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INDOCHINA REFUGEE CHILDREN'S ASSISTANCE ACT AMENDMENTS OF 1977

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HEARING

BEFORE THE

COMMITTEE ON HUMAN RESOURCES

UNITED STATES SENATE

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

S. 2108

A BILL TO AMEND THE INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975 TO EXTEND THE PERIOD DURING WHICH REFUGEE ASSISTANCE MAY BE PROVIDED, AND FOR OTHER PURPOSES

SEPTEMBER 22, 1977

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INDOCHINA REFUGEE CHILDREN'S ASSISTANCE ACT AMENDMENTS OF 1977

THURSDAY, SEPTEMBER 22, 1977

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., in room 1318, Dirksen Senate Office Building, Senator Edward M. Kennedy, presiding pro tempore.

Present: Senators Kennedy, Cranston, and Hayakawa.

OPENING STATEMENT OF SENATOR KENNEDY

Senator KENNEDY. The committee will come to order.

The committee meets this morning to review the continuing movement of Indochinese refugees to the United States—and to consider legislation for extending the Indochina refugee assistance program established by Congress in 1975. This program assists local communities and voluntary agencies in helping the refugees to become productive and contributing members of our society.

Pending before the committee are the administration's proposal to extend this program—and a substitute, which Senator Cranston and I introduced earlier this week in behalf of Senator Humphrey.

The current program expires September 30. And given this fact, action on the pending legislation is needed urgently.

The legislation before us recognizes a continuing Federal responsibility to help the refugees help themselves. And I know that I speak for other members of this committee and the Senate, in pledging our best efforts to enact a responsible bill within the shortest time possible.

A sudden cutoff of the program at this time would undo much of the resettlement progress already achieved—and this would be wasteful of public funds. A sudden cutoff would bring undue hardship to many refugee families who are adjusting to a new life in a new land—and it would deny needed assistance to new arrivals under President Carter's parole program. And finally, a sudden cutoff would bring heavy burdens to the local communities and the voluntary agencies, who are helping the refugees. The agenda for action is clear, and so is the need to act.

Although our primary focus this morning is on the continuing movement of refugees to the United States and the Indochina refugee assistance program, we cannot ignore the many other immediate and longer term humanitarian problems remaining in Southeast Asia. And the time is past due to develop a comprehensive national policy toward these people problems—not only because of our traditional

humanitarian concern for people in need, but also because these problems play such an important role in your relations with the countries of the area.

The number of displaced persons from the Indochina Peninsula in Thailand continues to grow. So does the number of "boat people" from Vietnam, who are scattered in nearly a dozen countries of Asia.

In a sensitive way, we must work closely with the many host governments involved with these difficult problems. And we must strengthen our support of the United Nations High Commissioner for Refugees (UNHCR) and others, who are making every effort to provide adequate care and protection for the homeless. We must also support the UNHCR's international efforts to promote lasting solutions—including local integration in receiving areas, resettlement overseas, and voluntary repatriation, if conditions permit it.

Finally, even as our country joins with others in pledging more help to the displaced persons from the Indochina Peninsula, we must not further neglect the vast human needs that continue in Vietnam and Laos. Many humanitarian problems—including food shortages and the rehabilitation of war victims—continue. We must be mindful of such problems—not only because they contribute to the displaced persons problem in all of Southeast Asia, but also because of our responsibilities as a nation in helping the people of these countries to rebuild their homes and normalize their lives.

Of special concern today are the growing food shortages in the Indochina Peninsula, caused by drought and the dislocations of war. Tens of thousands of people are hungry. And recent reports suggest the threat of severe malnutrition and starvation in many areas in the weeks and months ahead.

As I wrote to the President in July, it would be in the finest humanitarian tradition of the American people, if our country could join with others in providing food assistance to the people of Vietnam and Laos under international auspices. And I share the hope of many, that ways can be found to accomplish this end.

The people problems of Southeast Asia—especially the movement of refugees to the United States—touch the lives and concerns of many Americans. We hope to learn more about these problems today, and alternatives open for action.

[The text of S. 2108 follows:]

95TH CONGRESS
1ST SESSION

S. 2108

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16 (legislative day, SEPTEMBER 15), 1977

Mr. CRANSTON (by request) introduced the following bill; which was read twice and referred to the Committee on Human Resources

A BILL

To amend the Indochina Migration and Refugee Assistance Act of 1975 to extend the period during which refugee assistance may be provided, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Indochina Migration and Refugee
4 Assistance Act of 1975 is amended to read as follows:
5 "SEC. 2. (a) Subject to subsection (b), there are
6 authorized to be appropriated, in addition to amounts other-
7 wise available for the purposes of this Act, not to exceed
8 \$160,000,000 for the performance of the functions set forth
9 in paragraphs (3), (4), (5), and (6) of section 2 (b)
10 of the Migration and Refugee Assistance Act of 1962 (76

1 Stat. 121), with respect to aliens who have fled from
2 Cambodia, Vietnam, and Laos.

3 “(b) (1) None of the funds authorized to be appropri-
4 ated by subsection (a) shall be available for obligation after
5 September 30, 1980, for expenditures authorized by para-
6 graph (2) of this subsection and none of those funds shall
7 be available after September 30, 1982, for expenditures
8 authorized by paragraph (3) of this subsection.

9 “(2) Funds provided to States and other jurisdictions
10 under this Act for assistance to aliens who have fled from
11 Cambodia, Vietnam, and Laos and who entered the United
12 States prior to August 11, 1977—

13 “(A) shall be available only for the cost, including
14 related administrative costs, of providing (i) cash as-
15 sistance for individuals who are not eligible under the
16 program of aid to families with dependent children or
17 the supplemental security income program under titles
18 IV and XVI of the Social Security Act, and (ii)
19 medical assistance for individuals who are not eligible
20 for such assistance under a State plan approved under
21 XIX of the Social Security Act; and

22 “(B) shall not exceed, for fiscal year 1978, 75 per
23 centum of the amount required, as determined by the
24 Secretary of Health, Education, and Welfare, for assist-
25 ance to individuals described in clause (A); 50 per

1 centum of such amount for fiscal year 1979; and 25
2 per centum of such amount for fiscal year 1980.

3 “(3) Funds provided to States and other jurisdictions
4 under this Act for assistance to aliens who have fled from
5 Cambodia, Vietnam, or Laos and who entered the United
6 States on or after August 11, 1977—

7 “(A) may be used, to the extent such funds are
8 available, to pay the full amount required for provid-
9 ing cash assistance, medical assistance, and social serv-
10 ices (including administrative costs related thereto)
11 to such individuals for the period from August 11, 1977,
12 through March 31, 1979;

13 “(B) shall be available, after March 31, 1979,
14 only for the cost, including related administrative costs,
15 of providing (i) cash assistance for individuals who are
16 not eligible under the program of aid to families with
17 dependent children or the supplemental security income
18 program under titles IV and XVI of the Social Secu-
19 rity Act, or (ii) medical assistance for individuals who
20 are not eligible for such assistance under a State plan
21 approved under title XIX of the Social Security Act;

22 “(C) shall not exceed, for the period from April 1,
23 1979, through March 31, 1980, 75 per centum of the
24 amount required, as determined by the Secretary of
25 Health, Education, and Welfare, for assistance to indi-

1 viduals described in clause (B); 50 per centum of
2 such amount for the period from April 1, 1980, through
3 March 31, 1981; and 25 per centum of such amount for
4 the period from April 1, 1981, through March 31,
5 1982; and

6 “(D) shall not be available for use after March 31,
7 1982, other than for such administrative costs as may
8 be necessary to terminate activities under this Act, and
9 shall not be available for any purpose after Septem-
10 ber 30, 1982.

11 “(c) No payment may be made under this Act to any
12 State with respect to any expenditure made in fiscal years
13 beginning after September 30, 1976 unless the Secretary of
14 Health, Education, and Welfare receives a claim from the
15 State for Federal reimbursement for such expenditure on
16 or before the last day of the fiscal year following the fiscal
17 year in which the expenditure was made. The Secretary
18 shall promulgate standards for determining when an expendi-
19 ture shall be considered to have been made for the purposes
20 of this subsection, and such standards may, at the request
21 of any State, be modified to comport with the accounting
22 or other fiscal practices of the State.”.

23 SEC. 2. (a) Section 4(b) of the Indochina Migra-
24 tion and Refugee Assistance Act of 1975 is amended to read
25 as follows:

1 “(b) Not later than December 31 of each year end-
2 ing prior to January 1, 1983, the Secretary of Health,
3 Education, and Welfare shall transmit to such Committees
4 a report describing fully and completely the status of refugees
5 from Cambodia, Vietnam, and Laos.”.

6 (b) Section 4 (c) of that Act is repealed.

Senator KENNEDY. Our first witness this morning will be Philip Habib, Undersecretary for Political Affairs and Chairman of the President's Task Force on Indochina Refugees. We welcome his appearance here as a senior official who has followed the Indochina refugee situation from the beginning. As chairman of the former Judiciary Subcommittee on Refugees, we received frequent testimony from him on developments in Indochina and American policy toward refugee problems through the region.

We will be interested to learn what the American policy is today.

We welcome his appearance here this morning.

Also I see Pat Derian is here. She is Assistant Secretary for Human Rights and Humanitarian Affairs in the Department of State.

So we welcome Mr. Habib before the committee and Miss Derian, too.

STATEMENT OF PHILIP C. HABIB, UNDERSECRETARY FOR POLITICAL AFFAIRS AND CHAIRMAN OF THE PRESIDENT'S TASK FORCE ON INDOCHINA REFUGEES, DEPARTMENT OF STATE, ACCOMPANIED BY PATRICIA DERIAN, ASSISTANT SECRETARY FOR HUMAN RIGHTS AND HUMANITARIAN AFFAIRS; ROBERT OAKLEY, DEPUTY ASSISTANT SECRETARY, EAST ASIA; JAMES CARLIN, DEPUTY ASSISTANT SECRETARY FOR HUMANITARIAN AFFAIRS; AND SHEPARD C. LOWMAN, FOREIGN SERVICE OFFICER

Mr. HABIB. Good morning, Mr. Chairman.

I have with me, as you noted, Mr. Chairman, Patricia Derian, Assistant Secretary for Human Rights and Humanitarian Affairs; as well as Robert Oakley, Deputy Assistant Secretary of State for East Asian Affairs; Jim Carlin, Deputy Assistant Secretary for Humanitarian Affairs; Shepard Lowman, who is a Foreign Service officer in the Office for Humanitarian Affairs.

Mr. Chairman, I want to thank you for the opportunity to appear before the committee today to support the administration's recommendation for a continuation of Federal funding to reimburse the States for welfare expenditures incurred as a result of the resettlement in the United States of the Indochinese refugees.

I appreciate the committee's interest in the Indochinese refugees and I am here today to indicate that we share your continuing concern with this significant humanitarian issue.

I believe that the Indochinese refugees are making steady progress in adjusting to their new lives in the United States, and this program of support has been instrumental in their success thus far. I am sure we all want to see that success continue to completion of the resettlement process. The continuation of this program will greatly facilitate achievement of that goal.

With respect to the 15,000 additional refugees to be paroled into the United States and such other Indochinese refugees as may enter under the conditional entry provisions of the Immigration and Nationality Act, they will be coming to this country with problems very similar to those experienced by their fellow refugees already here. Therefore an extension of these benefits to assist in their resettlement as well would also appear fully justified.

There is a further connection, Mr. Chairman, of which I am sure you are aware. The Department of State has submitted a supplemental request for \$6.3 million to complete the financing of the movement and initial resettlement of the 15,000. I hope that this request will have your support.

Mr. Chairman, in closing I want to reiterate my appreciation, officially and on a personal basis, for the humanitarian attention you and the members of this committee have given to the problems of the refugees from Indochina.

Senator KENNEDY. Thank you. I think during the course of the morning we are going to have some opportunity to examine in considerable detail the specifics of the legislation and the comparisons between my bill and the administration's proposal.

I do not want to get into that particular issue now; but I would like, if you would, to tell us a little bit about the general policy, what you expect in terms of both the short and long range, and the possibility of what the administration will be recommending in terms of additional refugees, and then we will sort of move back from that.

Maybe initially we could start off with what the administration expects in terms of additional numbers of refugees—both in Southeast Asia, and those coming to the United States. What are going to be some of the factors that are going to affect those numbers?

We will start both in the short and long term, the next may be 2 to 3 years, and then we will go to the next 5 years.

Mr. HABIB. The task force which has been examining this problem has come up with what I would call short-range estimates based on current information I would say for the next year or two. The longer range, of course it is very difficult to estimate what would happen. But we expect that the rate of refugee flow, which has been holding now over these last months, is likely to continue in the near future. It has been going at a rate of about 1,700 a month from Laos into Thailand, and there is about 400 to 500 a month Vietnamese boat cases at the current rate, and it is expected to continue.

Therefore one could expect that you will get somewhere around 5,000 to 6,000, up to 7,000 maybe, boat cases a year.

If the Lao continue to flow into northern Thailand, you could get as many as 20,000 in the next year. It is difficult to go beyond that because you are now into a situation where the flow of refugees from Laos into Thailand has changed in character. Whereas earlier on, many of them were H'mong, the mountain people, and that flow has pretty well dried up and you are getting lowland Lao now fleeing across the river.

The other thing we do not know is what will happen with Cambodian refugees. That is down to a very bare trickle now, and probably due to very restrictive control in the border area by Cambodian authorities. We expect that will probably be just a trickle in the future.

Senator KENNEDY. What do we see as our responsibilities to those refugees?

Mr. HABIB. I was about to say, Mr. Chairman, that we look upon this as an international problem, and we have tried to emphasize the international character of the problem. It is a local problem in turn for the Thais because of the numbers involved and the character of people and the manner in which they cross. It is a problem which we have

sought to share with other countries who have somewhat the same humanitarian concern we have for these people.

I cannot tell you exactly how many we expect would be taken by third countries as against Thailand and ourselves. We know what the statistics are in the past. I could provide those for the committee's records. In any event we would expect that there will be a number of them taken by other countries, but that a residual element will either be absorbed into Thailand by virtue of reality, just simple facts, or will come to the United States.

Now, we have been following the policy of setting certain priorities, and I would call them guidelines, for people who come across and applying those rather strictly. We also applied them very strictly for boat case refugees entering under conditional entry. People who have family relationships in the United States of course have a high priority. Those people who were employed by the United States in the past get a certain priority. Those who by virtue of their activities and association with the United States are worthy of particular attention have received some priority, and it is that group that we are going to try to take care of in these 15,000 that have been authorized for parole and the first group of whom arrived just this week. The 15,000 program will be a combination of boat cases and refugees coming across the land border.

Now, on the boat cases, the authority we have now will clean up the backlog of boat cases. What we still face is what to do about the incoming boat cases; the boat cases of the future. We would expect that the countries in the area will continue the practice of at least accepting them on a temporary basis. We hope then that they will be distributed internationally.

Senator KENNEDY. How realistic is it to expect that they are going to take refugees in on a temporary basis unless you have a real program for permanent resettlement opportunities?

