

# U.S. Winds Up Its Aid Program in Laos,

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Special to The New York Times

VIENTIANE, Laos, June 27—

The United States aid program, for more than a decade the principal prop of the Laotian economy, wound up activities in Laos yesterday. All remaining supplies and property of the Agency for International Development were relinquished to Laotian control.

In an interview this morning, the Deputy Economics Minister, Dr. Somphou Oudomvilay, expressed a hope that American economic assistance would be resumed, but said that Laos was prepared to live at a lower level if it was not, and if aid from other countries fell short of what America provided.

In the fiscal year ending Monday, American economic assistance to Laos totaled \$32-million. In addition, a \$30-million military aid program for

the same period provided food and fuel for the Laotian armed forces. No new assistance for Laos has been requested by Washington since a siege of American installations here and in the provinces last month put an end to the aid programs.

Dr. Somphou said that so far aid agreements with China, for about \$20-million in roads and buildings and \$8-million in goods, and North Vietnam for \$4-million, had been concluded.

### Retail Trade Not Nationalized

Pledges of 40,000 tons of rice by the end of this year have been received from various nations, the Minister said.

Dr. Souphou said that for over a month now, imports of necessary foods, such as rice, milk and sugar, had been taken over by the Government,

as had the export of wood, the principal export commodity.

But the Minister said that the Government, in which he represents the Vientiane, or non-Communist, side, would not nationalize retail trade.

About one-half of American economic assistance went into an international fund, the principal aim of which is to assure essential imports. Instead of last year's contribution of \$16-million, which was matched by gifts from France, Britain, Japan and Australia and Laos's own foreign earnings, only \$5-million has been granted by the United States so far and nothing further is forthcoming from that source. Fuel and food are the principal imports.

Dr. Somphou said that increased exports of wood, which last year amounted to \$7.4-million, would make up most of the gap. He said that Laotian

NEW YORK TIMES, SATURDAY, JUNE 28, 1975

## Relinquishes Supplies to Local Control

lumber smuggled to Thailand was estimated at four or five times the value of legitimate exports.

It is a widely held assumption that there will be a reduction in smuggling under the regime that Laos is expected to have under the Pathet Lao. Dr. Somphou, who represents a group of younger, university-trained Laotian civil servants who kept their distance from the old regime because of its corruption, said that the United States should begin afresh in its relationship with the new Laos. Referring to the excesses against Americans and American property in the mass protest campaign against the aid agency's installations, he said:

"The United States would commit another great error if it let these little incidents cause it to discontinue aid."

The Minister said that after the final events of the Indochi-

nese war, the United States should have acted on its own initiative to revise its aid program, turning its functioning over to Laos and sharply reducing the presence of American aid personnel, who numbered 162 at the time of the fall of Saigon.

"We could not prevent the mass action when they did not," he said.

Believing that the United States capitulated in the Paris agreement of 1973, Dr. Somphou said that after that he often urged Americans, particularly former Ambassador Charles S. Whitehouse and former aid administrator Charles A. Mann, "to change and to change fast." He continued:

"But the Americans always lagged behind events. It's a pity, you have good intentions, but you are always too late."

Dr. Somphou said the American assistance program, and its hierarchy of American offi-

cial, reflected a lack of confidence in Laotians.

"All these advisers and counterparts stripped our people of responsibility. This was not good for the country. We wanted to be responsible for what we were doing."

The Minister contended that 30 to 40 per cent of American aid money went to pay and maintain American officials. "An American doesn't live like a Laotian," he said. "This made for bad feeling, when two people work side by side and one earns many times what the other does."

Dr. Somphou suggested that any future American aid should be either in projects constructed directly by Americans and then turned over to Laos or in straight cash assistance for certain projects. He said that American officials could come to Laos to check whether the money was being spent for the intended purpose.