

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROGRAM AND PROJECT DATA

PRESENTATION TO THE CONGRESS – FY 1970

VIETNAM

FOREWORD

The Regional volumes provide additional program and project data relating to the FY 1970 Congressional Presentation of the Agency for International Development.

Country Data--The following narratives and tables have been included for each country as applicable:

NARRATIVE AND FISCAL SUMMARY OF COUNTRY PROGRAM--Narrative to provide a framework for the current and proposed A.I.D. program in the country; Program Summary table by funding category for FYs 1968-1970.

Table II --SUMMARY OF PROGRAM BY FUNCTION--project and program assistance for FYs 1968-1970, by major cost component and method of financing; related personnel and participant data. This table is prepared for selected countries.

Table III--PROJECT DATA--Status of individual projects: for each project for which FY 1970 obligations are proposed. This table is prepared for selected countries.

Table IV --PROJECT DATA SUMMARY

For countries other than those designated as selected, used to list:

(a) projects with 6/30/68 unliquidated obligations:

(b) new projects started or planned to be started in FY 1969 with estimated unliquidated balances on 6/30/69; or

(c) projects requiring FY 1970 funding.

For selected countries, used to list:

(a) projects for which Table IIIs are not prepared, but which have 6/30/68 unliquidated obligations; or

(b) projects started or planned to be started in FY 1969 for which no Table IIIs are prepared, but which will have an estimated unliquidated balance on 6/30/69.

Table IVa--DESCRIPTION OF NEW FY 1970 PROJECTS--This table is used to provide a brief description of projects footnoted on Table IV as new in FY 1970.

Table V --STATUS OF DEVELOPMENT LOANS--loan status of individual, authorized Development Loans and Alliance for Progress Loans which had not been fully disbursed as of December 31, 1968; descriptive narrative focusing on implementations, with specific emphasis on measurements of progress related thereto. This table is prepared for selected countries.

Table VI --STATUS OF DEVELOPMENT LOANS SUMMARY--This table is used for countries other than selected countries to summarize for each country the fiscal data on individual Development Loans and Alliance for Progress Loans which had not been fully disbursed as of 12/31/68.

Regional Data--The following two tables provide data at the regional level:

a. Table II--Summary of Program by Function

b. Summary of Status of Development Loans

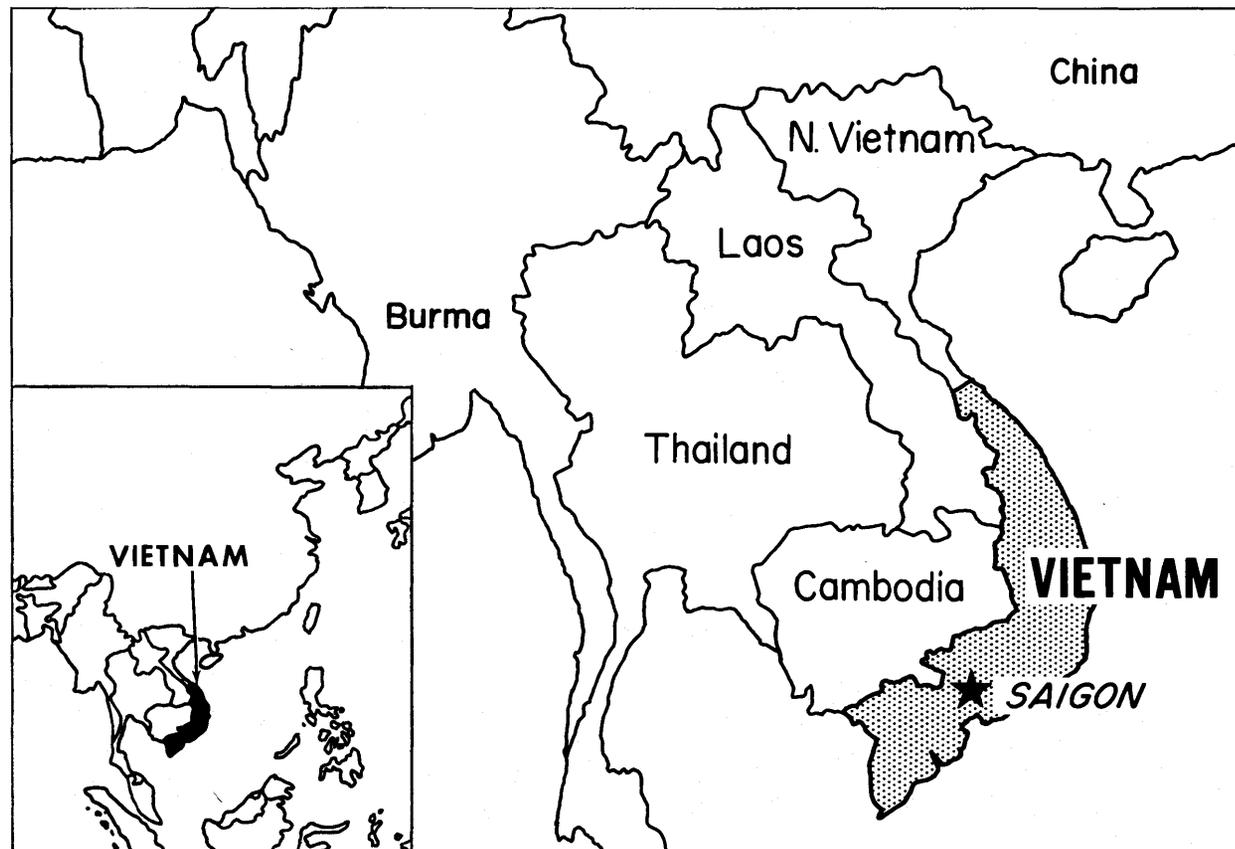
World-Wide Data--A separate volume with the sub-title "World-Wide Summaries and Program Support Activities" contains a world-wide section in which entries on the Regional Summaries are summarized on a world-wide basis. This volume also contains other world-wide data, program support and interregional activities information, and the Section 634(d) report for FY 1969.

VIETNAM

TABLE OF CONTENTS

	<u>Page No.</u>		<u>Page No.</u>
VIETNAM:			
Summary of Country Program.....	1-12	URBAN RECONSTRUCTION and DEVELOPMENT:	
Summary of Program by Function.....	13-14	Project Data.....	75-78
Summary of Status of Development Loans..	15		
		OTHER:	
AGRICULTURE:		Project Data.....	79-83
Project Data.....	17-25		
		TECHNICAL SUPPORT:	
EDUCATION:		Project Data.....	85-86
Project Data.....	27-35		
		REVOLUTIONARY DEVELOPMENT:	
INDUSTRY/LABOR:		Project Data.....	87-90
Project Data.....	37-40		
		REFUGEES/SOCIAL WELFARE:	
LOGISTICS:		Project Data.....	91-92
Project Data.....	41-48		
		PUBLIC SAFETY:	
PUBLIC ADMINISTRATION:		Project Data.....	93-96
Project Data.....	49-56		
		MISCELLANEOUS	
PUBLIC HEALTH:		Project Data.....	97-98
Project Data.....	57-66		
		DEVELOPMENT LOANS:	
PUBLIC WORKS:		Loan Data.....	99-100
Project Data.....	67-74		
		POST-HOSTILITIES:	
		Project Data.....	101-102

Vietnam



BASIC DATA

Population (<i>millions – mid-1968</i>).....	17.4
Annual Growth Rate (<i>percent</i>).....	2.6
Area (<i>1000 square miles</i>).....	66
Population Density Per Square Mile.....	260
Agricultural Land as % of Total Area	33
% of Civilian Labor Force in Agriculture	60-70

Per Capita GNP (<i>dollars</i>).....	175*
Life Expectancy (<i>years</i>).....	35
People Per Doctor	10,700
Literacy Rate (<i>percent</i>)	60
Students as % of 5-19 Age Group	50
<i>(Primary and Secondary)</i>	

* 1967 in 1967 prices

VIETNAM

PROGRAM SUMMARY (In millions of dollars)				
	FY 1967 Actual	FY 1968 Actual	FY 1969 Estimated	FY 1970 Proposed
Supporting Assistance ^{1/} . . .	495	400	329	440
Commercial Import Program	200	160	130 ^{2/}	240
Project Program	285	224	175	175
Administrative Costs	5	6	7	6.5
Program Support, AID/W	5	8	8	8
Non-Regional Funds	-	2	9	10.5

^{1/} Excludes DOD reimbursable costs of \$43.2 million in FY 1967 and \$34.6 million in FY 1968.

^{2/} Figures are on an obligation basis. Amount shown for the CIP for FY 1969 does not include some \$90 million of funds obligated in FY 1968 but available for licensing of imports during FY 1969. (See table page 3.)

U.S. AID OBJECTIVES

Within the context of overall U.S. objectives in Vietnam, A.I.D.'s goals are: (1) to prevent run-away inflation and severe economic dislocations; (2) to ease the suffering of civilians displaced or injured by the war; (3) to assist the Government of South Vietnam to expand its protection and influence over more of the population -- especially in the rural areas; and (4) to help South Vietnam develop greater national cohesion.

Because of the wartime conditions existing in Vietnam, these goals differ substantially from those that A.I.D. normally establishes in other developing countries.

(1) For example, the inflation we are trying to keep under control, although not unique to Vietnam, is a direct outgrowth of wartime expenditures and shortages. A.I.D.'s aim is to help keep the import pipeline full in order to meet increasingly heavy demands for both consumption and production goods and, on the other hand, to assist the Government in dampening demand through increased collection of taxes, duties, etc.

(2) Helping the civilian victims of the war consists largely of seeing that those who are made homeless are cared for and eventually helped to resettle, and that adequate medical facilities are established to administer to those civilians who have been injured in the course of the war.

(3) In connection with helping the Government of South Vietnam extend its influence and protection, A.I.D. assistance is centered on a program commonly known as "Pacification" but perhaps more accurately described as Rural Security and Development. A.I.D.'s role is mainly concerned with the developmental aspect of rural communities after security has been established. We encourage and assist self-help efforts aimed at political, economic and social advancement.

(4) Finally, our goal of seeking greater national cohesion is aimed at strengthening an elected central government in terms of permitting it to deal more effectively with the problems of the people in both urban and rural areas. This includes matters of health, education, public utilities, agriculture and industrial progress and, most importantly, administrative and political decentralization aimed at strengthening provincial and village governing bodies and improving their relationship with the central government.

These goals will be modified and, in some cases, replaced with the advent of peace. Those programs more directly related to the war can probably be eliminated while others dealing with recovery and development may need to be expanded. At this time it is not possible to foresee when this will come about. However, in the discussion of the FY 1970 program below we have attempted, under each major objective, to explore the implications for our program of a situation in which hostilities have ceased.

PROGRESS AND PROBLEMS

As the year 1968 began, there were many reasons for cautious optimism. Inflation was being curbed, ports were operating efficiently, and the pacification program was reaching a larger segment of the rural population. Local and national elections had been held. Domestic output was on the rise with a discernible increase in farm incomes. A large percentage of children were in school, and civilian casualties of the war were receiving better care.

The Tet Offensive. At the end of January, the Tet offensive dealt a severe setback to many of these achievements. The effect on the economy was immediate. Industrial damage exceeded \$50 million, lines of communication were severed, and commerce between town and country was disrupted. Prices soared.

Both the real and the psychological impacts on the urban population were devastating. Nearly one million urban dwellers fled the fighting, and about half of these had their homes destroyed. Thousands were jobless. Children were kept from classes as school buildings

VIETNAM

were turned into temporary shelters. Hospitals were filled to capacity. But the Viet Cong and their North Vietnamese allies failed to achieve their main objective -- a collapse of central government authority.

During this period, many of A.I.D.'s programs had to be curtailed as resources were concentrated on the emergency. Special committees were established to help assure the provision of food, temporary shelter and medical care for the civilian victims of the attacks.

Post-Tet Reconstruction. By mid-summer of 1968 much of the damage had been repaired. Those made homeless had been housed, many in structures built by the people themselves with the help of A.I.D. contributions of cement and roofing, and the Vietnamese Government's contributions of cash. The principal land and water arteries were reopened, major power systems were put back in operation and pacification teams moved back into the rural areas.

The price index dropped from a high of 443 in February to 412 by December. The rebuilding of factories got under way, encouraged primarily by a \$10 million A.I.D. grant earmarked exclusively for capital equipment and industrial raw materials and a roughly matching loan in local currency by the Government of Vietnam.

The new "miracle" rice program was begun on over 100,000 acres in 1968. This program resulted in yields more than double and, in some exceptional cases, quadruple the previous national average. Improvements in the production and distribution of animal vaccines, the distribution of feed and the import of hundreds of thousands of baby chicks got the accelerated protein production program off to a good start.

Current Problems. Despite undeniable progress, many serious problems remain. With public spending on the rise and employment at a high level, it will be difficult to plan and carry out fiscal and monetary restraints sufficient to keep prices from rising inordinately (over 25-30% annually). Despite recent gains, the Government of Vietnam still faces many obstacles in its effort to expand its influence in rural areas, develop local political support and organize self-defense efforts for the purpose of uprooting and rolling back the Viet Cong. More than one million refugees must eventually find the means of reestablishing themselves in a more or less permanent, economically productive situation.

In response to the increasing demands of the Vietnamese military more and more skilled men are being drafted, leaving large segments

of the civilian economy and the Government with a manpower deficit. Further, the Government has announced it will undertake an extensive land reform program in the face of shortages of administrative talent.

FY 1970 PROGRAM

BY PROGRAM GOAL
(In millions of dollars)

Program Goals	FY 1968 Actual	FY 1969 Estimated	FY 1970 Proposed
Economic Stabilization ^{1/}	165.7	133.8 ^{2/}	243.1
War Support & Relief ^{3/}	50.0	31.5	30.9
Pacification	57.5	47.0	49.0
National Development	73.5	63.4	68.1
Technical Support	37.5	29.3	23.9
Program Totals	384.2	305.0 ^{2/}	415.0
Administrative Expenses	6.3	7.0	6.5
Program Support AID/W	7.7	8.0	8.0
Non-Regional Funds	2.1	9.0	10.5
TOTAL A.I.D. ASSISTANCE	400.3	329.0 ^{2/}	440.0

^{1/} Includes Commercial Import Program (CIP) but excludes P.L. 480 Title I.

^{2/} Excludes approximately \$90 million obligated in FY 1968 but available for licensing in FY 1969.

^{3/} Excludes P.L. 480 Title II.

Assumptions

Before discussing the FY 1970 program in detail, it should be pointed out that A.I.D. is not proposing a level of assistance for FY 1970 based on assumptions of how and when the war will end. Such events will obviously affect the nature of the program, but the future is still too uncertain. Whether the war ends suddenly or over a protracted period; whether the end of hostilities results in an uneasy truce or a clear cut settlement; what the character of the potential settlement accompanying the end of hostilities will be -- all these will have significant implications for future A.I.D. programs in Vietnam.

For the present we must assume continued military activity with its injurious effects on parts of the civilian population, continued inflationary pressures and an even greater need for

VIETNAM

effective political competition by the Government of South Vietnam with the communists. In preparation for a possible reduction in hostilities, however, we must place increased emphasis on planning for the development of Vietnam under conditions of peace.

Program Levels

The amount requested for Vietnam for FY 1970 (\$440 million) is less than that requested for FY 1969 (\$480 million), but more than the amount available for Vietnam from reduced FY 1969 appropriations (\$329 million).

The Commercial Import Program (CIP). A.I.D. has been able to carry out its program in Vietnam in FY 1969 with this reduced amount largely because of funds available from FY 1968. Funds were obligated in FY 1968 but remained unutilized until FY 1969 because of a drastic drop in commercial import activity during FY 1968 as a result of the Tet offensive.

Our best estimate is that we will utilize the entire \$90 million of these FY 1968 funds to cover CIP licensing requirements in FY 1969. The total request of \$440 million for FY 1970 should be compared, therefore, to a figure of about \$420 million in FY 1969. The following table and explanation should help to clarify the situation regarding the funds available and utilized under the CIP.

CIP - Licensing and Obligations
(In millions of dollars)

	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>
Net Carry-In (Obligated but unlicensed pipeline)	20 ^{1/}	90	0
Current FY Obligations	<u>160</u>	<u>130</u>	<u>240</u>
Total Available for Licensing	180	220	240
Actual Licensing	<u>90</u>	<u>220(est.)</u>	<u>240(est.)</u>
Carry Out (Available for licensing in next FY)	90	0 (est.)	0 (est.)

^{1/} Actual carry-in \$64 million. Subsequently deobligated \$44 million.

Funds are obligated for the CIP on the basis of anticipated licensing requirements. In FY 1968 A.I.D. had \$180 million available for licensing--\$160 million of FY 1968 funds plus \$20 million obligated in prior years. Actual licensing, however, was only \$90 million as importers reacted sharply to the destruction and loss of confidence following Tet. The remaining \$90 million not needed in FY 1968 was thus available for import licensing in FY 1969. In addition, \$130 million of FY 1969 funds were obligated for the CIP, for a total availability of \$220 million. Latest estimates indicate that total licensing under the CIP in FY 1969 will equal the amount available--\$220 million--leaving nothing to be carried into FY 1970.

In FY 1968 the amount carried into FY 1969, \$90 million, was very much larger than anticipated because of the drop-off in licensing after Tet. These funds were not deobligated because we felt that once security had been established, confidence regained and import stocks largely drawn down, then licensing would rebound at even higher levels than in the past. This is precisely what happened, CIP licensing will jump from \$90 million in FY 1968 to an estimated \$220 million in FY 1969.