Mr. HABIB. That has been the practice because it has been the understanding that a program exists. It is not only the American people. The French have been taking about 1,000 a month, and that is likely to continue. The Canadians have been taking some. They are going to raise their figure. They are going to take, we understand, in the current year between 1,500 and 2,000.

We are now getting in reports from the field there are other countries prepared to take some. We are also getting reports in from the field, of countries prepared to assist in financing this operation through the UNHCR. I just read a report this morning where the Japanese Government is prepared to provide additional funds through the UNHCR for the care of these people and also hopefully to accept some, at least on a temporary basis. In the long run I would expect that they will find some way to accept some on a permanent basis.

Senator KENNEDY. As I understand, there were some 150,000 refugees in Thailand?

Mr. HABIB. About 80,000 to 90,000 I think is the figure.

Senator KENNEDY. But since 1975, 50,000 of those have been resettled; is that correct?

Mr. HABIB. I am sure the statistics are good. I do not have all the figures.

Senator KENNEDY. Approximately, say 50,000, as I understand it, as of the end of June, about 50,000 resettled in third countries, and still you have got about 80,000 in Thailand?

Mr. HABIB. About 80,000 to 90,000. Many of them are not really resettled in the real sense of the word.

Senator KENNEDY. How many are to be resettled?

Mr. HABIB. At present time we count about 8,000 of them as responsibility of ours because of prior association and also because of family connections, people in this country.

Senator KENNEDY. What percent would you say, of the 80,000, that would be resettled? About 40,000 to be resettled or is it less?

Mr. HABIB. I would say just again at the top of my head, substantially less than that. In the first group, if I recall right, there were over 50,000 mountain people who came from the mountains of Laos.

Senator KENNEDY. Of the ones that are there—

Mr. HABIB. They are still in camps. That is the thing you have to worry about.

Senator KENNEDY. What can you tell us now so there is a measuring stick we can use?

Mr. HABIB. What I can say to you now?

Senator KENNEDY. We are going to be asked about this, in terms of the appropriations next year and the year after, so we want to find out exactly what we might expect in terms of how we perceive our responsibility to those refugees.

Mr. HABIB. I would hope, Senator, instead of answering that question precisely today, we are submitting this week to the President the task force report. I would propose, Senator, that instead of my trying to deal with the whole thing now, to let us sort out our own proposals, and then come to the Congress for fuller consultation so that we are dealing with what we are going to try to do, rather than what are the various possibilities at this stage, and I would offer to do that in a thorough and rational fashion with the relevant committees of Congress as soon as we get a clear administration position.

Senator KENNEDY. That is going to be when?

Mr. HABIB. The task force report will go to the President this week. I had the final meeting of the task force last week. It is being retyped. It should come out of the typewriter in the next day or so. It will be submitted to the President for his consideration. I would hope within a reasonably short period of time that we can come to the Congress to consult, to discuss, to share our judgments and our opinions when we have some sort of firm judgments and opinions.

Senator KENNEDY. Before we go out of session?

Mr. HABIB. Oh, yes. I will commit us to that. Let me say as far as I am concerned it would be desirable to do it before you go out of session.

Senator KENNEDY. Let me ask you: What are we prepared to do for the refugees who are left in Thailand?

Mr. HABIB. In that case we are of course supplying our share of funds to the UNHCR. It is an UNHCR-run operation. It is their responsibility. They have assumed it.

They receive contributions from countries all over the world. They work with other international refugee organizations like ICEM and various rescue leagues, voluntary agencies of all sorts. In any event it is the UNHCR's responsibility.

We provide our share of the funds for that operation. Other countries are contributing and will continue to contribute and we expect their contributions will increase.

It is my understanding that we have just received a report within the last couple days that the Thais intend to raise this issue at the United Nations General Assembly to generate the kind of international understanding and support for this problem which we have always felt was necessary.

Senator KENNEDY. Now, our assistance is for care and maintenance, is that correct?

Mr. HABIB. Care and maintenance, and I think there has been a certain amount for self-sufficiency projects and an attempt to try and get them to adjust. But the conditions in those camps are not such that I would put much hope in that. What we are trying to do is to talk to the UNHCR and the Thais about a proper resettlement program there, and the Thais, as you know, has been really very, very understanding and humane in this matter in the sense of accepting the people.

There have been some who would say turn them back at the border.

Senator KENNEDY. I think that is all the more reason that we ought to be forthcoming.

Mr. HABIB. Yes, sir. I would agree with you completely.

Senator KENNEDY. As I understand the program today it has been care and maintenance, not a program for local resettlement. Is the refugee task force going to make a recommendation on that as well?

Mr. HABIB. Yes, sir. And what in effect we are recommending is exactly what you are proposing that we begin to talk with the Thais and UNHCR very specifically about resettlement.

Senator KENNEDY. So we will hear about that, too.

Mr. HABIB. Yes, sir.

Senator KENNEDY. What can you tell us about the quality of the program now in terms of the international agencies? There was some criticism of it at first, and I would be interested in what the Department's assessment is now.

Mr. HABIB. I would make a general comment, and then I would ask Ms. Derian if she would like to add something. I will make a general comment. That is, as you know I was involved in this program right at the outset, as you were, sir. It seems to me that a remarkable thing has been done in terms of 140,000-some-odd refugees brought to this country and the manner in which they have been absorbed. Without the help of the voluntary agencies, that would not have been possible. I will let Ms. Derian add anything she wishes.

Senator KENNEDY. Ms. Derian, we want to welcome you here to the committee as one who has long followed your very active, and I think very valuable career in the human rights area.

Ms. DERIAN. Thank you very much.

Senator KENNEDY. I think both myself and the other members have felt you have made an extraordinary contribution to our country and we want to note that at the start. We welcome you here.

Would you comment and then perhaps the others here would comment, on what are some of the problems in the field. We want to be constructive, I think it is important to sort of find out how we are viewing the situation, and if there are problems, what we are doing to try to work with the international agencies to try and insure that these problems will be resolved. As one who has been strongly com-

mitted to humanitarian programs, both those within the United Nations specialized agencies and also our bilateral programs, I do not want to get blind-sided by criticisms when we are well down the road in an attempt to justify these to my colleagues. So I would be interested in what your assessment is now, where you think there are some weaknesses, where you think there are some strengths, and where you think there are needs to make some improvements.

I think in this way we can probably make the strongest case from what I consider to be both the administration's and my concern and commitment toward these refugees.

Ms. DERIAN. Mr. Chairman, thank you very much. I am very happy to be here.

I would like to say about the voluntary agencies working in behalf of the Indochinese who came here before, that they are very anxious to help the newcomers. They were very successful in placing people in this country. Ninety-five or almost 96 percent of the refugees in the first group are employed. They are not employed at very high levels. They are possibly working at minimum wage or just barely above. While 65 percent of them need no assistance at all, 35 percent continue to need some.

We have met with them. They are interested to move on to help absorb this new group, and I trust that we will have the same success here.

Internationally we have been working very closely with the UNHCR. There are now 80,000 to 90,000 refugees in Thailand, and it is a tremendous problem. These people are living in refugee camps. They are refugee camps. I plan to go there shortly after the first of the year. I have no illusions that this is a place where people might improve themselves or be enriched in any way. I do not think that happens.

They are merely safe physically and being fed and having medical attention. Abuses have been mentioned, mostly of people who are rotting on the shores of Thailand and other countries by the people who receive them, who have stumbled upon them as they waded ashore or came across the border. I have been reading stories in the Times lately about things that happen to people as they appear on the scene. I can only tell you that if there is a way to stop this, we will find it.

The Thais have been life savers for these people, because nobody else will take them.

We have had people sitting on boats for months and months and months and no country would let the people get off, literally months it took to let people get off.

Now that we have something in progress here everything has opened up. As soon as it appears in any way that we are not going to be consistent in our help to these people, I think it will all dry up again and we will see people in the water drowning. So we have a sense of urgency about it. Your sensitivity to it is vital to the lives of these people. That is not going to stop. We do not see any evidence of that and people are fleeing because life is too hard there and hazardous. While they came into a situation that is far from ideal, it is at least safe. That may be all you can say for it.

Mr. HABIB. One thing I would add to that, Senator: We all recall in the early days a certain degree of dissatisfaction with some of the

voluntary agencies who were operating in this field. And I think as I return to the examination of the problem after having left it alone for a few years, I find that that kind of dissatisfaction that we had in the early stages has pretty well disappeared and the degree of cooperation and effectiveness of the operation is substantially greater than when I remembered at the outset.

Ms. DERIAN. If I could add one thing. The commitment of those agencies through this period has not wavered at all. While a lot of other people have gone on to do other things and have become caught up in other interests, there has been a steady caring, a steady concern, steady effort to try to do something about the life of these people. We must acknowledge the fact that while they may not perform perfectly, they perform consistently and their care and concern are what has made it possible for us to get to this point when we are able to try to make another effort.

Senator KENNEDY. Would any of the other gentlemen here care to comment?

Mr. HABIB. Mr. Carlin.

Mr. CARLIN. Just a word, sir, about the ongoing assistance program in Thailand. The level of it is ranging between \$24 and \$25 million. While it is under the umbrella of the UNHCR, it is a combined effort with the Thai Government. The Thai Government provides approximately half the value of the program in terms of facilities, camps and other facilities, land, et cetera, and then the UNHCR provides care and maintenance benefits.

While no refugee assistance program is completely adequate, it is our assessment that this particular program is satisfactory.

The basic food provisions and clothing, are being provided to refugees as are medical supplies. There have been no serious epidemics. So in response to your question about the quality of the program, while it leaves something to be desired, at least the refugees are being sustained until their resettlement can be effected.

Senator KENNEDY. Could we talk a little bit about what we see as some of the other people problems in Southeast Asia? I think in the wake of World War II we saw problems of refugees for a number of years, some 25 years. I think there was some understanding and appreciation for it with most Americans, and I think it is important now that we have a pretty good and realistic assessment about what the current situation is in Indochina and what you foresee as the refugee problem, generally, over the period of the next 10 years so we can begin to understand, and so that the American people understand it better.

Mr. HABIB. You are in a long-range mood this morning, Senator, when you talk about 10 years. I am a little hesitant to speak about 10 years.

I would like to ask Mr. Oakley who has been following this problem to give you a brief assessment on how they see the Indo-Chinese Peninsula in this regard at the present time.

Mr. OAKLEY. As Mr. Habib just said, it is very difficult to look ahead 10 years. Part of the problem is one that we have indeed experienced in other parts of the world where a political, social, and economic system is undergoing a fundamental change. Something that was experienced in North Vietnam, even though a million and a half refugees left in 1954 and 1955, after the first Geneva Accords with

our assistance there was tremendous amount of upheaval which continues inside North Vietnam as the system of government changed completely. This is part of what is happening inside the three countries of Indochina right now. Each of the three is somewhat different.

Cambodia, we have read a lot about. The nature of the change, the fanaticism involved in the change has produced a terrible situation with respect to human rights.

The same sort of thing perhaps was experienced during periods in the past in China or the Soviet Union where brute force is being used to effect fundamental change in a hurry at any cost, at any human cost, that is. The atrocity stories, the deaths from starvation, deliberate or otherwise, this sort of thing, as well as political recycling which is taking place in Cambodia has been extreme.

This is happening to a lesser degree, but the same sort of thing is happening in Laos and Vietnam.

So in addition to the initial exodus which you had, the initial exodus, which was really people who were identified very closely with the United States in one way or another or with regimes which had been overthrown militarily, you now have a second type of dissatisfaction, and that is people who cannot live with the system. This is producing a second wave, if you will, of discontent.

So you have this sort of problem which is one that is pervasive around the world. It is the sort of problem which is also exacerbating the food situation, the economic situation. The fact that the agriculture system, for example, in Vietnam has been completely overturned, and instead of a free enterprise system with Chinese middlemen based upon a degree of mechanization with the latest varieties of rice and things of that sort, you have now a Socialist system which is being imposed, moving toward collective farms. This has reduced tremendously the incentive of the farmer to produce, again something which is common to a number of Communist countries.

In addition to drought conditions in Laos and Vietnam, you also have the fundamental problem of tremendous reduction in the incentive of the farmer to produce under these circumstances, so he is inclined to say, "I will produce enough for my own consumption and then the heck with it because there is no incentive to produce a lot more."

The type of merchants once again, small merchants, as well as big ones, find there is no more role for them. This type of thing is taking place throughout Indochina and it is producing tremendous amounts of upheaval internally which in turn produces flow of refugees.

I expect the flow of refugees from Laos will continue for a while and then it will certainly begin to diminish.

As Mr. Habib said, the flow of H'Mong has already diminished. The number of people living in the country is so small that you will not get a large flow, but you are getting a return to a much more elemental standard of living than you had in the past.

Vietnam, a big part of the problem is the difficulty of escape. It is just hard to get out. But looking ahead 10 years I would imagine that in a few years, I would hesitate to predict how many, you will get a situation where there will be adjustment. The people will, like it or not, become adjusted to the new system which is being introduced.

At that stage there will be additional amount of stability.

Senator KENNEDY. I suppose the bottom line that a lot of Americans are going to be interested in is how long we are going to see the flow of refugees coming into the United States.

Mr. HABIB. I would think we had better count on the next, I should think, at the limited numbers we are talking about, I would say we and certainly the task force has come to the conclusion that we should at least plan for this current level over the next, let us say, 3 years or so. In fact, as you will see, when we come before you with full range of our findings, that we use as a planning period about 3 to 4 years.

Senator KENNEDY. I suppose you have to say that is approximately about 15,000 a year—26,000 for the last 2 years.

Mr. HABIB. Yes. Somewhere around there. But when you stop to think of the fact that we get 385,000 legal immigrants a year, I would consider this a rather small percentage and a problem I am glad to say I have always found you understanding of.

Senator KENNEDY. I agree that we have an important humanitarian responsibility and ought to meet it in a very humane way, both in resettlement opportunities in this country and in terms of our contributions to international programs. I think our responsibility in these areas is a continuing one. And I think it is important that we understand that.

However, there are a certain number of Americans who are under the impression that once we took the first group of 130,000 Indochina refugees, that that was sort of it. I think it is important that we understand the nature of the problems out there and our very important and continuing humanitarian responsibilities in that area and be quite realistic about it. So the information you will provide will be helpful.

Now, what information can you give us as to the refugees that have returned to Vietnam? There have been some who have repatriated. What do we know about them? Have we heard anything? Have there been any stories?

Mr. HABIB. I am not aware of any. Let me search the record. There are ways of finding out because there is a degree of contact, and we will see what we can find out.

Jim, do you have reports, recent reports?

Mr. CARLIN. In that connection, there were some 600 Vietnamese refugees who came to this country and did request to be repatriated to their home country. Up to this point, the Vietnamese authorities have not permitted them to return.

Senator KENNEDY. Give me that again.

What is their policy? For a while there was some indication that they would take some back, as I understood it.

What is the policy now?

Mr. CARLIN. Following the arrival of the large group in May and June 1975, it was made known to Vietnamese refugees who arrived here that any who chose to be repatriated can have that opportunity. The UNHCR, through Vietnamese language press, made that known to Vietnamese refugees. Some 600 were signed up to be repatriated.

The UNHCR approached Vietnamese authorities, but to date Vietnamese authorities have not permitted the return of that group.

Senator KENNEDY. There were some who went back from Guam?

