

# REPORT TO THE AMBASSADOR

FROM THE DIRECTOR  
OF THE UNITED STATES AGENCY  
FOR INTERNATIONAL DEVELOPMENT



U.S. AID VIETNAM ASSISTANCE PROGRAM  
1967



TO THE AMBASSADOR

The efforts of the Government of Vietnam to achieve economic progress, to provide public service to the Vietnamese people, and to involve the people of Vietnam in the politics of democratic nationhood were rewarded with measurable success in 1967.

The situation at the close of 1967 contrasts sharply with that of a year ago. At the beginning of 1967, the rate of war-borne inflation was continuing its rapid, upward trend. Prospects for success of the large-scale import program designed to combat that inflation were threatened by congestion in the Port of Saigon. The capacities of GVN civilian agencies were severely strained by attempts to carry out traditional tasks and, in addition to them, many new programs necessitated by the war. The restoration of local government and local governmental institutions was but a plan.

By the end of 1967, inflation had been brought under better control; prices had risen in the last ten months only as much as they had in the first two months. The Port had been cleared and was functioning smoothly. The apparatus of Government had begun to carry better the heavy workload imposed by the requirements of war and the need for improved public service. Elections had been held in over half of the villages and Village Councils were functioning.

USAID's assistance in these events has taken three main forms: (1) the provision of resources on a large scale and emergency basis to help keep the economy stable and to afford relief from other burdens of the war; (2) support of efforts to achieve economic growth and to expand and improve government administration despite the war; and (3) advisory assistance in planning for the peace ahead. In all of these activities, USAID's role has been one of assisting and enhancing the efforts of the Vietnamese. This report is, therefore, largely a record of achievement of the Vietnamese themselves.

The men and women of USAID have no illusions about the many difficult, complex and persistent problems that remain, but we are encouraged by the steady progress being made to overcome them. Furthermore, we look forward to the year ahead, heartened that we are responding less often to crises and more frequently to opportunities leading to longer-range and more permanent benefits.



Director, USAID

Saigon, South Vietnam  
January 15, 1968



# TABLE OF CONTENTS

	Chapter	I	The USAID South Vietnam Assistance Program -- 1967 Summary . . . . .	1
PART I				
			AID TO THE REPUBLIC OF SOUTH VIETNAM'S ECONOMY, ITS COMMERCE AND INDUSTRY . . . . .	5
	Chapter	II	Economic Plans and Programs . . . . .	7
	Chapter	III	Commercial Import Program . . . . .	11
	Chapter	IV	Industry . . . . .	15
PART II				
			AID TO THE REPUBLIC OF SOUTH VIETNAM'S AGRICULTURE AND FOOD SUPPLY . . . . .	16
	Chapter	V	Agriculture . . . . .	19
	Chapter	VI	Food For Freedom . . . . .	25
PART III				
			AID TO THE REPUBLIC OF SOUTH VIETNAM'S HEALTH, EDUCATION AND SOCIAL WELFARE . . . . .	27
	Chapter	VII	Public Health . . . . .	29
	Chapter	VIII	Education . . . . .	35
	Chapter	IX	Urban Social Development . . . . .	41
	Chapter	X	Saigon Development . . . . .	43
	Chapter	XI	Free World Assistance . . . . .	45
PART IV				
			AID TO THE REPUBLIC OF SOUTH VIETNAM'S GOVERNMENT, CIVIL ADMINISTRATION AND INSTITUTIONS . . . . .	47
	Chapter	XII	Public Administration . . . . .	49
	Chapter	XIII	Labor . . . . .	55
PART V				
			AID TO THE REPUBLIC OF SOUTH VIETNAM'S TRANSPORTATION SYSTEM, LOGISTICS BASE, BASIC UTILITIES AND NATIONAL CONSTRUCT- ION . . . . .	57
	Chapter	XIV	Engineering . . . . .	59
	Chapter	XV	Logistics . . . . .	77
CHART APPENDIX . . . . .				81
INDEX . . . . .				93



## SUMMARY



## CHAPTER I

### U.S. AID MISSION TO VIETNAM

In 1967, the Republic of Vietnam, in the midst of war, made steady progress in its efforts to build a new nation. During the year, there was improvement in the stability of the economy, increasing provision of essential social services, and the evolution of a new political system under Constitutional government. Complex, persistent problems remain. Yet, steady and accelerating progress was achieved in 1967.

Assistance by USAID to the Republic of Vietnam is directed to the economic, social, and governmental sectors. The impact of these programs makes an important contribution to pacification and security. Vietnamese aspirations do not differ from those of people in other lands: to be able to secure food, clothing and shelter with one's earnings; to educate one's children; to obtain health services for one's family; to secure essential services from one's government; and to share in the nation's economic growth.

Summarized below are some of the specific achievements of the Vietnamese to meet their goals of security and growth in which the USAID has provided assistance in 1967. They include the:

Moderation of the inflationary spiral. Overall price increases were held to about 30 percent in 1967 compared to 59 percent in 1966 and 55 percent in 1965.

Increased prices for agricultural products, aiding the stimulation of agricultural industry and creating greater prosperity in rural areas.

Expansion of industry, including those producing textiles, electric wire, asbestos, cement, chemicals, pharmaceuticals, paper, glass, plastics, and animal feed products.

Development of an expanded and improved power system for the city of Saigon.

Increased agricultural production, through greater use of fertilizer, pesticides, irrigation for crops, vaccines for livestock, and the introduction of new rice varieties. Estimates are that these efforts will allow Vietnam to increase rice production by 50% in 3 years and to increase protein production by 10 percent per year starting in 1968.

Increase in the credit extended to farmers and agricultural businessmen. In 1967 the Agricultural Development Bank lent 1.5 billion piasters to more than 100,000 farmers which was over three times the number of loans made by the comparable organization in 1966 and over four times the amount loaned.

Importation of enough food for the marketplace to make up for shortages in local production so that the price of food remains within reach of the average householder.

Increase in hospital and outpatient services, and the intensified training of doctors, dentists, and nurses.

Expansion of educational facilities and teacher training to the point where almost 75 percent of all primary school age children and 15 percent of all secondary school age children now attend school.

Improvement of water, refuse disposal and other services of the city of Saigon.

Holding of elections in over 1,300 villages and about 5,000 hamlets and the subsequent training of over 8,000 of the more than 15,000 elected village and hamlet officials in local governmental administration.

Improvement in the statistical record keeping of the Government of Vietnam, including introduction of automatic data processing.

Improvement of fiscal administration of the Government of Vietnam, including more effective procedures for tax administration and customs collection.

Establishment in the Office of the Prime Minister of a Directorate General of Civil Service, and the drafting of a new Civil Service Reform Act.

Improvement and expansion of water, power, telephone, highway, railroad, canal, port, and airport systems throughout South Vietnam.

Unclogging of the Port of Saigon - turnaround time dropped from 89 days in August, 1966, to 5 days in December, 1967 - and the expansion of the nation's warehouse facilities.

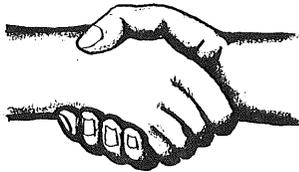
The U.S. role in support of these "indicators of progress" are detailed in the individual chapters of the report.



# PART I

# AID

## To The Republic Of Vietnam' s Economy , Commerce & Industry



- ◆ CHAPTER II      *Economic Plans & Progress*
- ◆ CHAPTER III     *Commercial Import Program*
- ◆ CHAPTER IV     *Industry*



ECONOMIC PLANS  
&  
PROGRESS



CHAPTER  
II

U.S. AID MISSION TO VIETNAM

INTRODUCTION

Nineteen sixty seven has been a year of progress in the GVN's efforts to moderate inflation, bring increased prosperity to the country-side and lay the basis for planning the post-war development of Vietnam.

Overall price increases during 1967 have been held to something over 30 percent, compared to 59 percent in 1966 and 55 percent in 1965. This has been accomplished by imposing tight ceilings on both U.S. and GVN expenditures, continuing efforts to increase tax revenues and, most important, the absorption of excess purchasing power by a large and readily available volume of imported goods.

EXPENDITURES

Despite tight controls, the demands of the war and past price increases made necessary substantial increases in both U.S. and GVN piaster expenditures. Together these expenditures will amount during 1967 to an estimated VN\$ 140 billion or over 45 percent more than in 1966. GVN tax and other revenues increased from VN\$ 38 billion in 1966 to an estimated VN\$ 49 billion in 1967 and thus were able to offset a part of the increase in expenditures. Imports were an even more powerful anti-inflationary weapon in 1967 than taxes. The level of total imports has risen from less than \$300 million in 1964 to well over \$600 million in 1967. The piaster absorbing effect of imports has been increased further by the 1966 devaluation. The estimate is that during 1967 imports will absorb over VN\$70 billion of domestic purchasing power compared to VN\$33.5 billion in 1966. As a result the increase in the domestic money supply will be held to about 21 percent as compared to 33 percent in 1966 and 73 percent in 1965, and the overall inflationary pressure on the economy has been considerably reduced.

PRICES

Price increases in 1967 have been highly selective. Prices in the non-food sector have been relatively stable. Excess inventories of imported

goods have constituted a brake on price increases and on the speculative hoarding of durables. Price increases have been heavily concentrated on perishable foodstuffs and particularly on rice and protein foods (mainly pork and fish). Bottlenecks in protein food production developed as demand rose with rising family incomes.

At the beginning of the year, one of the most important protein foods, pork, was still subject to price controls; thus reducing any price stimulus to increase production. In addition, there is a long lead time between a price stimulus and an increase in the arrival of pigs at the market place. During 1967, however, USAID attention and programs have focused increasingly on breaking bottlenecks in this sector. Price control on hogs has now virtually been abandoned. Previously pig raisers had been placed in a difficult cost situation with the increase of feed (bran and broken rice) prices early in the year, while price ceilings on hogs continued, particularly on the provincial level. By mid-1967 these ceilings had been largely removed and prospects for the revival of pork production now appear good.

The increase in the price of rice this year was precipitated by the poor Delta crop which followed the Mekong flood of Autumn 1966. Another important factor was the dwindling of imported rice stocks at Saigon during the first 2½ months of 1967. Speculation pushed the price in Saigon to unheard-of levels by early March. At the same time, prices to farmers for paddy rose. The price increase was brought under control, and prices fell to lower levels as a result of releases of imported rice. But the fall was limited by the Government's decision to raise the price of imported rice, which supported the domestic price at favorable levels throughout the rest of 1967. Today the price farmers receive for their paddy is significantly higher than that considered necessary to provide an adequate incentive to increase production. Of course, the real test will come when this year's good crop is marketed.

The increase in the rice price and other agricultural prices has helped to spread urban prosperity to the countryside. In particular it has contributed to a notable increase in prosperity in the Mekong Delta. Distribution of consumer goods, formerly very slight outside the Saigon area, has now expanded to the market towns of IV Corps--and the goods are finding purchasers. More importantly from an economic point of view, this prosperity has led to greatly increased demands for additional agricultural inputs which should have a favorable effect on agricultural production.

With the relative stabilization of the economic situation, the opportunity arrived in 1967 to pay increased attention to planning for the future, rather than simply meeting crises as they arose. Fertilizer, rice and protein policy committees were organized. By the end of the year new and promising programs had been developed for increased rice and protein food production and for increased distribution of fertilizer.

#### PLANNING

The Joint/U.S.-Vietnamese Post-war Planning Group has been working in Vietnam since February 1967. The American co-chairman, David E.

Lilienthal has spent two long periods in Vietnam; and his company, Development and Resources Corporation, has developed the core of a solid staff which is in Vietnam on a permanent basis. The Vietnamese participation in the Joint Group under the leadership of Professor Vu Quoc Thuc, has also been organized and is beginning to function well. This has been a year for organization first of all, but also for considerable substantive progress. The Joint Group has submitted two reports to the GVN. The first, in May of 1967, was an outline of the kinds of work that would have to be undertaken. The second, submitted personally to Prime Minister Loc and President Thieu in November of 1967, was very well received. Although this is a long term effort, the outlines of the types of solutions which will be part of the planning exercise are becoming more clear.

The Vietnamese members of the Group in their analysis of their economy emphasize the dependence of Vietnam on American economic assistance. Their interest in developing plans to meet problems raised by this dependence and to lessen it is encouraging. Also, the Vietnamese analysis in the November report indicates a realistic concern for the rural areas which have suffered most from the war. In the political area, the existence of the Joint Group and the progress of the Postwar Planning Exercise is making more Vietnamese aware of Vietnam's economic problems. Therefore, Vietnamese in the Government and the universities are cooperating with the Group with growing interest. This bodes well for the future, since the influence of the Group's recommendations will come through broad contacts and persuasion rather than by directives.

#### USAID ECONOMIC DIVISION ACTIVITIES

An increased staff enabled the Economic Division to make more detailed investigations of provincial economics than in previous years. The larger staff reported extensively on the rural economics of the Delta and noted the increasing prosperity there. Recommendations were formulated to reduce hindrances to trade resulting from economic controls imposed at the provincial level. The interaction between pacification and economic improvement was also studied.

The Economic Division continued to work with other parts of USAID, the Embassy, MACV and the GVN on all aspects of stabilization and general economic policy. In the fiscal field it has continued to work closely with the GVN in exploring methods and ways of increasing tax revenues. Jointly with the GVN a system has been developed to improve and unify the import classification system used by all parts of the GVN, thereby increasing revenues and rendering present controls more effective.

The National Bank has been assisted in developing a new data system on import bank credit which will facilitate the surveillance by the National Bank of bank credit to importers and projections of the absorption of domestic purchasing power by imports. By the beginning of 1968 this system will be computerized and as a historical file is accumulated, projections of consumer demand for imports by individual commodities will be greatly facilitated.

The Economic Division took the lead in setting U.S. piaster expenditure ceilings for 1967. It also worked closely with MACV in reviewing the GVN

military budget. The Division cooperated with MACV and ARVN in developing a U.S. and GVN procurement policy designed to integrate the capacity of the private sector with the needs of the military and the various civilian pacification programs. As a result of this policy some once ailing industries are again prospering and procurement costs have been reduced. All concerned--and particularly the RVNAF--have significantly improved their overall capacity to supply themselves efficiently.

The Economic Division has also been actively involved in U.S. planning and implementation of manpower policies and in Mission efforts to limit black market activities in Vietnam--which have resulted in a major revision of our control procedures on contract procedures, currency exchange, and PX sales. These new measures are expected to be implemented in the first quarter of CY 1968, and they should yield significant savings to both the GVN and the USG.

The Economic Division during 1967 has spent considerable time working with other divisions within USAID and particularly with the Private Enterprise Division, the Agricultural Division and with CORDS in order to maximize the coordination of these programs with overall stabilization and development objectives. The Agriculture Division during the next year will concentrate its resources in three key growth areas--rice, proteins and vegetables--which have been worked out with the Economic Division. CORDS also has decided to orient its pacification efforts along routes of communications so that the benefits of natural economic growth will tend to be linked to a return of security.

COMMERCIAL  
IMPORT  
PROGRAM



U.S. AID MISSION TO VIETNAM

CHAPTER  
III

INTRODUCTION

The Commercial Import Program (CIP) functions basically as a supplement to the foreign exchange resources of the GVN by financing with dollars imports for the private sector of the economy. As such, it has been a major tool in combatting inflation and maintaining the stability of prices, since the goods imported through this program absorb piasters and thereby satisfy inflationary demand. The mechanics of the CIP are simple: The program pays the foreign exchange cost of the imported commodities which it finances. The Vietnamese importer in turn pays for the commodities in piasters; these piasters, known as counterpart, are used for support of the GVN budget in projects and programs approved by the United States, as well as for USAID's administrative expenses.

HISTORY

The CIP in Vietnam was initiated in 1955 following the signing of the 1954 Geneva Agreement. The Program was then designed to counter the inflation resulting from deficit spending in support of the large military establishments required by the prevailing emergency conditions.

In late 1960, CIP financing was limited to commodities purchased in the United States and from certain Free World countries designated as "underdeveloped". It was further restricted in December 1965 by Policy Determination 31 (PD-31) limiting purchases to the United States and certain less developed countries agreeing to accept payment in special letters of credit tied to the U.S.

The commodities financed under the Program are those generally held to be essentials -- raw and semi-finished materials for production, bulk commodities, maintenance material and spare parts, and certain capital equipment and some consumer goods. The Government of Vietnam finances largely consumer goods, but selected commodities can be and are shifted between GVN and U.S. financing in response to changing economic conditions.

As the table below indicates, the GVN is assuming a much greater share of the burden of financing commercial imports. The size of the Program for any particular year, however, depends on the degree of inflationary pressures generated in the economy and the foreign exchange holdings of the GVN available to finance imports.

<u>CIP and GVN Commercial Import Licensing</u>				
<u>(Value in \$000)</u>				
	<u>FY 1964</u>	<u>FY 1965</u>	<u>FY 1966</u>	<u>FY 1967</u>
CIP	117,264	144,329	344,237	154,756
GVN	<u>94,149</u>	<u>93,166</u>	<u>149,276</u>	<u>306,427</u>
TOTAL	211,413	237,495	493,503	461,183

#### EVOLUTION OF CURRENT PROGRAM

The CIP is continually undergoing change to meet the changing needs of the Vietnamese economy. This flexibility of the Program is demonstrated in its evolution since 1965.

In late 1965, the U. S. began its rapid military build-up in Vietnam. As U.S. troop commitments increased, what had once been a relatively stable economy began to deteriorate. Initial logistical troop support drained the local market of goods, thereby placing greater pressure on prices. Increasing U.S. piaster expenditures for housing and services, coupled with rising troop spending, aggravated the situation further by contributing to increased indigenous demand.

This situation was compounded further by the initial reluctance of the GVN to make immediately available in appropriate amounts its own foreign exchange for imports. By mid-1966, devaluation was inevitable. In the 14 months preceding the June 18, 1966, devaluation, prices had risen almost 75 percent.

The utility of the CIP in its stabilization function was amply demonstrated after the devaluation in July 1966. Just prior to devaluation, the GVN lifted quota restrictions on their own and CIP-financed imports. The GVN also liberalized the criterion for the registration of new import firms and allowed firms to import in more than one commodity category. This general liberalization contributed to a surge in import licensing with consequent piaster absorption by imports approximately twice the level before devaluation. Thus in 1967, this absorption has held inflation to a rate something over 30 percent.

The devaluation in July 1966 hit the import community very hard. The prevalent feeling of importers prior to devaluation was that the devalued piaster would apply to new import transactions, but not to those for which credits had already been established. Instead, the GVN decreed that it was applicable to all letters of credit which had not been negotiated. Required acceptance of incoming shipments previously ordered put much pressure on the financial and logistical resources of the importers.

During this period, congestion in the Port of Saigon was at its peak. For overstocked importers, the congestion was a boon; for others who could dispose of their cargoes, it added frustration and financial burdens. The financial situation was further aggravated because the speculative activities of importers, made with a view of sales to the U.S. military, backfired. The military had, by this time, created its own logistical support and greatly reduced its local procurement. The result was that many importers either stopped importing altogether or drastically reduced their importing. Inventories held by both importers and banks were excessively high. Bank credit was tight.

However, piasters were still in the hands of individual consumers. It was natural that the importers would turn to importation of commodities which would afford quick delivery, fast turnover, and high profit. The principal items involved were GVN-funded motorbikes, refrigerators, air-conditioners, TV sets, radios and other consumer goods -- all heavily taxed by the GVN. These importations absorbed the liquidity of ultimate consumers and importers. As a result, the CIP imports of more basic commodities were severely reduced.

#### THE PROGRAM : 1967

As troop spending increased in 1966, the GVN accumulated more foreign exchange than it was spending. To hold this foreign exchange level down, Petroleum Products were returned to GVN financing, effective January 1, 1967. In March 1967 other items were transferred back to the GVN -- notably sugar, pulp and paper, cement, and nonferrous metals. The transfer of pharmaceuticals in July also contributed to holding down the GVN foreign exchange reserves, although the transfer resulted from other causes. In addition, importers and end-users were working off high stock levels created in the previous period. The purchasing power of the consumer had dwindled further by virtue of credit purchases and higher costs for food and housing. Importers became reluctant to speculate and imported only those items for which they had firm orders or expected quick sales.

The consequent reduction in stocks caused importers and end-users to rebuild their inventories. By the end of November, submissions to the AID Office of Small Business were beginning to be reflected in increased CIP licensing. It is expected that OSB submissions will continue at a higher level in calendar year 1968 as compared to the second half of 1967. A contributing factor for the increase in CIP licensing was the recent return to CIP financing of Petroleum Products, sugar, cement and fertilizer in response to decreases in the GVN's foreign exchange holdings.

In FY 1966, CIP obligations reached the highest level to date, \$398 million. For FY 1967, the program, due to the high inventories and CIP transfers to GVN financing mentioned above, fell to \$160 million. The FY 1968 CIP program is expected to be approximately \$225 million and the FY 1969 program will probably be of the same magnitude.

## MANAGEMENT IMPROVEMENT

USAID has endeavored continuously to strengthen CIP management techniques as the program has grown in size and complexity.