The practice of obligating a small percentage of our CIP funds in one fiscal year for use during the next fiscal year has been required in Vietnam because under wartime conditions where economic confidence and expectations can change rapidly and extensively, it is not possible to foretell with precision what import demands will be. It was necessary, therefore, to have a ready reserve which would be programmed on short notice to respond to exceptional spurts in import licensing. In FY 1969, however, requests for import licenses rose rapidly with the maintenance of security and increased business confidence. Latest estimates indicate that the entire amount available for licensing (\$220 million) will be required, with no carry-out into FY 1970. At this time, our best estimate is that the amount requested for FY 1970 (\$240 million) will also be fully utilized within the fiscal year.

The Project Program. No increase is proposed for the project program despite the need to provide funds to accommodate the land reform program. Because of the high priority we place on land reform we have chosen to defer certain projects which have a lesser priority at this time.

Administration Of The Program

For two of A.I.D.'s four goals in Vietnam -- National Development and Economic Stabilization -- A.I.D. has primary management

VIETNAM

responsibility. For the remaining two -- Pacification and War Support and Relief -- the major programs are under the direction of Civil Operations and Revolutionary Development Support (CORDS) under the Military Assistance Command, Vietnam (MACV). CORDS has responsibility for planning and directing all U.S. efforts in the Pacification, Refugee, Defector and Public Safety programs, all of which require an integrated military-civilian effort. All A.I.D.-funded activities, including those directed by CORDS, have been jointly reviewed by CORDS and A.I.D.

Reimbursements from the Department of Defense (DOD)

A.I.D. will continue to participate in certain activities directly related to the military effort. For these A.I.D. will be reimbursed by DOD. Some of these reimbursable projects such as national highways and railroad rehabilitation are planned and administered by DOD with A.I.D. assisting in implementation. Others, such as police radio network at the village level, a defector program, and air traffic control, are planned and implemented by A.I.D. and CORDS. DOD presently conducts numerous other activities of a civilian nature which it presumably will not continue after the cessation of hostilities. Some of these DOD activities may have to be continued into the post-hostilities period with the costs shifted to A.I.D. and the Government of Vietnam.

The Four Major Program Goals

Before describing the program under the four goals it should be noted that certain projects contribute to more than one goal. For example, a project to develop sources of potable water in rural areas contributes not only to War Support and Relief (as when water is made available to refugee camps) but also to National Development (as when new water sources are found for district towns and villages). A logistics project to construct warehouses so that project commodities are effectively distributed, contributes to all four goals. Funds for projects which contribute to more than one goal have been divided among the relevant goals.

1. Economic Stabilization

A.I.D. RESOURCES FOR ECONOMIC STABILIZATION

	<u>FY 1969</u> <u>(\$000)</u>	<u>FY 1970</u> <u>(\$000)</u>
CIP	130,000 ^{1/}	240,000 ^{1/}
Public Administration	1,077	957
Logistics	1,379	912
Manpower Organization	1,314	1,263
A.I.D. TOTAL	133,770	243,132
P.L. 480 Title I	110,000	135,000
TOTAL	<u>243,770</u>	<u>378,132</u>

^{1/} Figures are on an obligations basis. However, to make the programs for the two fiscal years comparable, the actual amount of import licensing expected under the CIP in each fiscal year must be shown. In order to arrive at the amount of licensing, the obligations are adjusted by the difference between the amount carried in from the previous fiscal year and the amount carried out into the next fiscal year (see table page 3). The result is an increase of \$90 million in FY 1969. Actual licensing expected, therefore, is --

For FY 1969	For FY 1970
<u>\$220 million</u>	<u>\$240 million</u>

The Problem. One of the major problems confronting the economy of Vietnam is the increasing pressure on the prices of goods and services. Heavy war-related expenditures have swollen incomes in a situation of virtually full employment where local income-creating opportunities have been vastly expanded. To the maximum possible extent, the pressure of incomes on prices and wages must be

VIETNAM

contained, primarily through taxation. At the same time, an adequate supply of consumer and producer goods must be assured. It is important that inflation be contained in order to reduce political pressures on the central government, keep down the cost of the war and preserve the ability of the economy to compete in the markets of the world after hostilities end.

The problem is aggravated by the fact that the war has largely choked off Vietnam's ability to earn foreign exchange through its traditional exports of rice and rubber and through its absorption of the manpower needed for increases in domestic production. At the same time personal incomes have been increasing, with much of the increased demand satisfied only by imports.

Imports have been climbing steadily over the past six years with the exception of 1968 when the entire market mechanism was shaken as a result of the Tet offensive. Imports, which were \$307 million in 1963, had more than doubled by 1967. In the twelve-month period from July 1, 1968 to June 30, 1969 imports may exceed \$800 million. This total is expected to remain at least as high in FY 1970.

Approximately 45% of the foreign exchange required to meet this import bill will come from U.S. forces' purchase of Vietnamese goods and services. About 10% will come from Vietnamese earnings and reserves, while the remaining 45% will be filled by A.I.D.'s Commercial Import Program and P.L. 480 Title I sales.

The Objective and Progress to Date. A.I.D.'s principal objective is to keep inflation within bounds. During 1968 retail prices rose by 32%. This is considered "within bounds" in terms of political consequences. (By comparison, prices rose about 300-400% annually in Korea during the war years.) The objective is to hold price increases in 1969 to about their 1968 level. This would be a considerable achievement in the face of the very large increase in the money supply in 1968 (about 50%), and the continuing rise in the Government of Vietnam's military expenditures.

There are encouraging signs of progress in the tax and customs field. Direct tax collections rose by 40% in 1968 despite the disruptive effects of the Tet offensive. In the first three months of 1969 tax receipts were more than double those of the same period in 1968.

The Program. The import program remains A.I.D.'s major anti-inflationary tool. The aims of A.I.D.'s Commercial Import Program are to guard against shortages, commodity speculation and price

spiraling by insuring the availability of ample consumer goods and basic economic commodities; to provide raw materials and machinery for domestic industry; and through the sale of these commodities, to generate piasters for the military and civilian budgets.

The basis for the calculation of the CIP is the estimated deficit in the Vietnamese balance of payments. The most difficult part of the calculation -- due to the lack of historical data needed to relate increases in incomes to increase in import levels -- is arriving at a useful estimate of import demand. Some correlation exists between changes in public spending and import demand, but it is far from perfect. The estimate of \$800 million for FY 1970 is based, therefore, on the less than perfect historical relationship between public spending and import demand, and in part on the present trend of import licensing. It is hoped that total imports will not greatly exceed this level and that the Government will enforce tax measures necessary to contain further demand for goods and services.

P.L. 480 Title I sales play a role similar to that of the CIP in the economic stabilization program. Commodities imported under Title I are paid for in local currency, generating funds for U.S. uses and the Vietnamese Government's military budget. Commodities furnished under Title I include rice, wheat, flour, corn, cotton, tobacco, sweetened condensed milk and other dairy products. Of an estimated total of \$110 million of Title I sales in FY 1969, about \$60 million will be for rice (approximately 325,000 tons).

Rice imports, however, have been exceptionally low in FY 1969 because of large stocks available from the FY 1968 program. By June 1969 stocks will have been reduced to almost one-half the June 1968 level. In FY 1970, therefore, rice imports will have to be increased over the FY 1969 level because of the change in the stock position and to counter some drought damage to the 1968 crop. The total program for FY 1970 will be about \$135 million, including about \$85 million for rice (about 475,000 tons).

In addition to the CIP and P.L. 480, A.I.D. is continuing technical assistance activities in public administration (taxes, customs, budgeting and statistics), manpower and logistics. These projects primarily provide advisors to appropriate Government ministries in an effort to help effect the best allocation of resources during this critical period. We will continue to provide expert advice to the Ministry of Finance in matters of tax performance, budgeting procedures and the gathering of statistical data. Labor experts will begin a survey of skills and the organization of employment services. Logistics specialists will continue to help Vietnamese

VIETNAM

develop an effective storage and distribution system and help Vietnamese take over increasing authority for the management of major ports.

In sum, A.I.D. provides funds under the CIP and commodities under P.L. 480 to fill the gap between the country's foreign exchange resources and the anticipated demand for imports. The relatively high level of imports is required in order to keep domestic production rolling, maintain the Vietnamese war effort and relieve pressure on the prices of consumer goods. In addition, technical assistance projects will help to insure continued progress in tax collections, statistics and logistics management.

Post-War Implications. It is uncertain just what the size and character of the CIP will be when hostilities end or American forces are reduced. First, import demand is likely to be affected by the kind of settlement (i.e., whether it sustains business and consumer confidence), and by whether South Vietnam feels it necessary to maintain a large military force. Second, foreign exchange earnings will depend on the presence of U.S. troops and on how rapidly exports can be revived. Together these factors will determine the foreign exchange deficit and hence the need for CIP assistance. Over the longer run, the key determinants in the foreign exchange gap will be the more conventional ones, including the Government's ability to maintain a high level of employment and foster rapid domestic growth.

By 1971 the new rice program should reach a stage where imports of rice become unnecessary. This would mean that while other P.L. 480 commodities would still be needed, the present Title I program could be substantially reduced. Finally, a continuing need for technical assistance in fiscal matters is anticipated.

2. War Support and Relief

A.I.D. RESOURCES FOR WAR SUPPORT AND RELIEF

	FY 1969 (\$000)	FY 1970 (\$000)
Refugees and Social Welfare	16,400	13,510
Public Health	11,902	14,232
Logistics	2,688	2,736
Public Works	495	425
A.I.D. TOTAL	31,485	30,903
P.L. 480 Title II	38,800	39,400
TOTAL	<u>70,285</u>	<u>70,303</u>

The Problem. The problem is how to help in the most effective way those civilians who have been wounded or maimed as a result of the fighting or who have had to leave their homes and villages and seek refuge in temporary camps and settlements. A.I.D.'s efforts are fused with those of the military in a combined attempt to alleviate the pain and disruptions sustained by the civilian population of Vietnam.

The Objectives. Under the refugee program our aim is to see that the approximately 1,325,000 refugees in 910 temporary camps, resettlement hamlets and other scattered locations are sheltered, clothed, fed and assisted to become self-supporting. We must also be prepared to assist new refugees in FY 1970 should the need arise, and help plan for the resettlement of at least 300,000 refugees in both FY 1969 and FY 1970. For civilian war casualties, our aim is to assure effective care of all who seek treatment at government facilities.

Progress to Date. These basic problems -- except for refugee resettlement -- have largely been met. More and more refugees are being trained and are finding jobs, while those still in camps are being provided with shelter, clothes and food. A system for distributing essential commodities is in operation, and in-country stocks are kept at levels sufficient to take care of new refugees when they arrive. The Ministry of Health, Social Welfare, and Relief has developed into a capable organization as demonstrated by the effective manner in which it handled the over one million urban dwellers dislocated during the Tet offensive.

By the end of 1968 virtually all these people had reestablished themselves. Despite the disruption of Tet and the greatly increased load it placed on the welfare agencies of the Government, nearly 325,000 pre-Tet refugees were resettled or returned home during 1968. Thousands of refugees were trained in a wide variety of skills, while nearly every refugee camp engaged in at least one self-help project.

Progress in providing hospital care for civilian casualties was also significant over the past year despite Tet. Hospital facilities have been constructed and renovated so that any and all who can be transported can be cared for. These facilities although lacking in modern conveniences are adequately if sparsely staffed and are reasonably well equipped and supplied.

Nearly 80,000 casualties were cared for in Ministry of Health hospitals, as compared to slightly over 45,000 during 1967. The construction of six hospitals was completed, over 20 dispensaries in Saigon were renovated, U.S. and Free World medical teams expanded

VIETNAM

their support to all 44 provinces and a 32-bed plastic surgery center for children was opened with convalescent facilities also operational.

Perhaps the most important forward step is the recent agreement between the Ministries of Health and Defense to undertake joint operation of hospitals in 29 provinces, thus greatly increasing the Vietnamese capability to treat civilian casualties, and other civilians in need of treatment. The A.I.D.-sponsored nationwide survey of hospitals, recently completed, is being used as a basis for planning the expansion of hospitals for joint use.

The Program. The principal projects designed to alleviate the problems noted above are in public health and in refugee and social welfare. Also included in the program for the first time are portions of four continuing logistics projects which help to procure, store and distribute the commodities needed by the health and refugee projects, plus a portion of a public works project aimed at providing water for refugee camps.

Funds requested for this program have decreased by \$19 million since FY 1968, when activities under this program cost about \$49 million. The \$30 million requested for FY 1970, exclusive of foodstuffs granted under P.L. 480, Title II, reflects the fact that major A.I.D. expenditures to construct hospitals, refugee camps and provide equipment have been completed. Also the Government of Vietnam is now able to shoulder more of the burden.

The increase in funds for public health in FY 1970 over FY 1969 reflects the necessity to refinance contracts with four U.S. volunteer agencies. These contracts were originally financed in FY 1968 for two years. Specifically, the project in public health will provide nearly 450 U.S. and other Free World doctors, nurses and technical personnel who will continue to reinforce and advise the Vietnamese staffs of the provincial health services. The project also provides for selected architectural and engineering surveys and minor construction of health facilities in support of the joint civilian-military effort. One part of the health logistics project will provide over \$6 million of medical supplies and equipment. In sum, these projects provide the resources to care for the present level of civilian casualties and any increase that could reasonably be expected.

The refugee program will assist the Ministry of Health Social Welfare and Relief to (1) provide temporary assistance in cash and commodities to new refugees, (2) provide assistance in cash and commodities to refugee families being resettled or returned to their own villages, (3) upgrade 250 temporary camps and reception

centers into resettlement hamlets, and (4) contract with American voluntary agencies to help the Ministry improve the refugee program.

Post-Hostilities Implications. With the advent of peace, civilian war casualties and new refugees would no longer be generated. Public health programs, as they apply to operational tasks in curative medicine, should shrink noticeably, leaving A.I.D. in a strictly advisory role. The level of commodities which A.I.D. supplies could probably also be reduced. Many refugees would return to their homes in rural areas, while others would have nothing to go back to or would want to remain near the larger urban complexes. The resettlement of these people would involve substantial costs. Although some resettlement is now occurring, the coming of peace would probably trigger a general exodus from the temporary camps. The present level of A.I.D. spending on the current refugee program would probably be redirected to a major resettlement program.

3. Pacification

A.I.D. RESOURCES FOR PACIFICATION

	<u>FY 1969</u> <u>(\$000)</u>	<u>FY 1970</u> <u>(\$000)</u>
Revolutionary Development	23,036	25,410
Public Safety	21,537	20,965
Logistics	962	1,505
National Information Service	<u>1,438</u>	<u>1,099</u>
TOTAL	<u>46,973</u>	<u>48,979</u>

The word "Pacification" as used here refers to a specific program undertaken by the MACV Office of Civil Operations and Revolutionary Development Support in conjunction with various Government ministries.

Security from the Viet Cong main forces and North Vietnamese units is provided by the Army of Vietnam (ARVN), by Free World Military Assistance Forces (FWMA) and by U.S. Forces. In militarily secured areas, Revolutionary Development Cadre Teams are placed in specific villages to help the people form self-defense groups, organize local governing bodies and plan self-help projects. The accomplishment of these tasks is often made difficult if not impossible by subversive elements of the Viet Cong. Finding these Viet Cong is the objective of a program known as "Phoenix" conducted by the various units of the Vietnamese National Police assisted by A.I.D.'s Public Safety Program.

VIETNAM

Until recently the Revolutionary Development (RD) program was carried out by 59 member RD Cadre Teams, which entered a hamlet, helped defend it and worked to improve its economic, political and social circumstances. Procedures are being changed in 1969. The original teams are being split into two 30-man teams with Popular or Regional Forces taking over the defense responsibility.

The present emphasis is on the village as the lowest political unit. In keeping with this emphasis the RD team will operate under the authority of the village chief. This will enable elected village officials in cooperation with the central government to develop programs for their villages, thereby bringing the people and the Government together in a productive undertaking.

The Problems. The average Vietnamese village dweller is suspicious and apathetic. The major problem is to gain his confidence and encourage him to cooperate with the Government. The prime requirement is security, which is the concern of the military and paramilitary forces in the area.

Additional problems involve the way in which the Government carries out its responsibilities to the people through its social and economic programs. An overworked government in the midst of fighting a war finds it difficult to demonstrate effectively its concern for people in rural areas by providing them with security plus all the various services -- health, education, credit, land reform, etc. -- that the people desire. The Government needs and is receiving outside assistance.

The Objectives. The primary objective is to extend security to approximately 90% of the population by the end of CY 1969. In order to achieve this, certain secondary objectives must be met first. These involve the provision of personnel, funds and supplies to permit locally initiated self-help projects to be undertaken quickly and effectively.

An important aspect of building local strength is the promotion of local government powers. This can be done by granting local government certain taxing authority, more freedom to plan and execute economic improvement projects, easier access to higher authority and greater responsibility for managing land redistribution.

Progress to Date. Despite the Tet offensive there was significant progress during 1968. The population in relatively secure hamlets reached about 83% in April 1969. There are now more and better trained RD cadres and more self-help projects undertaken than in any previous year. The basic concept and composition of the RD Cadre Teams have been changed to help overcome some of the

operational problems discussed above. The National Police Field Forces and intelligence units are performing more effectively in uncovering the political elements of the Viet Cong. During 1968 over 13,000 Viet Cong agents were captured. Moreover, the National Police have improved their image as a result of their effective operations during the Tet offensive.