Mr. CARLIN. Yes, one group who went back from Guam to Vietnam by boat. There might have been some that have gone back from other countries. Let us see what we can find out.

Mr. HABIB. If I remember correctly, I know what happened to that boat at the outset. They were put into a camp and I do not know how long they had to stay there, go through some sort of process. Let us see if we can find something out. Senator.

Senator KENNEDY. Could we talk about the nature of humanitarian problems generally on the Indochina Peninsula, and how severe are they?

What are the best estimates of how serious is the food crisis in Vietnam and Laos?

There was a New York Times story yesterday on Laos.

Mr. HABIB. The New York Times story is basically accurate. We checked the story. It is consistent with our own information that there was a 2-month cold wave in the northern part of Vietnam and drought in the southern part of Vietnam. There was also drought or late monsoons in Laos. Evidently, the drought ended in early July with the start of the rainy season, but there has been substantial damage and loss of crops.

As Mr. Oakley intimated, there are other reasons why there was a falloff of food production, and there is a food grain shortage. Traditionally, over the last years, this has been a net import item. In the old days, of course, South Vietnam had great export potential. It was about to achieve self-sufficiency when things broke down and the change took place in 1975. But, in any event, at the present time, the reports that we have indicate that, in addition to the natural conditions, that the major causes of the grain shortfall are shortage of seed and fertilizer and absence of expertise that was associated with better qualities of rice that had been developed previously. There has been a shortage of fuel and machinery that is important to southern agriculture, which reduced the crop there.

There have been inadequate attention through irrigation networks and so on.

Senator KENNEDY. There is a problem there, Mr. Habib, and I am interested, from the Times story and what you said here, whether the Laotian Government has requested any food or assistance?

Mr. HABIB. No; it has not.

Senator KENNEDY. Do you know why?

Mr. HABIB. I think, in part, they are satisfying their requirements elsewhere. We understand they have obtained shipments of substantial amounts of grain from the Soviet Union, the People's Republic of China, Australia, and Thailand.

Senator KENNEDY. Do you know if they are prepared to accept humanitarian assistance? We tragically have seen how food in recent times has been used in Indochina for political purposes—

Mr. HABIB. In the case of Laos, we have that under consideration.

Senator KENNEDY [continuing]. And we have seen it in Latin America. One year, two-thirds of our food went to Chile, while four of the most needy nations in Latin America never even made application and we didn't encourage them to, yet they are the poorest countries. Obviously, the request has to come from those governments, but we have an embassy in Laos. We have surpluses of food in a number of different areas. There are critical food problems in

Laos, as I understand, both from our study mission that went over there and from international reports. And I am just wondering whether we are going to respond to humanitarian needs in Laos?

We went all the way through, at least our Refugee Subcommittee did, in terms of Ethiopia and the Sahel, where you had a number of governments, with people starving, making no request for food. We have embassies in those areas, and it seems to me we could find ways and means where such requests would be forthcoming.

I just would appreciate it if you would pursue that and let us know what the policy of the administration is toward food aid to Vietnam and Laos.

Mr. HABIB. With respect to the particular case of Laos, it is under active consideration, and we will, in accordance with your request, pursue the matter.

In the case of Vietnam, as you know, there are legal restrictions.

Senator KENNEDY. What about Vietnam?

Mr. HABIB. As you know, the law prohibits us from doing anything in Vietnam. That would be a problem which I would leave to the Congress at this stage.

Senator KENNEDY. But not for disaster aid. How bad would it have to get in Vietnam before you would exercise your authority under the international disaster assistance provision?

Mr. HABIB. We cannot under law. I said we cannot under law. That has not gotten to that stage from what we understand. There are food grains available elsewhere. It seems to be flowing in to meet the basic requirements.

Senator KENNEDY. We will expect to hear from you on these areas and we will look forward to working with you closely in terms of necessary legislation.

Mr. HABIB. Thank you very much.

Senator KENNEDY. We will now hear from the Coalition for the Effective Resettlement of Indochinese Refugees, Mr. Stanley B. Breen, chairman, and Mr. Wells Klein and Ms. Hung Le Si.

I have to leave at 10:30, so Senator Cranston will take over.

I might ask, if it is agreeable with Mr. Breen, if we could hear from Mr. Klein, who was part of our group that went out for the Immigration and Refugee Subcommittee of the Judiciary Committee, and maybe give us some idea about the general kinds of people problems in the area. Then we will come back and hear from the coalition with regard to the specific legislation before us. I think it is terribly important as we consider what we are going to do currently, that we in Congress have some appreciation as to the nature of the problem in the field, just generally.

I think it is important that the American people understand those problems, too.

Mr. Klein, would you give us kind of a brief summary of what you found?

**STATEMENT OF COALITION FOR THE EFFECTIVE RESETTLEMENT
OF INDOCHINESE REFUGEES, STANLEY B. BREEN, CHAIRMAN,
ACCOMPANIED BY WELLS KLEIN AND HUNG LE SI**

Mr. KLEIN. Yes, Mr. Chairman. Thank you.

The study mission that you sent to Southeast Asia in the latter part of August returned 1½ weeks ago. I would like to give you a

quick summary of our findings and some of our observations broken into several categories.

First, as to the refugee situation in Thailand. As witnesses for the administration pointed out earlier, the Thai refugee camps are not in perfect condition by any means, but I think we were pleasantly surprised by the condition of the camp as against what we heard of them a year, 1½ years ago. The camps seemed to be fairly efficiently operated. We are impressed by the presence of UNHCR and their involvement in care and maintenance of refugees in Thailand.

There is no question but that the camps are very overcrowded, and there are periodic special situations which are cause for concern, such as the rounding up of Cambodian refugees along the border.

Generally, camp conditions look very good. The condition of the people does not look bad. Voluntary agencies working in Thailand, both American agencies, other country agencies, and international agencies, are seemingly doing a very good job in two respects.

One, in providing actual services in the camps; medical services, for instance. And second, in a less visible, but I think quite important, monitoring role. There is a foreign presence there in addition to U.N. presence, which I think plays an important role in maintaining camp conditions as acceptable.

The continuing refugee problem in Thailand poses a real problem for that Government. Thailand is caught betwixt and between. It has domestic problems vis-a-vis refugees. It is a conservative government faced on its borders by socialist governments. The Thai Government is very worried about the continuing influx of refugees into Thailand. They have adhered to the letter of the U.N. Convention regarding refugees, I think, extremely well.

They do have problems. They are particularly concerned about what Mr. Habib referred to as a second wave of refugees, those who are fleeing not so much from a priori political reasons but for more economic reasons. This poses a philosophical and operational problem for the Thai Government, for our policymakers, and for UNHCR. It is a complex problem and relates to not only the welfare of the refugees, but to the political and economic and agricultural conditions in the area as a whole, particularly the recent drought and present shortage of rice.

There is not going to be any short-term solution to the refugee problem in Thailand. Obviously, all refugees cannot be settled in third countries. Provisions will have to be made for settling large numbers of refugees in Thailand. This will take sensitive and careful negotiation between the interested parties such as our Government, the UNHCR, and the Thai Government which will ultimately have to bear the responsibility.

As to the boat cases, this is one of the most discomforting refugee situations I have observed. I think the announcement of the American parole program has had positive effect on the countries of Southeast Asia in terms of accepting more of the boat case refugees. It remains to be seen, however, whether they will respond to the American parole program for handling 7,000 boat case refugees in the long run by permitting additional refugees to land, or whether they are going to say, in effect, thank you very much, United States, for clearing out a backlog. We will be sure that we do not again accumulate a backlog.

In other words, the boat case situation is by no means solved. I was encouraged to hear the State Department say this morning that

they view this as a long-range problem, and I hope U.S. policy will reflect the real nature of the problem, the fact that it is going to be a continuing problem.

I would like to comment that in the Thai refugee situation, some of 1,600 Vietnamese refugees pose a very special problem because there is no way in which they can be resettled in Thailand. We need to give them special consideration.

And the Cambodian refugees represent a special problem also because they are not going to be easily resettled in Thailand, and not many of them will qualify for third-country resettlement, at least in the United States. There are variations; it is not in the simple situation.

I think one of the things that is impressive about handling of the refugees in Southeast Asia is the fact that, contrary to much public opinion in this country, the situation has already been very much internationalized. If you take the figures of what third countries have resettled refugees after the large exodus of refugees in 1975, and cast those figures against the population of receiving country, you find a remarkable internationalization of the problem already.

The United States is, by no means, the largest relative acceptor of Indochinese refugees.

While we continue to have an obligation and a concern, we must recognize that other countries are indeed responding in a humane and effective way.

We were struck and concerned about the interrelatedness of problems in the Indochinese Peninsula in Thailand. The refugees are responding to the forces playing upon them. These are political forces. They are forces deriving from the change of structure of government and the resultant changes in economies, and in the way of life of the people. In particular, the refugees are responding to economic changes, some of which are attributable to change in government and others attributable to change in climate, the drought, and other factors.

I would like to suggest—and I was encouraged again by Mr. Habib's comment that the administration seems to be considering—possible food aid to Laos.

Senator KENNEDY. How badly is food needed in Laos? How bad is the food situation from your own observations?

Mr. KLEIN. We did not see anyone who seemed to be severely suffering from malnutrition or starvation yet. We went through the central market in Vientiane. I had been at the central market in Vientiane many years ago, and in a Southeast Asian country, the staple of the market is rice. We saw only one place where there was a basket of rice for sale. We asked what was the price. The woman said if we would like to come to the back, she would discuss it. The rice was not for sale. There was no other rice in the central market.

The rice is the staple food of the Laotian diet.

There was some protein matter, fish. There were vegetables. I would say that they are not now facing famine or starvation but could in the not-too-distant future.

Now, this was Vientiane. We do not know what the situation is in the hinterland. Laos is divided, has a mountain range in many areas. You could have much more severe shortages in some areas and not necessarily have it reflected in the capital city.

Senator KENNEDY. I suppose it could be the opposite, too.

Mr. KLEIN. It is unlikely to be because the Vientiane plain is one of the more fertile areas. You are more likely to have food shortages back in the mountains and hinterland.

To conclude with two comments: One, I think we should address, to the extent that we can, some of the causal problems influencing the refugee flow, the key one being the food question and humanitarian aid. We saw a hospital in Vientiane, a very elaborate and impressive-looking hospital, built with American aid funds before the change of governments. It is a lovely air-conditioned hospital and built without open windows because the purpose was to air-condition the interior of the hospital.

The air-conditioning equipment is broken. Therefore, this elaborate structure, which is the main medical structure in the country, is only semioperative, simply because it gets so hot in there that it becomes almost impossible for patients and for the staff to work.

I would like to see the United States provide some food assistance and some key technical or humanitarian aid to get installations like that operating again. It is cost effective in terms of the amount of money that the United States has poured into Laos over the years. Some modest assistance to the Laotian economy, would seem to pay off very much in terms of human welfare.

One final comment, Mr. Chairman.

The thing that struck us time and again is the fact that, over the last 2½ or 3 years, the response to refugee and allied problems, beginning with the exodus from Phnom Penh and Saigon and continuing to today, has been a reactive one, reacting to pressures or sudden emergencies. It has not been one of a planned coordinated policy. If there had been a policy from which a program derives, there would be no need for a gearing such as we are having today with September 30 facing us immediately.

The thing that seems very clear to us is the need for a coherent U.S. policy which incorporates coordination between all the elements involved, the Congress, the State Department, HEW, and voluntary agencies. It should involve not only how we handle refugees abroad and before they come to the United States, but how we handle refugees after they arrive in the United States.

If we can get such a policy that programs would then flow from, I think we stand a much better chance of having a more humane, more coherent approach to the whole question.

That is a very quick summary of the study mission's findings. There will be a much more detailed report available in the near future.

Senator KENNEDY. I think this a very reasonable and obvious request, in terms of the kind of technical help and assistance we should offer. We have seen that situation replicated in a number of countries where our technical help and assistance has built the most modern kind of hospitals, and missed out in terms of immunization programs and other public health programs that have very, very important impact upon life in developing countries and, in many instances, far-reaching health impact. I think these are good suggestions you have made.

I am hopeful about what Mr. Habib said, that we can get some response in terms of food aid to Laos, and I think there are other observations you have made which will be very helpful to us.

I think we will return now to the coalition chairman, Stanley Breen, and discuss the legislation on the extension of the Indochina refugee assistance program.

Mr. BREEN. Mr. Chairman, I am Stanley Breen. I work for the Governor of the State of Minnesota. The Governor sends his regards and would like to have been here but had a prior commitment. I want the committee to know that I speak with the full support and complete authority to speak for the Governor of the State of Minnesota. In addition to that, I am speaking as chairman of the Coalition for the Effective Resettlement of Indochinese Refugees.

You have my statement. I will not go through the statement, but will speak extemporaneously for about 5 minutes.

The coalition was started at the incentive of the State of Minnesota in March of this year. It represents approximately 130 representatives of State, local, and voluntary organizations throughout the country dealing with refugees.

When the coalition began, the Department of HEW had no alternatives, had no program for after September 30. They really had no position. We started a dialog at the highest levels of HEW with the White House and with the Congress. And through that the HEW has developed a position.

I must say, however, that the coalition has very, very strong reservations about the content of the administration bill. In its present form the administration proposal represents both bad policy and it perpetuates the welfare syndrome, unequal administration, since only a minority of States could participate in that program. Current programs and legislation—the amendment provided by the Humphrey, Kennedy, and Cranston bill is sensible, good social planning method of dealing with the refugee situation in this country, especially Indochinese refugees. I should say that the coalition initially was very diverse with many different positions. There was a good deal of negotiation, much study and many meetings.

The current refugee assistance program provides a comprehensive set of services, including social services, bilingual mental health counseling, employment and training programs, cash assistance, and medical assistance, which are designed to provide economic support to the refugees while they help the refugees acquire the tools for self-sufficiency.

The essential features which can aid the Indochinese in obtaining and upgrading employment, such as supportive social services, counseling, and training projects. This is indicated by the fact that the unemployment rate of Indochinese refugees is today 7.9 percent. I understand it is even lower than that at this stage, which is only eight-tenths of 1 percent higher than the unemployment rate for the general population.

However, the welfare rate is 36 percent, indicating to us that the Indochinese are most often in underdeveloped jobs and need upgrading in their positions.

Because most supportive services or employment and mental health projects would be funded, the administration proposal breeds dependency by handing out a welfare check without providing an incentive and a mechanism for breaking the welfare cycle.

The administration suggests using other programs now in existence. The work incentive program which provides jobs and training through

AFDC recipients is not available to those receiving Indochina refugee assistance.

The CETA program is of little use in the resettlement effort, since the Indochinese were not an identified service group when most prime sponsors were establishing their priorities in using limited funds. Nearly all title XX service agencies are currently spending all of the available funds and therefore cannot provide comprehensive services to refugees without reducing vital services elsewhere—even if they had the bilingual capacity to deal with this group. English language instruction provided in adult education programs will aid in the longrange assimilation of the refugee population but cannot have the immediate impact upon employment which comprehensive placement and training programs can have.