Some of the more significant improvements made during 1967 indicate the degree to which CIP management is becoming more sophisticated and more efficient in its day-to-day operations:

- A. By mid-1967, a total of 10 Commodity Analysts were on board, thereby insuring tighter control over AID-financed transactions.
- B. CIP broadened its requirement for submissions of Notices of Proposed Procurement by changing the minimum amount from \$10,000 to \$5,000.
- C. A 7-digit commodity code was developed to replace the previous AID 4-digit code. This improves statistical reporting and commodity identification.
- D. A Positive List utilizing the 7-digit code was developed to identify specific commodities eligible for AID-financing; any commodity not listed thereon is ineligible.
- E. The automatic data processing (ADP) center of USAID began an initial series of data runs on the CIP. Dependence on ADP for control and analysis of the CIP elements will increase.
- F. A Central Importer File was established to accumulate, consolidate and facilitate the retrieval of information on importing firms.
- G. A USAID Suspension List of debarred or suspended suppliers, importers and agents was established. The List is being enforced by USAID personnel with surveillance responsibilities over AID-financed transactions.
- H. A preliminary study of commodity requirements in Vietnam was carried out by Arthur D. Little, Co. of Boston and is now being evaluated.

## INDUSTRY



# CHAPTER IV

## U.S. AID MISSION TO VIETNAM

### INTRODUCTION

The Industry Division advises private entrepreneurs and institutions, both Vietnamese and foreign, and GVN and quasi-GVN organizations to encourage the rational industrial development of South Vietnam. The emphasis is on private investment where feasible. While it does not provide grants or loans, it does provide technical and organizational advice. It also reviews for feasibility all license applications for the importation of industrial equipment and machinery under the US Commercial Import Program.

### ADVISORY ROLE IN THE EXPANSION OF INDUSTRY

This year saw new or expanded facilities in the textile, electric wire, asbestos - cement, chemical, pharmaceutical, paper, glass, plastics, and animal feed industries. In this expansion, Industry advisors helped by providing feasibility studies, market estimates, and advice on the purchase of new equipment and machinery. Attention focused on promoting the development of agri-business in the provinces.

Advice to the two development lending institutions, the Vietnam Development Bank, and the Industrial Development Center, as well as to other financial institutions, is now available from the newly formed Development Finance Branch to encourage improved service to the private sector of the economy.

A Bureau of Standards was established this year by the GVN with advice from Industry Division. Some standards in the areas of textiles, fish sauce and canned foods have now been established. The Bureau is expanding its literature section to include a broad technical information service to local industry and is already using existing physical facilities at the Pasteur Laboratory in Saigon to perform tests on product samples requested by local manufacturing plants. A laboratory for the Bureau is planned.

## THE INVESTMENT CLIMATE

During the year, the large Vietnamese Government owned sugar company, Cong Ty Duong Vietnam, was offered for public sale. Industry advisors have been seeking to locate private management which can provide the required technical knowledge and management skill to operate this firm. The majority share of the stock will be held by Vietnamese. The proposed sale of the sugar company to the public may well set a precedent for the sale of other government owned companies, thereby accelerating the growth of private industry in South Vietnam and encouraging more efficient production.

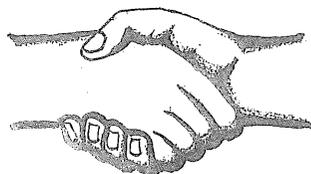
Industry Division has prepared an analysis of industrial investment opportunities in Vietnam for possible attraction of overseas investment capital, which remained only a small portion of total new investment in industrial facilities in 1967.

Total new investment by the private sector in new industrial facilities was a heartening VN\$3.8 billion for the first six months of 1967 compared with VN\$3.5 million for all of 1966, according to the Industrial Development Center. Thus, it appears the investment climate in 1967 improved.

# PART II

## AID

### To The Republic Of Vietnam's Agriculture & Food Supply



- ◆ CHAPTER V      *Agriculture*
- ◆ CHAPTER VI     *Food For Freedom*



## AGRICULTURE



# CHAPTER V

## U.S. AID MISSION TO VIETNAM

### INTRODUCTION

One of the tolls of the war in South Vietnam has been the reduction in the amount of grains and livestock raised. The thrust of the USAID agricultural assistance program is to reverse this trend--to assist the South Vietnamese agricultural industry to achieve the yields necessary to meet the needs of its people and for export to other countries, thereby creating economic prosperity, stability and generating foreign exchange.

The reasons for the decline in some agricultural yields are not difficult to determine. The principal reasons are the relatively low farm prices for paddy and hogs received by farmers and the consequent lure of higher incomes with greater security in urban areas. Farm workers have also been drafted into the Army and dislocated as refugees by military operations. Security and low prices have taken an estimated 370,000 hectares out of production. Results have been dramatic: in 1964, South Vietnam exported 49,000 metric tons of rice; in 1967, South Vietnam imported about three-quarters of a million metric tons of rice. Meanwhile, hog population declined from over three and one-half million hogs in 1964 to less than three million in 1967, a 15 percent decline in the face of increasing demand.

While the total production has gone down, use of fertilizer, pesticides, irrigation, improved farming methods and seeds have brought yields of the hectares being worked to higher levels, particularly in the case of vegetables which enjoyed attractive prices for the farmers. And as the decline of agricultural production was dramatic, the future increase in agricultural production will be equally dramatic. Projections indicate South Vietnam may again be a rice exporting nation in about three or four years.

The USAID Agricultural Assistance Program has assigned top priorities

to rice and protein foods--the everyday food basket needs of the Vietnamese population. Along with the effort to increase rice production is a major effort to increase livestock, fish and poultry production to enrich the historically protein-poor diet of the Vietnamese. The first major strides towards these goals were made in 1967.

Of greatest significance was the sharp increase in the price which farmers received for their paddy in early 1967. For the first time in several years, farmers received a near adequate price for their rice and began to show an interest in using improved varieties and other agricultural inputs such as fertilizers and insecticides.

With this price incentive in effect, we were able to make considerable progress in introducing the new IR-8 variety which was developed at the International Rice Research Institute in The Philippines. This new variety and the even newer IR-5 promises to greatly increase the rice yield per hectare in many areas of the country.

### IR-8 RICE

IR-8 rice was developed in 1964 by the International Rice Research Institute, a Ford and Rockefeller Foundations supported institution located in The Philippines. IR-8 is a short, stiff-strawed, short season, fertilizer responsive variety. Most Vietnamese and Asian rices are long seasoned, tall, susceptible to lodging and generally responsive only to limited applications of fertilizer. The most significant features of IR-8 are its erect leaves which permit sunlight penetration and its responsiveness to fertilizer, particularly nitrogen, to levels two and three times above indigenous varieties.

Yields of IR-8 on the first demonstration plots were dramatic. The lowest yielding plot produced 4.5 tons per hectare compared with the national average of a little over two tons per hectare yield of native varieties. Average yield approached 6 tons per hectare and some plots produced as much as 9 tons per hectare. We believe the average Vietnamese farmer will attain at least 3½ tons per hectare if he grows IR-8 rice.

Emphasis is on production of IR-8 seed in quantity. The GVN and USAID/AGR cooperated in the distribution of about 44 tons of IR-8 seed in the Vo Dat area of Binh-Tuy Province, III CTZ. The program was begun as flood relief--heavy rains in late September destroyed almost 700 hectares of rice in Vo Dat. The III CTZ Agriculture Advisor relayed the GVN request for assistance to USAID/Assistant Director for Agriculture where the idea to re-seed the stricken area with IR-8 was born. Concurrence was soon obtained from the GVN and seed was ordered by cable from Manila, arriving in Saigon three days later. An all-out effort by USAID, MACV, the GVN Rice Service and Vo Dat farmers got the 1,023 bags of seed to Vo Dat and the first of this into the ground within two weeks. All aspects of the project are receiving priority treatment, including credit, irrigation, plant protection, fertilizer distribution and extension training for participating farmers.

At harvest, the seed produced will be bought by the GVN for distribution in other areas. USAID expects that as much as 1,000 tons of seed will be available for re-distribution from the Vo Dat harvest, or enough to plant about 20,000 hectares next spring.

In December 1967 during a visit to The Philippines by the Minister of Agriculture and the USAID Assistant Director for Agriculture, they obtained and carried back to Saigon, one-half ton of IR-5 seed, According to the International Rice Research Institute, the newly released IR-5 is superior to IR-8 and we expect to see IR-5 replace IR-8 as soon as adequate quantities of seed can be multiplied.

#### FERTILIZER

Adequate supplies and use of fertilizer are imperative if the rice production goals are to be met. The growing of IR-8 and IR-5 rice needs fertilizer, and local varieties of rice bring greater yields if modest amounts of fertilizer are used. It is only in the last few years that fertilizer importation has reached levels sufficient to provide nationwide supplies. In 1963, 230,000 tons were imported and during the last two years, about 500,000 tons were imported. In 1968, approximately 300,000 tons will be imported under the Commodity Import Program.

These importations have made South Vietnam the Southeast Asia leader in fertilizer use, with levels running three to ten times higher than in India, Thailand, Cambodia and The Philippines.

Until 1963, only commercial importers handled fertilizer. They mostly supplied plantations, vegetable farmers and had a small distribution network in the Saigon area. Beginning in 1963, the U.S. supported an expanded fertilizer distribution program under the counter insurgency program in an effort to make fertilizer available to farmers throughout the country. Distribution was through the Ministry of Agriculture and farm organizations. By 1966, the CI program accounted for 40% of the fertilizer distributed. However, in June 1966, the entire commercial trade in fertilizer was paralyzed when devaluation of the piaster resulted in a 100 percent increase in fertilizer import costs. Fertilizer retail prices were officially controlled and the government was faced with the dilemma of making a choice between two highly unpalatable actions; either increase the price of fertilizer 100 percent and add rural resentment against the government at the very time that urban areas were experiencing Buddhist riots, or absorb an increase in fertilizer subsidies of about one billion piasters (VN\$1,000,000,000) on the already strained budget. The result was an impasse between the government and the commercial traders that lasted for nine months.

In the meantime, the CI distribution system remained the only source of fertilizer. In less than a month, its supply of stocks was depleted for the most popular fertilizer types and a black market characterized the trade throughout Vietnam. Negotiations were completed to transfer imports ordered by the commercial traders to the government-operated CI program six weeks after devaluation. However, the farm organizations

which had previously distributed only 40 percent of the total imports were understaffed, lacked adequate warehouses and were nearly overwhelmed by the sharp increase in the volume of operations with the result that a lag occurred in the movement of fertilizer to the farm markets. Operations resumed as U.S. technical assistance was focused on assisting the Vietnamese organizations to reorganize operations on the new scale. However, fertilizer supply during the main season of use, June through September, 1966, was restricted and use was below demand.

In March, 1967, a new fertilizer program was agreed upon between the Government of Vietnam and the U.S. which provided a year of transition from the quasi-commercial program to an exclusive commercial system. Several steps taken in 1967 to achieve this goal were to (1) eliminate official control on retail prices, (2) eliminate consignment selling to former CI dealers, (3) establish a uniform wholesale price to all dealers on an equal basis, (4) include an indirect subsidy on all fertilizer to maintain an economic incentive to farmers for its use, and (5) establish a one billion piaster fertilizer credit fund to capitalize dealers who had inadequate credit.

The 1967 program also had to reflect the increase in import costs following devaluation. Fertilizer prices were increased in proportion to the increase in the price farmers received for paddy from the previous year, about 110 percent. Farmers took strong exception to the increase in price, irrespective of its economic justification, and fertilizer sales took a serious slump for five to six months.

Sales began to climb towards the end of the year as resistance to the new prices faded and the Agricultural Development Bank took over distribution. Sales for October, November and December exceeded the 1965-66 average.

Also during the last four months of 1967, large dealers such as the Tenant Farmers Union were buying shipload quantities of fertilizer at dockside. This resulted in considerable savings.

The 1968 fertilizer program proposal now under consideration provides for free opportunity for any importer with adequate credit to import fertilizer. Farm organizations will be encouraged to import their requirements either individually or collectively and it is anticipated that importers will be principally fertilizer distributors who presently have large volume operations or companies with relatively large credit availability from commercial banks. Farm organizations will continue to use the fertilizer credit fund for financing. The program also provides for technical assistance in principles of marketing and organization of a profit-motivated sales system. Greatly expanded research and extension programs will be carried out.

#### ERADICATION OF LIVESTOCK DISEASE

One of the keys to increased protein production is the eradication of disease among livestock. South Vietnam's livestock has virtually all

the diseases against which world agriculture works to protect itself, and they exact a staggering toll each year.

Rinderpest, foot-and-mouth, and anthrax have run unchecked for years. Losses from hog cholera, salmonellosis and swine pox alone last year destroyed one million swine or approximately 33 percent of the total swine population for a loss of about \$35 million at current market prices.

Diseases such as fowl pox and coccidiosis have effectively prevented the establishment of anything more than a backyard poultry industry in South Vietnam.

Veterinary medicine, therefore, must be regarded as a vital part of the country's efforts to feed itself. In May 1967, agreement was reached with the Department of Defense Veterinary Service to provide five veterinarians to the GVN National Institute of Bacteriology (NIB-Vaccination Diagnostic Lab), which would be supported by USAID's Office of Agriculture and the GVN Directorate of Animal Husbandry. The purpose was to give the laboratory an immediate capability to expand an almost non-existent field disease control program, with a secondary purpose of training technicians and turning the laboratory tasks over to the Vietnamese as they became sufficiently skilled.

The NIB was the only lab in the country producing the necessary vaccines, and extensive modifications and additions were required to meet the expanded production goals. Work was begun in the fall on an emergency electrical system, better refrigeration, a supply of pure water and additional procurement of the needed medicines and chemicals.

The NIB is now moving rapidly toward the production of reliable vaccines in realistic quantities. These vaccines may be supplemented with imports of American vaccine after these have been thoroughly tested under local conditions. The NIB now has a limited diagnostic capability and should finish its current cholera vaccine testing program in early 1968. A pilot vaccination program involving 200,000 swine will begin in May of 1968 and by 1970, the GVN should be vaccinating most of the country's livestock.

Vaccine production is a sophisticated operation which cannot be instantly affected by input of American commodities, and most of the benefits of this program are still a long way off. But progress made in 1967 is evidence that it is only a matter of time now until the grip of animal disease is loosened and hopefully broken in Vietnam.

#### FARM CREDIT

South Vietnam shares a crippling rural credit problem with most of the underdeveloped world. Successive re-organizations during the early 1960's among the various GVN credit organizations resulted in a situation where little initiative was being taken in either loan issue or collection. In January of 1967, the Agricultural Development Bank (ADB) was created, mainly from resources, personnel and policies of

the old National Agricultural Credit Office (NACO). The ADB aims at the entire rural economy, covering agriculture, forestry and agricultural processing industries. It endeavors to provide financing in this sector from production to consumption.

By year's end, the Bank had lent out a total of over VN\$1.5 billion since its inception to more than 100,000 farmers and agricultural businessmen. This is over three times the number of loans made by NACO in 1966 and four times the amount loaned.

It also introduced a program of supervised credit in which production groups are established in villages and hamlets. Concentration of loan recipients in this manner facilitates the exchange of technical information among the farmers receiving loans and simplifies the work of the bank cadre whose task it is to maintain contact and provide expert technical guidance throughout the term of the loan. The Supervised Credit Program was begun with VN\$50 million provided by AID. In less than a year, over VN\$60 million has been loaned (some repayments, as well as the original total) to over 3,000 farmers. The supervised credit program has proved so successful that an additional VN\$100 million was provided late in the year to increase the number of pilot supervised credit projects and to enlarge existing units.

The ADB is making a very strong push to service the credit needs of the average farmers. However, it is handicapped by not having funds to adequately finance farm organizations and agricultural development projects.

FOOD FOR  
FREEDOM



CHAPTER  
VI

U.S. AID MISSION TO VIETNAM

INTRODUCTION

The intensification of the war in South Viet Nam during the past three years resulted in the decrease both of the production and transport of food. In these circumstances, inaction would have meant starvation, and inflation placing the cost of available food beyond the means of many Vietnamese. As is described in this report's section on Agriculture, intensive and dynamic efforts are underway to transform South Viet Nam into a nation which can produce enough food not only for its own people, but to export to other Southeast Asia nations. Until this is accomplished, however, USAID has used the Food For Freedom Program to import the food necessary to make up for food not currently grown in country, and to ensure that the price of food remains within the means of the individual Vietnamese pocketbook.

Under the Food For Freedom Program, food is imported into South Viet Nam for two purposes: (1) to be sold in the marketplace (Title I); and (2) to be given away to refugees and others in need, some of which is distributed by accredited United States non-profit voluntary agencies and international organizations (Title II).

TITLE I FOOD FOR THE MARKETPLACE

Most of the food imported under the Food For Freedom Program is not given away, but is sold to the Vietnamese consumer. Its purpose is to ensure the availability of enough food at reasonable prices. The basic staple of the Vietnamese diet is rice. Approximately 664,000 metric tons valued at \$105 million dollars of Title I rice was imported into Vietnam during 1967. Sale of this rice, as with other Title I Food For Freedom commodities, generates piasters available to the United States and the Government of Vietnam to support the civilian and military efforts.

Other foods imported are non-fat dry milk, sweetened condensed milk, flour, for sale as food and for processing into food products.

Not all of the commodities imported under Title I are to feed people. Title I corn is being introduced into Viet Nam in an attempt to increase production of hogs, chickens and ducks, which in turn will find their way into the marketplace. About 60,000 metric tons of corn will begin to arrive early in 1968 for this purpose. Cotton is also imported.

As mentioned, all of these foods are sold, thereby generating piasters spent for US/GVN civilian and military effort. So far, the program has generated approximately VN\$10,931,860,784 piasters in 1967, and will generate approximately VN\$17,015,600,000 in 1968.

Though import of Title I Food For Freedom commodities will decrease as local production goes up, the program was larger in 1967 to make up the rice deficit caused by the low yield, flood damaged crop of 1966. During 1967, purchase authorizations under Title I were for approximately \$168 million, an increase of \$73,900,000 over the 1966 total of \$94,100,000.

#### TITLE II FOOD FOR THE NEEDY

About 160,000 metric tons of Food For Freedom commodities were distributed to approximately three million needy people in South Viet Nam during 1967. About half of these commodities were distributed to refugees, people in Self-Help and Provincial Development programs and in the program of Special Activities for Montagnards. Catholic Relief Services, Viet Nam Christian Service, World Relief Commission and UNICEF accounted for the distribution of almost one-half of the total for use in the assistance of needy persons and in non-profit school lunch programs. The cost of these commodities was \$23 million, and for ocean freighting of it \$10 million.

It is estimated that the same amount of Title II foods will be distributed during 1968 with greater stress on self-help, food for work, and refugee relocation programs. Aiding distribution of Title II commodities has been the improved operation of the GVN Central Procurement and Supply Authority.

# PART III

## AID

To The Republic  
Of Vietnam ' s  
Health, Education  
& Social Welfare



- ◆ CHAPTER VII      *Public Health*
- ◆ CHAPTER VIII     *Education*
- ◆ CHAPTER IX       *Urban & Social Welfare*
- ◆ CHAPTER X        *Saigon Development*
- ◆ CHAPTER XI       *Free World Assistance*



PUBLIC  
HEALTH



CHAPTER  
VII

U.S. AID MISSION TO VIETNAM

INTRODUCTION

In public health activities for 1967, the thrust has been consolidation and further organization of assistance to national health services while assisting in the training of additional doctors and nurses. While the progress that is evident in these programs for the year may not be sufficient to meet the medical needs of the population, greater emphasis is being applied to these activities in a continuing effort to alleviate the severity of the problems.

Through 1967, the numbers of Vietnamese civilians hospitalized continued to crowd most of the hospitals and the numbers of outpatients treated in hospitals and clinics was noted to be on the upswing from low years of 1965 and 1966. Much of this service, however, is being supplied by U.S. doctors, both military and civilian, and by medical teams from other nations. While an intensive effort is being made to train more local doctors, most of those trained are presently required to serve in the army.

Because of the versatility of the programs and the general need in all areas for improved health services, Public Health activities are directed towards objectives applying to the entire spectrum of USAID goals in Vietnam. Efforts oriented towards war-related and revolutionary development goals include the improvement of medical facilities in the rural areas and provincial health and rehabilitation services, while medical education, sanitation, malaria control, nursing and other advisory services emphasize more the objectives of nation building. Economic advantages of improved general health, in terms of increasing the productivity of the people, are significant and should not be overlooked.

PROVINCIAL HEALTH ASSISTANCE

The Provincial Health Assistance Programs (PHAP) are among the most significant of these development activities in the rural areas. The purpose of these programs is to assist the GVN in expanding the scope and improving the standards of health services to Vietnamese civilians. It

generally entails U. S. and Free World personnel, material and financial resources jointly applied to achieve these goals. The continuing program of activity includes 44 PHAP teams working in 42 provinces.

One of the most significant advances of this program during the year involves the establishment, after a successful pilot project, of a Public Health Nursing Activity as a regular element of PHAP. The Public Health Nurse Advisor works with the GVN Public Health Chief for the province--helping plan, organize and implement such activities as immunization campaigns, school health services, and communicable diseases casefinding. Sixteen of these positions have been established and nine are presently filled.

Another improvement in providing field medical support is evident in the expansion of the Korean preventive medicine teams, operating in Regions II, III, and IV, from a total strength of fifteen to thirty personnel, including an increase from three to six physicians. Some progress has also been made in filling vacancies in Region Health staffs. Medical supply advisors are now present in all regions.

To further the improvement of the hospital administration advisory effort, a contract was negotiated with the American Hospital Association to provide one senior and fourteen hospital administrators to complement the direct-hire group. Deployment of these contract personnel is expected during early CY 1968.