The Program. In FY 1970 \$49 million is being requested, divided between the National Police Support program and a series of programs supporting Revolutionary Development. The police program (\$21 million) provides advisors, training and material support to a National Police Force of approximately 94,000 men. This force, in addition to the typical police units, includes marine police, intelligence units, Police Field Forces and other related and associated groups. In addition to routine police work, the police seek out, interrogate and incarcerate members of the Viet Cong infrastructure; carry out an identification program for the civilian population; and help to deny resources to the enemy through the use of checkpoints, inspections and investigations.

The funds requested for the Revolutionary Development program (\$25.4 million) will permit A.I.D. to provide CORDS with approximately 1,000 civilian personnel to advise Vietnamese Government Ministries and to help operate the programs in the field. These personnel are located in Saigon, at the various Corps headquarters and at the province level. They advise the Vietnamese province chief, his technicians and the RD Cadre Teams. They provide assistance in the fields of self-help, logistics, warehousing and transportation. The funds also permit the use of 15 Seabee teams to help in construction projects. In addition, portions of several logistic projects and a project with the National Information Service support this program.

Post-Hostilities Implications. With peace, the pacification program should slowly revert to traditional activities in the Government ministries. With security assured, the rural population could return to its normal economic pursuits with assistance from the Ministries of Agriculture, Public Works, Education, Health, etc. The RD Cadre Teams could be disbanded or assimilated into the staffs of the provincial or village governments. The police force would, of course, still be needed. Planning in this area can only be tentative at this time.

VIETNAM

4. National Development

A.I.D. RESOURCES FOR NATIONAL DEVELOPMENT

	<u>FY 1969</u> <u>(\$000)</u>	<u>FY 1970</u> <u>(\$000)</u>
Agriculture and Land Reform	17,278	35,250
Education	8,346	5,377
Industry	462	676
Logistics	6,009	3,023
Public Administration	2,996	2,637
Public Health	7,502	7,646
Public Works	9,789	8,782
Urban Reconstruction and Development	9,146	3,087
Other <u>1/</u>	<u>1,868</u>	<u>1,583</u>
TOTAL	<u>63,396</u>	<u>68,061</u>

1/ Includes Youth Programs and National Information Service.

The goal is to help the Government of Vietnam operate more efficiently in providing security, in improving economic and social conditions and in providing greater opportunities for popular participation in political life. Our aim is also to see that these tasks are undertaken with special emphasis at the village level.

In the final analysis, only the Vietnamese can achieve the goal of national survival. The United States can only provide a protective umbrella for a time to permit the process to take root. The jobs of improving government services, developing effective law enforcement, combatting corruption, promoting economic and political development, and carrying out a major land reform program can only be accomplished by a strong desire and effort on the part of the leaders of South Vietnam.

National development involves both the undertaking of active government programs of demonstrable benefit to the people and the creation of underlying conditions and situations within which local and private initiative can be released. The linkage of various sectors and interest groups -- government to people, rural to urban, local to central, and group to group -- within a politico-economic system which is viewed by the people as benefiting and supporting them, is "nation-building" in the broadest sense.

The Problems. Aside from the problems associated with security, the Government of Vietnam must overcome economic, political and

administrative obstacles. In general, personal incomes are rising, but some segments of the population -- especially those in rural areas -- have not benefited to the same extent as some of their urban neighbors. There is need, therefore, to improve the lot of the rural population.

Equally important are the problems associated with strengthening key government Ministries so that a variety of services can flow effectively from the center to the provincial and district levels. In addition to managerial effectiveness, this also requires that corrupt practices be eliminated.

At the village level, there are problems connected with strengthening political cohesiveness so that this traditional political unit can obtain a greater voice in the affairs of the nation and gain more opportunities to improve the lot of the village people. Part of this problem is making the rural towns more attractive in order to stem the already heavy flow of people to the major urban complexes.

The Objectives. The objectives are to increase the incomes of farmers, to strengthen village governing councils politically and financially, to expand and improve basic public services, and, in order to do this, to expand and improve the effectiveness of key ministries in the central government. In addition, efforts are being made to achieve a more equitable ownership of land and to encourage individual initiative and free enterprise. This requires assistance to the Government in long range planning with the aim of developing the country's full potential. Particularly important will be the development of natural resources including the great Mekong Delta and the best utilization of human resources such as the hundreds of thousands who have received training in numerous skills as a direct or indirect result of a war economy.

Progress to Date. Despite the war there has been considerable progress in a number of fields. Farmers are beginning to broaden their horizons through the use of "miracle" rice varieties, with over 100,000 acres planted in 1968 and 375,000 to 500,000 acres planned for 1969. Several hundred thousand baby chicks are now being imported each month, and 10 commercial hatcheries have been established. Two large and 50 small feed mills are being installed, and vaccines are being produced locally. Hog production has taken a sharp upturn as has the fish catch.

Politically, the village has taken on renewed significance. More than half of all the villages in the country have held elections. Special teams are now going to these villages and showing the newly-elected councils how they can organize to tap provincial and

VIETNAM

central government resources. In 1968 the Government relinquished its share of land tax receipts and these taxes are now entirely retained by the villages.

Both health and educational facilities are expanding in the rural areas after the temporary set back during Tet. There are more elementary and vocational schools and health facilities reasonably well staffed than ever before. Programs are under way to expand and improve secondary and higher education. Electrical and water systems are being expanded, three rural electric co-ops have been established, provincial ports and roads are being improved and the domestic airline has undertaken a program of development which will enable it eventually to use the many airfields and facilities constructed by the U.S. military during the war.

In the field of government administration, major emphasis is being given to the strengthening of local government through the training of village and hamlet officials as well as central government officials at the province and district levels. A special task force is developing procedures and training materials for village finance officials in order to promote maximum use of the authority recently delegated by the central government to local governments to collect land and property taxes and retain them entirely for village use. Instructors have been trained for the conduct of basic administrative courses on a government-wide basis, and some organizational improvements have been made in the Ministries of Agriculture, Labor and Public Works.

Progress has been impeded by last year's Tet offensive, which disrupted field and local training, and by mobilization, which has resulted in the loss of many skilled workers to the military. However, the Government has demonstrated its awareness of the need for administrative improvement by taking steps toward administrative reform, reestablishing a central Civil Service Directorate, and effecting the establishment of an independent Inspectorate empowered to oversee the work of the legislative, executive and judicial branches.

The need to suppress corruption at all levels is being vigorously pushed by the President and the Prime Minister. Some 40 Military and civilian officials have been disciplined for corruption. Province chiefs, mayors and high ranking police officials have been dismissed, while the National Assembly is continuing to expose corrupt leaders at both the local and central government levels.

The establishment of a Supreme Court in November 1968, to establish the rule of law as set forth in the Constitution of 1967, was a milestone of progress. Three of five legal Codes have been revised

and sent to the President for approval (Criminal, Criminal Procedures, Civil and Commercial Procedure). The Civil Code and the Commercial Code have been drafted, but will require considerable A.I.D. assistance to finalize.

In extending land reform the Government of Vietnam has launched a program designed to redistribute as much as a third of the rice lands to small tenant farmers. In a New Year's Day speech President Thieu stated that he intended to distribute all Government-owned lands plus an additional 2,000,000 acres of rice land which will become available to "tillers of the soil" under a program of voluntary sales, backed by a reduction in the amount of rice land that landlords can hold. A joint American-Vietnamese committee has been established and has already developed a plan for reducing the time required to process ownership applications from one year to about 3 months. This plan is now being tested on government-owned lands. An interim ordinance has been issued which freezes the present tenant-landlord relationship, thereby protecting the tenant from removal or from being charged a higher rent in a period of flux as new areas are brought under government control. Also a series of aerial photographs are being undertaken which will serve to speed up the process of land identification and further accelerate the transfer of titles under the new land reform program.

In long-range planning, Vietnamese and American advisors have completed their first full year of studies. An economic planning report has been presented to President Thieu and President Nixon and is currently being studied by both Governments. It contains comments and suggestions on all aspects of the economy vital to Vietnam's future.

The Program. Nearly \$70 million, or about 40% of the funds for the entire project program (exclusive of the CIP and P.L. 480), are being requested for national development. Obligations in FY 1969 will be about \$30 million less than anticipated last year at this time because of (1) the inability to carry out a proposed expansion in agro-business, (2) the need for fewer funds for urban reconstruction than originally envisaged and (3) the reduction in certain U.S. technical personnel with a shift to the Government of Vietnam of responsibility for funding a significant amount of project commodities.

The total national development program will attempt to make an important impact over the next 18 months to two years on the problems outlined above. The program to improve farm incomes stresses rice and proteins. By the end of CY 1970 present plans call for additional production of 400,000 to 600,000 tons of rice -- nearly

VIETNAM

equal to the present deficit -- and an increase in poultry and hog production averaging about 12% annually. This is expected to raise the incomes of the thousands of farmers participating in the program by 50% to 100%.

Projects in education, public health and public works are intended to provide a variety of services, facilities and utilities highly desired by the people and which the Government considers necessary if both the level of economic activity and the war effort are to be sustained. In education A.I.D. is providing textbooks, advisors and construction material while the Vietnamese Government and the people carry out the actual construction of classrooms. In addition, support is being continued to a large annual scholarship program designed to educate young Vietnamese at American campuses.

Health programs emphasize educating doctors, dentists and nurses, mounting campaigns against contagious diseases and preventable illnesses and providing simple facilities at the district level for patients not requiring hospital confinement. Skilled Vietnamese medical personnel will be urgently needed when foreign medical teams depart. The infirmaries and dispensaries at the district level are increasingly desired by the people as greater security makes it possible to travel.

Through public works, A.I.D. is participating in numerous projects designed to permit the economy and the war effort to continue to function. Power, water, telecommunications and roads which are most vulnerable to attack and sabotage must be kept operable. These projects are costly because A.I.D. is supplying not only advisors but most of the equipment as well. Once installed, these plants will continue to serve Vietnam in peace as well as war.

In FY 1970 there are no plans for any new large capital projects of a public utilities nature, mainly because of the need to hold down expenditures in a time of serious inflationary pressure. The bulk of the public works projects in FY 1970 are designed to maintain the provincial roads and waterways, operate a telecommunications system, continue to provide water and electricity on a small scale to rural areas and help complete the U.S.-backed effort in power and water for Saigon for which the major expenditures were made or committed several years ago.

In the field of public administration, A.I.D. is trying to help the Government improve its methods of operation and strengthen local governments. The funds requested for FY 1970 will permit continued support of an administrative training institution as well as U.S. assistance to help reform the legal and judicial system. In ad-

dition, two projects will assist local governments, primarily at the village level, to take advantage of their newly-won positions and to familiarize them with ways of improving the lives of their constituents.

A high priority has been placed on land reform since it became apparent in early 1969 that the Government of Vietnam plans to move ahead with a new program that ultimately could affect ownership of as much as 2,000,000 acres of riceland. Under the new Voluntary Purchase Program tenants would be encouraged to purchase the land they now farm. The Government will help by instituting a credit program which offers landlords a percentage of the assessed value in cash (piasters) and the remainder in seven-year bonds with maintenance of value guaranteed. The tenant-now-owner would be given 12 years to repay the Government. Further, legislative action to lower land retention limits is expected, and landlords who do not participate in the Voluntary Purchase Program will face less favorable terms in later expropriation actions. A joint American-Vietnamese committee is working on remaining policy issues.

Because the cash payment will be inflationary and place additional demands on imports, A.I.D. has offered to assist the Government in meeting foreign exchange demands by a contribution of \$40 million. The A.I.D. dollars will be disbursed against evidence that the Government is making payments to landlords, and the dollars can only be used for the purchase of U.S. goods and services. Of the total U.S. contribution \$10 million is being diverted from programs of lesser priority in FY 1969 and \$30 million is being requested specifically for this purpose in FY 1970.

A small group of experts will continue to keep in close touch with the Industrial Development Center and private enterprise. One objective is to determine where investment funds can best be placed and what local firms have the greatest capabilities for expansion. The intention is to seek to encourage a program of small industries which can serve the rural economy by either manufacturing items needed by farmers or fabricating items from locally grown raw materials. The willingness of private entrepreneurs to risk their capital is heavily dependent, of course, upon security in the countryside.

Long-range development calls for continuing to contract with private firms and organizations to assist the Government of Vietnam in working out plans for implementation once hostilities have ceased. Certain studies applicable to economic development in a peacetime environment are already being undertaken jointly

VIETNAM

by the Government of Vietnam and A.I.D. In addition, considerable thought is being given to (1) the problems of converting certain military facilities to civilian use, (2) ways in which Vietnamese can be trained to take over many non-military functions presently performed by foreigners and (3) the development of a shelf of projects to absorb some of the pockets of unemployment that will result as foreign troops are withdrawn and wartime spending is reduced.

It has not yet been possible to put a price tag on most post-war plans for reasons discussed above. Should the war end in FY 1970, A.I.D. will have to review its priorities and funding requirements in order to ascertain how the transition to peace and economic development can best be accomplished and funded.

Post-Hostilities Implications. The National Development projects correspond more closely to the normal kind of activities A.I.D.

pursues in developing countries. These projects are designed to produce quantitative and qualitative changes in institutions and in output and as such are seldom fully accomplished in a short period of time.

When the war ends, Vietnam will need outside assistance to keep economic activity at a high level, expand industry and agriculture, develop the Mekong Delta and gradually improve and expand the range of social services to the people. These activities may have to be undertaken at the same time that South Vietnam is forced to maintain a large military establishment. Other friendly nations, both within and outside the region, can be expected to offer assistance, but if the United States wishes to help insure the future of South Vietnam after fighting ceases, it must stand ready to participate with some form of assistance in these national development activities.

SUMMARY OF PROGRAM BY FUNCTION

(Dollar Amounts in Thousands)

TABLE II

Country: VIETNAM

Category	Actual FY 1968				Estimate FY 1969				Proposed FY 1970		
	Total	Tech. Assist.	Supp. Assist.	Conting. Fund	Total	Tech. Assist.	Supp. Assist.	Conting. Fund	Total	Tech. Assist.	Supp. Assist.
Development Loan Program		XXX	XXX	XXX		XXX	XXX	XXX		XXX	XXX
Programs Other than Devel. Loan											
Project Assistance											
U.S. Technicians	87,806		87,806		76,678		76,678		76,849		76,849
TCN Technicians <u>a/</u>	6,886		6,886		7,982		7,982		6,971		6,971
Participants	2,829		2,829		3,530		3,530		4,556		4,556
Commodities	98,681		98,681		49,344		49,344		35,549		35,549
Other Costs	27,921		27,921		37,466		37,466		51,075		51,075
Total Project Assistance <u>b/</u>	224,123		224,123		175,000		175,000		175,000		175,000
Method of Financing											
Project Assistance											
Direct A.I.D.	156,589		156,589		126,859		126,859		132,967		132,967
Other Agency	11,275		11,275		5,310		5,310		4,479		4,479
Contract	56,259		56,259		42,831		42,831		37,554		37,554
Program Assistance	160,100		160,100		130,000		130,000		240,000		240,000
Total Other than Devel. Loan	384,223		384,223		305,000		305,000		415,000		415,000
Total Assistance <u>c/</u>	400,278	XXX	XXX	XXX	329,000	XXX	XXX	XXX	440,000	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1968	Estimate FY 1969	Proposed FY 1970
A.I.D. employed	1,908	1,864	1,864
Participating agency	371	157	157
Contractor technicians	501	563	516
Total	2,780	2,584	2,537

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1968	Estimate FY 1969	Proposed FY 1970
Non-contract	643	884	1,014
Contract	-	-	-
Total	643	884	1,014

SUMMARY OF PROGRAM BY FUNCTION

a/ Third Country National (TCN) Employees are separated out from U.S. Technicians and shown as a separate line item on Table II. The breakdown between TCN Direct Hire and Contract are as follows:

	<u>FY 1968</u> <u>(\$000)</u>	<u>FY 1969</u> <u>(\$000)</u>	<u>FY 1970</u> <u>(\$000)</u>
Direct Hire TCN	1,611	2,313	2,149
Contract TCN	<u>5,275</u>	<u>5,669</u>	<u>4,822</u>
Total	6,886	7,982	6,971

b/ Figures exclude DOD funding.

c/ Difference between these totals and the totals for project and program assistance results from the SA transfers for administrative expenses and domestic program support to cover the costs of the expanded Vietnam program, and funds reserved for non-regional expenses. Amounts are as follows:

	<u>FY 1968</u> <u>(\$000)</u>	<u>FY 1969</u> <u>(\$000)</u>	<u>FY 1970</u> <u>(\$000)</u>
Expanded AID/W Admin. Expenses	6,336	7,000	6,500
Expanded Domestic Program Sup.	7,660	8,000	8,000
Non-Regional Funds	<u>2,059</u>	<u>9,000</u>	<u>10,500</u>
Total	16,055	24,000	25,000

SUMMARY OF STATUS OF DEVELOPMENT LOANS
(In Thousands of Dollars and Equivalent)

COUNTRY	Cumulative Through FY 1968				FY 1969 Through December 31, 1968			
	Authorized	Obligated	Disbursed	Repaid	Authorized	Obligated	Disbursed	Repaid
Vietnam	37,104	37,104	36,611	2,919	(19)	(19)	113	484
Total	37,104	37,104	36,611	2,919	(19)	(19)	113	484

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	Crop Production			ACTIVITY	Agriculture		FUNDS	Supporting Assistance
PROJECT NUMBER	730-11-130-314			PRIOR REFERENCE	P. 29, 30	FY 1969	INITIAL OBLIGATION	FY: 1967
							SCHEDULED FINAL OBLIGATION	FY: Undetermined

Project Target and Course of Action: This project supports the Ministry of Land Reform and Agriculture (MLRA) in implementing a program which should enable Vietnam to achieve self-sufficiency in rice production by the end of the 1971 crop year. In order to reach this goal, the following targets have been established: (a) the planting of up to 200,000 hectares with IR-8 and IR-5 rice seed during the two planting periods in 1969; (b) the importation of approximately 400,000 tons of fertilizer to meet requirements for rice and other crops; (c) the transfer of government owned pesticides and insecticides to the private sector for sale to farmers and the importation of an additional 2,000 to 3,000 tons of pesticides and insecticides through local importers; and (d) the development of a program for improving the handling, storing, and marketing of rice and other crops.

