

U.S. Officials Report Diversion of Foods Meant for Indochina

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WASHINGTON, May 8 — Nearly 100,000 tons of food was headed for Cambodia and South Vietnam when their governments fell, American officials said today.

Of the food, 55,000 tons at sea has been diverted despite questions about the legality of the action, the officials said.

Meanwhile, other officials said that the United States would save about \$300-million of the \$1.6-billion budgeted for food assistance this fiscal year because of declining grain prices. They also said that it now appeared impossible to ship all of the grain allocated for hungry nations before the end of this fiscal year on June 30.

Some Was in Saigon

The grain meant for the Indochina countries included 85,000 tons of rice for Cambodia and 12,000 tons of wheat for South Vietnam. Of the rice, 43,000 tons were in storage in Saigon for transshipment to Phnom Penh, and 43,000 tons were on ships, at sea, as was the wheat for South Vietnam.

Though the new governments of Cambodia and South Vietnam have claimed all property that belonged to their countries under the former governments, the United States Treasury has frozen their assets in this country and has acted to block further trade—a step that cuts off continued movement of food aid.

The legality of the diversion is in question because most of the grain was provided under a section of the Food Aid program, Title I, that provides

assistance in the form of long-term, low-interest credits.

With credits provided by the United States Government, the countries obtain the commodities through regular commercial channels, and then take title before the commodities are shipped.

"The old adage that possession is nine-tenths of the law could never be applied more aptly," an official said.

Wheat Going to India

The wheat meant for South Vietnam is now in Tokyo harbor, but will be diverted to India, a State Department aide said. No final decision has been made on disposition of the rice meant for Cambodia, he said, but some of it will probably be diverted to other aid programs, and some may be sold commercially. Most of the rice is now either in ships or in storage in Singapore, he added.

Failure to get food aid to Cambodia created a legal problem for the managers of the Food for Peace program until an action by the United Nations—not yet officially announced, relieved the pressure.

Under statutory requirements, at least 70 per cent of United States food aid must go to nations designated by the United Nations as "most seriously affected" by food, fuel and fertilizer problems.

The requirement was adopted by Congress last year at the urging of several Senators who were disturbed over the use of much of this country's food aid for political purposes—support for allies, rather than for relief of the hungriest nations, for instance.

The United Nations, without public announcement, recently added Egypt to the list. She is scheduled to get 600,000 tons of American food aid shipments.