Hospital improvement programs continued during the year. The project for major renovation of Darlac Province Hospital is 22 percent complete. The construction program to provide small austere hospital facilities in nine provinces lacking such has progressed as follows:

- A. Chau Doc Province - construction 52% complete; occupancy date originally projected as December 1967, now is January 1968.
- B. Chuong Thien Province - construction 28% complete, occupancy projected for March 1968. Principal assistance for this hospital will be provided by a Korean Health Team to be deployed to Chuong Thien Province simultaneously with opening of the new facility.
- C. Bao Loc Province - construction 25% complete; occupancy date projected for February 1968 as originally scheduled. Principal assistance for this hospital will be provided initially by U.S. Navy MILPHAP Detachment #4, presently in place. The Navy team will be redeployed later, being replaced by a Korean Health Team.
- D. Quang Duc Province - contract has been awarded and notice to proceed issued; Navy MILPHAP #4 will provide assistance to this hospital.
- E. Binh Dinh Province (Bong Son) - construction 20% complete; occupancy date projected for February 1968 as originally scheduled. Principal assistance for the hospital will be

provided by the New Zealand PHAP team already in place.

- F. Phu Bon Province - construction 20% complete; occupancy projected for March 1968. Principal assistance for this hospital will be provided by a Korean Health team already in place.

At the district level, the development of Maternity-Infirmiry-Dispensary (MID) services as a part of the field pacification program is progressing but behind schedule. The purpose of this effort is to assist Ministry of Health with technical advice on design and equipment of these facilities and provide construction commodities. Of eighteen village Maternity-Infirmiry-Dispensary construction projects programmed for CY 1967, seven have been initiated and three completed. Of 325 New Life Hamlet maternity-dispensaries financed by the Ministry of Revolutionary Development and programmed for construction in CY 1967, 229 were initiated and eighty completed; twenty are in operation.

#### MEDICAL - DENTAL EDUCATION

The objective of the Medical-Dental education activities has continued to be the augmentation of quality and quantity of personnel providing these services to the people. As part of this effort, significant progress was made during the year in developing new curricula and schedules of classes for both the basic science and clinical years of study. The dental school occupied a new building during the year and a contract with the American Dental Association for provision of technical personnel support became operational in September.

In August, an agreement was reached on an English teaching program to improve the language capability of premedical students and of those in the first and second years of medical school. It is also tentatively planned to offer English language instruction as an elective for those students in other levels.

#### PUBLIC HEALTH/PREVENTIVE MEDICINE

One of the significant efforts in improving the general level of health is that of the malaria eradication program. A basic element of this is the spraying of individual houses. The present plan calls for treatment of 454,000 houses, 373,000 of which are located in the foothills and mountains, and 81,000 in the coastal plains. This work, and the spraying of refugee camps and resettlement areas, is proceeding on schedule. Malariometric surveys conducted on 21 villages indicate relatively successful control effort, though progress of this project is slightly behind initial projections. Lack of supervision of personnel contributes to inefficiency in the field.

Other public health services during the year include several efforts, in the areas of preventive medicine and environmental sanitation, towards improvement of health practices and procedures. The purpose of the preventive medicine projects is to effect control of infectious diseases; while environmental sanitation activities are to maintain, strengthen and develop sanitation services of the Ministry of Health through technical assistance, advice and commodity support.

During the year, the Ministry of Health provided four health technicians for the Tan Son Nhut Airport for the purpose of inspecting incoming passengers and their immunization certificates.

Towards the goal of port sanitation, the MOH has provided two health technicians to supervise vector control activities in the Saigon port area as well as do port patrol work and inspections regarding ship mooring requirements and general port area housekeeping. Saigon Port Authority has provided a vector control crew of ten men to conduct rodent trapping, dusting, and control activities in the main port area. The people have already been trained in these activities by a USAID sanitarian and a WHO sanitarian who has been assigned to this activity full time. USAID ADPH Environmental Sanitation activity will provide the necessary traps, dusting equipment, insecticide and rodenticide to carry out the activities in the Saigon Port. "Camels" required to fend ships off the dock are being provided and with these in place, enforcement can begin of the rat guard, lighting and loading requirements necessary to prevent the export of infected rodents. General clean-up, garbage and refuse collection, etc. in the port area has been considered in these plans. The two health technicians assigned to the port area will make periodic inspections and will report any conditions of rodent harborage which may exist or come into being to the Port Authority. It will be the Port Authority's responsibility to take care of these conditions, once they are reported. The quarantine service, along with its Saigon port sanitation program, is to have authority for all such activities (as stated above) in all port areas of Vietnam. The City of Saigon, as well as local authorities in other such port areas, is being relieved of this responsibility. However, in the case of Saigon, the City Sanitation Service is forming a vector control crew which, it is hoped, will do a great deal of its work in residential areas surrounding the port area.

Vector control teams for insect and rodent extermination have been trained and are now in operation in the areas of Danang, Qui Nhon, Nha Trang, Phan Rang, Bien Hoa and Tay Ninh. Special efforts are being made to assist in control in each of the regions where plague is endemic. Also, thirty-seven surplus military trucks have been obtained and sixteen distributed to date to various province chief towns for garbage collection service.

Another of the public health services showing some significant results is the program of advisory field visits by the Ministry of Health regional midwives and USAID nurse-midwife. Since these visits began, extensive inoculation programs for infants have been in a number of provinces, including Pleiku, Khanh Hoa, Kontum, Binh Tuy, Binh Dinh, Gia Dinh and Binh Duong. Another result of these visits has been the creation of prenatal clinics in eight locations throughout the country.

#### NATIONAL REHABILITATION PROGRAM

Expansion of the program for rehabilitation of the handicapped, which places special emphasis on military and civilian war casualties, has shown considerable progress during the year.

Thirty-five members have been added to the NRI staff since July 1, expanding capacity in virtually every function. Two new buildings have been added to the National Center and one renovated to accommodate the Blind Rehabilitation activity, and a larger building has been made available for expansion of the current prosthetic service at the Cong Hoa Military Hospital into a Rehabilitation Department. Two U.S. military advisors, an orthopedic surgeon and a prosthetics technician, now work full time in this activity, and seven RVNAF medical technicians recently have been added to the staff as trainees.

The amputee clinic at the National Center is operating effectively with minimal guidance from the advisor. Observation of prostheses operations in the branches shows a consistently high quality of work with increasingly complex tasks being undertaken. Overall production of major prosthetic and orthotic devices has increased from 329 in July to 415 in November.

The temporary branch facility at Da Nang has been in operation since October 1967. The construction of the permanent branch facility at Da Nang is proceeding on schedule, and occupancy is anticipated in January 1968. Qui Nhon has been selected as the site of a branch for Region II. Planning for construction is in progress, and the Government of Canada has just indicated its intention to finance the establishment of this branch. This development will allow a shift of FY 1968 funds in the World Rehabilitation Fund contract to support construction of a permanent facility for the Can Tho Branch.



## EDUCATION



# CHAPTER VIII

## U.S. AID MISSION TO VIETNAM

### INTRODUCTION

Notable progress occurred in 1967 in several areas of educational development. These include, in addition to the fundamental areas of elementary, secondary, vocational, and agricultural education, the special areas of adult education, library development, in-service education, and English courses. Some programs, particularly those in rural elementary and in secondary education, contributed both to the immediate goals of pacification and to the longer-range goals of nation-building.

### ELEMENTARY SCHOOL PROGRESS

A major objective of the pacification program is to increase educational opportunities for rural elementary school age children as rapidly as possible to the end of universal primary education as provided for in the new Constitution. To contribute toward this goal in 1967, 2311 classrooms were programmed for construction and 2900 teachers were scheduled for an accelerated training program.

Eighty-nine percent of the planned construction has been completed or will be in early 1968. Shortages of cement and aluminum roofing delayed construction, along with some security problems. In the Saigon metropolitan area 64 classrooms have been completed; 25 of these are public schools; 39 are in private schools and are in addition to the programmed classrooms. These classrooms are providing opportunity for an additional 5,000 children to attend school in Saigon's highly congested districts; 236 classrooms, both in public schools and private, are now under construction in the Saigon area.

Of the number of teachers programmed for the accelerated course, 2985, or 103 percent, have completed the training. The excess represents teachers of refugee children allocated after the original number was programmed. The teachers given this 90-day training program frequently have lower educational qualifications than is necessary to prepare a qualified teacher. Consequently, until the normal colleges can produce a sufficient quantity of properly trained teachers, the 11,600 trained

through the accelerated Hamlet School course must have additional, on-the-job assistance.

Although the number of teachers prepared annually has enabled more and more hamlet school children (1,754,047 were in school in 1967 compared with 1,661,000 in 1966) to attend school, the draft and normal attrition cause an approximately 10 percent loss annually. At present, because of the low salaries of rural teachers, recruitment of qualified personnel for replacement of normal attrition, and for the needs of increased enrollment, is difficult. (At the end of this year 2,019,468 elementary school children attended both rural and urban schools, representing 75 percent of the school age population. This compares with the 401,000 in both North and South Vietnam who attended elementary school in 1954--the last year of French control.)

As part of the Southern Illinois University Contract team program, additional dormitories for three normal colleges are to be completed in mid 1968. These will permit increased enrollments in the normal colleges which prepare elementary school teachers through a two-year program, thus improving the quality of teachers. In 1967, 1341 of these teachers graduated through the normal colleges. These represent a 30 percent increase over those graduated in 1966.

In-service activities in CY '67 have had two objectives: to improve elementary school administration and teacher educators, and to help teachers with less than the two-year normal college preparation to improve teaching through better use of textbooks. In-service education has been given through courses at the In-service Education Center in Saigon and in provincial workshops where direct-hire advisors have helped organize and conduct the workshops. Achievements of this program are reflected in the dozens of workshops and special courses that have been conducted for the purpose of improving the professional competence of the working teacher.

#### VOCATIONAL EDUCATION

The improvement of vocational education in-country has also followed a pattern of expected expansion. The enrollment at Cao Thang and Phu Tho technical schools increased from 1300 in 1966 to 1500 in 1967, and the Phu Tho school produced 59 new vocational teachers in 1967 compared with 32 in 1966. Architectural plans were completed for a new technical school in Petrus Ky site. In the six technical schools outside Saigon, enrollment increased from 2450 to 3226 and graduates increased from 321 to 390. What may be an even more significant figure, however, is the number of short term trainees - 1754 - who were graduated and placed in employment. This part of the effort is very valuable in helping to alleviate the very critical shortage of semi-skilled workers in the country, and should be recognized as one of the immediate benefits of the training program.

Ten of the twelve junior technical schools under construction were in operation during the year, conducting short term training programs with enrollment of 1374 students as compared to last year's 493.

As part of the effort to upgrade the quality and competence of vocational instructors, eleven long-term participants were sent to the U.S. for extensive training for placement in positions in the Directorate of Technical Education, and forty participants were sent to Taiwan for short-term observation of the Vocational Education program there. These have returned and assumed their former positions, after gaining valuable understanding of new teaching techniques and budgeting procedures during their study.

Agricultural training is another area that is of both immediate and of long-range value, and is another of the aspects of the program that received much emphasis because of its worth to the basic economic development of the nation. It is for this reason that the number of agricultural schools in operation, and the total enrollment, increased by more than 50 percent in 1967. This is also the reason for the great emphasis being placed on the construction of new agricultural training schools. VN\$ 20.4 million has been allocated for such construction at Binh Duong, Tay Ninh, Ba Xuyen, Ninh Thuan and Gia Dinh provinces, and nine million has been obligated for construction at Hue, Bao Loc and Can Tho.

One-year teacher training courses in vocational agriculture were initiated at the Bao Loc school. At new schools in Binh Duong and Tay Ninh, over four hundred students have been meeting in borrowed classrooms.

#### ADULT EDUCATION

In adult education, a major effort in the attempt to improve the efficiency and responsibility of existing manpower resources, the Ministry of Education has established classes in adult literacy, adult secondary education, and adult vocational education. Exclusive of English courses, approximately 4,000 adult students are currently enrolled in these classes.

Coordination has been achieved in the development of a joint program of the Ministry of Education and the Ministry of Revolutionary Development to train RD cadre for adult literacy work. One hundred-twenty RD cadre have been trained in teaching adult literacy and it has been projected that their enrollment will be 4,240 students. This program will be expanded in CY '68 to train approximately 1,000 additional cadre.

#### EDUCATIONAL SERVICES

The library development activity was established during this calendar year and has been effective in creating the foundations for a library system in Vietnam relevant to the country's development needs. Having surveyed the existing resources, the Ministry with USAID assistance has established a progressive program to create the necessary structure, including a responsible governmental unit, training of personnel, and creation of a centralized technical processing service, for which some funding was provided.

In instructional materials production, a program for secondary textbook development was initiated with the placement of an order to print 230,000

volumes in four titles. Five other titles were prepared and are now ready for printing. Committees appointed by the Ministry of Education are working at the IMC on their assignment to develop technical terminology books in 12 fields of study in higher education, to be published by the Instructional Materials Center (IMC).

An all-steel warehouse of 80,000 square feet was erected at the IMC, and put into operation by a staff trained under USAID/ADLOG. The IMC now has a capability of storing and shipping 100,000 elementary textbooks per month, besides handling a variety of other commodities. Textbook distribution reached 90 percent of the goal planned for the year, while production for the year totalled approximately 150 percent of the goal. The overall production target of 14,000,000 textbooks by the end of the year was missed by some 500,000 books, due to delays in completion of some manuscripts and some technical problems in production.

Adult English classes throughout Vietnam currently enroll 200,000 students taught chiefly by civilian and military officers who are provided guidance and textbooks by USAID advisors. Secondary school English classes are aided largely through the training given their teachers and through the 58 classroom teachers provided by contract with International Voluntary Services (IVS). The total secondary public school population studying English number 150,000, of whom 17,500 adolescents are taught by IVS teachers. In addition, the IVS teachers instruct 1,800 adults, most of whom are civil servants.

#### SECONDARY EDUCATION

In an effort to make secondary education more relevant to the environment and economy of Vietnam, Ohio University has been working under contract with USAID to assist the Ministry in developing eleven pilot comprehensive high schools. The eleven schools have been identified and the school principals and five Ministry of Education officials toured the United States to observe comprehensive education on a first-hand basis.

A comprehensive curriculum including courses in industrial arts, home economics, and business has been introduced into grades six, seven, eight and nine of the Thu Duc Demonstration School, thus completing the First Cycle. Textbooks, lesson plans and instructional materials have been developed in the areas of business education and home economics. Science textbooks are currently being written.

The Ohio University team and the Ministry have been working to produce qualitative improvements in the curriculum, teaching methods and administration of the Faculties of Pedagogy at the Universities of Saigon and Can Tho. In quantitative terms the total number of secondary school teachers graduated from Faculties of Pedagogy in Vietnam more than doubled from 1966 to 1967.

The Ministry of Education and the Ministry of Public Works have approved an architectural and engineering plan for secondary school classroom construction to be used throughout the country. This innovation is expected to accelerate the construction of secondary school classrooms

since, formerly, individual plans were submitted separately by each Province to the central government for approval. On the basis of the approved plan, the GVN has committed thirty-four million piasters from the National Budget for construction of 100 priority classrooms.

#### HIGHER EDUCATION

In 1967 USAID began a program that envisages substantial assistance to higher education over the next decade. Two major studies of Vietnam's higher education system were completed:

1. Public Universities of the Republic of Vietnam, by a team recruited by Wisconsin State University - Stevens Point Foundation, April 1967.
2. Survey of Agricultural Education in South Vietnam, by University of Florida Team, March 1967.

As part of the implementation of the recommendations made in the first study, the Rectors of the five universities in Vietnam made a six-week observation tour of the U.S. in late 1967 where they studied the organization and administration of American universities. A contract has been assigned with the University of Florida to give assistance in developing a College of Agriculture at Saigon University. The contract team will arrive in Vietnam in early 1968.



URBAN  
&  
SOCIAL WELFARE



CHAPTER  
IX

U.S. AID MISSION TO VIETNAM

PROGRAM HIGHLIGHTS

A result of the military situation in Viet Nam has been the massive displacement of rural people who have fled from insecure areas to urban islands of relative safety. The needs of the major portion of these displaced people are served through the formal refugee program which gives initial food and shelter followed by efforts to resettle the refugees either back on their own land when security permits or on new land. For many reasons, however, not all displaced persons enter into the stream of "legal" refugees. Saigon, now with the highest density of population of any city in the world, and other urban centers in Vietnam reflect the urban in-migration estimated to be as high as two million persons nationwide.

With the crowding of people into confined space comes serious social disruption: the weakening of the family structure, juvenile delinquency, prostitution, and criminality. This is in addition to the strain put upon municipal services: water, electricity, sanitary facilities, transportation, and education. Part of the urban problem may be solved by the provision of increased municipal services which has been a solid part of the USAID and CORDS program during the past year. The social welfare aspect of urban crowding, however, was more broadly addressed in July of 1967 by the activation of a Social Development Division under the USAID Associate Director for Local Development, which had a counterpart relationship with the GVN Ministry of Social Welfare. Two social development advisors were made available to the Ministry and a task force to provide a general assessment of the social welfare situation in Vietnam was assembled.

The social welfare task force arrived on July 24. The next 24 days were spent in travel, observation, and consultation by the members of the party. The task force report in final form with its recommendations to the USAID for its assistance to the GVN in the field of social welfare was received November 5.

In the meanwhile, the USAID advisors to the Ministry of Social Welfare prepared, at the Minister's request, a modern definition of social welfare for field guidance, Ministry criteria and standards for voluntary agencies, assisted with the Ministry program planning for CY 1968, and arranged for the immediate U.S. training of two Ministry personnel in social welfare administration. On the USAID side, a sector plan and CAP for the USAID social welfare FY 1968-69 assistance program was prepared. The program presentation, however, was affected by the GVN decision of November 9, to combine the Ministry of Social Welfare with the Commissariat for Refugees under the former Refugee Commissioner. Consideration is now being given to combining the Refugee Division of CORDS and the Social Development Division of USAID to respond to the GVN's administrative reorganization.

Implementation of the following broad major priority recommendations of the task force since July may be reported: improvement of the emergency needs in the refugee program; an impact Metropolitan Saigon program providing improved public services; provincial urban development programs to care for displaced persons, i.e. rice kitchens, community centers, and child care centers; a Catholic Relief Service contract to provide 10 teams to demonstrate how self-help, social welfare/public health community projects may be developed; provision of completed plans for a National Institute for Social Welfare Training through the combined efforts of the United Nations, the GVN and the USAID, improved voluntary agency coordination, and an expanded urban youth program.

#### YOUTH AFFAIRS

In March 1966 the USAID established an Office of Youth Affairs to provide technical and advisory services to the Directorate of Youth and the Ministry of Education in their efforts to channel the energies of young people into constructive nation-building activities. Youth programs on both sides are becoming a focus of attention as the war of political insurgency continues. Over two-thirds of the population of Vietnam is under 30 years of age.

During 1967 over 200 community action projects were completed by the Youth of Vietnam in both rural and urban areas with USAID assistance. Included in these projects were: (1) a university student work camp in a refugee camp located 20 kilometers from the DMZ where 85 homes and a three-room school were constructed; (2) the completion of 765 low-cost housing units in the slum areas of Saigon; and (3) the development of a community high school. In addition, the Ministry of Education has now established a directorate to deal exclusively with school and youth activities and the Directorate of Youth is instituting a program of developing competitive athletic leagues throughout Vietnam.

SAIGON  
DEVELOPMENT



CHAPTER  
X

U.S. AID MISSION TO VIETNAM

PROGRAM HIGHLIGHTS

During the early part of 1967 USAID and Embassy Mission Council became concerned that there was no agency or office dealing with the development of the Metropolitan Saigon Area. Thus, in September the U.S. Mission Saigon Policy Board was established to review and decide on basic policy issues affecting Metropolitan Saigon. At the same time USAID established a Metropolitan Saigon Development Office to operate as a staff to the board and to coordinate all USAID projects in the Metro-area. The Office has not yet taken final form but in the interim an all Mission Working Group on Metropolitan Saigon has been holding biweekly meetings to coordinate to programs of all U.S. agencies operating in Saigon.

The Working Group recently responded to President Thieu's request to the U.S. for assistance in developing an action program for improving public services in the cities by drawing up a Saigon Impact Program composed of highly visible projects which could be rapidly implemented. The Impact Program was approved by the U.S. Mission Saigon Policy Board on November 30, 1967, and some projects are already under way. The major initiatives in the program are street repair, refuse removal, water main extension, alley and sidewalk paving, abatement of generator nuisances and provision of parks and recreation areas. The program emphasizes the utilization of self-help and community organization techniques in the implementation of these projects.

Recently a committee of the Saigon Working Group completed the scope of work for the visit of a team of urban experts from the U.S. Department of Housing and Urban Development (HUD). This team will arrive in early 1968 to study means of improving public services in the Metropolitan Saigon Area.

Another committee of the Working Group has been developing a U.S. position on the desirable boundaries of an enlarged Saigon Metropolitan Area. Many highly urbanized portions of Gia Dinh Province are not included within the Saigon Prefecture and USAID is encouraging the

GVN to think in terms of extending the boundaries of the Prefecture so as to facilitate the wider provision of adequate public services.

Under the aegis of the USAID Public Administration Division, substantial activities were carried out in support of Saigon Metropolitan Area Development in 1967.

Examples of these activities include:

A. Refuse Removal and Disposal

Equipment fleet, manpower, and budget have been built up to a point where City can do a creditable job of removal and disposal. USAID has contributed most of the equipment, large emergency piaster support, and technical assistance in administration and equipment maintenance. When equipment now on order by USAID is delivered, the City should be able to carry on with only technical assistance.

B. Bus Transportation System

The system shows steady improvement, typified by the fact that it now meets its monthly operating costs as compared with a monthly loss of VN\$ 5-7 million a year ago. The City has purchased 20 new busses, with 15 more on order. USAID supplies 2 technicians who are significantly improving the system's operating and maintenance procedures. USAID also supplied parts with which to rehabilitate 62 US-made busses which have been dead-lined for years. Twenty of these are ready for service now, and the remaining 42 will be completed in February 1968. By that time, the City will have a dependable fleet of 135 busses compared with 35 the first of 1967.