Continuing close working relationships will be maintained with the International Rice Research Institute (IRRI) in the Philippines. As the developer of the IR-8/5 "miracle rice" strains, the Institute will continue to provide training and technical assistance to the GVN rice program. A two-man Agricultural Research Service team, provided under a PASA with the U.S. Department of Agriculture, will also concentrate its effort on MLRA's rice seed development program.

Six A.I.D. agronomists and soils advisors will work on the fertilizer and plant protection aspects of the Rice Production program. In addition, they will help with Extension Service demonstration and training programs

giving special attention to the development of curricula at the GVN's National Rice Production Training Center at Hiep Hoa Island near Saigon.

Participant training will be provided for six GVN technicians in 1969 and an additional ten in 1970. The number of proposed overseas trainees is substantially reduced from the 59 forecast for 1969 last year because of MLRA staff shortages resulting from the general mobilization. The proposed training at IRRI in the Philippines will be of short duration (approximately 5 months).

Progress to Date: 1968 was marked by the successful launching of the accelerated rice production program, in spite of the disruption caused by the Tet offensive. Over 24,000 hectares (59,000 acres) of improved rice varieties (IR-8/5) were planted during the first planting season. By the end of the year, farmers had planted over 40,000 hectares (100,000 acres), meeting the 1968 target. Yields from these new varieties are averaging over 5 tons of paddy per hectare as compared to approximately 2 tons per hectare for local varieties. To develop and implement training programs for MLRA staff, the National Rice Production Training Center was formally inaugurated in the fall of 1968, and has trained 150 technicians to date. Less technical training was also given to over 200 extension workers.

As important as the availability of new seed varieties were the decisions made by the government to help raise the price of rice for the farmer, to selectively purchase rice in hardship areas, and to reduce the subsidy on imported rice.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	U.S. Department of Agriculture
Through 6/30/68	27,373	24,404	2,969		209	442	651	325	348	673	
Estimated FY 69	746	2,957		Technicians	18	-	18	30	-	30	
Estimated through 6/30/69	28,119	27,361	758	Participants ...	77	-	77	139	-	139	
		Future Year Obligations	Estimated Total Cost	Commodities ...	-	-	-	-	-	-	
Proposed FY 70	842	Undetermined		Other Costs ...	304	442	746	494	348	842	
				Total Obligations							

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Crop Production	ACTIVITY Agriculture			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-130-314	PRIOR REFERENCE P. 29, 30	FY 1969	Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: Undetermined
			INITIAL OBLIGATION FY: 1967	

A significant step forward in the rice program was the transfer of the importation and distribution function for fertilizers and insecticides/pesticides to private commercial firms and farm organizations. In CY 1968, about 250,000 tons of fertilizers were distributed in rural areas, representing a 16% increase over 1967. Further, 2,280 tons of improved pesticides (BHC, Sevin and Diazinon) were imported and distributed to farmers growing IR-8/5 rice varieties. This was the first time systemic and preventive type pesticides have been used in Vietnam on a large scale.

The new Minister of Land Reform and Agriculture has recognized the need for adapting his ministerial organization to the needs of an expanded crop production program. The Directorate General of Agriculture has been given operational control of all directorates concerned with production. The Ministry has designated one official to coordinate production efforts in each province.

Determination of the local response of selected rice varieties to fertilizer and insecticides/pesticides is fundamental to the success of any new crop program. To date over 1,000 trials have been run. It is anticipated that a contract will be concluded in FY 1969 with an American firm to do a comprehensive survey of the handling, storage and marketing needs for rice and other grains.

FY 1970 Program: \$842,000 is required in FY 1970 for 8 A.I.D. advisors, 10 PASA technicians from the U.S. Department of Agriculture, and 8 third country national advisors; \$30,000 for 10 participants (Philippines); and \$139,000 for commodities. The commodities are primarily grain drying units, grain testers, sprayers, seed laboratory equipment, and roto-tillers.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS Supporting Assistance
Animal Production	Agriculture			SCHEDULED FINAL OBLIGATION
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	FY: Undetermined	
730-11-130-315	P. 31, 32	FY 1969 Vietnam PDB	FY: 1967	

Project Target and Course of Action: The objective of this project is to assist the GVN to increase the nation's animal protein supply. It is planned that for each of the next three years, poultry production will be increased 15 per cent and swine production, 10 per cent. Emphasis is being placed on poultry production because production techniques are relatively simple, the return on investment is quick and a large segment of the rural population can participate. In a time span of three years it is anticipated that a sufficient number of poultry breeding farms will have been established to permit local producers to meet the total demand for broiler and layer chicks. The swine production program will focus on improved management, better feed, and animal health protection.

The Directorate of Animal Husbandry under the Ministry of Land Reform and Agriculture (MLRA) will be assisted by 12 A.I.D. advisors. They will provide advice in implementing a poultry and swine production program aimed at improving breeding stock, increasing local production of feed and vaccine, improving domestic distribution systems and identifying those GVN regulations and policies currently interfering with marketing and production.

A.I.D. will also provide opportunities for training Vietnamese in the U.S.

This project is a continuation of that presented last year under the same title.

Progress to Date: With the Tet offensive in early 1968, prices for poultry and pork, especially in Saigon, reached an all-time high. A considerable GVN/USAID effort was

launched to reverse this trend. Sixty to seventy thousand day-old chicks, peaking to over 200,000 in the month of November, were imported each week for production of broiler chickens. This significant increase in supply brought the price of poultry to the consumer down in January 1969 by about 30 per cent from the high of October. In order to eliminate the need for chick imports, the GVN is conducting an educational program pointing up the profit potential in raising broiler chickens which has resulted in the establishment of ten commercial hatcheries.

Continued gains in poultry and swine production require an effective animal feed and animal health program. The MLRA has embarked on a pilot program of planting 500 hectares of sorghum as a supplement to imported corn. Two U.S.A.I.D.-financed feed mills will be in operation during 1969. These mills have a grinding capacity of 40 tons per day. In addition, 50 small mills (5 tons per day each) have been imported by the Central Farmers Association. By mid-1969 total monthly feed production capability will reach 12,000 tons as compared to 1,000 in February 1968, and 3,500 tons in November 1968. A nutritionist will help develop new feed formulas maximizing the use of locally grown feed.

Vaccine production has increased from 275,000 doses a month in 1967 to more than 2,000,000 doses per month at the end of 1968. Vaccine production is an important first step in decreasing livestock disease loss which, in swine alone, has been estimated at \$50 million-annually. Mobile vaccination teams, trained in disease control techniques by

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	825	622	203							
Estimated FY 69	1,081	969								
Estimated through 6/30/69	1,906	1,591	315							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 70	668	Undetermined		878	203	1,081	546	122	668	
				Technicians			Participants . . .			
				Commodities . . .			Other Costs . . .			
				Total Obligations						

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	Supporting Assistance
Animal Production	Agriculture		
PROJECT NUMBER 730-11-130-315	PRIOR REFERENCE P. 31, 32 FY 1969 Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

U.S.A.I.D. advisors, responded to a rinderpest outbreak with an intensive 3-week vaccination campaign which is credited with preventing a severe epidemic. Expansion of the mobile team concept will receive primary emphasis. FY 1970 Program: \$524,000 is required in FY 1970 for 12 A.I.D. advisors, 3 PASA veterinarians and 3 TCN administrative personnel; \$18,000 for 2 participants and \$126,000 for commodities. The commodities include medicinal supplies, breeding stock swine and chickens, and feed products exclusive of PL 480.

The GVN will provide in CY 1969 VN\$ 8.5 million (\$72,000) which will be augmented by VN\$ 6.0 million (\$50,000) from counterpart funds for support of this project.

PROJECT TITLE Agricultural Credit and Agricultural Organizations	ACTIVITY Agriculture			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 35, 36 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-140-291				

Project Target and Course of Action: The objective of this project is to strengthen the GVN's Agricultural Development Bank (ADB), and to expand and improve farmers' organizations so that these agencies can help meet the credit and other needs of the rice and protein production programs. It is now estimated that there is a requirement for the ADB to make approximately 50,000 production loans in 1969 and up to 100,000 such loans in 1970. Farmers' organizations are in the process of becoming a major channel for other inputs, such as farmer information and training, fertilizer distribution, small farm equipment, and marketing assistance.

A.I.D. technical assistance to ADB in 1969-70 will concentrate on rationalizing the Bank's capital structure in order to achieve greater flexibility in its operations, and on instituting modern accounting and reporting systems.

With respect to farmers' organizations, technical assistance is being provided to the three principal national organizations: Farmers' Associations, Agricultural and Fisheries cooperatives, and the CVT's (Vietnamese Confederation of Labor) Tenant Farmers Union. Special emphasis will be placed on establishing sound marketing programs in 1970 through the provisions of technical advice in storage and marketing of paddy rice. A.I.D. will also assist these farm organizations to install up to fifty small rice mills. In addition, the project calls for the completion of provincial warehouses in order to improve the handling of fertilizer, pesticides and machinery by these organizations.

Progress to Date: ADB loans under all its agricultural programs increased from VN\$ 1.8 billion in 1967 to VN\$ 4.6 billion (\$40 million U.S. equivalent) in 1968. Collections totalled VN\$ 3.9 billion.

In the past year the ADB loaned and re-loaned funds out of a 500 million piaster Fertilizer Credit Fund to supply credit to farm organizations and private dealers throughout Vietnam. The total of these lending operations was VN\$ 2.1 billion (\$18 million U.S. equivalent) in 1968.

ADB also made over 45,000 small rural improvement and production loans in 1968. A more liberal loan authority has been delegated to branch banks of the ADB thereby shortening the waiting period between the date of a farmer's application and the date of loan approval. A special 250 million piaster accelerated IR-8/5 rice production loan program was launched in 1968. Although the program was not put into operation until late in the rice planting season, most credit-worthy farmers who made application for loans received credit.

An A.I.D.-financed U.S. Farmers Union International contract team evaluated the accounting systems of the Agricultural Development Bank, National Federation of Agricultural Cooperative Associations and the Central Farmers' Association, and made recommendations towards providing uniform bookkeeping and accounting procedures.

Farm organizations made continued progress in marketing fertilizer in the first half of 1968. This was done during a very difficult period when many of their facilities were destroyed or damaged by increased VC activity. During the

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
Through 6/30/68	4,042	1,636	2,406	Technicians	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	U.S. Department of Agriculture Farmers Union International
Estimated FY 69	357	2,122			Participants . . .	97	260	357	76	359	
Estimated through 6/30/69	4,399	3,758	641	Commodities . . .		-	-	-	-	-	-
		Future Year Obligations	Estimated Total Cost		Other Costs . . .	-	-	-	-	-	-
Proposed FY 70	435	Undetermined		Total Obligations		97	260	357	76	359	435

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Agricultural Credit and Agricultural Organizations	ACTIVITY Agriculture			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 35, 36 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-140-291				

first six months of 1968, farm organizations purchased and distributed some 61,000 MT of fertilizers. The Central Farmers Association continued its service of consigning sprayers, irrigation pumps, sewing machines and numerous other items to district farmers associations for sale. Seeds, feeds, pesticides and medicinal products were similarly distributed.

FY 1970 Program: \$255,000 is required for two A.I.D. advisors and five PASA technicians from U.S. Department of Agriculture. Extension of five technicians under contract from Farmers Union International is proposed for 12 months ending in June 1970 (\$180,000). No commodity funding is required.

PROJECT TITLE Land Reform		ACTIVITY Agriculture			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-120-311		PRIOR REFERENCE P. 37, 38	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The objectives of this project are to encourage and assist the GVN in carrying out a large scale land-to-the-tiller program in order to promote the economic well being of the rural populace, enhance the strength of the GVN, and advance agricultural productivity. Present plans involve the transfer, under a Voluntary Purchase Program of as much as 800,000 hectares (2,000,000 acres) from some 16,000 owners to some 400,000 tenant farmers. As a first step President Thieu on New Year's day 1969 announced his intention to distribute approximately 73,000 hectares of government-owned and former French lands to about 40,000 tenants by the end of 1969. He also announced a "freeze" on occupancy of newly pacified lands in order to give the GVN time to sort-out the facts in land tenancy disputes or changes instituted during a period of VC control. He has promised to improve land administration procedures, including a degree of decentralization of authority to the local level and simplified procedures to facilitate land transfers.

The rapid distribution of government-owned lands is important in terms of improving the image of the GVN. A Voluntary Purchase Program, currently in process of being initiated, represents an initial effort to make additional land available to tenants on terms favorable to both the farmer and the landlord. To encourage voluntary sales by landlords now, the President will seek legislation to reduce the permissible ceiling on individual holdings of ricelands. Expropriations would take place about two years after passage of the bill with terms of payment to

the landlords much less favorable than those proposed now for landlords who sell voluntarily.

The GVN under the new Voluntary Purchase Program would provide financing for approximately 800,000 hectares of ricelands. Payment would be in the form of cash for 20% of the value of the land (based on annual rice yields) and the remainder in rice denominated bonds redeemable over a seven-year period. The tenant-purchaser will have twelve years to repay the Government. The cost of the cash down-payment is estimated to be the piaster equivalent of about \$80 million.

A.I.D. has encouraged the GVN to move quickly on land reform and has offered to help offset the inflationary impact of the cost to the government by making available about \$40 million. The first tranche of A.I.D.'s contribution, \$10 million, will be made in FY 1969 from funds available within the present ceiling. The remaining \$30 million is requested in FY 1970.

The dollars would be made available only after appropriate legislative action to reduce the retention level for ricelands. Dollar disbursements would be made to the GVN under Special Letters of Credit available only for purchases in the U.S.

In addition to the dollar grant, A.I.D. will continue to provide advisors who will work with the Government in the formulation of the Voluntary Purchase Program, and the reduction of the ceiling retention level. They will also assist the Government in developing management controls for improving the internal procedures of the Directorate of

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1969		Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/68	1,953	1,821	132						
Estimated FY 69	10,278	294							
Estimated through 6/30/69	12,231	2,115	10,116						
		Future Year Obligations	Estimated Total Cost						
Proposed FY 70	30,227	Undetermined							
Cost Components									
Technicians				181	86	267	217	-	217
Participants . . .				-	-	-	-	-	-
Commodities . . .				11	-	11	10	-	10
Other Costs . . .				10,000	-	10,000	30,000	-	30,000
Total Obligations				10,192	86	10,278	30,227	-	30,227

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
	Agriculture			Supporting Assistance
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
Land Reform	P. 37, 38	FY 1969	Vietnam PDB	FY: 1966
730-11-120-311				FY: Undetermined

Land Reform. Other advisors will work at the national and provincial level on training programs designed to facilitate the distribution of government-owned lands and land transfers under the Voluntary Purchase Program.

This project is a continuation of the "Land Reform" project presented last year.

Progress to Date: Emphasis is being placed on completing the distribution of the remaining 73,000 hectares of government-owned lands by the end of CY 1969.

A pilot project was undertaken in FY 1969 among 55 villages in 6 Delta provinces designed to accelerate distribution of former French lands. Over half the 800 occupants of former French lands in one relatively insecure village filed applications to purchase land. The pilot project included simplified administrative procedures and a training program for village officials to exercise their delegated authority to receive and certify land purchase applications. This project was subsequently extended to 10 other provinces and 156 villages.

The U.S. Army Engineer Agency for Resources Inventory (EARI) PASA has designed a new and relatively sophisticated system for land identification and recording, making use of modern photogrammetry techniques. Detailed study of this proposal is being undertaken by GVN. Since this would require substantial changes to introduce on a nationwide basis it will be set aside until a more suitable time when reconstruction and modernization of the total land record system may be undertaken. In the meantime, aerial

photography by the U.S. Air Force is being adopted as the means for identifying and describing land plots, and to provide temporary records to facilitate land transfers.

The Stanford Research Institute (SRI) research team completed its contract and produced a final report entitled "Land Reform in Viet-Nam," which was made available to GVN in the Fall of 1968. This provided the GVN with much of the information on which the new program was based.