Programs which have proven themselves to be effective would be abandoned under the administration proposal just at the time when they are beginning to produce substantial results. In 1976 HEW realized that existing resources were not adequate to reduce the high rate of welfare dependency among the Indochinese. Employment and training and mental health projects were therefore funded to meet the special needs of the refugees. Most of these began functioning in January of 1977 when the unemployment rate among the Indochinese was 13 percent. Six months later, a survey revealed an Indochinese unemployment rate of only 7.9 percent. While not all of the improvement can be attributed to the success of the State and local governments and the voluntary agencies is having a substantial impact. The experience and resources of these projects will be lost without the supportive services and project funds necessary to maintain the programs to their successful completion.

The bill which the subcommittee is currently considering is further hampered by administrative problems. The greatest of these is that most States do not have State-funded general assistance programs^s which meet the needs of unemployed refugees who are not eligible for AFDC. The administration bill calls for a partial reimbursement for costs incurred. However, only 17 States have Statewide general assistance programs which would authorize them to expend funds for this purpose. Some of these programs provide benefit levels as low as \$30 per month. Since the reduction in Federal funds would begin immediately, the States would have no opportunity to pass legislation to provide matching funds and would therefore be excluded from the program. The local taxpayers and the refugees would then bear the full weight of a cessation of Federal funds for refugee relief. Those States which were able to continue to provide adequate services would find themselves inundated by an influx of new refugees. Internal migration is already hampering resettlement efforts as the Indochinese congregate in a few heavily impacted areas and this trend would be accelerated. The more gradual reduction of funding and the bloc grant approach of the Humphrey-Kennedy-Cranston-Stark measure would give the States considerable flexibility in their efforts to aid refugees within reasonable fiscal limits.

The reduction in services contained in the administration bill would create substantial problems for affected refugees, voluntary agencies, and State and local governments. And while it would appear to reduce Federal spending for this project, it would substantially increase the

real burden upon the taxpayers who would have to fund long-term support for those who remain economically dependent.

The coalition therefore recommends that several essential features, similar to those contained in bills introduced by Congressman Stark and Senators Humphrey and Kennedy, be incorporated into the administration bill. These minimum requirements would include:

Continued funding for social services and special employment and mental health projects;

Uniformity of treatment among the States. This would be accomplished by providing 100 percent funding for current programs during the first year so that States would have time to seek supplemental funds through their legislatures, and by allowing the States flexibility in their efforts to cope with reduced Federal funds during the phaseout period;

A planned phaseout of funding so that Federal planned participation will be terminated at the end of 3 years.

These features would create the framework for a phaseout of special services so that neither the refugees nor the State and local taxpayers are unfairly burdened. It also provides a clear termination date so that the program is not continued indefinitely.

I heard the previous speaker from the Department of State talk about the commitment of resettlement agencies. Let me point out that commitment without resources does not do very much good. That is what the administration proposal would do.

I would like to close and ask Hung Le Si to make a short statement about welfare and refugee feelings about them.

As I indicated at the beginning of this presentation, the coalition has been seeking continued help for the Indochinese refugees for many months. However, the deficiencies in the current administration proposal are so great that most of the coalition members would actually oppose passage of the bill in its present form. This bill does not represent a reasonable compromise between those who would like to continue full Federal funding indefinitely and those who seek to reduce Federal spending. It is a palliative which does not meet any of the real needs of the Indochinese or the American taxpayers.

Miss Hung Le Si would like to make a statement.

Miss HUNG LE SI. I have been involved individually with refugees who have resettled in our area. The Indochinese do not like to be on welfare. It makes them feel like second-class citizens. They want to be self-sufficient.

Although we only have a total of 7.9-percent unemployment, we still desperately need English classes, vocational skill training, career counseling, job counseling, job placement, support services, and placement follow up.

My plea to you is for support of the Humphrey-Kennedy bill by the end of the month.

Mr. BREEN. We would be open to questions.

[The prepared statement of Mr. Breen follows:]



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Stanley B. Breen

Statement of the Chairman of the Coalition for the Effective Resettlement of Indochinese Refugees

As Chairman of the Coalition for the Effective Resettlement of Indochinese Refugees, I would like to express to the members of the Senate Human Resources Committee the Coalition's view on legislation extending the Indochina Migration & Refugee Assistance Act. The Coalition for the Effective Resettlement of Indochinese Refugees consists of more than 130 representatives of state, local and voluntary organizations throughout the United States. It represents all the major voluntary agencies responsible for resettlement, the 28 states in which 90 percent of the Indochinese reside, as well as county and private agencies who are closely involved in resettlement activities.

Over the last several months, members of the Coalition have worked closely with representatives of the Department of Health, Education & Welfare, the State Department, the White House, and members of Congress to insure effective implementation of policies and legislation affecting the Indochinese refugees. We are, therefore, pleased that the Administration has recently requested legislation which would extend funding for certain portions of the Indochina Refugee Assistance Program (IRAP). This displays much needed attention to a problem which will not go away if we were to simply ignore it.

However, we have some very strong reservations about the content of the Administration bill. In its present form, the Administration proposal represents both bad policy--in that it perpetuates the welfare syndrome--and unequal administration--since only a minority of states could participate in the program.

The current refugee assistance program provides a comprehensive set of services, including social services, bilingual mental health counseling, employment and training programs, cash assistance, and medical assistance, which are designed to provide economic support to the refugees while they help the refugees acquire the tools for self-sufficiency.

The essential features which can aid the Indochinese in obtaining and upgrading employment, such as supportive social services, counseling, and training projects, would be eliminated under the Administration proposal. The Administration's bill provides only for cash and medical assistance for those refugees not eligible for AFDC and Medicaid, with temporary additional assistance to Indochinese refugees who arrived after August 31, 1977.

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Only a portion of these limited cash and medical services would be federally funded: 75 percent in FY 1978; 50 percent in FY 1979; and 25 percent in FY 1980. Because no supportive services or employment and mental health projects would be funded, the Administration proposal breeds dependency by handing out a welfare check without providing an incentive and a mechanism for breaking the welfare cycle.

Unfortunately, the ongoing programs designed to reduce dependency among the general population cannot adequately provide the needed services. The Work Incentive program, which provides jobs and training to AFDC recipients, is not available to those receiving Indochina Refugee Assistance. The CETA program is of little use in the resettlement effort, since the Indochinese were not an identified service group when most prime sponsors were establishing their priorities in using limited funds. Nearly all Title XX service agencies are currently spending all of the available funds and therefore cannot provide comprehensive services to refugees without reducing vital services elsewhere (even if they had the bilingual capacity to deal with this group). English language instruction provided in Adult Education programs will aid in the long-range assimilation of the refugee population but cannot have the immediate impact upon employment which comprehensive placement and training programs can have.

Programs which have proven themselves to be effective would be abandoned under the Administration proposal just at the time when they are beginning to produce substantial results. In 1976 HEW realized that existing resources were not adequate to reduce the high rate of welfare dependency among the Indochinese. Employment and training and mental health projects were therefore funded to meet the special needs of the refugees. Most of these began functioning in January of 1977 when the unemployment rate among the Indochinese was 13 percent. Six months later, a survey revealed an Indochinese unemployment rate of only 7.9 percent. While not all of the improvement can be attributed to the success of the special projects, it is clear that the concentrated efforts of the state and local governments and the voluntary agencies is having a substantial impact. The experience and resources of these projects will be lost without the supportive services and project funds necessary to maintain the programs to their successful completion.

The bill which the Sub-committee is currently considering is further hampered by administrative problems. The greatest of these is that most states do not have state funded general assistance programs which meet the needs of unemployed refugees who are not eligible for AFDC. The Administration bill calls for a partial reimbursement for costs incurred. However, only 17 states have statewide general assistance programs which would authorize them to

expend funds for this purpose. Some of these programs provide benefit levels as low as \$30 per month. Since the reduction in federal funds would begin immediately, the states would have no opportunity to pass legislation to provide matching funds and would therefore be excluded from the program. The local taxpayers and the refugees would then bear the full weight of a cessation of federal funds for refugee relief. Those states which were able to continue to provide adequate services would find themselves inundated by an influx of new refugees. Internal migration is already hampering resettlement efforts as the Indochinese congregate in a few heavily impacted areas and this trend would be accelerated. The more gradual reduction of funding and the block grant approach of the Humphrey-Kennedy-Cranston-Stark measure would give the states considerable flexibility in their efforts to aid refugees within reasonable fiscal limits.

The reduction in services contained in the Administration bill would create substantial problems for affected refugees, voluntary agencies, and state and local governments. And while it would appear to reduce federal spending for this project, it would substantially increase the real burden upon the taxpayers who would have to fund long-term support for those who remain economically dependent.

The Coalition, therefore, recommends that several essential features, similar to those contained in bills introduced by Congressman Stark and Senators Humphrey and Kennedy, be incorporated into the Administration bill. These minimum requirements would include:

- Continued funding for social services and special employment and mental health projects;
- Uniformity of treatment among the states. This would be accomplished by providing 100 percent funding for current programs during the first year so that states would have time to seek supplemental funds through their legislatures, and by allowing the states flexibility in their efforts to cope with reduced federal funds during the phase-out period;
- A planned phase-out of funding so that federal planned participation will be terminated at the end of three years.

These features would create the framework for a phase-out of special services so that neither the refugees nor the state and local taxpayers are unfairly burdened. It also provides a clear termination date so that the program is not continued indefinitely.

As I indicated at the beginning of this presentation, the Coalition has been seeking continued help for the Indochinese refugees for many months. However, the deficiencies in the current Administration proposal are so great that most of the Coalition members would actually oppose passage of the bill in its present form. This bill does not represent a reasonable compromise between those who would like to continue full federal funding indefinitely and those who seek to reduce federal spending. It is a palliative which does not meet any of the real needs of the Indochinese or the American taxpayers.

Senator CRANSTON. Thank you very much. I want to express my thanks to the witnesses who have come today on such short notice, and I know at great personal inconvenience in many cases, particularly in light of the religious holiday today.

As we all know, the Indochina Refugee Assistance Act expires at the end of the month. There is need to move as swiftly as we can. Your participation today is a real public service, and to all of you who have participated in that I thank you very much.

I do have several questions. First, as to the coalition, how did you arrive at your joint conclusion in regard to what you think should be done? Could you tell us just a little bit, not much, but a bit about the dynamics of the organization and how you arrived at your decision?

Mr. BREEN. The coalition represents about 30 States and all the major voluntary organizations.

At our first meeting, request for continuation was very diverse, all the way from 100 percent funding for 10 years or 7 years or 5 years and so on. We thought as responsible professionals and responsible citizens we had to set the termination date to May 10, that was visible in the near future, although to continue the program long enough so that the States could pass legislation in the next year so that they then would have legislation, be able to pick up part of the programs, which most do not have. We had a lot of negotiations with many States. We had meetings in California, in Minnesota, in New York, in Washington, and we appointed a standing committee representing 10 States, and 3 of the major private agencies. We did this through the process of negotiation, through research, and worked with HEW, the administration, and the White House.

I might add that we were very encouraged and supported by the White House staff and by HEW in terms of developing a phasedown that was good social planning, and they were very interested in talking about a refugee policy that made sense, rather than going from crisis to crisis as they do now. This was a lot of research. We got statistics impact, various State offices, and we developed our plan and our compromise through this process, Mr. Chairman.

Senator CRANSTON. Thank you very much. That is a good explanation of some very important work that obviously some very good people have undertaken.

You stated the coalition might prefer no bill at all rather than accept the provisions of the administration's bill. I would like to ask you why you feel so strongly about that, and if you care to express what minimum legislation you would accept. If you do not want to express any such minimum, I will understand.

Mr. BREEN. I think the reason we feel so strongly is that the administration bill in its poorest form is somewhat of a sham and that 33 of the States do not participate in the program, No. 1. It will produce internal migration, where most of the refugees will go to States that have the programs. There are a half a dozen States that have excellent monetary amounts, such as California, Minnesota, Pennsylvania, and there will be an influx. For instance, two of the largest populations of refugees are in Texas and Louisiana. As of September 30, they will have no program whatsoever.

As far as minimum, the coalitions feel they need 100 percent funding next year to give the States time to pass legislation to begin to pick up pieces of the program, that feel that the social services, mental

health, employment counseling and English training programs are absolutely vital in order to get refugees off of welfare.

When we see that our unemployment rate, as I understand it, is now under 7 percent since the last report of Congress, we think we have done in voluntary agencies, churches, an absolutely magnificent job in working with refugees. We believe that this kind of work will make taxpaying people out of the refugee population instead of putting them into a tunnel of welfare as the administration proposal does for many, many years.

There is absolutely no way in the administration proposal that these people can be helped to get out of the welfare syndrome.

Our minimum will be 100 percent this year. We believe a phase-down, I do not know if I can quote an exact figure, of 60 percent or 75 percent, whatever in its wisdom the committee believes is important, States come in and pick up part of the process in 2 years, and again in 3 years. There should be a completion date. This makes for good social planning and makes it responsible to the taxpayer and to ourselves.

Senator CRANSTON. Thank you. Part of that minimum of 100 percent is also a maximum, I guess. I well understand your concerns.

You mention the importance of special projects. Could you outline for the committee precisely what is involved in these projects and why you consider them so important?

Mr. BREEN. I can for instance tell you very much about Minnesota. We received a grant for English training job placement and mental health services. We have placed in Minnesota 317 refugees in jobs in the past 15 months through this grant and through the work of our refugee office. The cost of placing the refugee, I just figured out the other day, was \$100 per refugee, which was much lower than private agencies charged for job placement.

I might say that some other programs go as high as many thousands of dollars to place a refugee. The bilingual services has helped refugees to upgrade their jobs. Mental health counseling is very important.

Senator, I often speak around the State, and I liken refugees to recently released prisoners who may have been in the State prison at some time, and had no family behind him, no culture behind him, there is a cultural lag, there is a problem in that they do not have a good job. They have been out of circulation. They feel dependent, depressed, and mental health is a terrible problem, and people cannot function on jobs and do well in their work performance unless they feel good. I feel mental health counseling is very important.

Economic support to the refugee is geared to help him acquire the tools of self-sufficiency.

Senator CRANSTON. How do you interpret the latest statistics on the low unemployment record of refugees while there is continuing a substantial number of refugees receiving cash assistance?

Mr. BREEN. I think the reason for that is, although the refugee unemployment rate is very low, they are very low paid, underpaid jobs.

An example is that a person who works for me, who I do not believe is amply paid, is a Ph. D., he is a lawyer, and before he came to work for me he was cutting glass in a factory for \$3.50 an hour. This man's life condition had changed drastically. Because these jobs are underpaid, and minimum wage, they have to get supplemental pay-

ments for food stamps or medical assistance. A good portion of the 35 percent receiving assistance is supplementary assistance.

Senator CRANSTON. Have any patterns of employment developed as to the sort of jobs or businesses that the refugees are getting into?

Mr. BREEN. Yes. I do not know what the correct term would be. Piecework jobs where they are on assembly lines. There is a lot of that going on. There are service jobs, taxicab drivers and things like that. We believe after their English has improved, they have moved on to better jobs. We have placed some as librarians. In fact in Minnesota we were able to place three in our computer division in our State department of administration after they learned English well enough.

We think it is very closely tied to supportive services in English training.

