYSIA HOPED IT WOULD HAVE AN EFFECT ON THE AUSTRALIAN POSITION.

13. IN CONCLUSION, SAID THAT ASEAN WOULD CONTINUE TO PROBE VIETNAM BY KEEPING ALIVE A DIALOGUE WITH THEM WITH THE HOPE AT SOME POINT OF BRINGING THEM INTO THE REGOTIATING PROCESS. THE AMBASSADOR

NOTED THE VIETNAMESE HAD INVITED THE PRIME MINISTER TO VISIT HANDI.

RESPONDED THAT THE PM HAD NO PLANS THIS YEAR AND FOREIGN MINISTER GHAZALI AS WELL WOULD BE BUSY UNTIL THE END OF THE YEAR. HE SAID THAT GHAZALI PLANNED TO ATTEND THE ORGANIZATION OF ISLAMIC CONFERENCE MEETING IN NIAMEY AT THE END OF AUGUST AND ON THE WAY VISIT SEVERAL AFRICAN COUNTRIES. HE WOULD THEN ATTEND THE BAHGDAD MAM MEETING IN SEPTEMBER OMETHER THE MAM IS HELD THERE OR ELSEWHERE) AND THEN GO ON TO THE UNGA.

14. COMMENT: THE MALAYSIAN ASSESSMENT OF THE THACH VISIT STRIKES US AS FAIRLY MARD-HEADED. THACH'S "CONCILIATORY" MANNER DID NOT NIDE THE FACT THAT HE BROUGHT LITTLE NEW IN TERMS OF SUBSTANCE. THE GOM WILL ATTEMPT TO MAINTAIN A DIALOGUE WITH HAND!, BUT ITS MAIN EFFORT WILL BE DIRECTED TOWARD KEEPING THE PRESSURE ON THE VIETNAMESE TO MOVE TOWARD THE ICK FORMULA FOR A SOLUTION OF THE SITUATION IN KAMPUCHEA. IF THACH BELIEVED HIS VISIT WOULD DIVERT THE GOM FROM THESE EFFORTS, HE WAS MISTAKEN. PALMER