FY 1970 Program: \$30 million is required to support the GVN's new Voluntary Purchase Program. This represents the second and final tranche of our effort to help cushion the inflationary effects of sizable piaster payments to landlords. In addition, \$227,000 is requested for six U.S. technicians, a third-country advisor and a few commodities. Because of the high priority accorded this program and the sizable A.I.D. investment, more technical and managerial skill may be required than presently programmed. If such is the case, A.I.D. will transfer funds from projects of lesser priority.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Agricultural General Support		ACTIVITY Agriculture			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-199-363		PRIOR REFERENCE P. 44	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project provides funding for supervisory and support personnel for the USAID agricultural programs including agricultural advisors to work with GVN field programs and contract employees who support a variety of activities within the program. Sixty-three direct-hire and PASA personnel are provided, including the senior officers of the USAID Office of Agriculture in Saigon, and those agricultural advisors in provinces whose work is not limited to a single project. Additional technical advice is provided under two contracts, one with the Joint Commission on Rural Reconstruction (JCRR) of the Republic of China, and the other with the Republic of Korea. Under these contracts eighty Chinese and thirty-five Korean agricultural specialists work on a number of varying projects and activities, generally at the village and hamlet level in support of basic pacification goals.

FY 1970 Program: Funds are required in FY 1970 for 31 U.S. direct-hire technicians (\$1,285,000), 21 USDA/PASA technicians (\$950,000) and 23 direct-hire third-country national technicians (\$117,000). Contracts for 80 third-country nationals will cost about \$687,000. Seven participants will receive short-term training in agricultural census and statistics and economics in nearby third countries (India and Taiwan) at a cost of \$9,000. Commodities valued at \$30,000 are for vegetable seeds, small tractors, research equipment and tools for use by the contract teams in demonstration.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
Through 6/30/68	5,417	4,019	1,398	Technicians	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	U.S. Department of Agriculture Republic of China Republic of Korea
Estimated FY 69	3,605	3,495			Participants . . .	1,351	2,225	3,576	1,402	1,637	
Estimated through 6/30/69	9,022	7,514	1,508	Commodities . . .		-	-	-	9	-	
					Other Costs . . .	4	25	29	5	25	
				Total Obligations		-	-	-	-	-	
Proposed FY 70	3,078	Undetermined				1,355	2,250	3,605	1,416	1,662	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Hamlet and Elementary Education		ACTIVITY Education			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-640-319		PRIOR REFERENCE P. 45	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course of Action: The objective of this project is to provide elementary education to about 85 per cent of the elementary school-age population by 1970. Specific targets to reach this objective are: (a) to increase the number of operational elementary school classrooms by 2,000 to 3,000 annually, (b) to train approximately 4,000 new elementary school teachers annually and provide additional training for an even greater number of teachers already in the system through in-service training, and (c) improve and increase province-level administrative and supervisory services emanating from the Ministry of Education (MOE).

The Ministry of Revolutionary Development will continue to be responsible for the greater part of school construction in the rural areas through the self-help program, while the Ministry of Education plans to construct 300 classrooms annually to relieve urban school congestion. The five normal schools - Saigon, Qui Nhon, Vinh Long, Long An, and Ban Me Thuot - will graduate an estimated 1,800 teachers in 1969 and 2,200 in 1970, while 2,000 hamlet teacher trainees will be given intensive 90-day training in the provinces. As an interim measure up to 500 additional persons, who are minimally qualified but have not undergone formal teacher training, will be employed annually as teachers by the Ministry of Education on a daily hire basis. In-service training will be given to 5,000 hamlet teachers in CY 1969, and 6,000 in CY 1970. Some 1,900 qualified teachers will receive training in teaching the language arts or development and use of

curriculum in CY 1969, and 4,000 in CY 1970. In order that a sufficient supply of texts will be available until the Instructional Materials Center reaches full production, a total of 5 million textbooks in arithmetic and science will be procured over the two year period, FY 1969 to FY 1970.

This project is a continuation of that presented last year.

Progress to Date: Of the estimated 39,000 classrooms needed by 1970 to provide for enrollment of 85% of the elementary school population, more than 35,000 existed as of the end of CY 1968; this includes about 2,000 constructed during the past year. To date, nearly 15,000 teachers have been trained in special 90-day intensive courses. More than three-fourths (2,166,000) of the elementary age group now attend school. The five normal schools now have a total enrollment of 3,650 students in two-year courses, and graduated 1,450 prospective teachers during the past year; only one school existed in 1960. In-service training reached more than 4,000 teachers in CY 1968.

FY 1970 Program: Seven U.S. direct hire technicians (\$253,000) will be provided, 4 of whom will be working from regional offices. Participant funding (\$198,000) provides for extension of U.S. training for 33 normal school teachers and Ministry supervisors. Commodities (\$540,000) consist of 2.5 million science textbooks. It is presently anticipated that GVN budget support to this activity, primarily to pay teachers' salaries, will exceed the equivalent of \$30 million in CY 1969.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES						
	Obligations	Expenditures	Unliquidated	OBLIGATIONS								
				Estimated FY 1969			Proposed FY 1970					
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total			
Through 6/30/68	5,605	1,668	3,937									
Estimated FY 69	1,110	3,355										
Estimated through 6/30/69	6,715	5,023	1,692									
		Future Year Obligations	Estimated Total Cost									
Proposed FY 70	991	Undetermined		1,110	-	1,110	991	-	991			
				Cost Components								
				U.S. Technicians								
				Participants ...								
				Commodities ...								
				Other Costs ...								
				Total Obligations								

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	Secondary Education			ACTIVITY	Education		FUNDS	Supporting Assistance
PROJECT NUMBER	730-11-650-365			PRIOR REFERENCE	P. 46	FY 1969	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
					Vietnam PDB		FY: 1967	FY: 1970

Project Target and Course of Action: The project aims at (1) improving the quality of education at the secondary level and (2) increasing facilities to accommodate more students at this level.

To accomplish the first objective, A.I.D. will provide advisory services to five schools of pedagogy (3 public, 2 private) to enable them to revise and improve curricula, teaching methods, counselling services and administration. In addition, in-service training will be given by Vietnamese, supervised by A.I.D. technicians, to 200 school principals, 500 science teachers, 500 social studies teachers and 50 lab supervisors in 1969 and 1970.

To permit an expansion of secondary school facilities, the GVN intends to construct a minimum of 300 secondary school classrooms a year and, with A.I.D.'s advisory assistance, to significantly increase the number of teachers to be graduated from the three public schools of pedagogy from about 450 in 1968 to over 1,100 by 1970. In addition to these plans which make provisions for an increase in classrooms and teachers, A.I.D. will make funds available to secure a portion of the books and supplies needed for this increase in secondary schools.

Another aspect of this project contributing to both the qualitative and quantitative goals, is an activity involving 12 pilot schools where teachers can demonstrate new methods and techniques under actual teaching conditions. The GVN intends to expand the number of classrooms to accommodate 2,000 more students in these schools. A.I.D., under a college contract, will advise and give supervision

to the operation of these schools.

This is a continuing project.

Progress to Date: Annual graduates from faculties of pedagogy (fully qualified secondary teachers) increased from 221 in 1963 to about 450 in 1968. In 1968, in-service training programs for administrators, supervisors, and 250 science teachers were carried out. Only 75 secondary classrooms were constructed in 1968 due to the disruptive effects of the Tet offensive. The balance of the 300 planned for 1968 is scheduled for completion in CY 1969. The twelve Pilot Comprehensive Secondary Schools enrolled a total of 23,881 students, while in the training field, all but 2 of the 35 U.S. trained participants are now employed within the system.

FY 1970 Program: In FY 1970 A.I.D. will provide 5 teacher education advisors to assist the Ministry and regional offices (\$190,000). Participant training funds will support the extension of 43 education degree candidates in the U.S. and 8 short-term trainees, at a cost of \$240,000. Funds are also proposed for the procurement of texts and library books (\$115,000). Funded in FY 1969 for two years is a contract with Ohio University to provide 8 advisors to work with the pilot schools.

In addition to GVN regular budget funding for this project of the equivalent of \$10 million, some \$300,000 of counterpart funds will be utilized for construction, training and supplies.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Through 6/30/68	2,565	563		2,002	Estimated FY 1969			Proposed FY 1970		
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated FY 69	732	1,668			190	140	330	190	-	190	Ohio University
Estimated through 6/30/69	3,297	2,231	1,066	Participants . . .	260	-	260	240	-	240	
		Future Year Obligations	Estimated Total Cost	Commodities . . .	92	50	142	115	-	115	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 70	545	Undetermined		Total Obligations	542	190	732	545	-	545	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	Higher Education	ACTIVITY	Education	FUNDS	Supporting Assistance
PROJECT NUMBER	730-11-660-367	PRIOR REFERENCE	P. 47, 48	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
			FY 1969	Vietnam PDB	FY: 1967
					FY: Undetermined

Project Target and Course of Action: The objective of this project is to help develop a more effective and relevant higher education system by granting A.I.D. support to a group of universities still in their formative stages. This support will consist of continued advisory assistance in the areas of administrative and institutional improvement, the provision of training opportunities in the U.S. and a small amount of books and essential materials. More specific targets involve (1) helping to establish a Vietnamese governing board for higher education which will formulate policy and coordinate and direct the development of the university system; (2) establishing an inter-university committee to assist the governing board in various disciplines; (3) developing national education goals; and (4) revising present university policy in keeping with modern concepts and philosophies.

A.I.D. is obtaining the services of two appropriate American universities to work with the Colleges of Engineering and Agriculture in improving their curriculum, teaching methods and administration. Some assistance will also be given to the private universities at Dalat and Van Hanh by the Asia Foundation, whose own resources will be augmented by an A.I.D. grant.

This is a continuation of last year's project.

Progress to Date: A contract team from the University of Florida has recently arrived in Saigon to assist the faculty of Agriculture of the University of Saigon in developing curriculum and course materials, in-service training of staff, and teaching advanced students.

Similar services will be provided to the College of Engineering under a contract to be signed shortly with another U.S. university. In the Fall of 1968, two consultants provided advisory assistance to the Ministry of Education on the development of a Governing Board for Higher Education. If the GVN accepts the recommendations of the Wisconsin survey and subsequent studies, A.I.D. will prepare a contract with an American university to assist in carrying out the recommendations. Funds are budgeted for this in FY 1969.

FY 1970 Program: Two direct hire advisors are to be provided (\$80,000), while funds to augment Asia Foundation's efforts are also proposed (\$100,000). Participant training will consist of support to 31 advanced degree candidates in the U.S., principally for in the fields of Agriculture and Engineering (\$178,000); of these, 28 will be extensions. Library books, research materials, and periodicals will cost \$80,000.

The Government of Vietnam is providing the equivalent of more than \$5 million annually to support the higher education system. Canada and Germany have assisted the medical school at Hue, while New Zealand has helped finance a science building at the University of Saigon.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Through 6/30/68	1,655	451		1,204	Estimated FY 1969		Proposed FY 1970			
						Direct AID		Contract/Other Agency	Total	Direct AID	Contract/Other Agency
Estimated FY 69	1,549	1,525			80	400	480	80	100	180	Asia Foundation
Estimated through 6/30/69	3,204	1,976	1,228		239	-	239	178	-	178	
		Future Year Obligations	Estimated Total Cost		80	-	80	80	-	80	
					-	750	750	-	-	-	
Proposed FY 70	438	Undetermined			399	1,150	1,549	338	100	438	
				Total Obligations							

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Agricultural Education	ACTIVITY Education			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-620-323	PRIOR REFERENCE P. 49	FY 1969	Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: Undetermined
			INITIAL OBLIGATION FY: 1967	

Project Target and Course of Action: The objective of this project is to assist the Directorate of Agricultural Education in the Ministry of Education, to develop a system for providing a practical and functional type of secondary agricultural education which will meet rural needs. By expanding and equipping provincial agricultural schools, community schools, and training centers, the Directorate will improve its ability to reach rural youth and adult farmers, and to offer them training in practical agricultural skills, and other areas, such as the development of co-operatives. By the end of FY 1970, the GVN will have completed 5 additional vocational agriculture schools bringing the total of such schools to 11. Twenty-six additional agricultural science laboratories and 72 functional classrooms and farm shops will be constructed and equipped over the next two years in the various facilities offering vocational agriculture courses. A total of 130 vocational agriculture teachers will be trained during the same period, as well as 450 agricultural agents qualified to work for the Ministry of Agriculture.

A.I.D.'s assistance is limited to the provision of two advisors, some commodities for equipping schools and laboratories, and participant training in vocational agriculture education. The GVN will bear prime responsibility for this project, including construction of necessary facilities and payment of teachers' salaries.

Progress to Date: Enrollment in vocational agriculture schools increased from 2,348 in 1967 to 2,790 in 1968. A

new school was opened in Dinh Tuong bringing to six the number of such schools operating. Twelve Highlander Training Centers are presently in operation. Four U.S.-trained participants hold responsible positions in the system. The one-year teacher training course in vocational agriculture has recently graduated 75 new teachers and enrolled a new class of about 130. In addition, 308 agents, technicians, and teachers attended special training classes in FY 1968. FY 1970 Program: Two U.S. technicians will continue to advise in improvement of facilities, curricula, teacher training, and administrative practices (\$80,000). Participant training includes 12 extensions in vocational agriculture teaching, and short term study tours for three school administrators, at a total cost of \$80,000.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES						
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
	Through 6/30/68	380	240	140	Estimated FY 1969			Proposed FY 1970		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated FY 69	210	232		80	-	80	80	-	80	
Estimated through 6/30/69	590	472	118	80	-	80	80	-	80	
		Future Year Obligations	Estimated Total Cost	50	-	50	-	-	-	
Proposed FY 70	160	Undetermined		-	-	-	-	-	-	
				Total Obligations	210	-	210	160	-	160

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Vocational Education	ACTIVITY Education			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 50 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-610-322				

now studying administration in the U.S., will be extended for one year (\$30,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	Scholarship Program			ACTIVITY	Education		FUNDS	Supporting Assistance
PROJECT NUMBER	730-11-690-325			PRIOR REFERENCE	P. 53	FY 1969	INITIAL OBLIGATION	Vietnam PDB
							FY: 1967	SCHEDULED FINAL OBLIGATION
								FY: Undetermined

Project Target and Course of Action: This project aims at increasing the supply of skilled manpower for future leadership in Vietnamese industry, commerce, and public affairs by extending opportunities for U.S. College degree training to promising Vietnamese students. An average of one hundred students annually are selected, depending on availability and quality of applicants.

The selection process gives priority to those fields of study for which there is greatest need in Vietnam, particularly engineering, business and public administration, economics, and agriculture. War orphans and other "wards" of the Vietnamese nation are given preference, as well as qualified Vietnamese war veterans. Selection criteria stresses scholastic aptitude, leadership potential, and maturity.

Training programs are conducted by the California State College system where a consortium of five institutions cooperate in an orientation program including intensive instruction in English. In conjunction with language training, in-depth orientation to the American academic system and community life is provided prior to student placement in formal studies.

Scholarships are for one year, renewable at the discretion of A.I.D. in accordance with the performance of the participant. Training is limited to a single degree and participants are encouraged to train for careers in the private sector, particularly industry and commerce. The GVN does not require commitments from the participants to work for the government upon their return. This proj-

ect is a continuation of project 730-11-690-325, "Leadership Training," presented last year. The name has been changed to better reflect the nature of the program and to avoid any implication that leadership potential is confined to any one group of Vietnamese participants.

Progress to Date: The first group of 127 participants, of which 49 were veterans, arrived in the U.S. in February 1967; a group of 61 additional participants arrived in the U.S. in March, 1968. Of this total of 188 students, only eleven have dropped out since arrival. The remaining 177 are all receiving satisfactory or above average grades, with an impressive 70% maintaining scholastic averages of "B" or better. Eighty-nine of the participants are pursuing coursework in various Engineering fields, while the remainder are distributed among such disciplines as Agriculture, Economics, and Administration. A group of 60 new participants is scheduled to depart Vietnam in March, 1969, and 40 others will follow in August, 1969.

FY 1970 Program: Funding for 100 additional participants (\$800,000), and continuation of the 282 selected in prior years (\$1,692,000) is proposed.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES						
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1969			Proposed FY 1970		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/68	2,092	1,157	935							
Estimated FY 69	1,325	1,055								
Estimated through 6/30/69	3,417	2,212	1,205	U.S. Technicians Participants ...	1,325	-	1,325	2,492	-	2,492
		Future Year Obligations	Estimated Total Cost	Commodities ...	-	-	-	-	-	-
				Other Costs ...	-	-	-	-	-	-
Proposed FY 70	2,492	Undetermined		Total Obligations	1,325	-	1,325	2,492	-	2,492

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	Education General Support			ACTIVITY	Education		FUNDS	Supporting Assistance
PROJECT NUMBER	730-11-699-368			PRIOR REFERENCE	P. 54	FY 1969	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
					Vietnam PDB	FY: 1967		FY: Undetermined

Project Target and Course of Action: This project provides overall direction and support for A.I.D.-assisted activities in the education sector as a whole. Besides providing U.S. direct-hire management for the sector, the project supports planning, management, and organizational improvement of the Ministry of Education and technical assistance in adult education, English language teaching, and library development.

Emphasis in adult education is initially confined to literacy training. Through coordination with the Ministries of Revolutionary Development and Chieu Hoi, the Ministry of Education will be assisted in developing the capacity to train some 60,000 adults annually by 1970. This can be accomplished with existing facilities and personnel which are not presently fully utilized except during regular school hours. Vietnamese will continue to be trained in the U.S. in the teaching of English. In addition, a language laboratory will be ordered for the Thu Duc Faculty of Pedagogy, while assistance will be given to the University of Saigon Medical Center in installing its language laboratory and developing English Language training programs. Technical assistance in library development will emphasize in-service training for teacher/librarians (24 in FY 1969; 32 in FY 1970), and the completion of the identification of basic requirements for public and secondary libraries in FY 1969, and elementary libraries in FY 1970.