C. Street Maintenance

In the middle of 1967, the City appointed a new Public Works Director and USAID assigned an engineer to work with him. A massive street repair program has now been planned and financed by the City, which is also buying a large number of trucks and other needed equipment. USAID has ordered considerable equipment, mostly surplus, to supplement the City's efforts. USAID and DOD are also jointly funding an extensive street resurfacing program to be done by contract.

D. Administrative Procedures

The City is endeavoring to eliminate red-tape and delays in handling various services. Many routine matters formerly centered in City Hall have been delegated to District and Phuong offices. City is now working on a complete reorganization of administrative channels looking toward further delegation of routine responsibilities. USAID is providing technical assistance.

FREE WORLD  
ASSISTANCE



CHAPTER  
XI

U.S. AID MISSION TO VIETNAM

PROGRAM HIGHLIGHTS

The past year witnessed greater involvement by the GVN in regional, multilateral and bilateral aid affairs. Representatives of the Vietnamese Government played an active part in both annual and special meetings of the Colombo Plan, ASPAC, ASEA and the Mekong Committee. As a charter member of SEAMEC (South East Asia Ministers of Education Council), GVN officials from various ministries took part in the planning of several regional education activities and, last April, hosted a Regional Workshop on Instructional Materials, which was attended by representatives of nine Southeast Asia countries. The Vietnamese Government also joined the Asian Development Bank.

Under the Mekong regional program, progress was recorded against two activities. Under the Tugs and Barges project, to which the U.S. contributed \$1 million worth of steel plates, 11 barges were completed. With respect to the proposed My Thuan Bridge proposal, a U.S.-financed contract was signed with an engineering company to undertake a pre-investment study to evaluate alternative means for crossing the Mekong and Bassac Rivers at Route 4 in the Delta. Field work was completed before the end of the year.

In 1967, the GVN began to focus more sharply on a Delta-wide economic development plan, which ultimately will be conducted as a part of a broader regional operation. The planning phase will be carried out in cooperation with the Thuc-Lilienthal Group. A GVN inter-ministerial seminar was conducted in November to analyze current operations and to begin projecting requirements for the future. One of the principal recommendations growing out of the seminar was to create a semi-autonomous Delta Authority.

The role of the United Nations' technical assistance programs grew noticeably in the past year. A Special Fund project to help establish a National Technical Center became operational, and a second Special Fund project for Off-shore Fisheries was approved by the UNDP Governing Council. Funds-in-Trust in the amount of \$2.2 million (\$2 million from

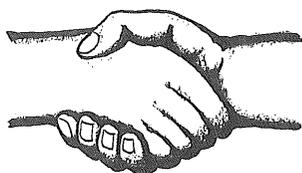
the U. S. and \$200,000 from the Netherlands) were committed for the latter project. The Dutch, in addition, contributed nearly \$900,000 under similar financial arrangements for special programs which are being carried out by UNICEF, UNESCO, FAO and UNTA in Vietnam. Other major activities, to be supported by Funds-in-Trust, have also been identified and pre-project planning is already under way. Of importance, too, is the initiation by UNICEF of a special Emergency Program for Children.

Numerous official foreign delegations were received by the GVN to discuss and review a broad range of technical assistance and humanitarian programs. These included representatives from Canada, West Germany, Australia, Malaysia and Japan. The annual aid levels of several bilateral programs in Vietnam increased in the past year. Costa Rica became the latest to join the Free World group, bringing to 31 the number of countries under this heading granting economic, technical, social or humanitarian assistance to Vietnam.

# PART IV

## AID

To The Republic  
Of Vietnam' s  
Government, Civil  
Administration &  
Other Institutions



- ◆ CHAPTER XII      *Public Administration*
- ◆ CHAPTER XIII     *Labor*



PUBLIC  
ADMINISTRATION



CHAPTER  
XII

U.S. AID MISSION TO VIETNAM

INTRODUCTION

The Office of Public Administration assists the GVN in two broad areas: (1) strengthening Central Government and (2) making Local Government, including the newly created village councils, responsible and responsive.

STRENGTHENING CENTRAL GOVERNMENT

Toward strengthening Central Government five categories of activity have been emphasized:

- A. Organization and Methods. Under the Prime Minister's Central Committee on Administrative Improvement, advisory assistance is given to government agencies on administration organization and methods.
- B. Statistics and Statistical Methods. In support of the National Institute of Statistics, a team from the U.S. Bureau of the Census is assisting in developing the national data base.
- C. Strengthening of Fiscal Administration. Teams from the U.S. Internal Revenue Service and Customs Bureau are helping the GVN to improve tax administration and customs collections.
- D. Legal Administration. Assistance is provided to the Ministry of Justice for its program of extending judicial services to all parts of the country.
- E. Public Service Training. USAID cooperates with the National Institute of Administration (NIA) in its broad training program and with the Ministry of the Interior in its provincial and local employee training efforts.

STRENGTHENING LOCAL GOVERNMENT

The Office of Public Administration, in collaboration with MACCORDS, provides technical assistance in support of the following GVN programs:

- A. Training of newly elected village and hamlet officials in the laws, regulations, procedures and techniques of local government.
- B. The attack, still in its early stages, on the growing problems of too rapid urbanization. A special team is working on the problems of the Saigon Metropolitan Area. (See Saigon Metropolitan Area Development, Chapter 10).
- C. Decentralization of self-governing powers to local governments.
- D. Local Economic and Social Development programs, planned and carried out by the villagers themselves.

#### CENTRAL GOVERNMENT ADMINISTRATION

USAID is collaborating closely with the Central Committee on Administration Improvement and its Central Management Office, assisting in the development of plans and recommendations and executing specific management improvement projects under the aegis of the Central Management Office. In addition, advisors have also been assigned to work directly with key Ministries in developing management analysis capabilities within the Ministries.

In 1967 there were conducted a series of procedural studies in the Office of the Prime Minister which resulted in abolition of some twenty clerical positions, a substantial reduction in document flow (60 percent reduction in mail and 40 percent reduction in processing time), a substantial reduction in files (retirement of 12,000 folders), and improved operations in the Press Office, the Library, and Federal Register. A Bureau of Coordination and Review (chart and operations room) was established.

Surveys of Planning, Budget, Civil Service, Local Government and the Revolutionary Development Program were conducted.

Resulting recommendations have provided the basis for the next steps in each of these areas. Recommended organizational and functional realignments have been realized in Planning, Local Government Administration and Revolutionary Development; a National Planning Council has been established and a committee for drafting a new civil service statute has been created. A draft civil service statute has been submitted to the Government for adoption and a new Directorate General of Civil Service was established by decree of November 17, 1967.

#### IMPROVEMENT OF GVN STATISTICS

In 1967 the objective of the Statistical Services project was to establish a capability within the National Institute of Statistics and other key GVN agencies in statistical and data processing fields, from which the program could be expanded to produce reliable and timely statistical data for social and economic development planning purposes.

During 1967 the National Institute of Statistics (NIS) increased its data processing capability by over 300 percent, conducted an establishment census survey in Saigon and Cholon, a demographic survey in Saigon and Cholon, and an urban family expenditure and income survey in eight cities.

The Directorate General of Customs improved Import-Export statistics for publication on a current monthly basis and began the improvement of statistical-accounting procedures and methods through use of mechanized systems.

A data processing system for employers withholding tax accounting was installed by the Directorate General of Taxation.

Advisory and technical assistance was given to the Commissioner for War Veterans to establish a mechanized record system for administration of the veterans program and to the National Inventory Control Point (NICP) to establish a mechanized Inventory Control System through the use of data processing equipment.

#### CUSTOMS ADMINISTRATION

The Public Administration Division has contributed extensive advisory and operational assistance to the GVN Customs Service which has progressed from a condition of massive backlog in January of 1967 until presently when the time required to clear shipments through customs compares favorably with international standards.

Customs advisors have also assisted in countering smuggling by aiding the buildup of the Customs Boat Fleet and by advising and assisting in the training of the GVN Customs Fraud Repression Service.

#### TAX ADMINISTRATION

The collection of National Internal Taxes rose to VN\$15,594,185,000 for the period January-November, 1967--as compared to VN\$12,285,823,000 collected during all 12 months of 1966. The 1967 calendar year goal of VN\$17.1 billion in collections will be met; approximately VN\$24 billion is projected for the calendar year 1968.

The GVN has undertaken a series of actions to increase income tax collections. A withholding tax on salaried workers was inaugurated January 1967, and corporate collections were put on a pay-as-you-go basis July 1, 1967. Other important actions included: (1) identification, selection and training of collection officers; (2) inauguration of a drive against delinquent taxpayers; (3) implementation of the project to assess old declarations; (4) development of an accounting improvement program aimed at controlling returns from the moment of filing, through assessment, collection, appeal, etc., and to control actual receipts through installation of modern accounting procedures and equipment; (5) institution of programs to up-grade personnel and to gain permanent status for those found qualified; (6) implementation of a "bonus" system already authorized by DGT; (7) acquisition and utilization of mechanical office equipment; (8) acquisition of transport for revenue personnel;

(9) implementation of a modest taxpayer information and assistance program; (10) participant training of key personnel; (11) and approval of pilot operation of a special audit group.

A survey assisted by the Public Administration Division's Tax Team of the Directorate of Indirect Taxes was recently completed. From this it is hoped a meaningful program for administrative improvement (similar to that presently underway in the Directorate of Direct Taxes) will be adopted. With adequate support, the GVN should be able to improve substantially the assessment, collection and appeals procedures with the goal of maximizing revenue collections.

#### VETERANS AFFAIRS

USAID assisted the GVN in providing a sense of security to the military as to their future and that of their dependents. Assistance in the form of advisory service, participant training and commodity support enabled the Ministry for Veterans Affairs to expand their training programs at the National Rehabilitation Institute, the Wards of the Nation School, the Veterans Production Center, and the Vocational Training Center. These continuous training programs have materially contributed to increasing the skilled manpower needed throughout the country.

An improved Veterans Management Program was instituted to assist the Ministry for Veterans Affairs in discharging its obligations promptly to pay pensions, compensation benefits, and provide rehabilitation, vocational training and job placement service for discharged veterans.

#### NATIONAL INSTITUTE OF ADMINISTRATION (NIA)

The National Institute of Administration's graduates, numbering about 800 from the various full-time courses, are sought after and progress more rapidly than others to the upper and middle levels of the Civil Service. NIA has also assisted other institutions and it helped found the new university at Cantho. By 1967 NIA had increased its number of graduates from approximately 45 administrative generalists in previous years to 95 generalists, 95 clerical supervisors, and about 60 middle managers for high supervisory positions. On-the-job experience has been made an increasingly important part of the training period.

NIA has long conducted evening courses for GVN employees and others seeking to develop themselves. It has also maintained an In-Service Training Division to conduct or assist with training as a service to Government agencies. This year, NIA has worked to strengthen the latter and give it more multiplier affect. Examples: (1) Instructor training designed to obtain more trainee involvement has been introduced and two demonstration seminars conducted, one primarily for junior faculty members of the NIA itself. (2) Groundwork has been laid for a high level Executive Development Seminar to be led by the Rector January 19-21, 1968. (3) Course material to train 50 instructors to serve a variety of agencies in teaching the basics of management is being developed. (4) Other course plans and training aids are underway. (5) Plans for an In-Service Training Complex have been completed.

## SUPPORT OF PROVINCIAL AND LOCAL GOVERNMENT

The most significant action of the year was the issuance of Decree Law 198 which provided for elected village and hamlet governments, with a degree of autonomy in their financial affairs. Elections were subsequently held in over 1300 villages and 5000 hamlets as a result of which approximately 15,000 elected officials had assumed office by the Fall of 1967.

Following the election of these new officials, the GVN undertook the task of training them for their new duties. Standard text materials, and course outlines, were prepared and distributed throughout the country to the GVN Provincial Training Officers. As a result of this action, in the eight months following the first elections, over 8,000 village and hamlet officials completed these training sessions.

The GVN undertook to construct training centers in each province in the country. Assistance was provided by USAID both in the form of training aids and construction materials.

By July 1969, every province in Vietnam will have a new well-equipped training center.

### URBAN AND MUNICIPAL ADMINISTRATION (Other than Saigon)

(For Saigon developments see Chapter 10.) Population increases and defense operations have brought urban and municipal problems to levels of complexity beyond the capacity of present local governments.

In Cam Ranh, as an example, the population has grown from 17,000 in 1965 to 50,000 (plus 35,000 military) in 1967. The problems, like those of other burgeoning municipalities, include lack of basic facilities--water, electricity, housing, etc.--lack of trained manpower, lack of equipment and lack of planning.

USAID assistance is directed toward enabling the local government to handle its own problems with a minimum of outside assistance, from the central government or from the U. S.

Municipal problems are such that traditional approaches to organization are no longer considered adequate. The GVN has recognized that the formation of autonomous cities is not in all instances the best solution; detachment of a large urban area from a province could seriously affect the ability of the remainder of the province to sustain local government in the face of a reduced economic base. To develop a pattern for future urban organization, various studies are underway at both the central and local levels in GVN, with USAID cooperation and assistance.

### DECENTRALIZATION

In October 1967, the GVN enacted a Decree delegating local real property tax administration and revenues exclusively to local governments--villages, autonomous and semi-autonomous municipalities, and provinces. This

represented a significant forward step in the strengthening of the newly elected village and hamlet councils.

The Directorate General of Taxation included this transfer on the agenda of a November meeting of provincial tax officials and has drafted an implementing Arrete (regulation) which the Minister of Finance has approved.

#### LOCAL DEVELOPMENT

A pilot Village Council Development Program was started in December, 1967 in Dinh Tuong and Ninh Thuan Provinces. The objective of this program is to strengthen the structure of local government and other local organizations through the engagement of the people in their own development through organized village development programs formulated by the people themselves. The program builds upon and serves as an extension of the government's continuing efforts to strengthen local government and its leadership through the conduct of elections, the grant of greater authority to the village councils and the training of local officials.

Under the program each village decides for itself what development activities it wants to carry out, to what extent it will fund the projects, and the need for assistance from the government. The Ministry of Revolutionary Development provides definitions of approved fundable activities; such as roads, bridges, and related transportation projects; irrigation and other water resource development projects; schools; public health and medical facilities; and potable water projects. In the early part of 1968, this program, if successful, will be expanded and carried out in other provinces. Three additional provinces already selected are Vinh Long, Ba Xuyen and Long Khanh.

LABOR



## CHAPTER XIII

U.S. AID MISSION TO VIETNAM

### INTRODUCTION

The focus of USAID's labor program is to assist the South Vietnamese in developing the manpower to fulfill current and future needs of the country, and to give encouragement and assistance to the developing free trade union movement. These activities are conducted by USAID's Labor Division.

### MANPOWER DEVELOPMENT

The major activity in Manpower Development in 1967 was in the development of plans and programs. The first task was to work with the Ministry of Labor in developing what its most effective role should be and establishing a program. A proposal has been negotiated for the establishment of an inter-ministerial committee to coordinate manpower activities of all ministries; to extend the activities of the Ministry of Labor into other important areas through the addition of an office of Manpower Plans and Program; provide additional staffing in the Ministry to carry out such programs; provide in-country participant training; provide the various tools and techniques needed for such programs; and develop an overall manpower program and plan for South Vietnam. Approval of the inter-ministerial committee awaits the Prime Minister's decision.

The Labor Division has assisted the Ministry of Labor's Manpower Directorate in establishing files and procedures to expedite the issuance of work permits for foreign workers. Training has been conducted for the research and analysis section of the Ministry of Labor to assist them in collecting information on occupational classifications of the work force. An occupational analysis guide has been prepared for use of the Vietnamese placement service. A complete census of establishment employment by industry, area, and broad occupational group has been made; summary tables have been published and detailed information is being processed.

One of the major steps taken by the Labor Division in 1967 was the establishment of a contract with Education Consultants, Ltd., a skill training firm. This group, the former training section of RMK-BRJ, has provided training for more than 3,500 refugees since April. The refugees are taught basic construction skills at refugee centers to enable them to build their own communities. The company also provides skill training for Hoi Chanh (VC returnees) and disabled ARVN veterans in 15 different provincial sites.

The employment services advisor has initiated a placement referral system to assist those veterans trained at Cat Lai Veterans Training Center by EDCON and the Hoi Chanh trainees to obtain jobs. Completed applications are circulated through the Ministry of Labor and the Veterans Placement Office to the U.S. Army, and other employers.

#### TRADE UNION DEVELOPMENT

The main activity of USAID's assistance to trade union development in 1967 was in the development of the rural/agrarian trade unions of Vietnam. The primary program was the development of a workable fertilizer distribution system for the Vietnamese Tenant Farmers Federation. Through this outlet, 50,000 metric tons of fertilizer were distributed in the last half of 1967--nearly five times the amount distributed by the two major government-sponsored farm organizations. The Tenant Farmers Federation, encouraged by its success in 1967, is now in the process of expanding its operations so as to increase output to approximately 200,000 metric tons of fertilizer in 1968. Also, it will extend its program to include the marketing of rice for the farmers. The Labor Division is conducting a training seminar at this time to prepare TFF cadre for the administrative functions which will be required for this operation.

The Division's Trade Union Development Branch was also instrumental in obtaining 50,000 elementary textbooks for the 21 social welfare center schools operated by the Confederation of Vietnamese Labor. Several of these schools were established in 1967 with the assistance of the Labor Division.

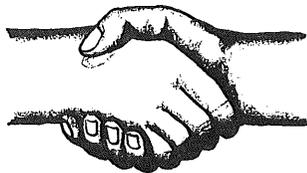
Much of the work in trade union development in 1967 was in the field of training trade union cadres in the leadership skills needed to organize and guide their members in the democratic processes of trade unionism. Thirty-five trade union participants were sent to the United States or third countries for training in trade union leadership, education and cooperative and credit union organization. Twenty-five participants are currently being trained in-country in co-op and credit union accounting. Some of these will become operational personnel in the rice marketing and fertilizer distribution program and others will serve as instructors who will train additional cadre for this project.

In another Trade Union Development activity, the Labor Division has assisted in the development of trade union publications in Vietnam by providing equipment and technical assistance.

# PART V

# AID

To The Republic  
Of Vietnam ' s  
Transportation  
Systems, Logistics  
Base, Basic Utilities  
& National  
Construction



- ◆ CHAPTER XIV      *Engineering*
- ◆ CHAPTER XV      *Logistics*



## ENGINEERING



## U.S. AID MISSION TO VIETNAM

# CHAPTER XIV

### INTRODUCTION

The Engineering Division is responsible for providing engineering and technical assistance to the Government of Vietnam through the Ministries of Public Works, Transportation and Communications. Engineering is responsible for developing working relationships with the appropriate GVN counterparts and for implementing programs which the host government requests. The personnel of the Engineering Division provide technical and managerial skills related to all types of engineering activities required by a developing country.

The Engineering Division also advises other USAID and CORDS divisions on engineering matters. This includes the recommendation of program content and priorities, and, the preparation, implementation, management and evaluation of approved revolutionary development and long range development programs.

During the past year, the Engineering Division managed one of the largest USAID Divisional Programs. The budget for this period was approximately 90 million dollars--the largest portion of which was a 32 million dollar grant-in-aid for the development of Saigon electric power. The Engineering Division, in close cooperation with the respective GVN counterparts, was responsible for a wide diversity of technical activities. During the year, within the constraints of the available manpower, money and necessary priorities, support was provided to the Government and People of Vietnam by the following branches of the Engineering Division: Architecture and Urban Planning Branch (provides in-house and contracted Architect and Engineering services), Water Branch (assists in the development and distribution of potable water), Telecommunications Branch (assists in the Development of communications within Vietnam and from Vietnam to other countries), Regional Engineering (provides management for construction projects in the provinces), Electric Power Branch (furnishes assistance in the development and extension of electric power) and the Transportation Branch (in cooperation with the DOD and ARVN, provides for the improvement and maintenance of highways, railways, airways, ports and waterways).

## WATER RESOURCES

### Danang Water

This project, initiated out of a serious need for both domestic and industrial water in the city of Danang, was activated in 1966 when work began on completion of the feasibility study and accommodating design documents for the system. In 1967, the feasibility study and design were completed. The design for the 15,000,000 gallon per day treatment facilities and distribution system was reviewed by AID/Washington and the Okinawa Engineer District, U.S. Army Corps of Engineers. Design comments were received from both agencies and the designer (Ralph M. Parsons Co.) incorporated all comments to produce the final design package. A capital assistance paper for the project was developed, reviewed and approved by AID/Washington. The latest USAID Director's review has programmed \$7,593,000 of FY 1968 funding. The Government of Vietnam is expected to fund all piaster costs amounting to approximately VN\$ 450,000,000 for the project. A part of these piaster funds has been allocated for procurement of real estate in Danang for the project; the Government of Vietnam also established a Danang Water Authority to supervise the project.

At year end the U.S. Military in Vietnam were considering entering into a jointly funded project with USAID/Vietnam for construction of the Danang Water system. Initial discussions with the U.S. Military led to agreement in principle that a consolidated effort to achieve a single water system would benefit both Agencies. USAID and Military discussions are continuing to determine technical and economic aspects of a joint project and to determine suitable inter-U.S. Agency cost allocations. After these determinations are made, a Project Agreement will be finalized for review, negotiation, and execution.

### Rural Water

The Rural Water Program provides water to the hamlets and villages of South Vietnam. Since its start the program has provided water to 1,413,000 Vietnamese. Rural Water also provided assistance to provincial towns on an interim basis till funds were made available for capital improvement water projects. The program is carried out by the GVN Directorate of Water Supply with commodities and technical furnished by USAID.