The person who works for me, a Ph. D. and attorney, as of September 30 will have no job. He has saved a little money. His wife is working in a laundry as a service worker. He has been offered a job as a chef in a fast food hamburger place. This is a man with that kind of background who has been instrumental and very helpful, by the way, and he was the interpreter for top level people from the United States in Vietnam. Now he is going to be without any resources because the program is ending at this date which will be the fate of many, many refugees.

Senator CRANSTON. That is very helpful. I appreciate your testimony very much. I thank the coalition on behalf of refugees—and taxpayers.

Thank you very much.

Mr. BREEN. Thank you.

Senator CRANSTON. Our next witness is Donald Wortman, Deputy Commissioner, Social Security Administration, Department of Health, Education, and Welfare.

We welcome you to the committee. I would like to ask you if you would summarize your written statement to expedite our proceedings. I want to try to hear all the witnesses personally. I have to leave by 12:30.

**STATEMENT OF DONALD WORTMAN, DEPUTY COMMISSIONER,
SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE, ACCOMPANIED BY PHIL HOMAN,
DIRECTOR OF REFUGEE TASK FORCE, HEW**

Mr. WORTMAN. I am prepared to do that. I would like to introduce on my right Phil Holman, Director of the Refugee Task Force at HEW.

I am here to express our appreciation to the committee for holding the hearings on S. 2108 and to urge its prompt enactment.

As your opening statement recognized, we are faced with a September 30 expiration of the present form of the public assistance for refugees, and unless we have an authorization bill or continuing resolution, we would have some difficulties on October 1 with continuing refugees on some form of public assistance.

Senator CRANSTON. May I ask if the administration has asked for or intends to ask for a continuing resolution?

Mr. WORTMAN. That was discussed yesterday before Senator Magnuson's Appropriations Committee as an alternative to the October 1 expiration date.

Senator CRANSTON. Did you take any position in the administration on that?

Mr. WORTMAN. We were supportive of a continuing resolution that would continue this program and not have an abrupt end on October 1. We are discussing that today with Representative Flood's committee on the House side.

Senator CRANSTON. Thank you very much.

Mr. WORTMAN. The administration's bill recognizes that 35 percent of the refugees continue to be receiving public assistance, in one form or another, primarily in cash assistance. This is greater than the regular American population would be receiving. In view of that we believe it is important to continue on a phased-down basis these forms of public assistance.

The administration's bill would have a step down as follows: 75 percent funding in fiscal 1978, 50 percent in fiscal year 1979, and 25 percent in fiscal year 1980.

We are excluding from our coverage those refugees who would be eligible for AFDC or medicaid under existing State welfare plans. Roughly then we are saying that since most of the refugees are in families with two parents present, they would be assisted through general assistance programs of the State, and Federal funding would be at the reduced rate I have just mentioned.

The program we are submitting to this committee does not include funds for special projects, and our reason for that is we think it is time for these people to become participants in ongoing efforts of our society, whether it be job training, education, or any other form of social service support.

I think, sir, that gives you a very capsule statement. I should conclude by saying that over a 3-year period that is included in our program, including what we have added for 15,000 new refugees, for whom we will continue 100 percent funding for the first year and a half and then proceed through a phase-down like that for the refugees who came in before August 11, we are talking about a cost of \$146 million in total over a 3-year period.

That concludes my capsule summary.

Senator CRANSTON. Thank you very much. So you have some prepared material to submit for the record?

Mr. WORTMAN. I would like to submit my full seven-page statement for the record.

Senator CRANSTON. Thank you very much. We appreciate your being brief and thank you for the prepared material.

[The prepared statement of Mr. Wortman follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
STATEMENT BY THE DEPUTY COMMISSIONER
SOCIAL SECURITY ADMINISTRATION
ON THE
INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT
BEFORE THE
COMMITTEE ON HUMAN RESOURCES, UNITED STATES SENATE

Mr. Chairman, I am very pleased to have the opportunity to present the President's proposal for an extension of the Indochina Migration and Refugee Assistance Act. This proposal has been introduced by Chairman Rodino as H.R. 9133 and we urge its prompt enactment.

We are most appreciative of the Committee's willingness to consider this proposal for Congressional action in the short time remaining before the expiration of the present law on September 30.

The purpose of the President's proposal is twofold: First, to avoid the full impact which would otherwise fall upon States and localities on October 1 if the present special Federal aid on behalf of the 146,000 Indochinese refugees now in the United States terminates completely; and, second, to provide for special Federal aid to the States on behalf of the 15,000 new Indochinese refugees who will enter the United States during the next several months.

When the Indochina Migration and Refugee Assistance Act was enacted in the spring of 1975, it was hoped that special Federal funding could terminate this September without an undue burden on States or localities. This has not proved to be the case. We estimate that the cost to States for cash assistance, medical assistance, social services, and administrative costs on behalf of the refugees already in the United States would be approximately \$105 million in fiscal year 1978 if the legislation expires. To this would be added an estimated \$10 million cost to State and local funds on behalf of the new refugees in fiscal 1978.

About 35 percent of the refugee population are receiving cash assistance. This amounts to approximately 51,000 persons who are eligible for both cash and medical assistance. An additional 17,000 persons are eligible for medical assistance only; these are persons whose incomes are slightly above the level of eligibility for cash assistance.

Mr. Chairman, the refugees have established a good employment record in this country. Studies have shown them to have a very high employment rate. But, at the same time, most of their employment is in low-paying jobs, usually at the minimum wage or a little above it. This has reflected, for many refugees, a lack of fluency

in English and often a lack of skills marketable in the American labor market; it has also reflected the difficult employment situation which was being experienced generally in the United States when the refugees arrived.

Although 35 percent of the refugees are receiving cash assistance, it is most often only partial assistance which serves to supplement low wages. The most recent national sample survey of Vietnamese refugees, conducted in March and April 1977, showed that over 86 percent of the refugee households were receiving wage or salary income and only 14 percent were entirely dependent on refugee cash assistance or other aid.

Improvements have been occurring in the income of refugees, and we are confident that further advances will continue. As this occurs, we recommend that a phased reduction take place in special Federal funding to the States rather than a sudden cutoff of such funding on September 30.

The President's proposal addresses separately the two groups of Indochinese refugees -- those who arrived in the United States prior to August 11 of this year, the date of approval of the parole authority for the 15,000 new refugees who are expected, and the new refugees who will arrive under that parole authority.

The vast majority of the refugees who are now in this country arrived here over 2 years ago. With regard to this group, we are recommending the extension of Federal funding at a reduced level for a 3-year period, with step-by-step reductions during that period.

Specifically, this recommendation contemplates providing to States, during fiscal 1978, the funding of 75 percent of the costs for those refugees requiring cash assistance or medical assistance who would not be eligible under the regular programs of aid to families with dependent children (AFDC), supplemental security income (SSI), or Medicaid.

For those refugees who are eligible under the regular AFDC, SSI, and Medicaid programs, we believe that the regular Federal funding should prevail and that it is appropriate for States to undertake their regular share of such costs as they do with regard to citizens and permanent resident aliens. Similarly, we are not proposing additional special funding for social services or educational or training activities for the refugees already in the United States through this legislation.

In many instances, services to the refugees have been provided through the on-going programs which exist in the United States -- the public employment service, the CETA

training and employment programs, adult English and vocational training programs -- and under the regular funding for these programs. We believe that the special Federal funding which has already been provided for AFDC-type assistance, social services, and educational activities has fulfilled the national obligation during the immediate period of refugee arrival and resettlement. Now it is appropriate for the refugees to be further integrated, as co-equals, into the on-going programs which can assist the refugees as well as other residents of the United States.

During the second and third years of the recommended phasedown, fiscal years 1979 and 1980, the special Federal funding level for cash and medical assistance and related State/local administrative costs would decrease from 75 percent to 50 percent and then to 25 percent.

We do not believe, however, that it would be appropriate to have this phasedown apply to the 15,000 new refugees immediately upon their arrival. Therefore we are recommending a period of 18 months of full Federal funding to the States for cash and medical assistance, social services, and State/local administrative costs.

Following this initial period, we recommend that there be a 3-year phasedown of special Federal aid with respect to the 15,000 new refugees. This would be the same type of

phasedown as we are recommending to begin now with respect to the refugees who are already in the United States.

Altogether, the President's proposal recommends an additional 4 1/2-year period of continuing, but decreasing, special Federal assistance to the States on behalf of the Indochinese refugees. We estimate that the funding required will total approximately \$146 million for the whole period, of which \$139 million would be for grants to the States and \$7 million for special services and for administration.

The \$139 million would of course be supplemented by the regular Federal funding, for those refugees who are eligible under the AFDC and Medicaid programs. We estimate this amount to be about \$59 million.

Mr. Chairman, we recognize that a number of States have expressed their view that special Federal aid should be continued to the States on behalf of the Indochinese refugees.

The proposal which we are supporting today represents the Administration's conclusion on this question. We believe that there should be an extension in order to avoid an immediate undue impact on the States. We also believe that a distinction should be made -- in terms of the level of Federal funding -- between the refugees who have previously reached the United States, the vast majority of whom were resettled some 2 years ago, and those who will be arriving in the next several

months. That is, we feel that it is appropriate to provide a full Federal funding to the States on behalf of the new refugees for a reasonable period to offset the initial impact which would otherwise be felt in the area of cash assistance, medical assistance, social services, and related administrative costs, until these refugees begin to participate in the national economy.

The phasedown in funding, we believe, will encourage a more rapid and complete integration of the refugees into the regular activities of life in this country and not continue to leave them as a separate group indefinitely.

Mr. Chairman, we commend this proposal for the consideration of the Committee and the Congress, with the hope that action may be completed by September 30 so that there will not be a gap in the assistance to needy refugees or aid to the States.

I indicated at the beginning that we recognize that this is a very short timespan, and I want again to express my appreciation to the Committee for your consideration of this proposal.

Senator CRANSTON. I am delighted in view of the problems we have in moving quite as swiftly as we would like to that a continuing resolution would be supported by the administration until we resolve the matter on a permanent basis which we must do.

I do have a couple of questions to ask you.

The June 20, 1977 report of the task force identified a growing North to South internal migration pattern within the United States.

Can you provide us with any more specific data by State and economic status regarding this problem or this trend? If you cannot do it now, you can do it for the record later.

MR. HOLMAN. The latest data we have, Senator Cranston, is based on January 1977 alien registration figures. We know from reports of workers in the field that some internal migration has taken place since that date, particularly during winter months. However, we are not able to quantify it beyond January 1977.

Senator CRANSTON. Can you give us more detailed assessment of the unemployment and underemployment problems by States and also include wages, and wage scales. Do you have that information?

MR. HOLMAN. We can provide that based on our latest survey—unemployment data nationally, and also data over a period of time nationally as to wages and household income. However, the size of the sample is not such that the data can be broken down by State. We will be very happy to provide the national data we have.

Senator CRANSTON. That sort of information would be very useful to Senators from all the different States. If you could supply that for the record in detail, State by State, if that is possible, we would be very grateful.

MR. WORTMAN. The sample is not valid by State.

Senator CRANSTON. Is there any way to procure that situation?

MR. HOLMAN. We have certain data by States and we have some data as to number of persons requiring assistance and so on. We would be pleased to provide all relevant data.

Senator CRANSTON. I would appreciate it.

While the coalition people are still here, I would like to know if they could submit any information of that sort and that would be very helpful, too. Give it to us as soon as possible. In view of incoming refugees now which are still coming and more expected as Secretary Habib indicated, do you propose to provide assistance for 45,000 to 75,000 that Secretary Habib suggests will be coming in the not-too-distant future?

MR. WORTMAN. I would assume that for any large scale group similar to the 15,000 we would want to continue this form of public assistance. It is always hard in terms of relationships because we have a regular migration stream, as he mentioned this morning, of 385,000 per year. In smaller increments I think we have taken the posture, no; we would not; but any large number, like 15,000 or up, yes.

Senator CRANSTON. Thank you very much. You have been most helpful.

MR. WORTMAN. Thank you.

Senator CRANSTON. Our next witness is Marion Woods, Director, Department of Benefit Payments, California Health and Welfare Agency.

I would like to say a word before you start related to the general problem we face and related in part to the general problem you are so familiar with in California. Secretary Habib said this morning that we should count on 15,000 new Indochina refugees per year for the next few years. This means we can anticipate some 45,000 to 75,000 new refugees fleeing dictatorships of whom one-third to one-half can be expected to settle in California.

In view of the fact that so many more will be coming to our country, we may want to consider some more permanent legislation to meet the continuing needs for Federal assistance for refugee settlement programs.

This suggests, it seems to me, a very real need for consistent national policy on aid to refugees of all nations. In the past, ad hoc solutions have been devised for each particular emergency or situation as developed with special programs for Southeast Asians, Cubans, other groups. Unfortunately these programs result in discriminatory treatment of refugees depending on whether or not they happen to be members of the defined group of refugees. If they come from somewhere else and do not fit the definition, they do not get assistance, which is patently unfair and unjust to them and creates a problem for local taxpayers in many cases.

It is in the Nation's interest to develop a Federal policy which will spread the cost and responsibilities for these newcomers fairly among all Federal taxpayers and not allow the burden to fall exclusively on State and local taxpayers.

This is something I intend to discuss both with the administration and with members of the Judiciary Committee, particularly Senator Kennedy, former chairman of the Refugee Subcommittee, who has a very, very strong interest in the problem of refugees wherever they may go and from wherever they may have come to be among us.

I am delighted that you are here with whatever information you can give us from the vantage point of the State that has had the largest problems currently since the time when Florida faced such immense problems, which I think they handled very well with the Cuban refugees.

STATEMENT OF MARION WOODS, DIRECTOR, DEPARTMENT OF BENEFIT PAYMENTS, CALIFORNIA HEALTH AND WELFARE AGENCY

Mr. Woods. Thank you very much, Senator Cranston.

Let me say that we in California certainly welcome the statement you just made. I think it is quite obvious that despite assurances that there would be an equitable distribution of the Indochina refugees throughout the States, throughout the country, this has not occurred. And two-thirds of them are residing in California.

I do want to tell you that in representing Governor Brown and Secretary Plato, recent conversations with them, they are in full support of the prepared statement that I will be presenting to your committee.

I do have a prepared statement.

I am Marion Woods, Director of the Department of Benefit Payments in California. I want to thank you for this opportunity to address you

on the issue of extending the Indochinese refugee assistance program (IRAP) which was established under Public Law 94-23 and Public Law 94-24. As spokesman for the State with the largest Indochinese refugee population and as director of the State agency which has the responsibility for administering the AFDC and food stamp programs, among others, I am here to express California's concern about the effects which failure to extend the current IRAP program would have on the Indochinese refugees, and on the States.

In enacting Public Laws 94-23 and 94-24, Congress established as a national policy, Federal responsibility for the successful resettlement of 130,000 Indochinese refugees. This commitment included a recognition of the fact that such resettlement was dependent upon the refugees' assimilation into American society and upon their ability to become self-sufficient by means of securing adequate employment. Congress recognized that refugee assimilation and self-sufficiency was not to be achieved within a few weeks or a few months. Therefore, to aid the refugees with their adjustment to American society, Congress established programs which would meet the basic needs of the refugees during the transition period between resettlement and assimilation. These programs provide refugees, who are in need, with cash assistance, medical assistance, social services, employment training, and instruction in English as a second language.