This project is a continuation of Education General Support, 730-11-690-368 presented last year.

Progress to Date: Under the Ministry of Education's adult

education program, classes have now been established in literacy, elementary and secondary education, and vocational education. Nearly 8,000 adults were enrolled in CY 1968 compared to 4,000 the previous year. Over 14,000 additional adults benefitted from training programs conducted by the Ministries of Revolutionary Development and Chieu Hoi. In FY 1968, over 40,000 English Language texts were distributed throughout Vietnam. In addition, special training programs were developed and initiated for over 400 individuals from various groups including adults, youths, teachers and civil servants. In the area of library development, preliminary identification has been made of 75% of the core requirements for secondary and public libraries, and bibliographic listings prepared. An in-service training program outline has been prepared for the teacher/librarian training course. Two demonstration English language libraries for the normal colleges and three for secondary teacher training centers have been established.

FY 1970 Program: Seven U.S. direct-hire technicians are to be provided at a cost of \$279,000 as follows: three for overall sector management and administration, one for library services, two for English language teaching, and one for adult education.

A language laboratory, which was included in last year's presentation for FY 1969, is being deferred to FY 1970 and will cost \$100,000. Eighteen participant trainees, majoring in English and minoring in education, will be trained in the U.S. at a cost of \$96,000. Other costs (\$13,000) cover two third-country administrative assistants.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	813	556	257								
Estimated FY 69	412	445									
Estimated through 6/30/69	1,225	1,001	224								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 70	488	Undetermined		Total Obligations	412	-	412	488	-	488	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Industrial Development	ACTIVITY Industry	FUNDS Supporting Assistance
PROJECT NUMBER 730-11-910-170	PRIOR REFERENCE P. 55, 56 FY 1969 Vietnam PDB	INITIAL OBLIGATION FY: 1957
		SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Targets and Course of Action: This project provides assistance to the GVN in achieving (a) higher industrial productivity, (b) recovery from 1968 war damage, and (c) a base for post-war industrial development. Emphasis is given to agriculture-related industrial undertakings.

Food production and processing is encouraged by support of GVN activities to improve and expand domestic production of agricultural implements, feed mills, fish and vegetable storage and transport, and processing facilities.

Damaged manufacturing plants are being rehabilitated through A.I.D. dollar and GVN local currency loans administered by the Industrial Development Center (IDC).

Longer-term domestic industrial development is supported by A.I.D. funded pre-investment surveys and feasibility studies of selected manufacturing investment opportunities. Advisory assistance will also be given to GVN agencies helping small industries, industrial parks, handicrafts and to the Vietnam Institute for Standardization (VIS). Increased industrial production is furthered by A.I.D.'s attempts to locate local sources for certain materiel requirements of U.S. and GVN Armed forces.

Progress to Date: A.I.D. technical assistance has (1) enabled a local producer to market a pesticide sprayer and a water pump which are competitive with imported sprayers, and pumps, (2) developed techniques for improved storage and transport of fish and vegetables for sale in modern supermarkets, and (3) assisted in the establishment of 7

feed mills. Some thirty national standards, principally for processed foods, have been established by the VIS. Provincial and small industry has been assisted through GVN agencies supported by A.I.D. technical advice and training of Vietnamese participants. Certain military needs for such articles as textiles, mosquito netting and wire products are being met by local suppliers identified by A.I.D. War rehabilitation needs have been identified and loans for re-equipment are being utilized by the affected industries. War Risk Insurance legislation has been enacted and the program is to be implemented through private insurance companies.

Preinvestment surveys and feasibility studies for fertilizer, industrial chemicals, cement and paper are being carried out in FY 1969. Existing plants for sulphuric acid, oxygen and acetylene, and caustic soda have been improved through A.I.D. advice.

FY 1970 Program: \$478,000 is required for 14 advisors, \$13,000 for 11 man-months of participant training, \$85,000 for testing equipment and laboratory supplies, and \$100,000 for feasibility studies and minor A&E studies of possible fishing harbor improvements. VN\$ 2.0 million (\$16,948) is provided from counterpart funds for support of the Institute of Standardization.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	9,418	7,889	1,529							Undetermined	
Estimated FY 69	462	1,065		Technicians	252	103	355	329	149		478
Estimated through 6/30/69	9,880	8,954	926	Participants . . .	27	-	27	13	-		13
		Future Year Obligations	Estimated Total Cost	Commodities . . .	77	1	78	85	-		85
				Other Costs . . .	-	2	2	-	100		100
Proposed FY 70	676	Undetermined		Total Obligations	356	106	462	427	249		676

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Trade Union Development		ACTIVITY Labor			FUNDS Supporting Assistance
PROJECT NUMBER 730-15-410-328		PRIOR REFERENCE P. 59 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The development of a free, trade union movement evokes Vietnamese workers to participate more meaningfully and effectively in the political and social life of the nation. For example, the Confederation Vietnamienne du Travail (CVT), the largest labor confederation in Vietnam, is playing a major role in organizing some 20 political parties into a common front. The unions, both urban and rural, are attempting to develop credit unions, purchasing and marketing cooperatives, and grass-roots leadership which will contribute toward an economically stronger and more unified nation. Training programs will up-grade workers' skills, increase productivity and improve quality control. Through a contract with the Asian-American Free Labor Institute (AAFLI), sponsored by the AFL-CIO, leadership training will be provided in (1) the organization and administration of cooperatives; (2) the establishment of farming and fishing cooperatives; (3) the expansion of fertilizer distributing activities; (4) the extension of social welfare activities; and (5) the development of a union-sponsored apprenticeship training program. Advanced level union leadership training will be given to 150 union members by 1970. Elementary level leadership training will be given to 1,800 by 1970.

Progress to Date: In CY 1968 the Tenant Farmers' Union (rural affiliate of the CVT) sold 80,000 tons of fertilizer, nearly one-third of the entire quantity imported. This compared to some 55,000 tons sold previously. Working under a two-year contract, the AAFLI contract team since

its arrival in May, has established one and two-month elementary and advanced training courses and by the end of December reported that 88 union members had completed their training in cooperatives with 34 more in a two-month course.

Trade union leadership training had been completed for 29 on the advanced level and 120 on the elementary level. Press and Information training was completed by 21 union members out of the 60 the contract requires. In support of farmers' cooperatives, the AFL-CIO donated 10 small tractors. Each has been sold to a group of 10 farmers who pay one-third down and one-third at the end of each succeeding year. The money so recovered will be used to purchase more tractors which will be sold in the same manner.

FY 1970 Program: \$250,000 for continuation of the union-to-union assistance contract, which provides for short-term specialists as required. Special emphasis is to be given to the development of cooperatives.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES Asian-American Free Labor Institute			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1969			Proposed FY 1970		
				Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/68	500	28	472						
Estimated FY 69	150	431							
Estimated through 6/30/69	650	459	191						
		Future Year Obligations	Estimated Total Cost						
Proposed FY 70	250	Undetermined							
				Cost Components					
				Technicians					
				Participants . . .					
				Commodities . . .					
				Other Costs . . .					
				Total Obligations					

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Manpower Development		ACTIVITY Labor			FUNDS Supporting Assistance	
PROJECT NUMBER 730-15-460-327		PRIOR REFERENCE P. 57, 58		INITIAL OBLIGATION FY: 1967		SCHEDULED FINAL OBLIGATION FY: Undetermined
		FY 1969		Vietnam PDB		

Project Target and Course of Action: The purpose of this project is to develop a manpower planning capability in the Ministry of Labor (MOL) together with a capability to implement a national program for helping to meet the nation's skilled manpower needs. This will require developing an organization for: determining trained manpower needs; collecting, analysing and disseminating appropriate manpower information; training of national employment service staff, with special emphasis on problem areas; implementing a skills-training program to train and upgrade workers in needed skills; introducing modern concepts of industrial relations to management, labor and government officials; and training the MOL inspectorate in labor-law enforcement and the mediation of disputes. One U.S. PASA advisor will assist in setting up an occupational classifications system and another U.S. PASA advisor will help with preparation of labor statistics. A short-term U.S. PASA advisor will be assigned to the employment services activity and two U.S. training advisors will be assigned to skills training, together with the contractor who is expected to provide basic training in mechanical, construction, and clerical skills for 3,000 Vietnamese, principally refugees, returnees and veterans. Industrial relations training will be an additional responsibility of the administrative staff (Project 327 - Labor General Support) and a short-term specialist will assist in the development of a meaningful mediation and conciliation service.

Progress to Date: The Tet offensive of early 1968, follow-

ing which MOL personnel in large numbers were assigned to relief activities, and the implementation of general mobilization tended to inhibit progress during CY 1968; but there was forward movement in several key areas: the ILO "International Standard Classification of Occupations" was completed and training courses in occupational classification were developed, with two classes of MOL personnel trained. An Industrial Relations Center was established to sponsor labor seminars, courses, and public information. A "Census of Establishment Employment" is being printed. This will provide useful data for conducting future planned surveys. Also in preparation are a series of occupational surveys. Enrollment in MOL Skills Training Courses doubled (from 2,565 to 5,800) during the past year, and an additional 5,120 trainees, 2,265 of whom were Hoi Chanh, 1,116 refugees and 472 veterans, were enrolled in courses conducted by a U.S.A.I.D. contractor during FY 1968. **FY 1970 Program:** The FY 1970 funding (\$867,000) will provide two DH labor training advisors (\$63,000); two PASA specialists (\$79,000); \$600,000 for a skills-training contract utilizing up to 30 American technicians; \$19,000 for commodities, principally training tool kits; and \$106,000 for 42 participants in the fields of industrial relations, skilled training and labor statistics with a total of 112 man-months training.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/ AGENCIES					
	Obligations	Expenditures	Unliquidated									
				Estimated FY 1969		Proposed FY 1970						
				Direct AID	Contract/ Other Agency	Total		Direct AID	Contract/ Other Agency	Total		
Through 6/30/68	2,311	1,680	631	Cost Components Technicians Participants . . . Commodities . . . Other Costs . . . Total Obligations						Undetermined		
Estimated FY 69	1,009	1,025										
Estimated through 6/30/69	3,320	2,705	615									
		Future Year Obligations	Estimated Total Cost									
Proposed FY 70	867	Undetermined		205	804	1,009	188	679	867			

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Port Management and Operations		ACTIVITY Logistics			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-340-389	PRIOR REFERENCE P. 61, 62	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: Principal targets of this project are: (1) to assist GVN agencies to improve port facilities, management and operations, (2) to improve the cargo handling practices and port clearance techniques of stevedore companies in order to expedite operations and minimize cargo losses, (3) to maintain port facilities adequate to meet peak demands amid the uncertainties of the war, (4) to help develop more adequate port facilities in the Delta area.

In 1965 Vietnam's existing port facilities were overburdened by increasing military requirements and rising commercial imports. Ships awaiting discharge were delayed for excessive periods, port facilities were glutted, and cargo was necessarily held aboard barges for inordinate periods. Port management, operations and facilities were inadequate to cope with the volume, and costs soared as steamship companies instituted surcharges for the delays in discharge.

Emergency measures were taken by A.I.D., the GVN, and the U.S. military. Military construction added facilities at numerous ports. The U.S. Army's 125th Transportation Command with USAID support furnished advice and assistance to the Saigon Port Authority from September 1966 through September 1968. The U.S. military assumed responsibility for clearing A.I.D.'s project cargoes and PL 480 shipments with A.I.D. reimbursing the military for their costs.

A.I.D. leased harbor tugs and barges for GVN operation, and provided coastal shipping, port construction commodities and material handling equipment. A.I.D. also

financed construction of barges and tugs, moderate improvement of up-country non-military port facilities, and provided technical assistance.

These emergency problems have largely been met, as noted below.

The course of action for the future is to continue advisory assistance and training at a decreasing level as Vietnamese take over full responsibility for the management of their ports, and assist in improvement of Delta ports. Progress to Date: Saigon and up-country ports are operating smoothly. Steamship surcharges at Saigon have been eliminated and reduced at up-country ports. A.I.D. has assumed the advisory and assistance role which once required the services of the 125th U.S. Army Transportation Command. Phased down gradually, as VN barges became available, the last A.I.D.-chartered barge was released in September 1968. Chartered tugs will be released upon the arrival of A.I.D.-financed tugs under construction in the U.S. Port improvements at Danang, Nha Trang, Qui Nhon and Ba Ngoi have made them capable of handling coastal ships at dockside, and deep draft ships close in-shore. USAID was able to end funding and operating a fleet of 10 chartered coastal ships in November 1967; this is now a Vietnamese responsibility. A joint USAID/GVN Office of Shipping established in November 1967 reviews bids for ocean and coastal shipping, and passes on demurrage claims, as a stage in the process of building the GVN's capability to assume this responsibility. In late 1967 the GVN was able to reassume responsibility for

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	OBLIGATIONS							
				Estimated FY 1969			Proposed FY 1970				
Through 6/30/68	2,870	2,116	754	Cost Components	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Undetermined
Estimated FY 69	2,757	1,822			1,076	-	1,076	1,004	-	1,004	
Estimated through 6/30/69	5,627	3,938	1,689		15	-	15	15	-	15	
		Future Year Obligations	Estimated Total Cost		450	-	450	-	-	-	
					-	1,216	1,216	-	804	804	
Proposed FY 70	1,823	Undetermined			1,541	1,216	2,757	1,019	804	1,823	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Port Management and Operations	Logistics				
PROJECT NUMBER	PRIOR REFERENCE		INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
730-11-340-389	P. 61, 62	FY 1969	Vietnam PDB FY: 1968	FY: Undetermined	

clearing PL 480 cargo from the ports. In October 1968 they reassumed clearing A.I.D. project cargo. Since April 1968 improved arrival accounting procedures have been applied to A.I.D.'s project cargo, providing a timely audit trail from port of loading to first destination in VN, and permitting indemnification for any loss or damage between the port and first destination. For audit trail to final destination see project #390.

FY 1970 Program: Funding of \$1,823,000 will be required in FY 1970. This will provide \$945,000 for 28 U.S. direct-hire transportation and port advisors; \$59,000 for 14 third country nationals to assist as port and transport technicians; \$800,000 for the Delta ports of Vinh Long and Can Tho to construct wharves, access roads, hard-stands and warehouses, plus supporting facilities and structures; \$15,000 for port management training of 15 participants in third countries; and \$4,000 to remove a floating pier at Qui Nhon and install it at Saigon.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	
Warehousing and Distribution	Logistics	Supporting Assistance	
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-970-390	P. 63, 64 FY 1969 Vietnam PDB	FY: 1968	FY: Undetermined

equipment are entered into the U.S.A.I.D. "Fund for Maintenance and Repair of U.S.A.I.D. Financed Equipment."

Funds in excess of VN\$ 1,000,000 are transferred to the Counterpart Fund on a monthly basis; (2) non-economically repairable equipment is cannibalized for useable parts for the GVN Repair Parts Depot.

The commodity stock control functions of the Ministry of Revolutionary Development (MORD), the Refugee program and Voluntary Agencies were consolidated within the CPSA stock control activity. A GVN capability to develop commodity requirement forecasts is being fostered through monthly USAID/GVN commodity forecast conferences.

A.I.D. and the GVN jointly developed minimum essential stock requirements for foodstuffs and construction materials which enabled A.I.D. and the GVN to provide help from regional and provincial warehouses to victims of the 1968 Tet offensive starting on the third day after the initial attack.

FY 1970 Program: \$2,265,000 will fund 72 U.S. direct-hire supply advisors (\$2,062,000), 16 TCN's in warehousing support (\$94,000), provide training for two participants in the U.S. and sixteen in third countries (\$19,000), and \$90,000 for commodities (ten 10-ton trucks).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	
National Maintenance System	Logistics			Supporting Assistance	
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION		
730-11-970-382	P. 65, 66 FY 1969 Vietnam PDB	FY: 1967	FY: Undetermined		

Project Target and Course of Action: This project is aimed at developing a GVN National Maintenance System (NMS), which will manage two elements of a nation-wide government vehicle and equipment maintenance program; a repair parts supply system; and a GVN-owned maintenance shop system for each province. A central parts depot and 46 maintenance shops have been agreed upon.

When fully established, the system is to be self-supporting by means of a revolving fund: GVN agencies are to reimburse the NMS for parts and services furnished. The maintenance shops are to carry "filling station" stockage of parts and perform first, second and limited third echelon maintenance. The initial stock of repair parts in the central depot was provided partly by A.I.D. and partly by drawing together the existing dispersed stocks of individual GVN agencies. Vietnamese technical and professional competence to manage and operate the system is being developed through a U.S. contractor. A.I.D. also supports the identification and centralized registration of vehicles of the numerous GVN agencies, the publication in Vietnamese of a standard maintenance manual, and the development and application of disposal procedures for vehicles beyond repair.

Progress to Date: The Repair Parts Depot (RPD), initially called the National Inventory Control Point, became operative in 1967 in temporary quarters. Land is now available for a permanent facility and an A & E study is underway for the construction of that facility.