The Hydrologic Investigation Unit (HIU) of Rural Water has provided technical assistance to locate water sources and determine water quality. The work of this Unit benefited using agencies in terms of savings in both time and money. In late 1967, HIU, together with USAID/AGR, reinstated a program of water sampling in the Mekong Delta to determine water quality fluctuation. The data obtained will be used in planning future irrigation and potable water projects.

The Surface Water Unit (SWU) installed 14 well distribution system and one water purification unit with distribution system in 1967. Installation of nine distribution systems was accomplished by the Engineering Control Advisory Detachment (ECAD) personnel, (U.S. Corp of Engineers)

assigned to the Rural Water Program with the assistance of local labor. The remaining six distribution systems were installed through contract or local public works organizations. The SWU has also been assisting in the operation and maintenance of the installed systems. The unit provided on-the-job training of operators and technical assistance in maintaining the systems.

	<u>No.</u>	<u>Population Served</u>
No. of Distribution System installed	14	66,000
No. of Wells installed *	26	21,000
No. of Purification Units installed	<u>1</u>	<u>3,000</u>
Total:		<u>90,000</u>

\* Twenty-one wells of this total are presently without distribution systems. Upon completion of distribution systems for these twenty-one wells, approximately sixty to eighty thousand additional people will be served.

The Well Drilling Unit (WDU) developed 26 deep wells during 1967. At My-Xuyen in the Delta area, a flowing well of 453 meters depth, capable of producing over 400 gallons/minute, was completed. This well is located in the salt intrusion area of the delta and is the first year around fresh water supply developed for the town where the well is located. Prior to this well potable water had to be barged or trucked into the area at a price of from five to twenty piasters per ten gallons. During the past year six drilling rigs have been reconditioned by the Maintenance and Well Drilling Units and will be placed in operation in the early part of 1968. The work of the Maintenance Unit with its contingent of 26 Korean technicians provided the needed maintenance without which the Rural Water program would be interminably delayed.

In 1967, the Rural Water Project supported development of water supply systems for new Refugee Camp areas such as the Cam-Lo refugee camp for approximately 20,000 refugees in Region I and the Lai-Thieu Refugee Camp in Region III for 6,000 refugees. It is expected that such support will continue to be furnished when necessary.

#### Provincial Water

This project was set up with the purpose of providing potable water in the urban areas of Vietnam. Services of a US Engineering firm (Ralph M. Parsons Co.) were retained in the planning for two major cities and construction supervision at six. The balance of the program has been concerned with rehabilitation and expansion of some 20 existing systems.

#### A. Engineering and Construction Activities included:

Engineering: (By Ralph M. Parsons Co.)

CY 1967

Danang - Final design of complete water treatment facilities

100%

<u>Nha-Trang</u>	- Final design of complete water treatment facilities	95%
<u>Vung-Tau)</u>		100%
<u>Dalat</u> )	- Feasibility Study	100%
<u>Qui-Nhon)</u>		100%

Construction

<u>Quang-Tri</u>	- Water treatment and supply facilities (250 GPM)	100%
<u>Ham-Tan</u>	- Water treatment and supply facilities (250 GPM)	100%
<u>Phuoc-Le</u>	- Water treatment and supply facilities (350 GPM) (Water treatment plant only)	99%
<u>Truc-Giang</u>	- Water treatment and supply facilities (700 GPM)	96%
<u>Qui-Nhon</u>	- Well system	83%
<u>Vinh-Loi</u>	- Distribution system installation	100%
<u>Bao-Loc</u>	- " " extension	100%
<u>Can-Tho</u>	- " " "	100%
<u>Xuan-Loc</u>	- " " "	100%
<u>Tan-An</u>	- " " "	100%
<u>Hue</u>	- " " "	100%
<u>Phu-Cuong</u>	- " " "	100%
<u>Phuoc-Le</u>	- " " "	100%
<u>Ca Mau</u>	- " " "	100%
<u>My-Tho</u>	- " " "	100%
<u>Qui-Nhon</u>	- " " "	10%
<u>Quang-Tri</u>	- " " "	100%
<u>Danang</u>	- " " "	100%
<u>Tay-Ninh</u>	- " " "	100%
<u>Phu-Vinh</u>	- " " "	60%
<u>Nha-Trang</u>	- ( " " "	85%
	(Water plant rehabilitation and pump station)	80%
<u>Chau-Phu</u>	- (Distribution system extension)	94%
	(Water plant rehabilitation)	65%

Bien-Hoa - The Australian Government has contributed to the Government of Vietnam a new water plant with a capacity of 600m<sup>3</sup>/h, under construction at Bien-Hoa, using Dong-Nai River water as its source.

Can-Tho - Besides the water distribution system an extension was completed as reported above, and a high yield deep well capable of producing 600m<sup>3</sup>/h with a drawdown of 4.5m was recently completed. This well is 171 meters in depth and its static water level is at 0.5 meter below ground. This well was connected to the city system.

B. Water Meter Installations. 3,381 water meters have been installed in the first 11 months of this year in the following towns:

An Loc	Khanh Hung	Tay Ninh
Ban Me Thuot	Long Xuyen	Truc Giang

Bac Lieu	My Tho	Vinh Long
Bao Loc	Phuoc Le	Xuan Loc
Bien Hoa	Pleiku	Moc Hoa
Phu Cuong	Quang Tri	
Can Tho	Quang Ngai	Vung Tau
Cao Lanh	Quan Long	Cai Lay
Chau Doc	Rach Gia	
Da Lat	Tan An	
Ham Tan	Thu Thua	

C. Cam Ranh Water Resources Study. Preliminary studies have started and the seismographic work has been completed. Test core and well drilling work is expected to start shortly.

### Saigon Water & Sewerage

A. Background. This project was undertaken in late 1962 for the purpose of providing an adequate potable domestic and industrial water supply to meet peak water demand of the Metropolitan Saigon area (Saigon-Cholon-Giadinh-Govap). Under Development Loan Fund No. 62 financing was provided to cover the foreign exchange cost (\$17.5 million) of a \$40.0 million dollar project which included a 133 million gallon per day raw-water pumping station on the Dong Nai river near Bien Hoa, connected by a 10.8 kilometer long 72" diameter prestressed pressure main to the 127 million gallon per day water treatment plant at Thu Duc and then by a 12.4 kilometer long 78" treated-water pipeline to the city proper. The treated-water main has a nominal design capacity of 180 million gallons per day. Within the city the system is completed by a series of elevated storage tanks connected to existing and new distribution mains and feeders.

The Dong Nai raw-water pumping station and the water treatment plant complex at Thu-Duc are complete, as is the installation of all transmission pipelines which deliver water to the city. 48.5 kilometers of new cast iron secondary distribution feeders mains have been installed in the city and the Saigon Metropolitan Water Office has purchased an additional 45 kilometers which is being installed by the Saigon Metropolitan Water Office (SMWO).

Current ongoing construction for this project includes construction of a surge tower and eight elevated concrete water standpipes, two additional 23-million gallon ground-level storage reservoirs, completion of a 24-inch concrete treated-water transmission line to the Bien Hoa Industrial Zone, completion of approximately 24 kilometers of concrete pressure mains ranging in size from 60 to 24 inches in diameter in the city and installation of 45 kilometers of new cast iron pipe to extend the distribution network. Additionally there are three active service contracts (funded in prior years), which provide engineering design and management advisory services for various ongoing activities.

B. Progress to Date. Tangible accomplishments achieved over the past 12 months:

1. The GVN Funding of the A&E - is evidence of the need for

continued competent technical assistance. As further recognition of the GVN's vital role in contributing to the future success of the Saigon Water Project, the Director General of the Saigon Water Office is negotiating a new contract with various in-country Architectural and Engineering firms to provide construction supervision of ongoing work through CY-68. This contract to be almost entirely funded by the GVN.

2. Increase in Water Sale Rate - The new Interministerial Cabinet has agreed to implement a water rate increase in two phases. The first phase would raise the rate for all Government agencies and Prefecture service from 5 piasters to 10 piasters per cubic meter (265 gallons), effective on or about January 1, 1968. The second phase, to be implemented on or about April 1, 1968, would likewise increase the water rate for all residential consumers from 6 to 10 piasters per cubic meter. To encourage new business, it was decided that the present 10 piasters rate would continue to apply to commercial and industrial consumers.

Some progress has been made in getting the Prefecture to pay for water being dispensed free through multiple spigot public fountains. The City Council and the Mayor have now agreed that the Prefecture should pay for this service along with fire protection for the Metropolitan Saigon area. Also, public fountains in the Metropolitan Saigon Area have been reduced from over 1500 to 533 during the year by closing down those which no longer serve the poor segments of the population.

3. Completion of Bien Hoa Line - The large diameter (24-inch I.D.) concrete treated water transmission pipeline which will deliver water to the Bien Hoa Industrial Zone was completed in August. The SMWO placed this pipeline in service during the month of September after flushing and sterilization. Arrangements are also being made to supply water to the new National Police Academy at Thu Duc from this line.

4. Salary Increase - As a result of recommendations made to the Water Office, the SMWO decided in July to increase the daily wage scale for non-technical employees of the SMWO from 87.5 to 115 piasters retroactive to July 1. Technicians had previously (February 1967) received an increase in monthly salary and allowances, which has reduced the high rate of turnover in personnel in recent months. While these modest upward adjustments in wages and fringe benefits are not considered entirely adequate, it has improved the morale of the SMWO staff and is indicative of an honest endeavor to support this project.

5. Developing Capability - During the month of July, the Vietnamese staff of the Dong Nai water treatment facilities assumed complete responsibility for operation and maintenance of both the raw water pumping station and the Thu-Duc water treatment plant, with Hydrotechnic Corporation's M.O.T. (Maintenance, Operations and Training) advisory personnel monitoring only.

6. Improved Production - The Vietnamese staff of the Dong Nai water treatment facilities commenced a three-shift (24-hour) operation of the raw water pumping station at Bien Hoa and the Thu-Duc water treatment plant on August 10. This permitted treated water production and deliveries to be increased to meet new demands as the city distribution system

was expanded. Sufficient additional technicians have been hired and are being trained so that a four-shift operation is possible early in CY 1968.

7. Increased Rate of Connections - The Water Office continues to show progress in accelerating the rate of installing new metered service connections. The average monthly rate was increased from 475 in 1966 to over 900 metered house service connections in 1967. In addition, the SMWO has completely eliminated the number of flat-rate house service connections by installing meters in over 3,000 of these connections, thus removing one more major obstacle to reaching a break-even point at an early date.

8. New A&E Contract Finalized - The new MOT (Maintenance, Operation and Training) Contract for the Dong Nai and Thu Duc facilities was signed with Hydrotechnic Corporation of New York on August 14 (Contract No. AID/VN-16). This Contract consists of two basic functions (1) Operation and Maintenance of the major supply and treatment works, including the raw water intake and pumping station at Bien Hoa and the Thu Duc treatment plant and all ancillary facilities; and (2) Training of counterpart Vietnamese personnel at these two installations. The signing of this contract has facilitated direct procurement of these urgently needed supplies, tools and equipment which has, until now, retarded progress in operation and maintenance of these facilities.

9. New Management Contract - A management advisory services contract, AID/FE 290 was signed with Commonwealth Services, Inc. of New York City, on April 13 in the amount of \$786,284 and VN\$15.0 million. This contract has provided consultant advisory service to the SMWO in the overall administration and fiscal management of the Central Water Office and operation of the water distribution system.

10. Production Improvement - Daily production and deliveries of treated-water from the new Dong Nai facilities to the Metropolitan Saigon area has progressed as follows:

Daily Average by Months  
(in millions of gallons)

1967

January	35.00	July	39.00
February	43.00	August	48.50
March	43.00	September	47.00*
April	45.50	October	53.60
May	45.40	November	54.80
June	42.40*		

\* Production and deliveries dropped during this period due to excessive power outages, curtailment of operations caused by loss of operating technicians to the military draft, and brief shutdowns while new connections were being made to the city pressure mains.

## ARCHITECTURE & URBAN PLANNING BRANCH

Under the Reconstruction and Urban Planning Project, consultative services were provided in architectural-engineering design, supervision of construction, and in supporting operations of two GVN General Directorates (Reconstruction and Urban Planning; Housing) and other USAID technical divisions.

### Design, A&E Contract

In 1967 programs were formulated, scopes of work prepared and designs monitored to completion on projects such as the following:

#### 1. Education Division

a) Nguyen Truong To Vocational Technical School, Saigon. It will accommodate 800 students initially and 1,600 finally. Instruction to include electronics, electricity, sheet metal work, welding, auto-diesel mechanics, carpentry and cabinet making. Estimated construction cost for approximately 110,000 sq. ft. - \$2.8 million.

b) School for Blind Boys, Saigon. Design and construction supervision was furnished for renovations which covered improvements to classrooms, dormitory, and the auditorium where blind students present musical concerts and plays. School enrollment - 65.

c) Ban Me Thuot Normal School. This school will educate and house 300 students.

d) Normal School Dormitories at Vinh Long and Qui Nhon. Two dormitory buildings will house 368 students at each school. Total housed 1,472.

#### 2. Engineering Division

Cam Ranh City Workers Housing. This housing is designed to accommodate 2,000 families of Vietnamese working for the U.S. Military and includes a water supply, a sewage treatment plant, and schools.

#### 3. Administration

New USAID Building. The A&E completed preliminary designs for a 17-story, five elevator, steel frame building to be constructed by GVN for lease to USAID. Building would permit consolidation of all USAID functions and savings would result from more efficient operations, improved communications, elimination of rentals and maintenance over twenty separate USAID office buildings. However, award of a design contract to complete final drawings has been suspended.

#### 4. Public Safety Division

a) National Identification and Records Center, National Police Compound, Saigon. The Center is needed to support the GVN National

Identification and Records Program covering over 9,000,000 adults. Construction supervision was also provided for this project.

b) Marine Police Base Complex, Phu Xuan. This project will consist of headquarters, training center, boat repair facility, billeting and training facilities for 400 men.

c) River Patrol Station, My Tho - Design and construction of police river patrol station comprising buildings and a boat repair facility and will have a 120-man capacity.

d) Police Basic Training Center, Danang - Design and installation of a water supply including distribution, and a sewage disposal system. To house and give basic training to 120 men.

e) Police Training Center, Rach Dua - Design, construction of foundations and erection of three pre-engineered, prefabricated buildings, and installation of toilet facilities in existing masonry dormitory buildings. It will house and train police field forces.

f) Police Training Center, Cam Ranh City - Design and construction for complete police training complex with component classroom, barracks, messhall and latrine buildings, utilities and other facilities for housing and training police field forces of approximately 300 persons.

g) Master Plan for the National Police Compound, Saigon. National Police Compound, composed of 115 mostly antiquated buildings, occupying a 37-acre (15 hectare) site in central Saigon, is headquarters of the GVN Directorate General of National Police. The Master Plan, developed by an A&E contractor, requires consolidation of all functions in three multi-storied buildings, phased evacuation, and demolition of all existing buildings over a 20 year period.

### Design, In-House

Surveys, designs, working drawings and specifications were prepared on several smaller projects by Branch staff. Samples of design assistance which was provided to various USAID divisions follows:

#### 1. Agriculture Division

Produce warehouse for the Farmers Association, Thi Nghe, Gia Dinh. This Butler-type building is to be used as a depot by members of the Farmers Association of Vietnam.

#### 2. Education Division

a) The Vocational Agriculture Shop Building is designed to be built throughout Vietnam. It is to be used for shop-maintenance and classrooms where farmers are taught better methods of raising crops and maintaining equipment.

b) An Instructional Materials Center Warehouse in Saigon was designed.

### 3. Industry Division

A Standard Poultry Facility was designed for use in the provinces and included in the design is an automatic feeding and cleaning system to promote large scale poultry and egg production.

### 4. Logistics Division

Designs were prepared for three warehouse sites. The warehouses will provide urgently needed storage facilities for all bagged commodities in provinces.

### 5. Public Safety Division

a) A jail was designed to have 50 inmates of both sexes.

b) A boat repair facility and operations center was designed. This Marine Police Base will be used to patrol a critical water traffic area around Saigon.

### 6. Public Administration Division

Design services were provided for the In-Service Training Complex, National Institute of Administration. This design provided complete seminar and lecture facilities, including administration offices, for 200 students preparing for GVN administrative careers.

## Training

One participant completed training in Sanitary Engineering at the University of North Carolina. Additionally, about 100 technical books were provided to the Directorate General of Reconstruction and Urban Planning to fill a large gap in training materials.

E. USAF Air Traffic Control Office. This office was established with the Civil Aviation Assistance Group (CAAG). Its purpose is two fold: (1) to better manage that functional portion of the USAID Air Traffic Control program (ATC) as authorized by USAID agreements with the Department of Defense and Headquarters USAF, and (2) to coordinate local military and civil aviation ATC interactions. CAAG/DCA working relations with their military counter-parts have improved greatly since the ATC Field Office was established. Field Office efforts to expedite CAAG installation projects, by obtaining supplementary military logistic support has been extremely effective. For instance, they arranged for the 150 foot towers to be installed at Tan Son Nhut during 1967, instead of 1968. Also, they obtained the tools required to prevent a VOR installation work stoppage.

## Highways Improvement

A. General Until early 1967, the highway program was concerned primarily with commodities assistance and advisory services to the Directorate General of Highways. With implementation of the AID/DOD Program, however, six A&E firms were engaged in preliminary engineering work on eleven projects. Two major improvement contracts were let, with other major contracts pending. One of the major objectives of the program is to relieve the Directorate General of Highways from the burden of road construction, through contract construction, and to develop the Directorate as an engineering and road maintenance organization. Considerable progress was made toward the development of a uniform standard of highway construction to ensure future construction of a permanent, usable, and efficient highway system.

### B. Construction Summary

Miles of highway improved (MPW)	48
Miles of highway improved (AID/DOD)	33
Miles of highway major maintenance (MPW)	270
Miles of city streets improved (AID/DOD)	5
Lineal Feet of bridges constructed (MPW)	5,841
Lineal Feet of bridges repaired (MPW)	11,550
Miles of highway under design for improvement	174

C. Major Program Areas included the Saigon, Danang and Nha Trang City Street Improvement Program, of which five of the projected 53 miles of street were improved in 1967; the resurfacing of National Route 1 from Saigon to Bien Hoa, of which 15 of 19 miles was resurface; the restoration of National Route 1 from Phan Rang to Vung Ro, of which 18 of 105 miles was restored; the restoration of National Route 4 from My Tho to My Thuan, which is 50 percent complete, and the development of the An Giang Quarry.

Engineering studies are 60% complete for improved ferry terminals on the Mekong River at the My Thuan (Vinh Long) ferry crossing and on the Bassac River at the Can Tho ferry crossing. Both of these vital ferry crossings are on National Route 4, the major artery in the Delta.

## Inland Waterways Improvement

This activity is primarily concerned with Dredging in the Delta where the GVN has maintained dredges to clear waterways as well as providing landfill for ARVN. Output however has been limited because of poor security and lack of adequate crews. In late August 1967 the Republic of China offered to engage in a training and dredging program to be conducted by the Retired Servicemen Engineering Agency of Taiwan. A contract for such services was signed on December 8 and mobilization of necessary equipment was under way by year end.

## Ports Improvement

A. Dredging continued throughout the year at mine sites, although there were several sabotage attempts, no major damage occurred. Qualified

personnel continues to be the major obstacle to realization of production requirements, reducing overall production to less than half the potential. During CY 1967 about one million cubic meters were dredged.

Dredges not supplied by USAID continue to lose production due to delay in obtaining parts. Roughly 20 dredge-months were lost awaiting parts, and an additional 10 dredge-months awaiting escort. As of December 18 all dredges were working except one which is awaiting escort to Saigon for repairs.

B. Major constructions of port facilities at Ba Ngoi, Danang, Nha Trang and Qui Nhon were contracted through OICC, and work is 95% complete however, major deficiencies in construction were discovered by Ports & Waterways personnel, and these matters are being resolved.

US Coast-Guard and US Naval Oceanographic Office personnel working with Ports & Waterways installed aids to navigation, gathered hydrological data, and issued numerous charts and publications during the year.

### Railway Rehabilitation

A. Background - The Republic of Vietnam by reason of its elongated and comparatively narrow shape, topography, forest, agriculture development, fisheries, etc., is most densely populated in the coastal and southern regions of the country. The Vietnam Railway System originates at Saigon and serves the entire coast area from Phan-Thiet to Dong Ha. It is estimated that the railroad could serve approximately eight million people between Saigon and Dong Ha.

The Vietnam Railway System for a period of 22 years, except for a short period from 1959-1964, has been obliged because of war time destruction to operate their property in several separated physical sections. But even with these severe difficulties they have always operated more than 20% of their system. At the present time they are operating 35% of the system in five separate sections and in the first 11 months of this year they transported 600,000 tons of commodities at an average haul of 40 kilometers per ton. The railroad also hauled this tonnage at a cost of 30 to 40 percent less than similar cargo transported by truck.

Regardless of the difficulties the railroad has continued to operate, has made a very smooth transition from steam to diesel locomotives, upgraded their rolling stock, remodeled their shops to accommodate this new equipment and continued to train adequate personnel to effectively reconstruct and operate the entire system once security is established.

The overall goal of the Railroad Rehabilitation project is that of reconstructing the VNRS main line and branch lines (excluding the Loc Ninh branch), from Saigon to Dong Ha by the close of the calendar year 1969.

B. Rehabilitation Progress A work-train was started from Nha Trang on December 1st, 1966 and during the year completed the reconstruction of 100 kilometers. With the completion of one bridge, the railway

will be open from Nha Trang to the south Tuy Hoa Airfield (117km). The bridge itself was shipped to Cam Ranh Bay December 11, for movement to Hao Son. A Contract has been let with Eiffel Construction Co. to erect this bridge when it is moved to the site.