The program of assistance was designed to expire September 30, 1977. This limitation was intended to prevent assistance from continuing long after the need for such programs ceased, and appears to have been based on an assumption that as of October 1, 1977, few, if any, of the refugees would be in need of the type of assistance authorized under Public Laws 94-23 and 94-24. This assumption has proven to be incorrect. While many of the refugees have been able to successfully resettle their families, find jobs, and adjust to a new culture, there are a substantial number of other refugees who still have not become employed or achieved self-sufficiency. The magnitude of this can be seen in the statistics on refugees who continue to receive some form of assistance.

It is currently estimated that there are in California some 60,000 of the original 130,000 refugees. While HEW figures show that 26,000 of these refugees were resettled directly to California, secondary migration of refugees has resulted in a dramatic increase in California's refugee population. Of the refugees who are now living in the State, approximately one-half are receiving assistance, whether cash assistance, medical assistance, or social services. This high percentage results primarily from the inability of the refugees to find employment. The refugees have a strong work ethic, but their employment problems stem from a lack of language and a lack of job skills which are transferable to the U.S. economy.

In addition to the inability to find employment, other factors have contributed to the failure of many refugees to adjust to American society. These include mental depression, guilt and anxiety over lost relatives, and the breakdown of relationships with sponsors. These needs have been addressed through special projects and social services funded by the original authorization. Continuation of these programs is essential if full and successful resettlement is to be achieved.

The current status of the refugee situation clearly demonstrates two things, first, the original purpose behind the refugee assistance

program—effective resettlement of Indochinese refugees in American society—has not been achieved, since a substantial number of refugees continue to be dependent upon the assistance provided by IRAP. It can be expected that the acute problems of the refugees will ultimately subside. Most of them will adjust to our culture, learn our language, and become economically self-sufficient. When this occurs, it will be realistic to consider terminating the program. Until this occurs, the continued involvement of the Federal Government is essential to achieve the effective resettlement of the Indochinese population.

Second, the 2½ years established by Congress as the period during which refugee assistance would be available to Indochinese refugees has not provided adequate time for the refugee population to find employment and become assimilated into American society. While it is expected that there will always be some refugees who will occasionally need some type of assistance, the current refugee caseload still includes many for whom the program has not met its goals. We agree with the congressional intent of Public Law 94-23 that the IRAP program should not continue endlessly, but we believe also that the program should not be prematurely terminated.

In the absence of congressional extension of the IRAP program, refugees will have to qualify for the regular aid programs. Some will qualify for AFDC, others will qualify for local general assistance programs, and many will be ineligible for any type of cash assistance. In a large number of California counties, general assistance recipients receive either a very low amount of assistance or no cash assistance at all.

The effect of the termination of the IRAP program will also be substantial on the States. At the outset of the refugee resettlement program, the States were assured that the refugees would not be a burden on the States and that refugees would be evenly distributed throughout the United States. Termination of funding of this program on September 30, 1977, will shift considerable costs to State and local governments. For California, where approximately 60,000 refugees now reside, it is estimated that State and local costs for public assistance in fiscal year 1977-78—including cash assistance, Medi-Cal, and social services—will be \$38 million. This increased burden on our county governments will be particularly acute, since an estimated \$7 million will be in the form of county general relief.

With California property owners in revolt over soaring taxes, social services budgets strained to the utmost, and communities faced with the effect of the severest drought in this century, such an added burden seems unfair indeed. Due to the large number of refugees in our State, California taxpayers under any continuation of IRAP that does not include full funding will already have assumed a disproportionate share of what should be the entire Nation's burden.

Several proposals for extending the IRAP program have been suggested, some of which call for an immediate reduction in Federal funding under a phasedown plan. We believe a severe phasedown and shift of responsibility to State and local governments is inequitable and inconsistent with the national commitment which our country has undertaken. In addition to shifting the public assistance costs to the State and local governments, some proposals also fail to recognize the critical need for funds to continue self-sufficiency projects and special social services in support of such projects. Failure to continue the efforts to assist refugees in attaining self-sufficiency leaves little

hope that those refugees currently on public assistance will ever be able to break out of the welfare cycle.

As a representative of the State which has accepted the greatest number of Indochinese refugees brought into this country by the Federal Government, I urge consideration of a full extension of the IRAP program for a reasonable period of time. Full Federal funding for 3 years of all elements originally recognized as essential to the refugee resettlement would enable the country to establish a coherent and consistent national policy relating to refugee and immigrant resettlement in the United States. Only then can the State and local governments accomplish the task initiated by the Federal Government.

Again, I thank you for the opportunity to address the committee on an issue which is of such critical importance.

As recently as yesterday in San Francisco and Los Angeles, 1,500 persons came to our State. Governor Brown and Secretary Plato made a public comment twice this week about it. The California Legislature is anxiously waiting to hear of what happens here. We urge your support of continuation of the program.

I do have with me some information and statistics about number of persons on aid.

Senator CRANSTON. Thank you a great deal. I have a couple of questions.

First in regard to \$38 million that you say it will cost overall to California if the act expires, how would that be split between State and local government?

Mr. WOODS. That is 33-percent State cost and about 17-percent local government cost.

Senator CRANSTON. I favor full funding, but suppose we do not achieve that. What would be the cost to the State and the counties if we phase down from 100 percent to 60 percent to 30 percent?

Mr. WOODS. It would be, of course, something less than the \$38 million cost for no funding at all. I could provide you with that information before the end of the day.

Senator CRANSTON. That would be fine.

I have no further questions. Thank you very much.

Mr. WOODS. Thank you.

Senator CRANSTON. Our next witness is Ingrid Walter, Vice Chairperson, Committee on Migration and Refugee Affairs of the American Council of Voluntary Agencies for Foreign Service.

Before you start, I would like to ask the coalition witnesses once again to give us any information you can by next Monday on the impact of S. 2108 by State and 33 States which do not have the program.

**STATEMENT OF INGRID WALTER, SENIOR VICE CHAIRPERSON,
COMMITTEE ON MIGRATION AND REFUGEE AFFAIRS, AMERICAN
COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE,
ACCOMPANIED BY WELLS KLEIN, DIRECTOR; DONALD G. HOHL,
ASSOCIATE DIRECTOR; AND LOUIS WIESNER, COUNSELOR**

Ms. WALTER. My name is Ingrid Walter. I serve as the Senior Vice Chairperson of the Committee on Migration and Refugee Affairs of the American Council of Voluntary Agencies for Foreign Service. I

am also the Director of the Lutheran Immigration and Refugee Service of the Lutheran Council in the United States, one of the major participants in the Indochinese resettlement program.

Senator Cranston, I would like to introduce the distinguished members of the voluntary agencies who accompanied me here.

To my right is Wells Klein, Director of American Council for Nationalities Service.

To my left is Mr. Donald Hohl, who is Associate Director for Migration and Refugee Services, United States Catholic Conference.

To my far left is Mr. Louis Wiesner, who is Counselor for the International Refugee Committee.

Senator CRANSTON. We welcome each of you, and particularly Mr. Klein from the American Council for Nationalities Service, since I worked for that organization on Capitol Hill—it had another name then—at one time.

Mr. KLEIN. Reed Lewis asked me to give you his regards.

Senator CRANSTON. Thank you.

Ms. WALTER. Mr. Chairman, some member agencies of the American Council of Voluntary Agencies are not present, but you have their names on the written statement. I will try to give you a brief synopsis of the written statement.

In the past 25 years nearly 2 million refugees have come to the United States, most of them with the assistance and sponsorship of the voluntary agencies which have a wide network of constituents throughout the country. We are here today in connection with a program for the Indochinese refugees. In the statement a brief history is given of the program to bring into focus the basic needs of these refugees, the progress they have made, and the need to continue assistance.

In short, Senator Cranston, the agencies are supporting continued funding through 1978 with 100-percent reimbursement to the States. They are also supporting funding in 1979 and in 1980 on a reduced scale, but more important they are asking for funding for social services and that funds be made available for special projects to help the refugee become self-sufficient and adapt to his new community and way of use.

If there are no special projects, the refugees may be losing the gains he has made during his residence here, and those who are unemployed may not have a chance to get off the welfare programs.

We are also supporting funding for the new 15,000 arrivals to cover the cost of transportation, resettlement assistance, et cetera.

Mr. Chairman, I would like to state that we also express our hope that Congress will quickly pass legislation to provide permanent resident status for Indochinese refugees.

Again I thank you for the opportunity to appear before your committee and to express the thinking of the voluntary agencies.

If you have any questions, I shall try to answer it or my distinguished colleagues shall do so.

Senator CRANSTON. Thank you very much.

I have one question. What is your response to Commissioner Wortman's statement that social services and special programs merely continue the dependency of refugees?

Ms. WALTER. Senator Cranston, it is my opinion that this is not quite true. The special projects have the goal to provide basic training in both the English language and marketable skills so that the refugee

may find satisfying employment. Perhaps one of my distinguished colleagues can be more articulate on this subject. Wells Klein will elaborate on this question, but I do believe special projects are absolutely a necessity.

Mr. KLEIN. I would disagree with Mr. Wortman, whose opinion I very much respect in all other regards.

I think it is true that it is desirable to move any new population coming to the United States into our basic fabric as quickly as possible, a fabric of social welfare services, our fabric of insurance services, the total system that we have in this country.

However, I think we ought to recognize time gap, a hiatus that takes place, and this is in part affected by the way in which the new-comer arrives, and culture differences between himself and many people in this society, and whether or not a newcomer has an ethnic group or nationality or peer group to relate to. In my view the continuation of special services for the refugees will not create dependency. Quite to the contrary, it will deal with generic factors inhibiting self-sufficiency.

In summary, from HEW figures, a falldown in the unemployment rate of Indochinese refugees from 13 percent at the beginning of the year to 7.9 percent in June, as compared with the national rate of 7.1 percent, shows, as the previous witness pointed out, a really strong work ethic. The current, unpublished figure is, I believe 5.8 percent.

In contrast is the fact that 36 percent of the refugees are receiving cash assistance. These two figures taken together indicate that the majority of the refugees on cash assistance are receiving supplemental cash assistance. It therefore indicates that they are underemployed at entry level jobs and what is desperately needed are those systems and services which enable refugee workers to get from that dependency level of below poverty level income for the family, where he is eligible for supplementary assistance, to a position where he is self-supporting and a contributing member of society in terms of both personal contributions and tax contributions.

What voluntary agencies are proposing, what the coalition is recommending, is in effect a cost effective approach for American taxpayers. It means that there would be some additional front end costs to the Federal Government but savings in the long run.

It means a large number of refugees will be taken off cash assistance rolls. As of June 30, the results of the special projects that have been funded by HEW during this past year to the tune of about \$7 million have resulted in some 5,000 jobs.

As of this date, the figure must be higher. These are moving effective in dealing with the very problems inhibiting self-sufficiency.

Basically, while I agree with the philosophical approach of Mr. Wortman's position, the administration's position, I think it is premature. That is why we are recommending this 3-year extension with a phase-down.

I hope that answers the question.

Senator CRANSTON. Yes; it does.

I would like to ask you and the others who are here if you have any thoughts on what might be the proper approach to a permanent program to deal with refugees on other than an ad hoc basis when we have a wave of refugees come in. I would appreciate your advice, if you could

get it to me in my office, and if you have any tentative thoughts, of course you can comment now.

Ms. WALTER. Perhaps I could turn to Don Hohl. We have discussed it before and he will be best suited to pursue this subject.

Mr. HOHL. Thank you, Senator.

The American Council for Voluntary Agencies has been involved in the movement of refugees for many, many years, as you know. At the same time, we have studied certain refugee movements and the means by which programs by our Government can be improved, by which needs the refugees can best be met.

We have made numerous recommendations to the Congress in our testimony over the years, and we do have on record some specific recommendations that we would be delighted, of course, to furnish to you.

Senator CRANSTON. I would appreciate that.

Mr. HOHL. And hopefully for your guidance.

Basically, I think we have pretty well agreed that we would like to see the movement of refugees put more in line with the movement of other immigrants.

Senator CRANSTON. I could not hear you.

Mr. HOHL. That movement of refugees put more in line with the movement of our immigrants, namely that they be granted visas at the time of entry rather than be put in this limbo status of conditional entry. That is one of the basic tenets of our position.

Of course, it would be a change from present law.

We would also like to have some type of set number guarantee, as it were, to meet what may be classified as the normal movement of refugees, if there is such a thing. And parole authority to bring in refugees over and above that set guarantee.

But those are just two or three of the particular legislative recommendations that we have made.

In addition, it has been proposed a number of times, and we have had some success, in asking the Government for resettlement assistance on perhaps a per capita basis to assist the voluntary agencies in their resettlement efforts.

Senator CRANSTON. Thank you very, very much.

Do you feel there should be a permanent program without getting into details?

Mr. HOHL. I think we all agree to that.

Senator CRANSTON. You do, all of you do? Thank you.

I would like to welcome my colleague, Senator Hayakawa.

Do you have any questions for these witnesses?

Senator HAYAKAWA. Yes.

The question is, is there any effort or any movement afoot to ask or to get the Indochinese refugees to move to other parts of the United States?

That is, would they be welcome in, say, Missouri, Louisiana, or South Carolina? This is something that concerns me with immigrant groups always, their tendency to cluster too much in one area.

Puerto Ricans, New York; Cubans, around Miami. It is good for all of us as immigrants, including myself and my family, to get spread around a little more.

I wonder if there are efforts being made to relocate Indochinese refugees to other parts of the United States?

Ms. WALTER. Senator, there is no forced movement. The United States is a free country. People move freely. It has been the pattern of Indochina refugees to cluster into certain areas. I do not say that it is always a bad idea unless they are in such large groups that they open themselves to discriminatory reaction from the community which, unfortunately, is true in some areas.

But, on the other hand, clustering of families together gives them some support and reliance on each other, be it for social interaction or even self-help among themselves. It is true that in this program there has been, I think, more movement from the original place of resettlement than in any previous program I have known.

Senator HAYAKAWA. More movement?

Ms. WALTER. More movement.

I do think that refugees should be free to move, but they should also assume certain kinds of responsibility to meet possible difficulties resulting from the move. Perhaps some of my colleagues would like to express their opinions on the same subject.

Mr. KLEIN. I would just like to say, Senator, that although the Indochinese refugees in one respect represent a burden to California, particularly southern California at this point, in terms of the relatively large number receiving public welfare assistance, given the work ethic of the Indochinese, and given what we know is already happening in this population, I would suspect that in 5 or 6 years California, southern California, will find that the Indochinese are a real economic asset to the area and that the income deriving from Indochinese employment contributions to the area will offset what may have been paid out in very early stages.

If I could reflect what little I know of California history, its greatness and vitality, in large part, result from the diversity of the various groups that live there and make up the population. I see this as one element that is going to make for continuing strong California.

Some of the rest of us look at California with a certain amount of envy in this respect.

Senator HAYAKAWA. Mr. Chairman, I was not worried about the burden on California. I was worried about the ultimate assimilation of Indochinese themselves and their being interwoven not just in the fabric of California life, but in the fabric of the Nation as a whole.