The Depot now stocks about 39,000 line items, and 92

customers use it. The revolving fund concept of self-financing, however, is not yet working well. The problem appears to lie in GVN budgeting and accounting procedures. A U.S.A.I.D. study proposing corrective action was delivered to the GVN's Minister of Finance late in 1968. Further funding of spare parts is not requested.

Construction of 37 of the 46 province maintenance shops is underway; 14 are at least partially operational. Construction materials for all are in-country.

Vietnamese competence to operate and manage the NMS is developing more slowly than desirable, due to a tight manpower situation, intensified by the military mobilization in 1968. With few GVN-furnished trainees available, the U.S. contractor (Philco-Ford) has of necessity been required to use third country nationals as operators at the Parts Depot and in the provinces, rather than as instructors. Accordingly the contract has been amended to permit the contractor to hire Vietnamese as trainees and operators, eventually to replace all but 5 of the 50 TCN's currently on duty.

Stock accounting, initially performed by U.S.A.I.D., is being phased into GVN computer facilities managed by the GVN's National Institute of Statistics. The identification and centralized registration of GVN-owned vehicles and equipment program had recorded 13,488 vehicles and other pieces of equipment as of January 1969.

FY 1970 Program: Funding of \$1,628,000 is needed for FY 1970. This will provide 24 U.S. direct-hire maintenance supply advisors and equipment operation and maintenance specialists (\$885,000), 14 third-country technicians

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES											
	Obligations	Expenditures	Unliquidated	OBLIGATIONS											
	Through 6/30/68	Estimated FY 69	Estimated through 6/30/69	Estimated FY 1969			Proposed FY 1970								
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total						
	14,219	6,492	7,727	Philco-Ford											
Cost Components	4,452	7,419													
Technicians	18,671	13,911	4,760							1,185	3,026	4,211	955	440	1,395
Participants . . .										4	-	4	-	-	-
Commodities . . .										237	-	237	233	-	233
Other Costs . . .				-	-	-	-	-	-						
Proposed FY 70	1,628	Undetermined		1,426	3,026	4,452	1,188	440	1,628						
		Future Year Obligations	Estimated Total Cost												

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	Supporting Assistance
National Maintenance System	Logistics		
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-970-382	P. 65, 66 FY 1969 Vietnam PDB	FY: .1967	FY: Undetermined

(\$70,000), and 50 contractor-hired TCN maintenance specialists (\$440,000); commodities, consisting of 8 wreckers and 15 generators, constitute the remainder (\$233,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Mission-Wide Commodity Support		ACTIVITY Logistics			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-995-330		PRIOR REFERENCE P. 67	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The target of this project is to provide the USAID, including its contributions to CORDS, with an efficient economical system for processing the many commodities common to the various projects being carried out by both organizations. It has provided funds in the past for the operation of the A.I.D. Logistic Support and Control Office (ALSCO), San Francisco and serves as the liaison with the U.S. military in regard to logistic service provided by the U.S. military to USAID on a reimburseable basis. This project also provides the funds needed for any emergency unprogrammed commodity procurement or contract service generated by war activity or natural disaster.

Progress to Date: The development of capability to apply FEDSTRIP single-line-item requisitioning procedures to project requirements placed on GSA and the institution of a current-supply accounting system have reduced the need for ALSCO's services to the point where ALSCO can be brought to a close at the end of FY 1969. Residual essential functions will be assumed by GSA, with A.I.D. continuing additional funding where these functions represent a more than normal work load for GSA.

The need for U.S. military logistic support has been reduced by arranging with the GVN and VN contractors for the receipt, deprocessing and delivery of project general cargo arriving by the Defense Transportation System. The contractor is financed by counterpart funds as is the Vietnamese National Railroad.

Consolidated procurement of common-use project commod-

ities such as cement, roofing and rebar continues, but the fund requirements for such procurement is shown under the individual projects.

A consolidated transportation fund has been established which permits prompt payment of freight incurred by project shipments via the Defense Transportation System. This facilitates prompt settlement of charges against procurement documents, and a more timely recoupment of any unexpended funds at the end of the fiscal year.

FY 1970 Program: \$1,500,000 is needed to support this project. This will fund our contribution to the GSA for its expanded functions as a result of the VN program (\$1,000,000); provide for emergency commodity procurement (\$250,000) and emergency contract services (\$50,000); and furnish funds to reimburse the U.S. military for cargo movement via the MSTIS (\$200,000). Personnel supporting this project are included in the Logistics General Support and the Port Management and Operations Projects.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	60,822	22,628	38,194	Technicians	-	-	-	-	-	-	General Services Administration
Estimated FY 69	200	24,423		Participants ...	-	-	-	-	-	-	
Estimated through 6/30/69	61,022	47,051	13,971	Commodities ...	-	-	-	250	-	250	
		Future Year Obligations	Estimated Total Cost	Other Costs ...	-	200	200	-	1,250	1,250	
Proposed FY 70	1,500	Undetermined		Total Obligations	-	200	200	250	1,250	1,500	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Logistics General Support	ACTIVITY Logistics			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 68	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined	
PROJECT NUMBER 730-11-999-378	P. 68	FY 1969	Vietnam PDB	

Project Target and Course of Action: This project provides U.S. personnel to help: (a) insure that adequate commodities and logistical services will be available to support USAID/GVN projects; (b) in the development of the GVN's capability to organize and manage an efficient and economical logistics system; (c) support of all USAID sectors in planning, coordination and execution of logistics functions. It includes the Assistant Director for Logistics, his Deputy, program officers, supply advisors, and administrative personnel.

A.I.D. specialists work with their GVN counterparts to improve the latter's ability to determine requirements, effect procurement, storage, transportation, materiel accounting, maintenance, and disposal of commodities. Progress to Date: The first step toward a GVN integrated logistics management structure was the establishment of the Central Purchasing Authority in 1956, succeeded in 1967 by the Central Procurement and Supply Authority (CPSA). In October 1968 CPSA became the basis for the Central Logistics Agency (CLA), under the Office of the Prime Minister, to perform specified common logistical operations on behalf of all civilian GVN ministries and agencies. These now include determination of requirements, procurement, storage, distribution, transportation, inventory accounting, maintenance, and disposal.

CPSA showed increased procurement capability during FY 1968. Its participation in dollar project procurement increased from 23% in FY 1967 to 25% in FY 1968. Its piaster procurement increased also: VN\$ 700 million in

FY 1967; VN\$ 1.3 billion in FY 1968.

USAID implemented the single-line-item requisitioning concept under the Federal Standard Requisition and Issue Procedures in 1968, making their procurement compatible with GSA. Beginning with a machine-compatible commodity receipt, called a Logistics Receiving Report, project commodities supply system is now handled by automatic data processing from the initiation of the requisition until receipt at first destination. Current status can be readily determined, permitting management action as necessary.

The Basic Supply Regulation System implemented by CPSA and the Ministry of Revolutionary Development in October 1967 proved its effectiveness during the Tet and May 1968 offensives. Operating and safety level stocks established at province, regional and national levels made it possible to quickly meet the needs of the people until lines of communication were restored.

FY 1970 Program: Funds of \$960,000 are required for 27 U.S. direct hire positions (\$910,000) and 6 TCN (\$50,000).

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
	Through 6/30/68	13,192	11,471	1,721	Estimated FY 1969			Proposed FY 1970	
					Direct AID	Contract/Other Agency		Total	Direct AID
Estimated FY 69	1,044	2,472		1,044	-	1,044	960	-	960
Estimated through 6/30/69	14,236	13,943	293	-	-	-	-	-	-
		Future Year Obligations	Estimated Total Cost	-	-	-	-	-	-
Proposed FY 70	960	Undetermined		1,044	-	1,044	960	-	960

BEST AVAILABLE

Public
Administration

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Central Government Administration		ACTIVITY Public Administration			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-720-371		PRIOR REFERENCE P. 69, 70 FY 1969		INITIAL OBLIGATION FY: 1967		SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project is to assist the Government of South Vietnam in developing a strong and effective national government to meet the requirements for accelerated economic and social growth. To this end, A.I.D. will provide: (1) advice and assistance in the organization and management of selected ministries of government and the Municipality of Saigon; (2) assistance in improving Central-Local Government relationships; (3) assistance in the establishment of a more efficient civil service; (4) assistance in organizing an independent Judiciary Branch of Government under the direction of the newly constituted Supreme Court and help in reorganizing the Ministry of Justice.

A.I.D. will provide ten advisors in Public Administration to assist in the (1) installation of management analysis offices in at least two key ministries, (2) establishment of a management information system in the Directorate of Public Works, and (3) codification of all Civil Service rules and regulations.

A.I.D. will supply legal specialists who will assist the Chief Justice of the Supreme Court and other groups concerned with the administration of justice, in developing an integrated court structure down to the district level. At the same time, advice will be given on the drafting of new, uniform codes of Civil, Criminal and Commercial Law and related procedures. Advice and assistance will also be given to the Ministry of Justice in necessary reorganization and operations under the Constitution, now that the court system has been made an inde-

pendent branch of government.

This is a continuing project.

Progress to Date: A President's Council for Administrative Reform has been established, although not yet fully functional, the Civil Service Directorate reorganized, and a Training Unit for in-service training activated; Supreme Court Justices have been appointed to the newly created Supreme Court; circuit court sessions have been instituted at the general trial court level; and a legal commission is now at work identifying necessary changes in the present law to conform to the new constitution. One million copies of ten brochures have been distributed to acquaint rural inhabitants with their rights and liabilities under the law.

FY 1970 Program: Funding is required in FY 1970 for five direct-hire public administration advisors for \$190,000; a contract for services of five technicians to assist in civil service and administrative reform, at a cost of \$300,000 (18 months); training for twelve participants in administrative and civil service skills (72 man-months) for \$39,000; and a grant to the Asia Foundation to support its assistance activities in training judicial officials, performing legal research, developing law libraries and fostering equipment at a cost of \$10,000. The GVN has budgeted 323 million piasters (\$2,652,000) for operation and support of the Directorate of Civil Service, the Supreme Court, and Legal Administration development efforts during CY 1969.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	1,243	425	818							Asia Foundation
Estimated FY 69	725	593								
Estimated through 6/30/69	1,968	1,018	950							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 70	689	Undetermined								
Cost Components										
Technicians				279	141	420	190	300	490	
Participants . . .				60	-	60	39	-	39	
Commodities . . .				75	20	95	10	-	10	
Other Costs . . .				-	150	150	-	150	150	
Total Obligations				414	311	725	239	450	689	

PROJECT TITLE Improvement of Fiscal Administration	ACTIVITY Public Administration			FUNDS Supporting Assistance
	PRIOR REFERENCE PROJECT NUMBER 730-11-750-340	P. 71, 72	FY 1969 Vietnam PDB	INITIAL OBLIGATION FY: 1967
				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project has three principal components: technical assistance in the fields of Tax Administration, Customs Administration, and Budget and Accounting. Tax and customs assistance is provided through PASAs with the U.S. Internal Revenue Service and the U.S. Bureau of Customs respectively. Budget and accounting advice is provided through two direct-hire employees supplemented by short-term advisors in specific problem areas.

In the budget and accounting area, efforts will be directed toward the adoption of program budgeting principles by the GVN and a continuation of basic budget planning training for local government officials. Budget advisory services will concentrate on converting line-item budgets to program categories, and preparing a manual of finance procedures for local governments.

In addition to effecting improvements in organization of the Directorate General of Taxation and tax collection procedures, the tax team will assist in training 300 new personnel for the Tax Directorate and promote in-service training for forty auditors and one-hundred supervisors. The Customs advisors will also continue their assistance through in-service training, the organizing of ten commodity valuation and classification teams, and the development of new operational procedures to expedite and control importation of merchandise.

This is a continuation of the program begun in FY 1967. **Progress to Date:** In CY 1968 a third training class for tax auditors was completed bringing the number of trained

auditors to sixty, in partial fulfillment of a goal of one-hundred. Salary tax receipts, mainly through the withholding process, increased from VN\$ 2.1 billion in CY 1967 to VN\$ 4.2 billion in CY 1968. A Vietnam Customs and Research Planning Team has been established in order to develop on a continuing basis a Vietnamese capability for assuming some of the functions currently performed by the U.S. Customs advisors. Two new provincial treasury offices have been established to expedite local government financial transactions, and a General Inspectorate created with broad investigative powers including post-audit and responsibility for effective control of all public agencies.

Mobilization has had its adverse effect on staffing both the Directorate General of Taxation (DGT) and the Directorate General of Customs (DGC). While budgetary allowances were made for 2,300 positions in CY 1968 for the DGT, only 1,885 were filled as of June 30, 1968. In CY 1969, 2,190 positions have been budgeted. In the DGC, 200 employees of the 1,853 on-board in March 1968 were drafted into the armed forces by the end of the year. **FY 1970 Program:** The IRS Tax Advisory Team will be reduced from six men in FY 1969 to four men in FY 1970, and the Customs Team will continue at its present level of ten advisors, at a cost of \$570,000 for both PASAs. Two direct-hire finance advisors (\$80,000) will be assisted by short-term specialists as required, (\$22,000). Supplies and equipment will be purchased at a cost of \$14,000. Fifteen participants will be trained in various aspects of public finance for a total of 48 man-months (\$59,000).

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	3,091	2,177	914							Internal Revenue Service Bureau of Customs
Estimated FY 69	869	1,337								
Estimated through 6/30/69	3,960	3,514	446							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 70	745	Undetermined		196	673	869	153	592	745	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Improvement of Fiscal Administration	ACTIVITY Public Administration			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-750-340	PRIOR REFERENCE P. 71, 72 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

In CY 1968, the DGT received VN\$ 314 million from the GVN budget. GVN Customs budget was VN\$ 325 million in CY 1968.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Statistical Services	Public Administration				
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION		
730-11-780-341	P. 73, 74	FY 1969 Vietnam PDB	FY: 1967	FY: Undetermined	

Project Target and Course of Action: The objective of this project is to increase the proficiency of key GVN agencies in statistical reporting, machine accounting and data processing. These agencies are the National Institute of Statistics (NIS), the Directorate General of Budget and Foreign Aid in the Office of the President, the National Bank of Vietnam, the Ministry of Finance's Directorate General of Treasury, Taxation, Customs, and the Ministry of Commerce. This assistance will help these agencies provide vital statistics, demographic and economic data and statistical accounting needed for economic planning and pacification. Over the longer term, this project will help improve the capabilities of these agencies and develop the National Institute of Statistics into an effective control point for the collection of statistical data for the GVN.

Advisory services are being provided by a team of four advisors under a PASA agreement with the U.S. Census Bureau. In addition to their work with the agencies listed above, these technicians will provide statistical and data processing advice on a lesser scale to other ministries and departments of government.

Current targets in order of priority are: completion of publication of data of the Saigon-Cholon Census of Establishments; initiation of the Statistical Training Institute at the National Institute of Statistics (NIS); an Urban Family Income and Expenditure Survey in five urban areas; a Demographic Survey in the same five urban area; and preparation of the Manpower Mobilization Survey

of the Ministry of National Defense.

This is a continuing project.

Progress to Date: Improvements and refinements in statistical series have been successfully accomplished in such areas as price statistics, demography, industrial establishments, and health. An improved Statistical Year Book and Monthly Statistical Bulletin are published by the NIS giving timely and accurate data. In the field of data processing, new systems such as the Employees Withholding Tax have been successfully installed. GVN-purchased computer systems are now being installed in the National Bank of Vietnam and the Directorate of Treasury.

FY 1970 Program: Services of the 4-man PASA team from the U.S. Bureau of Census will be continued at a cost of \$160,000. Three participants will be given 36 man-months of training in the U.S. for a total of \$12,000. Supplies for electronic data processing will cost an estimated \$40,000. The GVN has budgeted VN\$ 10,517,000 (\$89,127) in CY 1969 for support of the statistics function.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Bureau of Census
Through 6/30/68	905	396	509								
Estimated FY 69	208	543		Technicians	-	160	160	-	160	160	
Estimated through 6/30/69	1,113	939	174	Participants . . .	8	-	8	12	-	12	
		Future Year Obligations	Estimated Total Cost	Commodities . . .	40	-	40	40	-	40	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 70	212	Undetermined		Total Obligations	48	160	208	52	160	212	

PROJECT TITLE National Institute of Administration		ACTIVITY Public Administration			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-770-345		PRIOR REFERENCE P. 75 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1967		SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The objective of this project is to assist the National Institute of Administration (NIA) to: (1) improve its education and training programs; (2) help NIA provide consulting services to the government; and (3) expand the present in-service training program to a nation-wide career development program for the civil service. These improvements are needed so that NIA can better perform its principal function of serving and upgrading the Civil Service and the overall effectiveness of the GVN.

A contract is under negotiation with the University of Tennessee for the purpose of improving the quality of NIA which has been eroded by mobilization and competitive employment, and to broaden the curriculum of administrative training. Advisory services should begin before the end of FY 1969 and continue on through FY 1970 (no funding required in FY 1970). Supervisory training will be extended to approximately 2,000 GVN ministry officials in FY 1969, and another 6,000 in FY 1970 utilizing trained GVN instructors. Another training effort will be initiated through the Directorate General of Civil Service to prepare 40 training officers for the ministries of government and 50 for service at the province level.

This project is a continuation of the project presented in FY 1969.

Progress to Date: The National Institute of Administration continues to serve as the source of middle-management personnel trained for public service including in-service training of public employees. Graduating classes of the

NIA average about 400 and are quickly placed in government administration. Seventy-two instructors in first line supervision were graduated from the Basic Administrative Management Course conducted during CY 1968. The original goal was 50 instructors to inaugurate a national program of supervising training.