Two additional worktrains commenced reconstruction on September 15, one working north from Tuy Hoa and the other south from Dieu Tri. Each worktrain is progressing as planned and approximately 50 km. of railway has been reopened in this area. A fourth worktrain commenced reconstruction from Phu Cat north on December 4; this worktrain will work north from Phu Cat to Bong Son.

The most disappointing event in 1967 was the loss of the main line between Da Nang and Hue. During the forepart of April, five bridges between Hue and Danang were sabotaged, including the Nam O bridge interrupted all rail and highway traffic north, as this railway structure also carried highway traffic and was the only permanent structure leading north from Danang. Because of its importance and the fact that the Esso tank farm lies north of this structure and is served solely by the railroad, a contract was immediately awarded for repairs. These repairs were made in early December, thus allowing continued rail service to Lien Chieu.

Since reconstruction started in December of 1966 the freight tonnage has increased at an amazing rate. During the first 11 months of 1967 the VNRS have transported 35% more freight than in any previous year since 1955. Passenger business increased and for the first 11 months of 1967, 340,000 passengers have been transported by rail.

Since early January 1967 two hundred kilometers of mainline track, 11 bridges (concrete and steel) and 10 tunnels have been rehabilitated.

### REGIONAL ENGINEERING

Regional Engineering Activities have been characterized in 1967 by expanded and diversified responsibility. Construction programs of all offices of CORDS/USAID and GVN have increased, and require engineering services in the Provinces. Regional Engineering offices, one in each Corps area and the Chief's Branch in the Saigon Office, have provided professional engineering services and construction assistance to all programs. Experience gained in 1967, in reviewing past and present design and construction practices in the field, indicates that significant economies could be effected if sound engineering of all Province Programs could be attained. Additional engineering personnel have been authorized during CY 67 and as the vacancies become filled, it is our intent to provide engineering services to an increased amount of provincial programs.

During 1967, the Regional Engineering supervised the design and construction of 172 separate projects with a cost of U.S. \$6.9 million and VN\$86 Million. Significant work was done on rural bridges, shops, warehouses and flood control. However, the major engineering and construction projects accomplished during the year was in the field of Public

health. Nine hospitals were designed and contracted for at a cost of US\$3.1 million, and over 100 million VN\$ was expended on improving existing hospital facilities.

Additional engineering services were performed for USAID divisions such as Public Safety and Education. Surveys and feasibility studies were provided for the Civil Operations and Revolutionary Development Support (CORDS) in such areas as electrification, water supply, river bank erosion and flood control.

### Legislative and Administrative Improvements

A. Directorate General of Housing - Responsibility and authority for public housing were placed under a new autonomous General Directorate which has established positions for a staff of 160. This action, supported by this Branch provides better machinery for attacking serious housing problems facing Vietnam.

B. Revision of Official Price List - Permission was won from the Price Control Committee to up-date the official price list which controls construction costs of GVN buildings. Prior to the revision, bids 200% above official prices were common.

C. Building Construction Field Manuals - Series of field manuals have been published in English and Vietnamese to provide simple plans and specifications, using local materials and unskilled labor to the maximum, for typical public buildings required in urban and rural Vietnam.

### ELECTRIC POWER

#### Saigon Electric Power

One of the most significant efforts of the year was the assistance provided to Electricity of Vietnam (EOV) under GVN control in preparing for the orderly termination of the CEE French Power concession in Metropolitan Saigon. (See also the chapter on Capital Projects)

In furthering this effort, USAID contracted for a Management Advisory Team (MAT) composed of utility specialists under the general guidance of the Chairman of the Board of Directors of Detroit Edison Company). The MAT recommended establishment of a separate independent, quasi-national power agency, the Saigon Power Co. as the nucleus for a future nationwide power utility.

The Saigon Power Co. (SPC), would conclude the French concession, take-over, operate and manage the CEE metropolitan power system, and include in its management the Thu Duc and other power facilities of the EOV within the metropolitan area. The EOV would continue as the national power agency outside of Saigon and environs, in the provincial and rural areas including the 160,000 KW hydro plant at Danhim and its associated high voltage transmission and substation facilities, the CEE plant at Dalat, as well as other properties being taken over on franchise.

termination. The MAT recommended the employment of a US consultant to manage SPC for a period of three years. Contract between SPC and Commonwealth Associates Inc., to be funded by AID has been signed. As a result of delays by the GVN in meeting the Conditions Precedent the Management Services Team (MST) has been delayed and will not be able to function before the end of 1967, which is expected to cause difficulties.

A USAID/GVN project agreement was formulated and signed for a Grant-in-Aid of \$32 million to construct an addition to the Thu Duc power complex of 2-66,000 KW steam turbine electric units, associated transmission and substation facilities, distribution system improvements and to fund the MST contract. A monitoring contract has been made with Detroit Edison Company to provide guidance and supervision in the preparation of specifications and follow-up for a single responsibility contract to perform this work. It is expected that a contract will be executed by May of 1968 with construction completion about the end of 1971 for both units.

The power picture in Saigon improved considerably in this past year from the standpoint of production, quality and continuity of service, reliability and system capability. The annual system peak of 118,000 KW occurred in December and in comparison to a 1966 peak demand of 94,000 KW and a predicted demand of 160,000 KW in 1968. Installations of diesel driven electric power capacity in various locations throughout the city and environs is well underway: 10,500 KW at Khanh Hoi, 6300 KW at Hoa Xa Station (Mondial), 10,500 KW Thu Duc, 10,500 KW at Chanh Hung SS, 10,500 KW at the Dong Nai Water Pumping Plant and construction has been started on installation of a 15000 KW gas-turbine electric power package at Thu Duc. Concomitantly, work is underway for extension and strengthening of the primary 15 KV distribution system, and design of new substations and 66 KV extensions to distribute power from new generation capacity.

### Provincial & Rural Electrification

A. Provincial Electrification - During 1967 there was initiated an accelerated effort to develop some order and definitive planning for improvement of Provincial power systems. An A&E was employed to provide EOY/GVN technical assistance in this work. Power system studies were performed and improvement programs were initiated at Kontum, Ca Mau, Vung Tau, Can Tho, Chau Doc and Tay Ninh. Diesel-electric power generating units of 400 KW capacity were shipped and are now being installed or have been placed in operation at Kontum, Pleiku, Cam Ranh, Qui Nhon, Quang Ngai, Ca Mau, Vinh Long and Tay Ninh.

In order to sustain operations of provincial power plants and systems, services of the following types were provided: Shipment of fuel oils, and lubricants, and electrical materials; procurement of spare parts; troubleshooting operations; and the provision of technical assistance in operations and maintenance.

Power system property surveys were completed in preparation for termination/take-over in January 1968 at Phan Thiet, Soc Trang, Vung Tau,

Long Xuyen, Baria, Sadec, Phu Vinh and Kien Hoa,. Power system inspections surveys of Province-administrated plants were made at Chau Doc, Ca Mau, Kontum, prior to take-over by EOY.

B. Rural Electrification ( Rural Development ) - This program initiated in 1966 for installation of 30 KW electric plants in selected, pacified hamlets in Vietnam, has made slow but definite progress. As of November 1967, installations at two hamlets remain to be completed out of 28 schedules in 12 separate provinces. The CY 1967 program covering 37 hamlets in 30 provinces has been moving forward more rapidly than the 1966 program at a comparable stage in time. The design phase has been completed for all of the hamlets, and pole erection have taken place in about a third of the hamlets.

#### Rural Electric Cooperatives

Lyon Associates were selected to be the consulting engineering firm for three distribution systems at Tuyen Duc, Duc Tu and An Giang.

A. Progress to date - At Tuyen Duc, service to two hamlets in the Electric Cooperative system was completed and a third well underway. Approximately 100 residences in these hamlets are now receiving electrical service. Construction is underway and is being supervised by the National Rural Electric Cooperative Association (NRECA) for the feeder line from the Dong Nai substation to the center of Ho Nai village (Duc Tu cooperative). Construction work was finished on the An Giang Power Plant project and about 50% of the distribution system was completed.

#### TELECOMMUNICATIONS

The Telecommunications Branch of the Engineering Division supported the Directorate General of Posts and Telecommunication in the following areas:

A. The 23 Dial Central Offices - were completed in June under contract to International Telephone and Telegraph Corporation, thus finishing the installation of new facilities which totaled 8,200 lines of Pentaconta equipment. Thirteen offices remain to be cutover and a new contract to complete this work and perform maintenance support and training of P&T personnel will be awarded in January 1968.

B. Under a contract - with Page Communications Engineers, Inc., awarded on April 3, 1967, installation commenced on 8,000 telephones, 7,000 to be installed in Saigon and 1,000 in outside cities. As of December 14, 924 new instruments had been installed.

C. The rehabilitation of the My Tho Receiver site - was completed in August and then turned over to the P&T for operation.

D. In order to frustrate the black marketing of telephone installations, a committee was established at the Ministry level to accept requests and direct installations.

E. International operations - were expanded by procuring two additional transmitters, and assisted in engineering services to expand the overseas telephone service to U.S. Military personnel by establishing a plan to expand the present channels available for calls from five to ten telephone circuits to the U.S.

F. USAID engineers participated - in country-wide studies and interagency activities. The Telecommunications Panel of the Communications Electronics Subcommittee completed a study in November entitled "Basic C&E Plan for Nation Building in RVN". This study is currently being updated prior to presentation to the Mission Council. It concerns the whole C&E base of South Vietnam, and lays out a program for utilization of present resources and surplus military equipment in the post-war period. A basic recommendation of the report is that the P&T must be reorganized along the lines of the GT&E study of 1966, prior to establishing a workable basic communications structure during the post-war period. It is hoped that this study will bring P&T problems to the highest levels and engender firm and much needed corrective action, thereby gaining better telecommunications services for South Vietnam, and thereby restoring public confidence.

## TRANSPORTATION

### Civil Aviation

A. Directorate of Civil Aviation - many technical advances were made in 1967. Among them were:

- 1) Two 150 foot towers supporting directional antennas for VHF Communications were completed. The range of communications on three VHF frequencies should be greatly increased at the Saigon ACC.
- 2) On two separate occasions the antenna system of the Tan Son Nhut ILS (Instrument Landing System) Localizer were destroyed by aircraft accidents. In both cases CAAG electronics personnel rebuilt the antenna system with the supporting structure being rebuilt by the USAF civil engineers at Tan Son Nhut.
- 3) Three UHF (Ultra High Frequency) transmitters and receivers were installed in the Saigon ACC for communications with military aircraft.
- 4) Two vertical radar displays were installed in the Saigon ACC (Area Control Center) utilizing monitor scopes from scan concerters.
- 5) Point-to-point voice communications problems, which plagued the air traffic control system in past years, were eliminated. With very few exceptions the point to point voice communications are now considered reliable.
- 6) Considerable improvement was realized with respect to artillery firing posing a serious hazard to aircraft in flight. Relatively fire-free corridors into and out of Tan Son Nhut and Bien Hoa airports were

established and considerable improvement in the reporting of artillery firing to air traffic control facilities has been effected.

7) The Saigon Area Control Center radar operation was expanded from the originally planned 16 hours per day to a 24 hour operation. This was accomplished at the same time CAAG controllers were forced to assume complete operational responsibilities for two additional nonradar control positions because of a critical DCA manpower shortage.

B. Directorate of Air Bases. - Major projects completed included the extension of the terminal apron, paving of the ATC drive way and auto parking apron, repair of Air America apron at Tan Son Nhut airport; repairing and strengthening of aircraft operational areas at Quang Ngai, Ban Me Thuot, Long Xuyen, and Tay Ninh, construction of a civil terminal apron at Pleiku.

A new airport was constructed at Tay Ninh and the first phase of a new airport at Chau Doc was completed.

C. Directorate of Meteorological - The radiosonde installation at Qui Nhon was completed, and facsimile receiving equipment for Guam circuit and radioteletype receiving equipment for Tokyo, New Delhi and Canberra circuits were relocated from Ba Queo to DOM headquarters in Saigon. This move was necessary due to removal of antennas at Ba Queo during airport construction.

D. Air Vietnam - The USAID contract Chief pilot continued to provide direct check-out and operation guidance to Air Vietnam pilots. A complete survey was conducted into direct technical assistance possibilities for AVN by Pan American Airline. It is hoped that 1968 will see technical assistance provided to management, operations and training for Air Vietnam.



## U.S. AID MISSION TO VIETNAM

INTRODUCTION

The USAID Office of Logistics provides procurement, ocean shipping, ship discharge, port clearance, storage, distribution, maintenance and property disposal services to all USAID technical divisions. These services, controlled and operated centrally by Logistics' technicians provide more efficient operations and permit other technical divisions to devote more time to their particular specialties.

In accomplishing the above tasks USAID assists the GVN in the development of its own organization and system for providing efficient logistics services to support government programs and agencies.

Functional divisions within the Office of Logistics include Procurement, Transportation, Supply and Maintenance.

PROCUREMENT

In FY 67 583 procurement action documents with a total dollar value of \$152.7 million were processed. The GVN Central Procurement and Supply Authority was authorized agent for 24 percent of this procurement (\$36.2 million). The relatively large amount handled by CPSA, with USAID advice and assistance demonstrates the capability of this agency to assume greater responsibilities with respect to GVN procurement and progress in the USAID goal of encouraging and assisting the GVN in the development of a professional and efficient central procurement agency.

TRANSPORTATION

The most significant accomplishment of the Logistics Transportation Division in 1967 was its contribution to the increased efficiency of the Saigon Port. In January there were 35 ships with 202,000 tons of cargo waiting for berths or buoys. By December, 1967, every ship arriving in Vietnamese waters with cargo destined for Saigon could proceed immediately to a berth or buoy for discharge. Ship

turn-around time was reduced from an average of 89 days in August, 1966, to five days in December, 1967. In 1966 importers usually had difficulty locating their cargo in the Port, segregating it and loading it on trucks. It was not unusual for a truck to spend an entire day idle while cargo was being found and loaded. By December, 1967, any importer can locate his cargo readily. He finds it segregated from other cargo and on pallets. In a matter of minutes it is delivered to his truck by forklift. Trucks now are able to make several pick ups per day.

Improvements in barge discharge rates parallel those of ship discharge. On March 20, 1967, there were 966 barges under load with non-customs cleared cargo of which 658 had been under load for more than 30 days. By November 30, 1967, there were only three barges under load with non-customs cleared cargo and only one of these had been under load for more than 30 days.

During 1966 and early 1967 the shipping companies imposed a "congestion surtax" of \$8.25 per revenue ton on all cargo discharged from berth term and liner ships. By July, 1967, this surcharge had been reduced to \$3.50 per revenue ton, and steps will be taken to negotiate its elimination.

The above improvements have had favorable impact on affected programs. Foremost, the improvement permitted a free flow of commodities and thus contributed to the success of the economic stabilization program. Secondly, the improvements resulted in substantial savings in demurrage costs and surcharges. Thirdly, the improvements have assisted industrial development by providing raw materials more promptly, and by providing an essential part of the total effort needed to increase Vietnamese participation in world trade.

While Saigon was the outstanding example of port improvement, it was not the only one. Harbor facilities were completed in 1967 at Danang, Nha Trang, Ba Ngoi, and Qui Nhon that permit berthing of coastal vessels. These facilities are especially important to commerce during the monsoon season when it often is impossible to discharge ships in stream to lighters.

#### SUPPLY

Under USAID sponsorship a modern depot complex was completed at Thu Duc in the outskirts of Saigon. This facility comprises 14 large warehouses (200' X 240' each), extensive open storage areas, a barge discharge facility and with rail access. This facility is enclosed in a chain link fenced area, is well lighted, and has a modern fire protection system. With this facility the GVN can now receive, store properly and safeguard over 400,000 tons of government-owned foodstuff and other commodities needed to support its development programs and government operations.

On October 1, 1967, a modern system of stock control, requisitioning, issue and accounting for commodities was implemented with respect

to Ministry of Revolutionary Development commodities. This system, operated by the GVN with USAID assistance and participation at critical points, helps to insure that commodities are expended on approved projects. It includes a system for insuring that adequate stocks are on hand at province and regional warehouses to support all projects, but avoids overstockage and the ensuring waste due to deterioration and poor warehouse utilization. The system provides for audit of commodities from receipt in Vietnam until they are issued to projects.

In 1967 additional warehouses were constructed in Nha-Trang, Ba Ngoi, Qui-Nhon and Danang. This added capacity made it possible to increase the tonnages shipped directly from the United States to these ports and to reduce the amount of cargo transshipped from Saigon.

#### MAINTENANCE

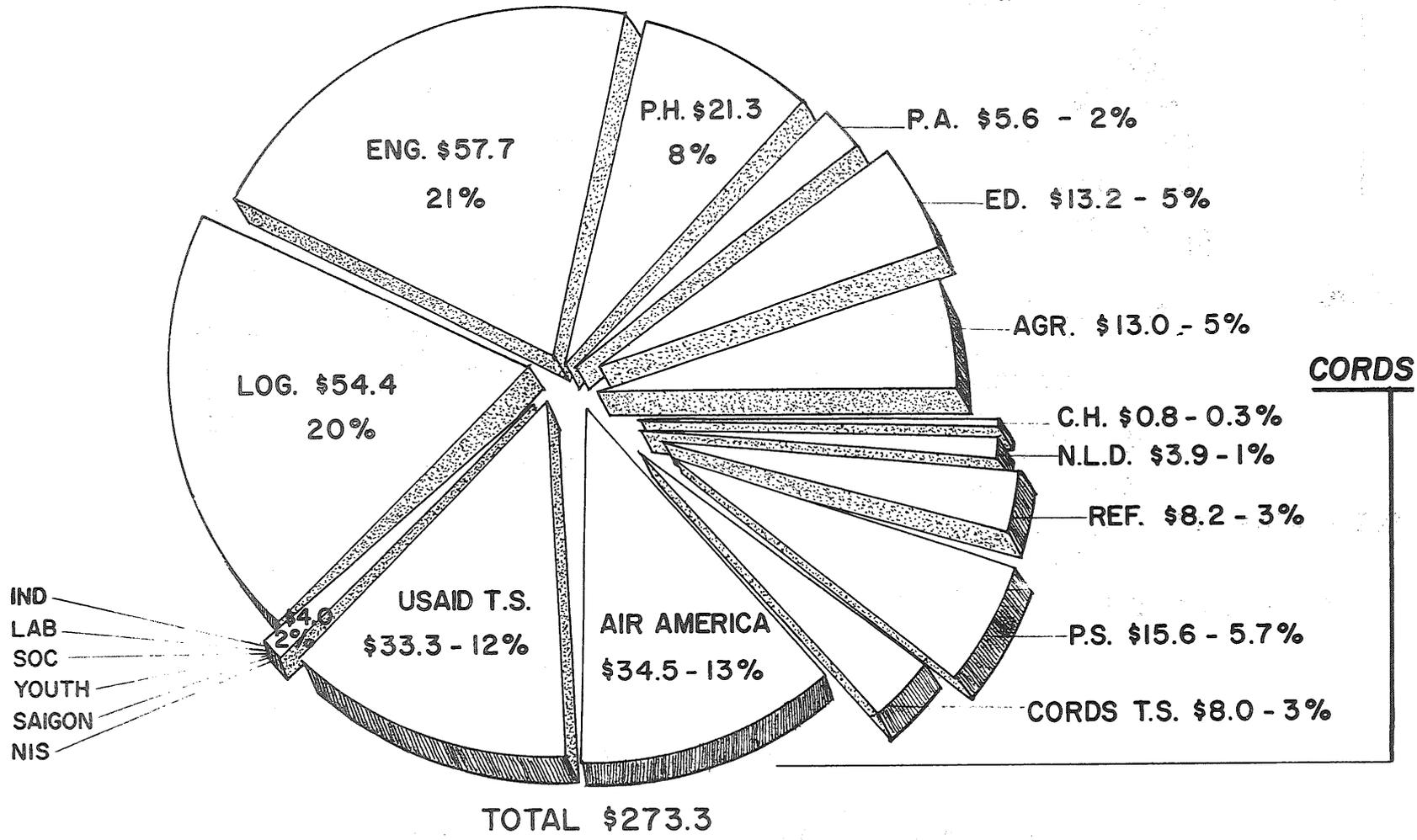
A project to provide a preventative maintenance and repair facility in each province was started in 1967. By December 13 shops were under construction with the first three scheduled for completion by January 15, 1968.

A modern spare parts depot was established in late 1966. By December, 1967, this depot, operated by CPSA, was providing repair parts support to all GVN ministries and agencies. Prior to establishment of this depot parts were ordered in large quantities once annually by each GVN agency. Stocks were unbalanced, resulting in heavy investment but poor support. There was no system whereby excess stocks in one agency could be used to meet requirements of another. The high percentage of vehicles deadlined was due in no small measure to lack of repair parts support. By December, 1967, the central depot was receiving requisitions daily. Only parts immediately needed to repair equipment or replenish shelf stock for fast moving parts are now requisitioned. Equipment deadline rates, while still too high, are decreasing. Excess stocks in ministry warehouses are now beginning to be turned in to the central depot for issue to other agencies. While it is recognized that the central spare parts depot is not as effective as it will be ultimately, a good foundation has been established to cope with the problem of mechanical equipment repair parts support in Vietnam.

In January, 1967, a project was initiated to assist the City of Saigon in the maintenance and repair of vehicles and garbage trucks. Two shops that were undermanned and almost non-productive are now operating efficiently at near-capacity. Most of the inoperable equipment in January, 1967, has been restored to operable condition and placed into service. Most important, the equipment is now brought into the shops on a scheduled basis for lubrication, oil change, filter replacement, tune up and minor repair. This preventative maintenance program will prolong the life of the equipment and reduce the incidence of costly overhaul and major repairs.