There is a precedent, I do mean forced migration or forced transfer, to transfer people from one place to another, there is a very important analogy here which I do not think should be forgotten.

After the Japanese were put into relocation camps during the Second World War, a systematic effort was made by the War Relocation Authority to go to Chicago, to go to Buffalo, Cleveland, et cetera, not to move individuals so much as to persuade or to find if the community needed that kind of labor or that kind of population in view of their own labor shortages or business requirements.

The War Relocation Authority managed to move quite a few thousand families who had never lived in Chicago into Chicago, and all the people went on their own volition.

The same is true of Minneapolis and Cleveland and Cincinnati and many other cities.

I am saying all of this actually in terms of the benefit to the people themselves who were moved. That is, they moved in sufficient numbers so they still had friends and relatives and could interact, but still were

in small minority groups in Minneapolis than they had ever been on the west coast. Therefore, their assimilation into the overall American life was shortened perhaps by a generation.

The same would be true by Indochinese or any other group. It seems to me that this pattern of preventing, if possible, excessive concentration. I understand there are some immigrant groups in some nations, for example, that stay together, so close, that even after 10 generations, that they remain foreigners in a country to which they migrated.

On the whole, we have never had that particular kind of experience in the United States, and I would hope we would avoid it.

I am very much interested, as a matter of official effort, to aid in that voluntary migration. But there are no such efforts going on?

Mr. KLEIN. Could I respond?

When the Indochina refugees first moved to the United States in the spring, summer of 1975, and began to move out of camps, the administration policy at that point was very clearcut dispersal policy.

Senator HAYAKAWA. It was.

Mr. KLEIN. Some of us felt overly so, to be frank, to the detriment of good resettlement planning. In other words, we felt that to send Indochinese refugee family into a small farm community in Iowa without other Indochinese around was not good resettlement planning and not fair to those refugees. Again some of us felt it was overdone.

I think what we have seen is, in part, a natural reaction to that overemphasis on dispersal. However, there are Indochinese communities developing in a number of places around the States not entirely in California by any means, though California is the largest area of coalition, Indochinese communities are developing self-help organizations and a pattern of life, interacting between themselves and other parts of the populations.

There are many examples of this.

Senator CRANSTON. I thank you all a great deal.

[The prepared statement of Ms. Walter follows:]

STATEMENT OF INGRID WALTER

SENIOR VICE-CHAIRPERSON OF THE COMMITTEE ON MIGRATION AND REFUGEE AFFAIRS
OF THE
AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE

BEFORE THE
COMMITTEE ON HUMAN RESOURCES

CONCERNING

The extension of assistance to Indochinese refugees.

Mr. Chairman, members of the Committee:

My name is Ingrid Walter. I serve as the Senior Vice-Chairperson of the Committee on Migration and Refugee Affairs of the American Council of Voluntary Agencies for Foreign Service. I am also the Director of the Lutheran Immigration and Refugee Services, one of the major participants in the Indo-chinese resettlement program. The resettlement voluntary agencies joining me in this testimony are:

American Council for Nationalities Service
 American Fund for Czechoslovak Refugees
 Church World Service
 H I A S
 International Rescue Committee
 Lutheran Immigration and Refugee Service
 Migration and Refugee Services, United States Catholic Conference
 Tolstoy Foundation

In the past twenty-five years nearly 2 million refugees have come to the United States, most of them with the assistance and sponsorship of the voluntary agencies which have a wide network of constituents throughout the country. The agencies' resettlement programs are linked to local churches, synagogues, social service agencies and other organizations, reflecting the person-to-person concern of Catholic, Protestant, Jewish, and nonsectarian agencies, a major segment of our citizenry.

With the takeover by the communists of established governments in Southeast Asia in 1975, approximately 145,000 Indochinese Refugees have been brought to the United States to enable them to establish a new life in a free society. Even as that movement continues albeit on a reduced scale, these deliberations are undertaken to provide the means to enable these refugees and those who follow to become fully self-supporting, contributing members of that society.

Due to the unexpected sudden collapse of the government of South Vietnam on April 30, 1975, it was not possible to plan or control the exodus of those who fled that country during those final days. Masses of people including American citizens were evacuated to temporary shelters throughout the Pacific including Guam and Wake Island. With the approach of the typhoon season it was necessary to have (in effect) a second evacuation, this time to hastily constructed or reactivated shelters, including tents at military facilities throughout the United States.

Unfortunately, that same atmosphere of urgency and emergency which affected many of the decisions in the movement to and establishment of the refugees in campsites on the mainland also prevailed within the Congress and the Administration when the enabling legislation was being considered. As a result, a basic error was made when the authorizing legislation provided for the termination of the program on September 30, 1977. The assumption was of course that these refugees could be fully integrated into our economy and society within that period of time. In the haste to provide funding to meet the immediate needs, little time was devoted to analyzing the long-term needs of this particular refugee population.

Had there been time prior to the fall to establish entry criteria and to admit the Indochinese of those bases, the period required for their resettlement undoubtedly would have been shortened. As we all know, however, there was little control over those who left and information as to the make-up of the refugee population was not available at the time decisions on their future were being made.

In addition, the Indochinese are of a culture entirely different from that of the United States -- the family structure, mores, religion, language and even their food. Many refugees were unskilled and some were illiterate. A high

number were women with dependent children separated in the evacuation from the head of the household.

In previous large-scale refugee resettlement programs where Germans, Poles, Czechs, Hungarians, Cubans, etc. were brought to this country, it was possible to place them within their own ethnic communities where the resettlement process was naturally accelerated. The Indochinese had no such ethnic community in this country to which to turn, a factor which incidentally contributed to the movement of many of these refugees from the site of original placement, thus impeding permanent and effective resettlement.

Despite all these handicaps the Indochinese have made remarkable progress. According to the June 20, 1977 report of the HEW Task Force to the Congress, only 7.9% of the refugees in the work force were unemployed, compared to approximately 7% for our domestic work force in general. The report points out also that 36% of the refugees are receiving some type of cash assistance -- to supplement their earnings. While that percentage is high, it indicates, however, that the refugees are not only eager to work but will and are taking menial, entry-level jobs to support themselves and their families.

We feel this brief review of the history of the Indochinese Program is necessary to bring into focus their basic needs, their progress and what we feel is required to further assist them down the road to self-sufficiency. To that end, we recommend that legislation be enacted which will include certain basic provisions.

A. For the refugees now here:

- 1) Continued funding during 1978 with 100% reimbursement to the states;
- 2) That funding during 1979 and 1980 be reduced so that the states and counties can adjust to and, at the same time, assume responsibility

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for their needs;

3) That special funds be made available for social services and special projects such as job development, job counseling, and job upgrading, to enable those refugees presently in the work force to remain there and to provide the unemployed a means to "get off welfare." Without these types of projects, the refugee may lose the gains he has made and those presently unemployed will for the most part remain there.

B. For new arrivals:

We urge support of this Committee in developing funding for the processing, transportation and resettlement assistance for the 15,000 additional refugees whose admission has been authorized.

In a related matter the hope is also expressed that the Congress will quickly send legislation to the President to provide permanent residence status for the Indochinese refugees. Such legislation is sorely needed to reassure the refugee that he has a permanent home, not a mere asylum, in this country. The grant of permanent residence will also open up more doors to employment possibilities, a most necessary adjunct to the legislation being considered here today.

Senator Kennedy, we wish to commend you once again your continued leadership and deep interest in behalf of the homeless, persecuted and the rejected of the world. We are gratified that you, Senator Cranston, have provided legislation to serve as the basis for these discussions. Let us all pay a special tribute to Senator Humphrey who has fought so hard for this type of legislation. May he soon be able to rejoin us to witness the fruition of our mutual endeavors.

Thank you, Mr. Chairman.

Senator CRANSTON. We have one final panel left, Keith Comrie of Los Angeles County, Roger Honberger of San Diego County, Dennis Hart of Orange County, and Ken Wade of Alameda County.

It is a pleasure to see you Californians at the witness table. I welcome you.

STATEMENT OF KEITH COMRIE, DIRECTOR, DEPARTMENT OF PUBLIC SOCIAL SERVICES, COUNTY OF LOS ANGELES; ROGER F. HONBERGER, WASHINGTON REPRESENTATIVE FOR THE COUNTY OF SAN DIEGO, CALIF.; DENNIS B. HART, DIRECTOR, SOCIAL SERVICES, COUNTY OF ORANGE, CALIF.; AND KENNETH W. WADE, WASHINGTON, D.C. REPRESENTATIVE FOR ALAMEDA COUNTY, CALIF., A PANEL

Mr. COMRIE. I am Keith Comrie, Director, Los Angeles County Department of Public Social Services.

We consider this very important for two reasons. First, financial. Possibly some quick statistics summarized out of our statement. There are 18,000 Vietnamese in Los Angeles County, of which 6,000 are dependent on welfare in some form. Our statistics parallel the other information received today. Most of them are being supplemented as part of the welfare program and not receiving full grants. That I will get into more, later.

If the program was stopped, what happens on September 30? Without either a continuing resolution or new legislation, there would be an immediate tax shift of \$4 million to my county. That is critical to all counties because they have set their tax rates this year, based on the fiscal year that has already started. There is no way for the county to go back and change its tax rate at this point in time.

The only alternatives we would have would be to cut other programs to make up for that \$4 million. That is a significant amount even in a county my size.

The second area of concern which is even of more importance to me is the fact that you referred to earlier, most of these cases are wage supplementation types. That is the standard AFDC program will not let a father working full time be aided on welfare once he is working over 100 hours per month, no matter what his wage.

For example, when Vietnamese are caught in this situation, he takes a job for \$300 or \$400 a month, and if he has a large family, he may end up with less in wages than if he were on welfare. And our concern is if the rules stop at this point, there are a lot of Vietnamese just starting to work that may find it more profitable to stay on welfare. I should not say profitable, but that they will have more income to support their families.

Our suggestions are simple. A 1-year extension of the program with the same rules and the same financing.

We do not believe there is sufficient information to stop it at this point in time.

During that 1 year, we will offer to participate in a task force with representatives from Congress, the administration, State officials, local administrators, and voluntary agencies, to show you very specifically what it means first in tax terms, but I think most importantly in human terms, to stop the program dead or modify it. We think at

that point you would have sufficient information to make modifications to the programs or phase down or whatever approach you want.

Right now, we are deeply concerned.

Sixty-six percent of the cases, as was pointed out are income supplement types. We would prefer people working in the mainstream and, if necessary, a small wage supplement making it profitable to work. If the program is stopped now, that will not happen.

Thank you.

Mr. HONBERGER. My name is Roger Honberger. I am the Washington Representative for the County of San Diego.

I have given my prepared statement to your staff and ask that it be accepted for the record.

Senator CRANSTON. Yes; it will.

Mr. HONBERGER. In the interest of saving time, I will not read or paraphrase my statement. However, I wish to make a couple of comments about things that have been said this morning.

The Indochinese Refugee program is a Federal program. It is based on decisions for refugees to enter the country which were made at the Federal level. As long as we have a significant cost and welfare case-load, the county board of supervisors in San Diego County would ask that Federal funding continue to be available.

We have heard from other witnesses this morning, both the administration and the coalition, a proposal to phase down the IRA program. As long as there is a significant cost burden, it should be carried by the Federal Government for whatever amount of time that burden exists.

By passing the costs along to the local level, you would really be passing the burden on to the property taxpayer. Property taxes are levied by the county board of supervisors, not by the people who appeared this morning to ask for a phasedown.

I would like for the record to emphasize that point.

Furthermore, I would like to say that while the State of California may share an average of 17 percent of local costs—average costs for existing welfare programs—that beyond that general relief assistance to people who do not qualify for regular programs is funded entirely by county funds: property tax funds.

That is the extent of the statement I would like to make at the moment.

Senator CRANSTON. Thank you very much.

Mr. HART. My name is Dennis Hart, Social Services Director of the County of Orange.

Thank you again. I will be very brief.

I would like to say that while we feel that many excellent services have been provided in our county for refugees, we have good programs, we also feel refugees have made very positive and productive response to these programs. Nevertheless, we feel that the Federal timetable was a little optimistic as far as assimilation of these people into our culture. And, as a result, we find that we now are providing in some form or another assistance to more than 3,000 refugees. That has a great deal of concern to our board of supervisors and for the taxpayers. Forty percent of those people would not be eligible for any type of State or Federal participation if this program is terminated on September 30, and what we estimate that to mean is \$2.5 million to the local property taxpayers. And again, as has been pointed out, we feel

this is a Federal program and should be federally supported on a continuing basis.

I believe Mr. Comrie's suggestion of giving full funding for a year with an opportunity to have more substantial study of the future needs will be very appropriate.

Thank you.

Senator CRANSTON. Thank you very much.

Mr. WADE. My name is Kenneth Wade, and I am Washington Representative for Alameda County.

I will be very brief. I associate myself with the wise remarks of my colleagues.

Thank you.

Senator CRANSTON. Thank you very much for your comments.

I would like to ask both Keith Comrie and Dennis Hart this question.

Do I understand your testimony to indicate a belief that the administration's proposal to limit cash assistance to AFDC standards would be counterproductive by inducing some refugees to quit jobs that they presently hold?

Mr. COMRIE. I do very specifically, in that these are people just starting into new jobs, and they start at the lower pay scales. Many of them have very large families to support. When you have a large family, a welfare grant in many cases can far exceed your initial wage. Until they work longer, they will not have income to support themselves.

For example, if a welfare family has \$500 net income from welfare versus a job offer that will only get him \$300 or \$400, he is going to take the welfare alternative, I believe, because it will provide for the family's needs better.

Senator CRANSTON. Do you agree with that, Dennis?

Mr. HART. Yes.

Senator CRANSTON. What would be the cost to your counties generally if the proposed phasedown went from 100 percent to 60 percent or 30 percent?

Mr. COMRIE. We have not been able to cost that one out. I would estimate roughly half of that 4 million would be phased out. Most of it would be generally relief cost which, by the way, in California is 100 percent county. There is no State sharing.

Senator CRANSTON. Is your request for full funding for 1 year consistent with that 100-percent figure?

Mr. COMRIE. Yes. We would not like to see the rules changed at this time. We would like to see the rules stay the same.

Senator CRANSTON. How do you feel about the concept I suggested that we should work out a permanent program so we should not have to deal each time on an emergency basis?

Mr. COMRIE. I am in total agreement with that. I would like to see time spent to do that, and we will work with you in bringing you details to work out a permanent program.

If it means a phaseout, that is fine, but I think we should move to a factual base.

Mr. HART. I would support that also.

Mr. HONBERGER. In answer to your question about percentage reductions, in San Diego, a 60-percent program would cost us around \$560,000. We definitely would support a continuing program.

Senator CRANSTON. How long do you think the continuing program with this sort of funding is needed?

Mr. COMRIE. I would give a rough guess. If you could give us 5 years with each family, schools through special grants, then at that point in time they would pretty much be on their feet and ready to go—even the more difficult cases.

Senator CRANSTON. Sam, do you have any questions?

Senator HAYAKAWA. Yes.

I do wonder if a period as long as 5 years is not going to encourage a continued dependency?

