

# ASIA RESOURCE CENTER



March 24, 1994  
Fax 228-4148

TO: Nancy Stetson

FROM: Roger Rumpf *Roger Rumpf*

RE: To follow-up our conversation I present these reasons for removing the "communist countries" language from the new Foreign Assistance Act, Section 7201. My fax is [REDACTED]

1. The original reason for this language no longer exists. The Cold War is over. The U.S. is cooperating with Viet Nam and Laos.
2. China, the major "communist country," has Most Favored Nation status already. The present "communist countries" language only punishes the small and poorer countries like Laos and Vietnam.
3. Larger and more significant programs like U.S. textile import quotas, OPIC, etc. can go to these countries.
4. It is easier to delete this language than to have a debate on which countries the President will list under the new legislation.
5. Viet Nam and Laos should be more cooperative on issues like MIA/POWs and narcotics if the U.S. removes the "communist countries" language.
6. Laos and Viet Nam have implemented economic reforms, established market-oriented economies, opened up their countries to a wide range of foreign contacts since 1988. Removing these restrictions encourages more openness.
7. Restrictions limit reconstruction and development aid to Laos and Viet Nam at a time when the U.S. seeks to give more aid. The State Department complains that Laos won't take the numerous, complicated, small packages of U.S. "unrestricted aid." A comprehensive USAID development program would be easier for the Lao to understand, less bureaucratic and more successful.
8. The Defense Department (DOD) can give Viet Nam and Laos aid related to clearing unexploded ordnance and MIA/POWs while USAID is restricted. The language also restricts non-governmental organizations (NGOs) like the Mennonite Central Committee from receiving U.S. funds for their ordnance project in Laos. Moreover NGOs carry out projects at less cost. For example, DOD's training teams are constructing 5-room schools in Laos for \$50,000 or more, while NGOs cannot get USAID money to build them for \$10,000.
9. NGOs cannot get general USAID money for Viet Nam and Laos. Fostering development programs in these countries would greatly support improved relations.

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