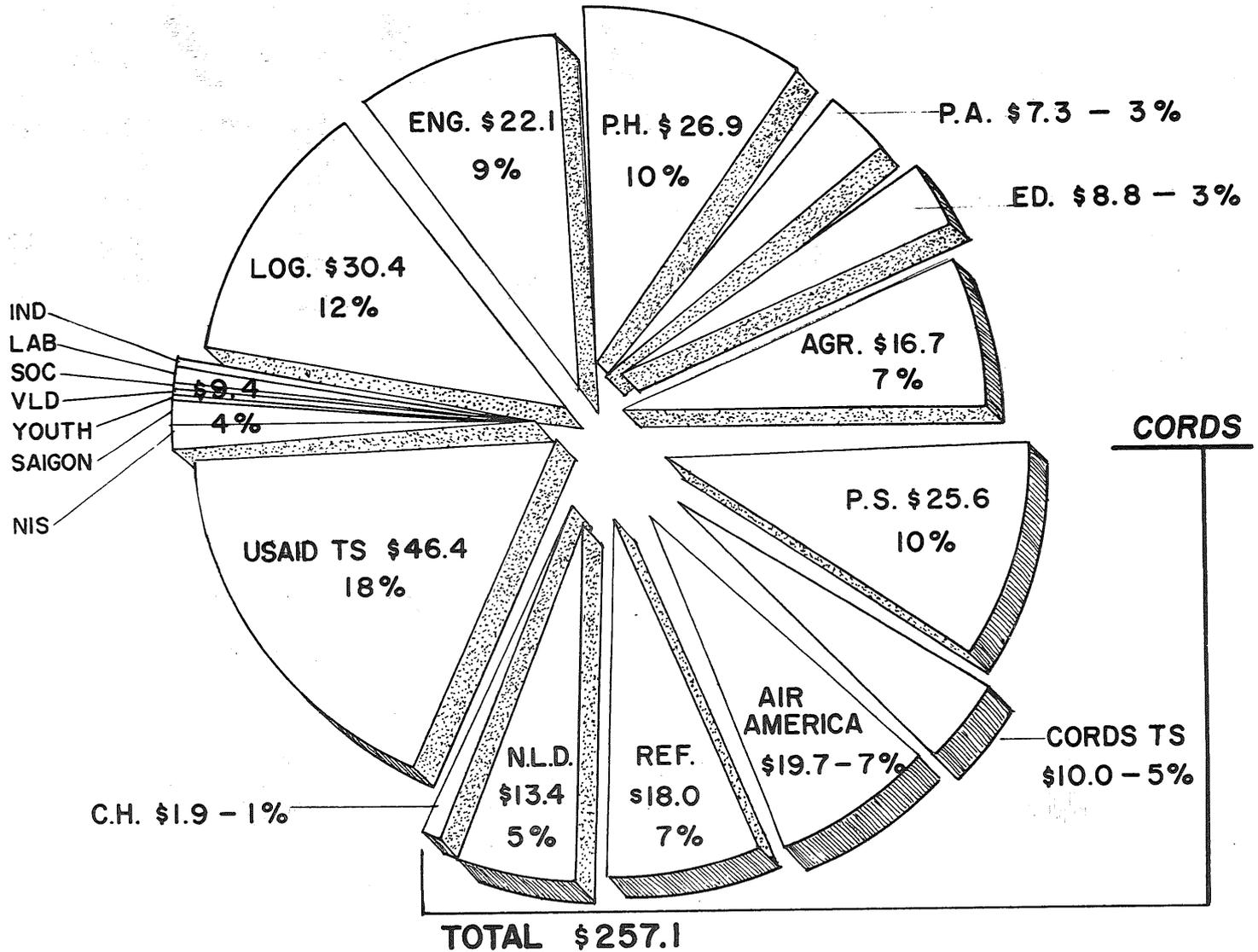
# PROJECT PROGRAM DOLLARS FY 1967 (IN MIL. DOLLARS)



Appendix

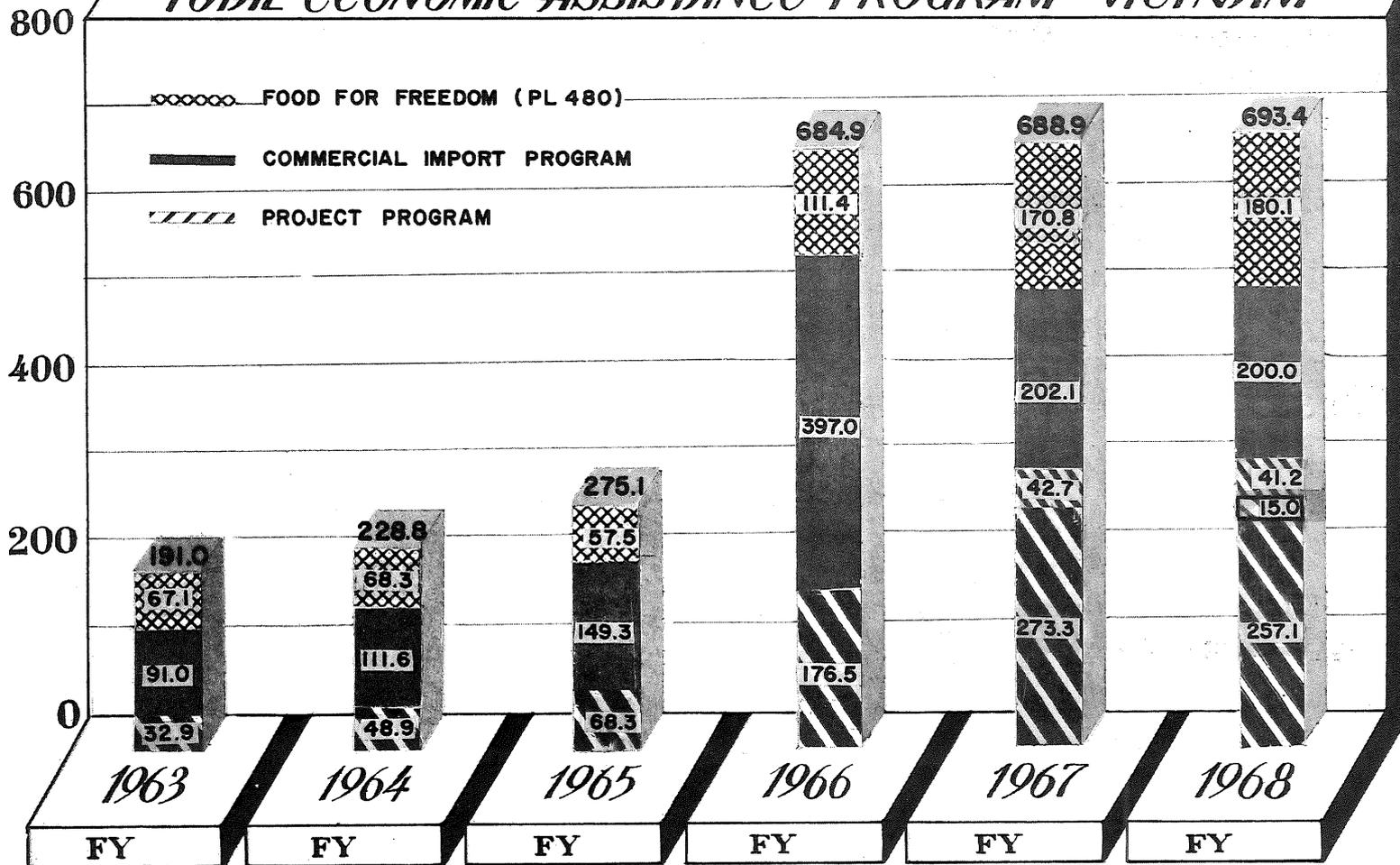
81

# PROJECT PROGRAM DOLLARS FY 1968 (IN MIL. DOLLARS)



US\$ Mil.

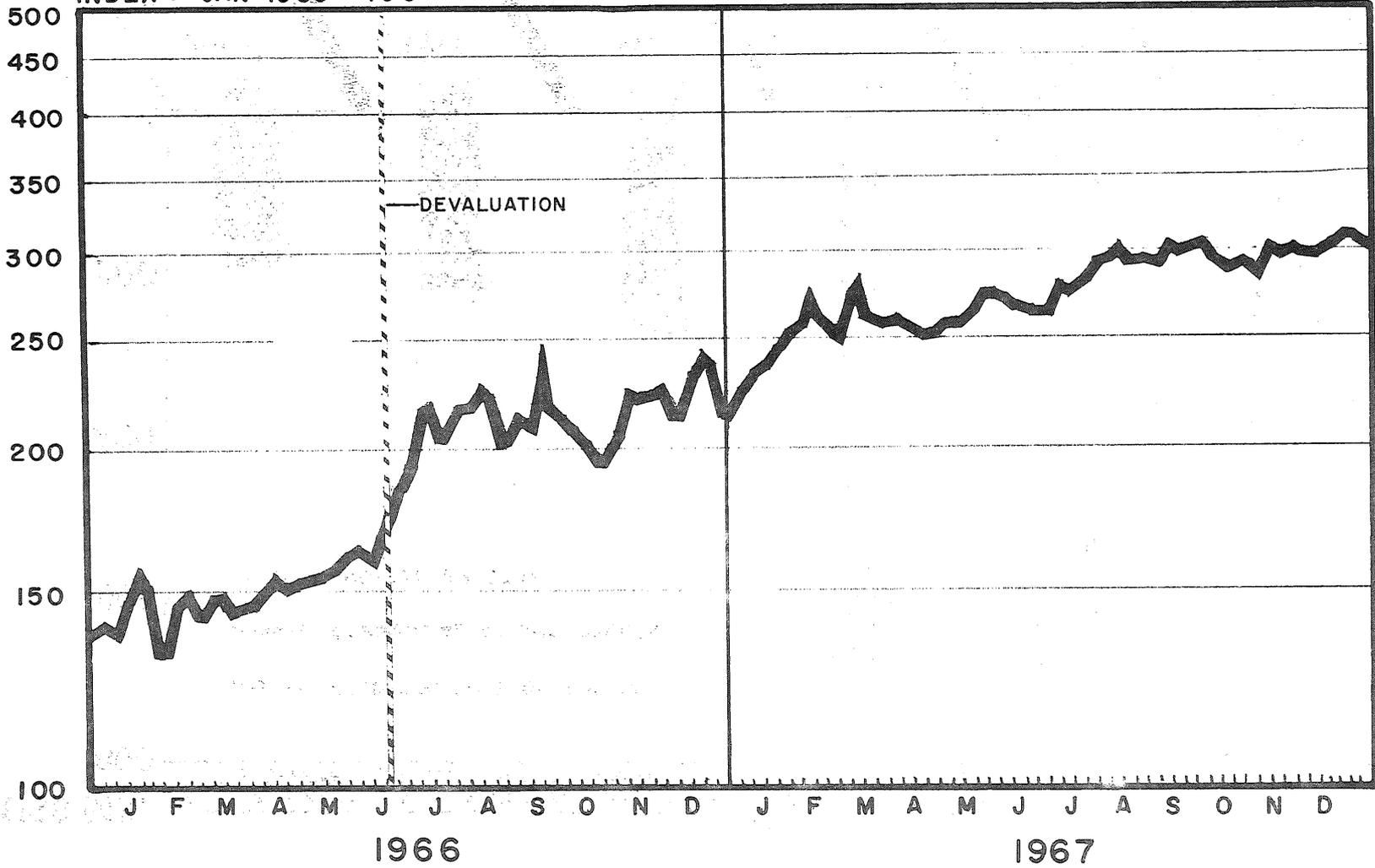
### TOTAL ECONOMIC ASSISTANCE PROGRAM - VIETNAM



# SAIGON RETAIL PRICE INDEX

( SOURCE : USAID )

INDEX : JAN 1965 = 100



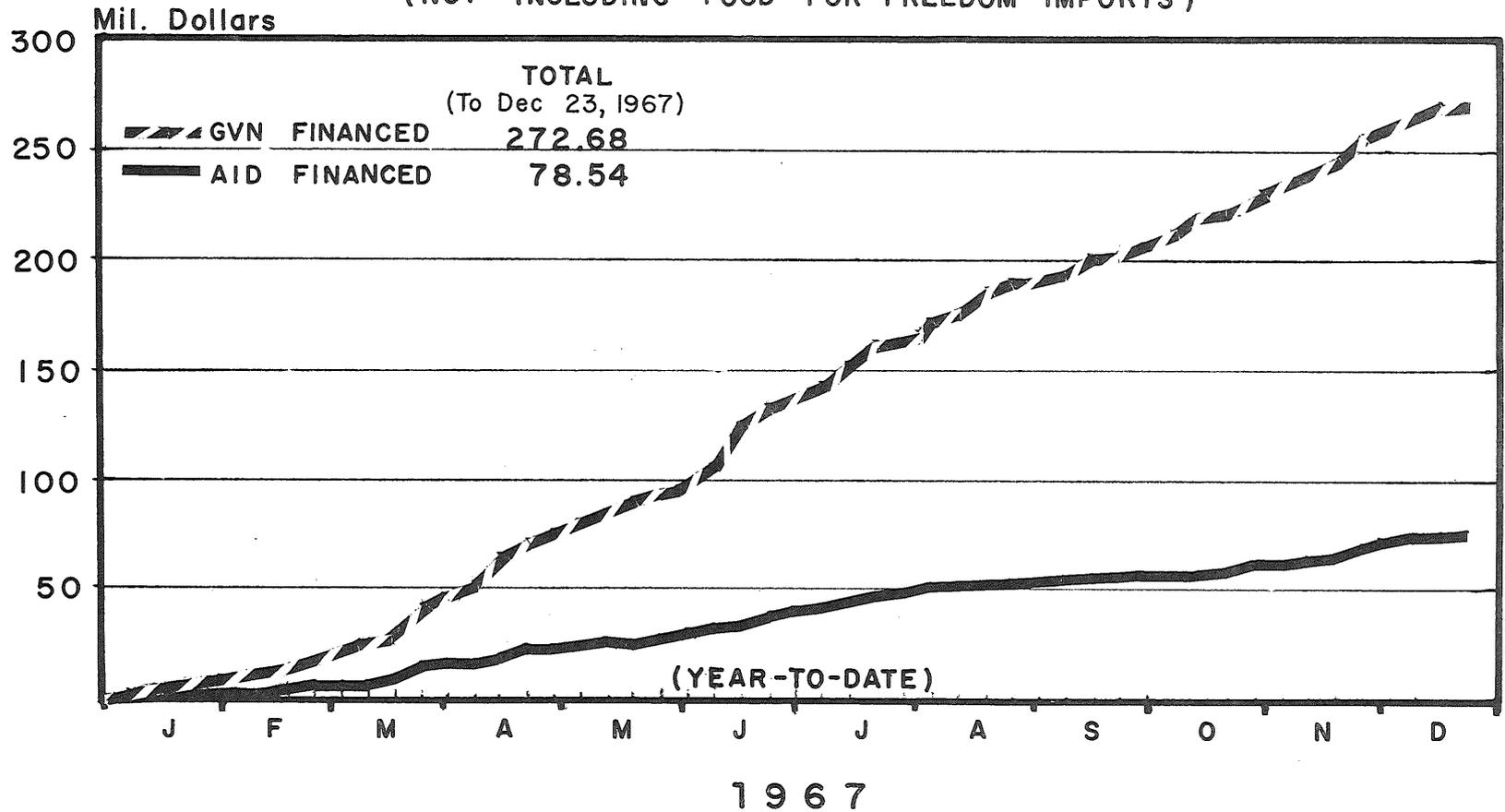
84

84

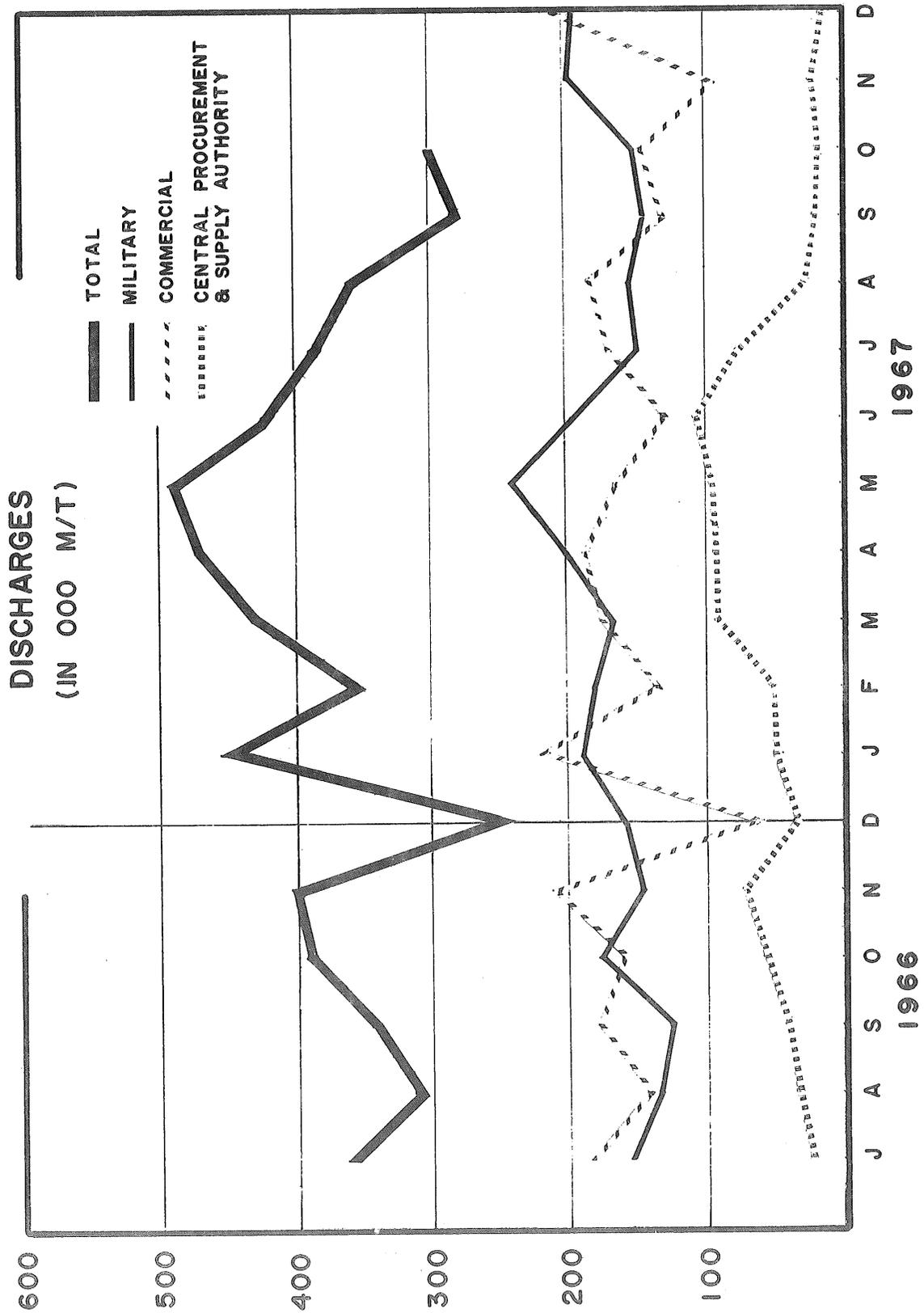
Appendix

LICENSES ISSUED UNDER THE GOVERNMENT OF VIETNAM'S  
**IMPORT PROGRAM**

(NOT INCLUDING FOOD FOR FREEDOM IMPORTS)