Mr. COMRIE. My concern is just the reverse, by the cutoff, not having the time to work your way up into an organization, starting with the low paid job, you are telling people it pays more to be on welfare, and that would force permanent dependency.

The risk is that with current programs, even in California, once that father takes any job, he gets no assistance at all. We would prefer to have him working with a small supplement to make it pay to work. Otherwise, they will just sit home and be idle with their family.

Senator HAYAKAWA. Thank you, Mr. Chairman.

Senator CRANSTON. Thank you very much. I appreciate your being here. You have been most helpful. I appreciate everyone who has participated for whatever reasons with us today.

We are going to move as rapidly as possible. If all of you would submit your material for the record no later than Monday, it would be helpful.

[The prepared statements of Mr. Comrie, Mr. Honberger, and Mr. Hart, plus additional materials follow:]



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STATEMENT OF
KEITH COMRIE
DIRECTOR
DEPARTMENT OF PUBLIC SOCIAL SERVICES
COUNTY OF LOS ANGELES

ON
THE EXTENSION OF THE INDOCHINA
REFUGEE ASSISTANCE PROGRAM
BEFORE
THE SENATE HUMAN RESOURCES COMMITTEE

Washington, D.C.
September 22, 1977

Mr. Chairman and Members of the Committee

I am Keith Comrie, Director of Los Angeles County Department of Public Social Services. I appreciate this opportunity to comment on the need for new legislation to continue the Indochinese Refugee Assistance Program which currently expires on September 30, 1977.

As you know, there are approximately 150,000 Indochinese Refugees in the United States, about one-third of whom receive some form of public assistance.

The State of California estimates that between 40% and 60% of all Indochinese Refugees live in California. Estimates for FY 1977-78 indicate that total IRAP costs for California will amount to \$39 million for cash assistance, Medi-Cal and Social Services. Without 100% Federal funding, the State and counties will have to shoulder \$27 million of this amount. The Los Angeles County share of this amount will be \$4 million. These figures will surely increase with secondary migration of refugees from areas that have no General Assistance programs and/or do not aid federally ineligible AFDC-Unemployed Parent cases. In addition, in the Standard Aid to Families with Dependent Children Program once a father is fully employed, regardless of his net take-home pay, his family no longer qualifies for any cash assistance. In the IRAP program, special work incentives are available so that it always pays to work through the continuing availability of part of the welfare grant in some cases. The voluntary agencies and the public sector have worked extremely hard to reduce the dependency level of this latter group, especially over the last six months. If the special work incentives

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are now dropped, many fathers may be put in the position of being able to have more income to support their families through welfare rather than working. They may, therefore, quit work and further increase welfare costs.

I, therefore, urge that a small task force be convened to determine the full impact of terminating the Indochinese Refugee Assistance Program. I recommend that the IRAP program be continued with the same rules and regulations as it has at present for at least one year while representatives from Congress, the Administration, State officials, local administrators, and voluntary agencies jointly collect information and provide specific case examples to you of the impact of various changes you might elect to make. I believe a detailed report could be ready for you within six to nine months.

We are impressed with the effort of many sectors of the population, especially the Refugees themselves, in working toward self-sufficiency. The current Indochinese Refugee Assistance Program provides a work incentive which I believe it is important to give careful consideration to before changing the rules. I would be happy to provide any support necessary in developing such a report for Congress.

Thank you for this opportunity to testify before this distinguished Committee.



COUNTY OF SAN DIEGO

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WASHINGTON OFFICE
ROGER F. HONBERGER

STATEMENT OF

THE COUNTY OF SAN DIEGO, CALIFORNIA

ON

THE EXTENSION OF THE INDOCHINA
REFUGEE ASSISTANCE PROGRAM

BEFORE

THE SENATE HUMAN RESOURCES COMMITTEE

TESTIMONY ON BEHALF OF SAN DIEGO COUNTY
BOARD OF SUPERVISORS REGARDING
INDOCHINESE REFUGEE ASSISTANCE PROGRAM

At this particular time, when the property tax burden for the average taxpayer has reached overwhelming and disproportionate dimensions as a means of public financing, it is peculiar and alarming that the Federal government should choose to compound this burden by failing to take responsibility for a program for which only the Federal government has the authority and wherewithal to deal equitably.

The Indochinese Refugee Assistance Program (IRAP) was established by the Congress in the Spring of 1975 in connection with the Federal government's intention to bring into this country 150,000 refugees from Indochina. It was the hope of the Congress in establishing the IRAP Program that the Indochinese refugees would assimilate quickly into the American economy and society; hence, an automatic termination date of September 30, 1977 was built into the program's authorization bill.

In fact, however, the Indochinese refugees have not, in many cases, assimilated rapidly into the American economy and society. This is not surprising, given a review of the socio-economic profile of the refugees on their arrival. Even in 1975 such a review demonstrated the very apparent potential for severe problems in the area of housing, education and health due to

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the large size of refugee families, their relatively low level of education, their lack of marketable employment skills, and in many cases their manifest poor health.

And so the findings of a recent GAO report (HRD-77-35) were not surprising: they indicated that between December 1975 and December 1976 the percentage of Indochinese refugees receiving public assistance increased from 19% to 30% nationwide. The increase in California was from 31% to 46%. Such figures are not indicative, by any measure, of rapid assimilation! Quite the contrary, they are indicative of a very poorly prepared group being asked to compete in a very competitive job market!

If the IRAP Program terminates on schedule at the end of this month, what will be the impact on the property taxpayer of San Diego County? First, it is important to note that of the 150,000 refugees initially brought to this county, more than one-third have settled in California. Secondly, it is important to note that as of December 1976, of the refugees in California 14,787 were receiving some form of IRAP-financed public assistance. Thirdly, following a caseload increase of 9.5% during the past year, the IRAP caseload in San Diego County has leveled off at 2,335 recipients.

If the IRAP Program terminates, those of the 2,335 individuals who qualify will be converted to regularly financed AFDC and Social Services Programs. The cost of such assistance will be

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shared by the federal, state and county governments. Those who do not qualify will be converted to General Relief, which is totally financed by county governments. The added cost to the County of San Diego--and to the property taxpayers of this county--will be in excess of \$2 million for the federal fiscal year beginning October 1, 1977.

And the costs will go beyond the \$2 million cited above:

(1) On July 15, 1977 it was announced that an additional 15,000 Indochinese refugees would be brought into the country. At some point in the near future federal support of these refugees will cease. The cost burden in San Diego County is projected to be \$228,000 for refugees who are anticipated to immigrate to this area. (2) The County of San Diego, as have virtually all other counties in California, has completely depleted its Title XX social services funds. The very great need to provide services to the Indochinese refugees threatens a significant reduction in service resources for other needy groups in this community.

The dialogue in Washington, related to the extension of the IRAP Program, frequently alludes to the essentially humanitarian nature of the program; the efforts of the national church groups and voluntary agencies are founded upon this humanitarian concern.

Without a doubt, the IRAP Program does represent a humanitarian gesture in regard to which all Americans may take pride. But let us not forget that the Indochinese refugees, as would be the case with any other group of indigent persons, are eligible

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for and must receive public assistance if their circumstances so warrant. Apart from its symbolic value, therefore, IRAP has represented an effort on the part of the federal government to distribute the cost of a federally-created public assistance burden equitably among the federal, state, and local governments.

The concern of this Board, which is shared by many state and local government officials in areas where Indochinese refugees have concentrated, is that this externally created burden--which results from a gesture of humanitarian good will on behalf of all Americans--will be forced upon a relatively small number of state and local taxpayers. The Secretary of HEW, Joseph Califano, in his September 7 letter to the Vice President transmitting HEW's proposal for an extension of IRAP, stated

"We believe the enclosed draft bill represents a reasonable approach to meeting the needs of Indochinese refugees. Our proposal takes into account the Federal responsibility for these individuals, as well as their own ability gradually to support themselves and the role of the States in carrying out welfare and social services programs."

Under that proposal the federal government would provide supplemental funding to the states, for those refugees not otherwise eligible for AFDC, SSI, or Medicaid, at sharing ratios of 75% in FY 1978, 50% in FY 1979, and 25% in FY

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1980. It would not provide for the funding of administrative costs. It would provide full federal support of the 15,000 new refugees through March 1979, after which time such supplemental support would be reduced as described above. All special Federal support for the Indochinese refugees would terminate by the end of March 1982.

Most surely, the HEW proposal does not reflect the ability of these individuals to "gradually support themselves." The proposal's phasedown provision assumes a more rapid assimilation than that which is taking place. At the same time, the number of refugees on the welfare rolls is increasing. Nor does the HEW proposal take "into account the Federal responsibility for these individuals . . ."

What the HEW proposal does reflect is an attempt by the Federal government to place on selected State and local governments the financial burden for a situation created by the Federal government.

The humanitarian gesture made by the Federal government to the Indochinese refugees was made on behalf of all Americans. Bringing the refugees here created numerous obligations for support which will remain until such time as the refugees in fact are assimilated. The resulting burden of public assistance will remain, regardless of the future of the IRAP Program. The critical issue relates to the proper location of responsibility for funding this burden. The burden should be shared equally on a national basis. It should be financed by means of

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the nationwide income tax, not by the local property tax in selected communities.

Caseloads and Costs for California Counties

<u>Name of County</u>	<u>Number of Cases</u>	<u>Number of Persons</u>	<u>Estimated Annual Costs</u>			<u>Social Services</u>
			<u>Total</u>	<u>Assistance</u>	<u>Administrative</u>	
Los Angeles	2,220	5,978	\$ 4,908,631	\$3,800,000	\$1,000,000	\$ 108,631
San Diego	810	2,335	\$ 2,269,883	\$1,432,872	\$ 192,359	\$ 644,652
Orange	820	3,224	\$ 2,559,174	\$1,720,450	\$ 184,694	\$ 654,030
Alameda	213	631	\$ 381,636	\$ 260,844	\$ 56,666	\$ 64,126
Totals	4,063	12,168	\$10,119,324	\$7,214,166	\$1,433,719	\$1,471,439

STATEMENT OF

DENNIS B. HART, DIRECTOR, SOCIAL SERVICES

THE COUNTY OF ORANGE, CALIFORNIA

REPRESENTING THE ORANGE COUNTY BOARD OF SUPERVISORS

ON

THE EXTENSION OF THE INDOCHINA

REFUGEE ASSISTANCE PROGRAM

BEFORE

THE SENATE HUMAN RESOURCES COMMITTEE

SEPTEMBER 22, 1977

Mr. Chairman, Honorable Members of the Committee:

My name is Dennis Hart. I am the Director of Social Services in Orange County, California. By direction of the Orange County Board of Supervisors, I am here to acquaint this Committee with the anticipated fiscal impact upon Orange County should the Indochina Refugee Assistance Program (known as IRAP) not be extended.

As you may be aware, a relatively high percentage of the Indochinese refugees are concentrated in California — 33%. This represents about 50,000 individuals of which 29.6% were receiving public assistance as of 12-1-76. Of that 29.6%, 15% - more than 3,000 persons - were receiving assistance in Orange County.

We expect that these percentages will hold true when applied to the 15,000 new refugees recently admitted into the United States; or a net increase of approximately 5,000 new refugees establishing residence in California. About 1,500 of that 5,000 will need assistance, with 225-230 having need of assistance in Orange County.

We are deeply concerned that a cessation of the current federally supported IRAP Program on September 30 will result in an excessive share of what we believe to be a national responsibility being shifted to local government and local property owners.

In the County of Orange, a transfer of the IRAP caseload existent on 7-1-77 to the regular aid programs will result in increased costs of approximately \$2.5 million a year. Medical only, food stamp and foster care cases will add an estimated \$120,000 to \$200,000 plus another estimated \$225,000 for the new cases expected from the 15,000 new refugees in the country. The costs to the County for

administering the services and financial programs for the current eligible refugees would be an estimated \$838,724. Additionally, based upon our most recent survey, it is very possible that 40% of the current IRAP households will qualify for no help whatsoever under changed eligibility criteria. These persons will be forced to face insurmountable financial and social problems.

I believe these facts and figures clearly demonstrate the reason for our concern. We urge you to extend the Indochina Refugee Assistance Program.

In the event that Congress decides not to re-fund the Refugee Program, Orange County, California, recommends that additional Federal appropriations be provided for the funding of necessary administrative and grant costs in the current income maintenance and services programs. This recommended action would prevent the shifting of a tremendous fiscal burden to the citizens of Orange County. Over and above the fiscal concerns, Orange County is disturbed about the impact of these changes upon a refugee people who were given what appeared to be a humanitarian invitation to enter our country. Now the spectre of being cast adrift hovers over 40% of our refugee households.

STATEMENT by



THE NATIONAL ASSOCIATION OF COUNTIES

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WRITTEN STATEMENT OF
THE NATIONAL ASSOCIATION OF COUNTIES
SUBMITTED TO THE SENATE HUMAN RESOURCES COMMITTEE

Washington, D.C.

September 22, 1977

STATEMENT by



THE NATIONAL ASSOCIATION OF COUNTIES
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THE INDOCHINESE REFUGEE ASSISTANCE PROGRAM ESTABLISHED BY CONGRESS IN 1975 HAS SUCCESSFULLY RESETTLED SOME 150,000 REFUGEES INTO THE UNITED STATES. AN ADDITIONAL 15,000 REFUGEES ARE ARRIVING NOW AND OTHERS WILL FOLLOW. TERMINATION OF THE FEDERAL PROGRAM IS PREMATURE AS LONG AS REFUGEES ARE ARRIVING AND AS LONG AS SUBSTANTIAL NUMBERS OF REFUGEES REMAIN IN NEED OF INCOME ASSISTANCE, MEDICAL ASSISTANCE, SOCIAL SERVICES, JOB DEVELOPMENT, AND LANGUAGE TRAINING.

DESPITE THE NATIONAL CHARACTER OF THE INDOCHINESE REFUGEE ASSISTANCE PROGRAM, THE MAJORITY OF REFUGEES HAVE SETTLED IN APPROXIMATELY TEN STATES, NOTABLY CALIFORNIA, TEXAS, MICHIGAN, AND ILLINOIS. ALTHOUGH MOST REFUGEES HAVE SUCCESSFULLY ASSIMILATED, MORE THAN ONE-THIRD CONTINUE IN NEED OF PUBLIC ASSISTANCE.

AS LONG AS THE RESETTLEMENT AND ASSIMILATION OF INDOCHINESE REFUGEES REMAIN A PROBLEM OF NATIONAL SCOPE, IT IS ONLY FAIR THAT THE COSTS BE SHARED BY ALL AMERICANS.

THEREFORE NACo URGES YOUR COMMITTEE TO SUPPORT LEGISLATION TO CONTINUE 100 PERCENT FEDERAL FUNDING OF PUBLIC ASSISTANCE AND SOCIAL SERVICES TO INDOCHINESE REFUGEES FOR AT LEAST ONE YEAR; AND TO PHASE DOWN THE FEDERAL CONTRIBUTION ONLY WHEN THE COSTS WILL NOT CREATE DISPROPORTIONATE TAX BURDENS FOR AMERICANS IN CERTAIN STATES AND COUNTIES.

[Whereupon, at 11:50 a.m., the committee adjourned, subject to the call of the Chair.]