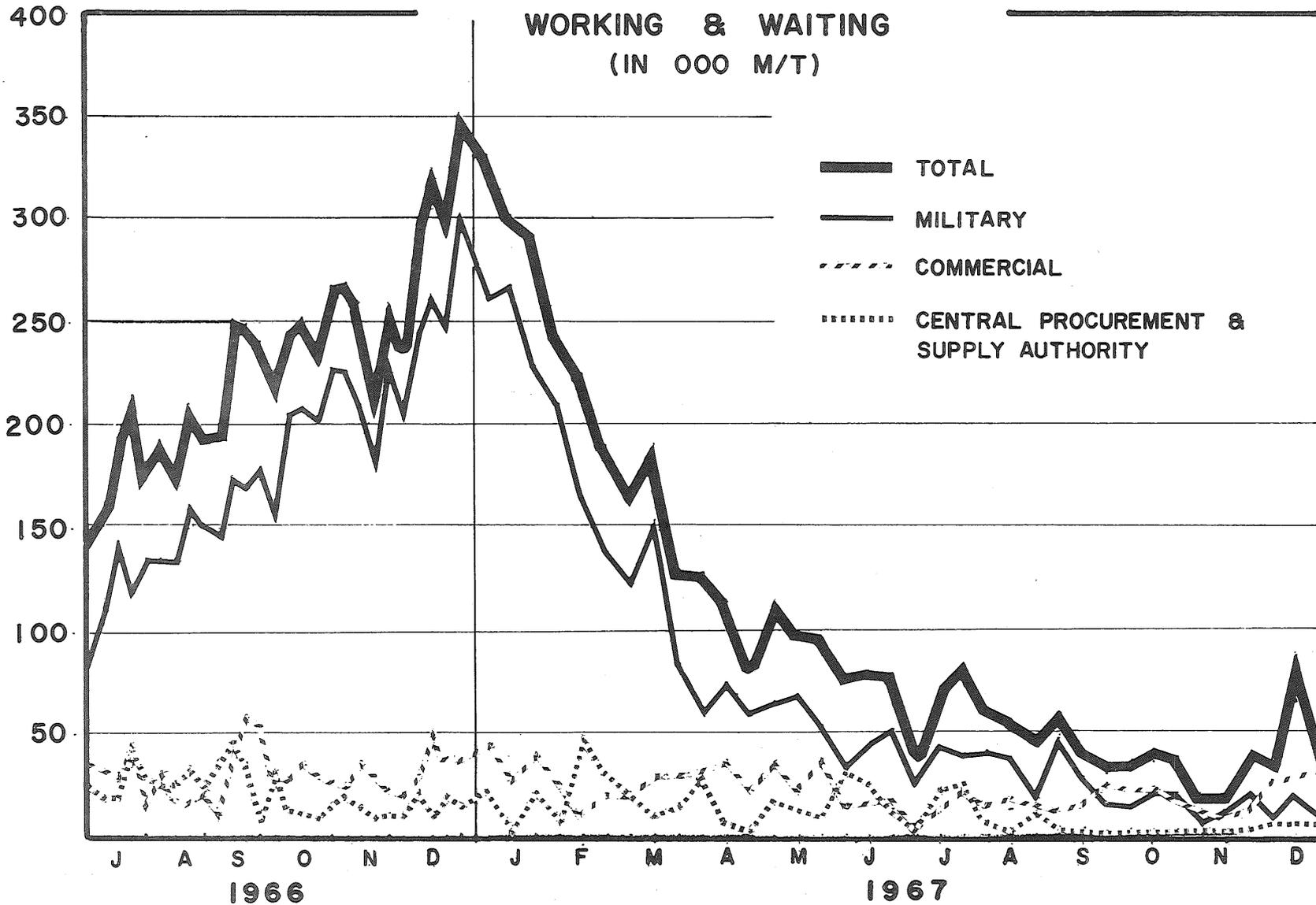
# SAIGON PORT OPERATIONS



# SAIGON PORT OPERATIONS

WORKING & WAITING

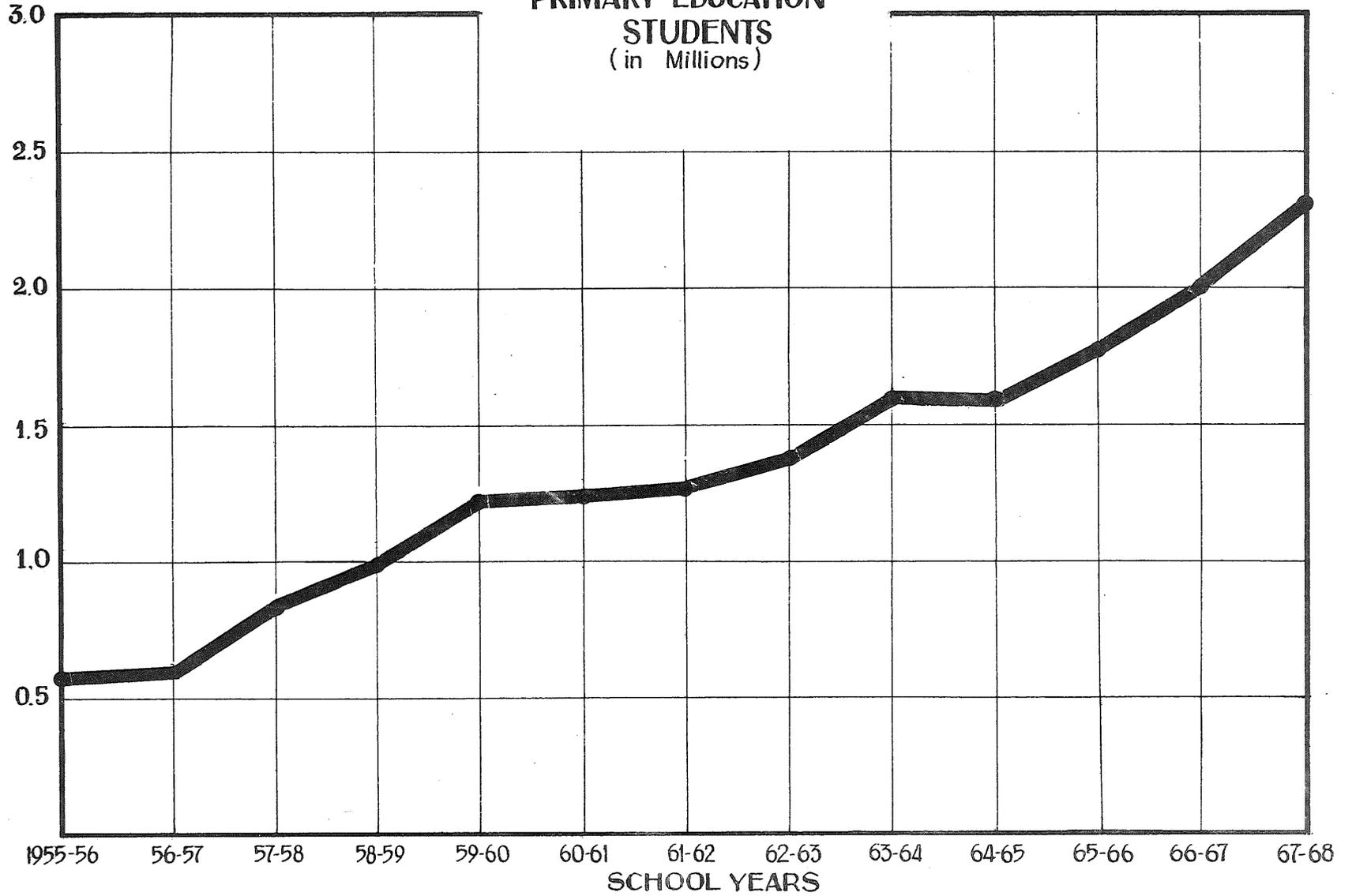
(IN 000 M/T)



87

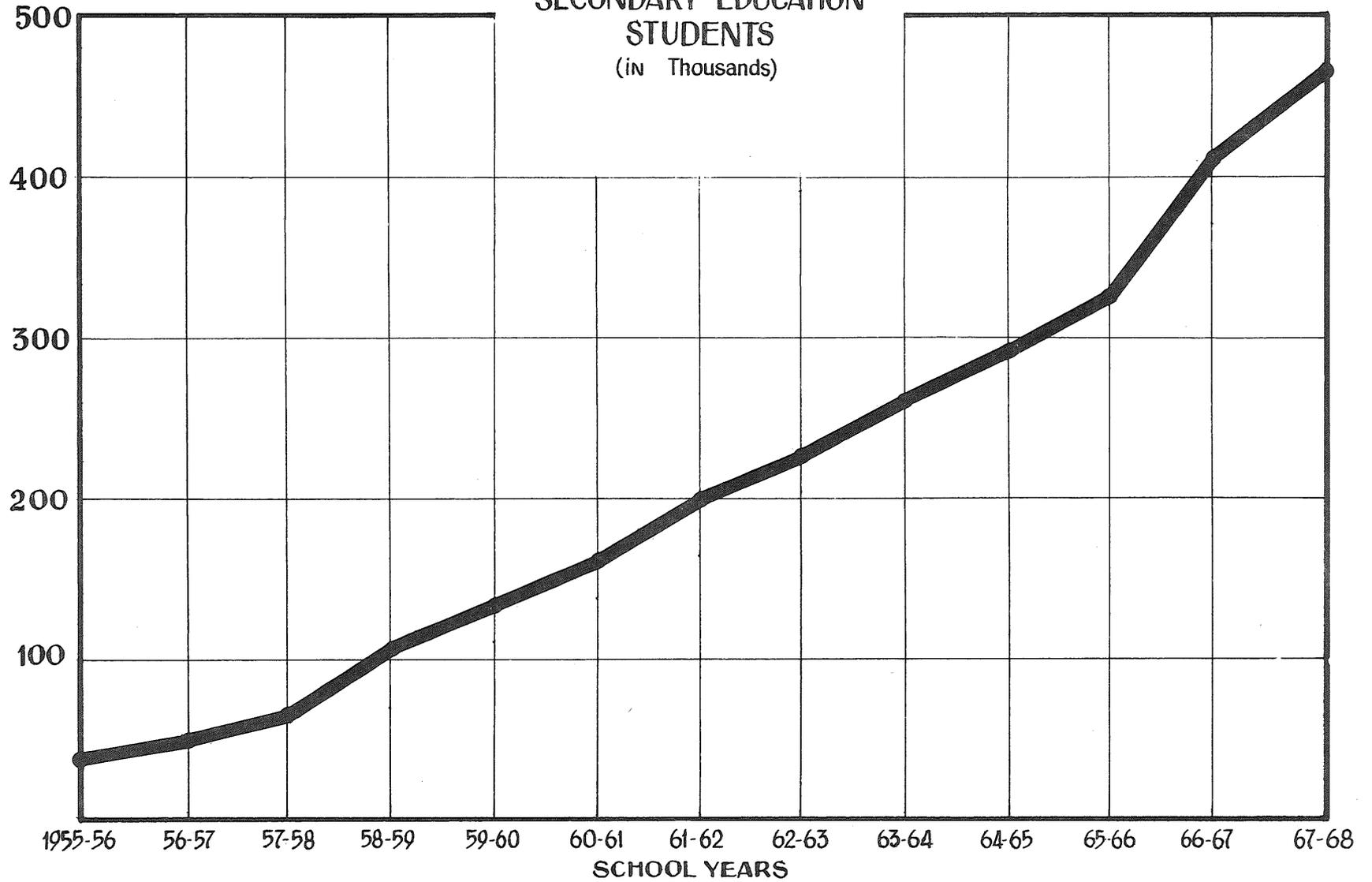
Appendix

**PRIMARY EDUCATION  
STUDENTS**  
(in Millions)



SOURCE OF INFORMATION : MINISTRY OF EDUCATION , GVN

# SECONDARY EDUCATION STUDENTS (in Thousands)

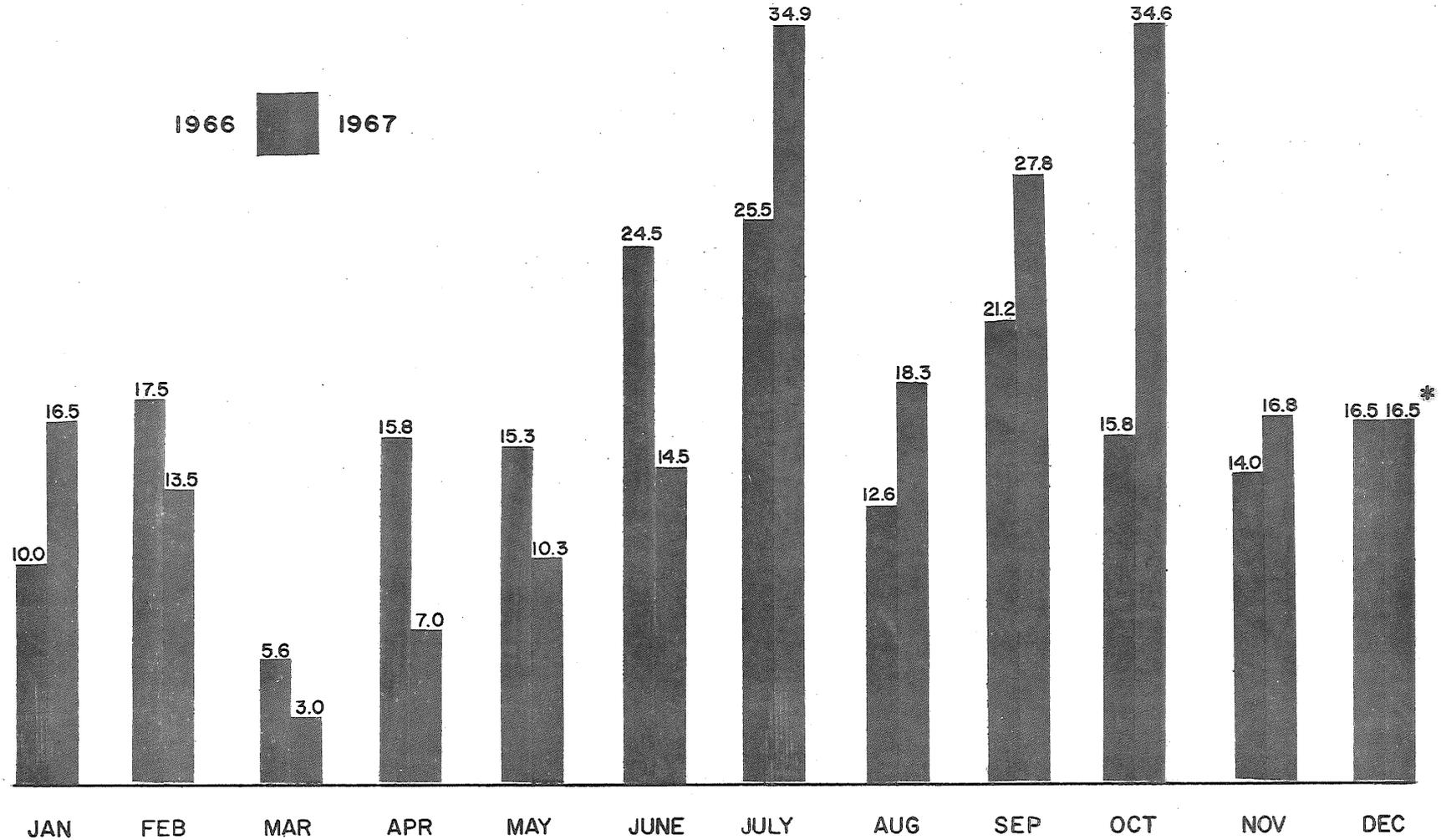


SOURCE OF INFORMATION : MINISTRY OF EDUCATION , GVN

# FERTILIZERS (ALL TYPES)

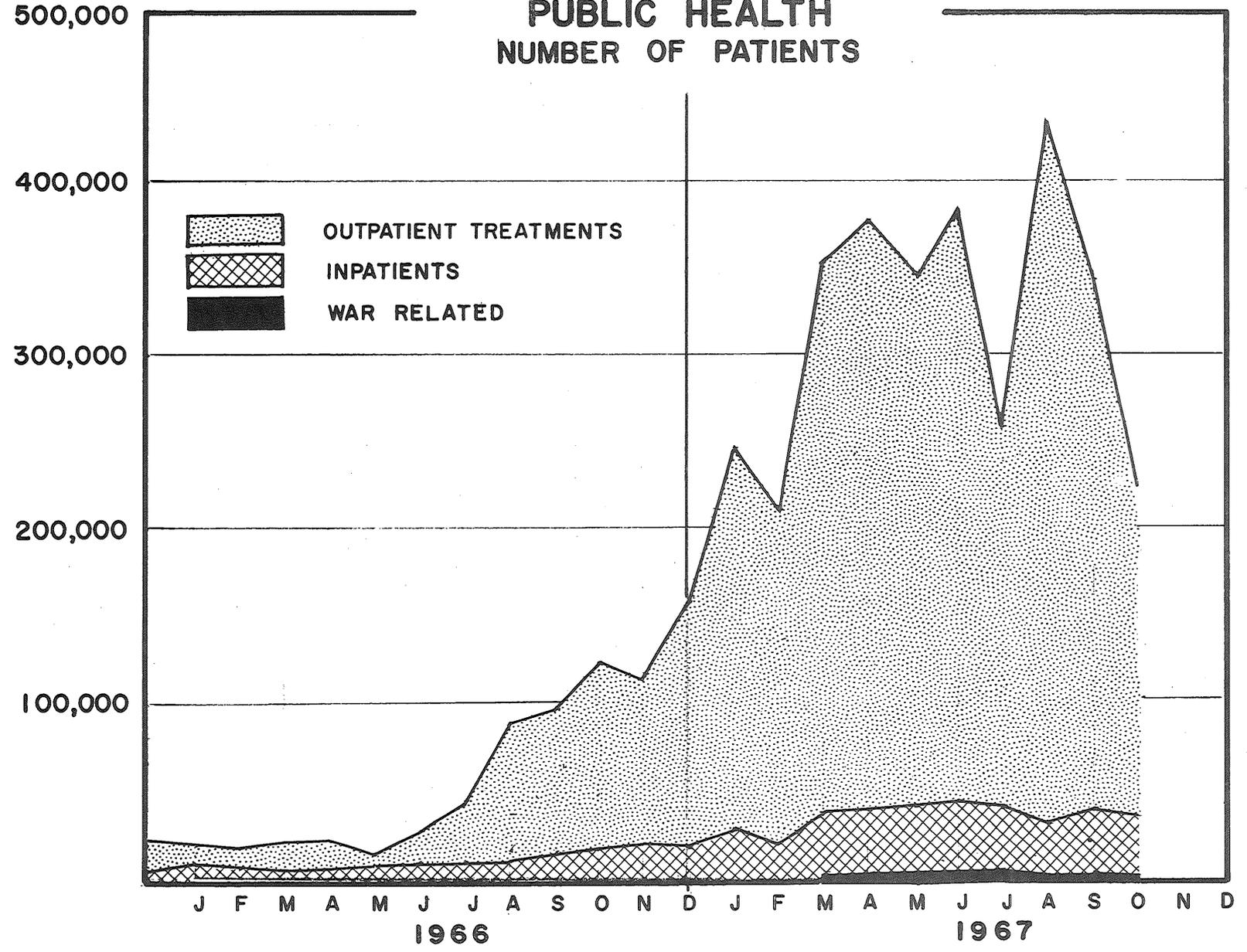
## COMBINED SALES & GRANTS

### IN METRIC TONS



\*ESTIMATED

# PUBLIC HEALTH NUMBER OF PATIENTS



91

Appendix



# INDEX

- Adult Education 37  
Agricultural Development Bank 23  
Agriculture Division 10,19-24,47  
Agriculture Training 37  
Air Traffic Control 68  
Architecture and Urban Planning 66  
Arthur D Little, Co. 13  
Asian Development Bank 45  
Australia 46, 62  
Automatic Data Processing 14, 54
- Cam Ranh Project 54, 63  
Canada 33, 46  
Catholic Relief Services 26, 42  
Central Importer File 14  
Colombo Plan 45  
Commercial Import Program 11-14  
Commercial Import Licensing 12, 15  
Commonwealth Associates Inc. 73  
Commonwealth Services 65  
Cong-Ty Duong Vietnam(sugar Co.)16  
CORDS 2, 72  
Costa Rica 46
- Danang Water 64  
Dental School 31  
Detroit Edison Co. 73, 74  
Development and Resources Corp. 9
- Economics Div. 1-4  
Education Consultants Ltc. 56  
Education, Dental 31  
Education Division 35-39, 66, 67,72  
Educational Services 37  
Elementary Schools 35  
Eiffel Construction Co. 71  
Electrification, Provincial &  
Rural 73  
Electric Power 72  
Engineering Control Advisory  
Detachment 60  
Engineering Division 59-76  
Environmental Sanitation 32
- Farm Credit 23  
Fertilizer 20  
Fisheries, Off Shore 45  
Food For Freedom 25-26  
Free World Assistance 45-46
- Health Assistance 29  
Highways 69  
Hospital Construction 30  
Hydrological Investigation Unit 59  
Hydrotechnique Corp. 64, 65
- Industrial Development Center 15  
Industry Division 15-16  
Inflation 1, 7-9, 11  
Inland Waterways 69  
International Telephone and  
Telegraph Corp. 74  
Instructional Materials Center 38  
IR-5 Rice 20  
IR-8 Rice 20  
IVS 38
- Japan 46  
Joint/U.S.-Vietnamese Post-war  
Planning Group 8, 9
- Labor Division 55-56  
Lilienthal, David E 8  
Local Development 54  
Loc, Prime Minister Nguyen-van-  
Loc 8  
Logistics Division 68, 77-79  
Lyon Associates 74
- Maintenance 61, 79  
Malaysia 46  
Manpower Development 55  
Maternity Infirmaries, Dispensa-  
ries 31  
Mekong Committee 45
- National Bank of Vietnam 9

National Institute of Administration 49-51  
 National Institute of Statistics 50, 53  
  
 Page Communications Engineers 74  
 Parsons, Ralph M Co. 60, 61  
 Pesticide 23  
 Ports 69  
 Port of Saigon 13, 77  
 Post-War Planning Group 8, 45, 50  
 Prices 7  
 Prime Minister's Central Committee on Administrative Improvement 49  
 Procurement 77  
 Provincial Water Projects 61  
 Public Administration Division 49-54, 68  
 Public Health Division 29-33  
 Public Safety Division 66, 68, 72  
  
 Railways 69  
 Rice 20, 25  
 Rural Electric Cooperatives 74  
 Rural Water Projects 60  
  
 Saigon Impact Program 42  
 Saigon Metropolitan Development 17, 43, 44  
 Saigon Power 72  
 Saigon Water and Sewage 63  
 Social Development Division 41-42  
 Supply 78  
 Surface Water Unit 60  
  
 Tax Administration 52  
 Tax Revenues 6, 8, 52  
 Telecommunications 74  
 Thieu, President Nguyen-van-Thieu 9  
 Thuc, Prof. Vu-Quoc-Thuc 9  
 Trade Unions 55, 56  
 Transportation 75, 77  
 Tugs and Barges Project 45  
  
 United Nations 45  
 University Education 39  
  
 Veterans 51, 52  
 Veterinary Service 23  
 Vietnam Development Bank 15  
 Vietnam Tenant Farmers Federation 56  
 Vocational Education 36  
  
 West Germany 46  
 Water Resources 60  
 Well Drilling Unit 61  
  
 Youth Affairs 42





This report was prepared under the direction of the Director by the Reports and Analysis Center, Data and Graphics Center, USAID Management Information Division, from information supplied by each USAID division.