FY 1970 Program: Three direct-hire Public Administration Advisors in education and training will be continued at a cost of \$102,000. Nine participants will begin training in the U.S. and the Philippines, and one participant's training will be extended in the U.S., \$30,000 (39 man-months). Books and training materials will require \$4,000.

The National Institute of Administration has a budget of VN\$ 70.7 million (\$694,201) in CY 1969 and a staff of ninety-three people. In addition VN\$ 9.0 million (\$53,393) will be provided from counterpart funds to construct and equip a Training Development Center at NIA.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/ AGENCIES						
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1969			Proposed FY 1970		
					Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
Through 6/30/68	674	133	541							
Estimated FY 69	208	388								
Estimated through 6/30/69	882	521	361	Technicians	102	90	192	102	-	102
		Future Year Obligations	Estimated Total Cost	Participants . . .	12	-	12	30	-	30
				Commodities . . .	4	-	4	4	-	4
				Other Costs . . .	-	-	-	-	-	-
Proposed FY 70	136	Undetermined		Total Obligations	118	90	208	136	-	136

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Development Planning	ACTIVITY Public Administration			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-755-342	PRIOR REFERENCE P. 78, 79	FY 1969 Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: To assist Vietnam in designing a development strategy that will lead to a viable, self-sufficient post-war economic planning effort. A U.S. consulting firm, Development and Resources Corporation, is presently working in Vietnam with Vietnamese officials in a Joint Development Group (JDG). The GVN portion of this group will become the nucleus of a permanent government planning organization.

In FY 1970, the JDG will concentrate on examining in depth those aspects of the economy studied from an overall viewpoint in FY 1969, and elaborating on the measures necessary to carry out detailed plans in these sectors. More definitive statements of recommendations will be developed and, where appropriate, legislation and administrative instructions drafted. Sectors in which activities are planned include: Economics and Public Administration; Manpower, Employment and Training; Infrastructure; The Social Services; Agriculture; Industry; and Geographic Development plans.

This is a continuing project.

Progress to Date: Twenty sectoral investigations have been published and a preliminary development plan has been developed for control of water flows and additional irrigation in the Mekong Delta. In addition, a comprehensive second annual report has just been completed reporting all findings and recommendations for each sector of planning activity as of January, 1969. Presentation of the report to President Thieu is scheduled for early April.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated	OBLIGATIONS		
				Estimated FY 1969		Proposed FY 1970
				Direct AID	Contract/Other Agency	Total
Through 6/30/68	1,369	677	692			
Estimated FY 69	1,345	1,723				
Estimated through 6/30/69	2,714	2,400	314			
		Future Year Obligations	Estimated Total Cost			
Proposed FY 70	1,000	Undetermined				
				Cost Components		
				Technicians		
				Participants . . .		
				Commodities . . .		
				Other Costs . . .		
				Total Obligations		

Development and Resources Corporation

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Public Administration General Support		ACTIVITY Public Administration			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-799-372		PRIOR REFERENCE P. 80	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project is to provide (1) policy guidance, administrative services, and technical support to the Public Administration Sector as a whole; (2) advice and guidance to Mission management on matters pertaining to the public administration sector as a whole; (3) coordination of activities within the sector, with other Mission divisions, and with other U.S. agencies, and (4) overall liaison with appropriate GVN ministries and agencies.

This project continues activities shown under Public Administration General Support 730-11-790-372 in the FY 1969 presentation.

FY 1970 Program: Funding (\$246,000) is to cover salaries of an Assistant Director for Public Administration, his Deputy, a Program Analyst, three Administrative Assistants, and two Public Administration Advisors.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1969			Proposed FY 1970		
					Direct AID	Contract/Other Agency		Total		
Through 6/30/68	445	380	65							
Estimated FY 69	289	326								
Estimated through 6/30/69	734	706	28	Technicians	289	-	289	246	-	246
				Participants . . .	-	-	-	-	-	-
				Commodities . . .	-	-	-	-	-	-
				Other Costs . . .	-	-	-	-	-	-
		Future Year Obligations	Estimated Total Cost							
Proposed FY 70	246	Undetermined		Total Obligations	289	-	289	246	-	246

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Provincial Health Assistance		ACTIVITY Public Health			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-530-347		PRIOR REFERENCE P. 81, 82	FY 1969	VIETNAM PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project assists the Ministry of Health, Social Welfare, and Refugees (MHSWR) in bringing urgently needed health services to the civilian population of Vietnam, particularly the civilian victims of war and terrorism. At the same time, A.I.D. will continue to assist the MHSWR in its efforts to improve and expand the activities of its provincial and prefectural health services, so that ultimately the services of a fully integrated national health service will be available to all the people of Vietnam. Accordingly, as the treatment workload and improved Vietnamese capabilities permit, emphasis in this project is being shifted from operational activities at the province level to advisory support at the province and district levels. To date, however, Vietnamese manpower in the health field has been severely overtaxed by the massive workload generated by war-related injuries, and has required large-scale assistance from foreign sources.

In response to this need, the U.S. and other Free World nations are providing major assistance throughout Vietnam. Fifty-one teams of health personnel continue to support the health services of all forty-four provinces plus Saigon Prefecture, and to receive administrative support from U.S. A.I.D. U.S. military personnel, on loan to U.S.A.I.D., comprise the nucleus of twenty-four of these teams, while three are U.S. civilian teams and the remaining twenty-four come from other Free World countries. Working alongside these teams are significant numbers of U.S.A.I.D. employees, including approximately seventy nursing advisors, and up to 50 persons, primarily volunteer physicians who serve 60-day

tours, provided under an American Medical Association contract.

Under a contract with A.I.D., the Childrens' Medical Relief International will continue operations, including the development of Vietnamese staff for a new 40-bed plastic surgery center in Saigon. The International Rescue Committee, also under contract, will continue to provide parallel services in the 140-bed convalescent facility which supports the plastic surgery center.

The U.S. Military Assistance Command, Vietnam (MACV), will contribute to the objectives of this project through continued application of its policy of treating Vietnamese civilians in its expanded hospital system, to the extent permitted by availability of beds. This program makes an estimated 1,100 additional hospital beds available for support of the Vietnamese civilian populace, and is operated and supplied exclusively by MACV.

Most promising for the future is a GVN plan to initiate joint military-civilian operation of GVN health facilities in selected provinces. This will provide for establishing joint use and staffing in twenty-six provinces by the end of 1969. When fully implemented, this program will provide up to 1,500 GVN military health personnel to help meet the needs of Vietnamese civilians.

Additional hospital construction and renovation projects are being formulated within the general context of this joint GVN effort, using the results of a recently completed long-range study of health facilities throughout Vietnam as the primary basis for designing specific projects. One

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	20,225	9,237	10,988								American Medical Association; United Catholic Conference; Childrens' Medical Relief International; Republic of Korea; Republic of China
Estimated FY 69	5,123	9,648									
Estimated through 6/30/69	25,348	18,885	6,463	Technicians	2,815	1,579	4,394	3,660	3,642	7,302	
				Participants . . .	11	-	11	11	-	11	
				Commodities . . .	203	-	203	-	20	20	
				Other Costs . . .	-	515	515	-	620	620	
Proposed FY 70	7,953	Undetermined		Total Obligations	3,029	2,094	5,123	3,671	4,282	7,953	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	
Provincial Health Assistance	Public Health	Supporting Assistance	
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-530-347	P. 81, 82 FY 1969 Vietnam PDB	FY: 1967	FY: Undetermined

major hospital renovation project in Saigon will be initiated in FY 1969, and 20 district dispensaries will undergo further renovation and improvement. Plans are presently being developed for additional minor renovations in CY 1970.

Assistance to GVN in the training of paramedical personnel will continue under this project, with principal emphasis placed on the health disciplines required in the rural/provincial areas. Additional Vietnamese instructors for training activities will receive training in the U.S. and other countries in such disciplines as sanitation, health education, rural health operations, and nursing. (See also Projects 730-11-530-348, Public Health Services; 730-11-510-313, Malaria Control; and 730-11-540-349, Nursing Education and Training.)

Progress to Date: MHSWR hospitals supported by Provincial Health Assistance Program teams continue to treat an average of 38,000 in-patients and 200,000 out-patients per month. Renovation of the Ban Me Thuot hospital was completed in November. As of January 1969, six other hospitals had been constructed in provinces where no adequate hospital facilities previously existed. Due to insecurity, construction of two additional hospitals has been delayed and another has been indefinitely suspended. Construction of 227 village/hamlet-level dispensaries was completed in FY 1968, bringing the total of operational facilities to 943. The 40-bed plastic surgery center and its supporting convalescent facility commenced operations during the last half of CY 1968. Approximately 600 paramedical personnel of various disciplines were trained during FY 1968.

FY 1970 Program: A.I.D. will provide \$7,953,000 of which \$3,660,000 will support 144 A.I.D. personnel and \$377,000 is for 12 PASA technicians. In addition, participant training for 7 persons will be provided (\$11,000).

Two contracts will supply an additional 66 technicians at a cost of \$1,400,000: (1) A contract with the American Medical Association will provide per diem and travel funds to maintain a continuing level of up to 50 persons, primarily volunteer physicians, in Vietnam. (This is in addition to the AMA involvement in Medical and Dental Education.) (2) The United Catholic Conference will provide up to 12 nursing advisors and a 14-member medical assistance team. Other contracts for the following services will be funded in FY 1970 at a total cost of \$2,505,000: Nine medical teams from the Government of Korea; a medical team from the Government of the Republic of China; operation of, and assistance in equipping, the plastic surgery center through the Childrens' Medical Relief International; medical/surgical care and operation of a convalescent center by the International Rescue Committee; and A&E services and minor renovations and expansion of hospital facilities. Assistance in renovation of hospitals will be highly selective, seeking to stimulate further GVN actions toward integration of military and civilian treatment services. Opportunities will be sought to expand this cooperative effort in the area of training paramedical personnel.

The Government of Vietnam bears primary responsibility for operations and maintenance of the national medical system, including the payment of salaries for Vietnamese employees and a continual program of upgrading physical facilities.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	Public Health Services			ACTIVITY	Public Health		FUNDS	Supporting Assistance
PROJECT NUMBER	730-11-530-348			PRIOR REFERENCE	P. 83, 84	FY 1969	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
					Vietnam PDB		FY: 1967	FY: Undetermined

Project Target and Course of Action: The purpose of this project is to assist the Ministry of Health, Social Welfare and Relief (MHSWR) to improve its capacity to plan and administer more effective national public health programs. Preventive medicine will be emphasized through the provision of technical advisors in communicable disease control, environmental sanitation, health education, public health nursing and maternal child care. These efforts will include improving conditions mainly in refugee camps and other congested areas.

A program for the control of communicable diseases will concentrate on protection against major epidemics including plague, cholera, and smallpox. Immunization will also be given for typhoid, tetanus, diphtheria, whooping cough, poliomyelitis and tuberculosis.

The environmental sanitation program will continue to emphasize garbage disposal, pest control, and food and water protection. Some 150 sanitation workers will be trained in CY 1969 and another 150 in CY 1970.

A.I.D. will assist the National Service of Health Education in developing educational material on proper health and hygiene practices. A school health teacher training program will be developed and about 50 health education specialists will be trained each year.

Advisory support in Public Health Nursing will be extended to 16 provinces and Saigon by the end of CY 1969 with emphasis on Maternal/Child Health.

Advisory assistance will continue to focus on improving control over the quality and distribution of pharmaceuti-

icals. New opportunities for increasing Vietnamese pharmaceutical manufacturing capabilities will be explored, especially in such commodities as intravenous fluids. By the end of CY 1970, 14 pilot family planning Research Clinics will have been established under the auspices of the MHSWR's Committee for Research on Population Problems. Assistance will also be provided to the MHSWR in establishing a national program in hospital administration, including advisory support of pilot projects in two or more hospitals.

This project is a combination of two projects presented last year: 730-11-530-348, "Public Health Services," and 730-11-590-373, "National Health Advisory Services." The projects have been combined in order to bring about better management control over activities focused on advisory health services at the national level.

Progress to Date: During CY 1968 more than 16 million preventive immunizations were given. Some 2,500 sample specimens were examined with laboratory assistance from the Pasteur Institute in Saigon and with the cooperation of the Walter Reed Army Institute of Research unit which is now stationed at the Pasteur Institute. Emphasis is being given to plague control under a two year program begun in 1968. During the year, an additional 450 midwives received training, as did 26 sanitation workers, while sanitation surveys were completed in 200 refugee camps. The National Service of Health Education has increased its production of health education materials to 500,000 units per month. Five pilot family planning Research Clinics are now in

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	1,998	1,378	620							U.S. Army
Estimated FY 69	1,018	1,155								
Estimated through 6/30/69	3,016	2,533	483	745	50	795	1,666	65	1,731	
		Future Year Obligations	Estimated Total Cost	27	-	27	129	-	129	
				86	-	86	100	-	100	
				-	110	110	-	10	10	
Proposed FY 70	1,970	Undetermined		858	160	1,018	1,895	75	1,970	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS
Public Health Services	Public Health	Supporting Assistance
PROJECT NUMBER 730-11-530-348	PRIOR REFERENCE P. 83, 84 FY 1969 Vietnam PDB	INITIAL OBLIGATION SCHEDULED FINAL OBLIGATION
		FY: 1967 FY: Undetermined

operation; four more will be established by the end of FY 1969. Progress has been made toward the regulation and control of high potency pharmaceuticals, and pharmacology training manuals and a handbook on the use of new U.S. pharmaceuticals have been prepared.

FY 1970 Program: A.I.D. proposes to provide funds for 42 U.S. A.I.D. advisors and 3 U.S. advisors from Participating Agencies (\$1,731,000). Nine will work on coordination of all Public Health activities and communicable disease control, eleven on environmental sanitation, five on hospital administration, four on public health nursing and midwifery, nine on health education and seven in other advisory areas such as improving the quality and distribution of pharmaceuticals.

Some 113 participant trainees will be funded, at a total cost of \$129,000; 32 of them will receive from one to six months training in Taiwan or the Philippines in Maternal Child Care, Sanitation Worker Training, and Public Health Nursing, and three will spend from three to six months in the U.S. studying pharmaceutical analysis and production. Two sanitarians and 3 demographers will receive short-term training in Singapore or other Southeast Asian countries (2 to 4 weeks), while 10 others will attend a 2 week conference on population in Indonesia. Commodities such as pesticides, laboratory and field equipment and supplies will be provided at a total cost of \$100,000. Twelve motion pictures on various health subjects will be developed by JUSPAO at a cost of \$10,000.

The Government of Vietnam will continue to provide funding to the Directorate-General of Health in its Public Health efforts, primarily to cover the salaries of personnel required.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
Medical and Dental Education	Public Health			Supporting Assistance
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
730-11-540-150	P. 85, 86	FY 1957	FY: Undetermined	

Project Target and Course of Action: The target of this project is to assist the University of Saigon so that it can accomplish its goal of graduating annually, by 1970, 200 well-trained physicians and 50 well-trained dentists. In order to attain these objectives, A.I.D. will continue to support contracts with the American Medical Association (AMA) and with the American Dental Association (ADA) to provide teaching and curriculum advisory assistance.

In addition to increasing the number of graduates, the goal is to achieve qualitative improvement in training at the University. A.I.D. will continue to provide technical assistance to the Medical Center of the University of Saigon by (1) augmenting the existing professional and technical staff with American faculty members; (2) helping to modernize and expand the curricula; and (3) providing English language training and support for the medical library.

The AMA and the ADA will also continue to advise and assist in the placement and specialty training of Vietnamese faculty members in U.S. institutions. The National Library of Medicine in Bethesda, Maryland, will continue providing the medical and dental school libraries with materials, as well as advisory support, while U.S. and other Free-World military personnel of the medical profession will be made available for off-duty voluntary teaching assignments when possible. An adequate teaching hospital is essential if Vietnam is to have the qualified physicians it will need over the long-term. A.I.D., with FY 1969 funds, is assisting in the preparation of an A&E

study, but is not requesting further funding for construction or equipment at this time. This project is a continuation of Medical Education, 450-11-540-150, presented last year.

Progress to Date: Medical educators serving under the AMA and ADA contracts have been supporting development of programs in all basic science disciplines. Some 163 physicians and 23 dentists graduated from the University of Saigon during CY 1968.

FY 1970 Program: In FY 1970, A.I.D. will continue to provide funds for contract services with AMA and the ADA, participant training for 42 Vietnamese, commodity support, and three U.S.A.I.D. advisors. Extension of the contractual arrangements with the AMA, at a cost of \$530,000 for the 12-month period ending June 19, 1971, and the ADA at a cost of \$315,000 for the 12-month period ending May 3, 1971, will allow for the continued recruitment and payment of salaries of medical and dental educators. In addition, \$137,000 will fund the training of the 42 Vietnamese participants in medical and dental specialties needed to improve their services as faculty members; \$115,000 will provide necessary commodities, including laboratory equipment, supplies, and teaching aids for the Medical Center, and \$11,000 will provide one year's funding, ending February 1970, for a laboratory instructor under a personal services contract. Three U.S. A.I.D. advisors (\$102,000) will continue to help school officials refine the Medical and Dental Schools' curricula.

The Government of Vietnam has expanded the staff of the

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1969			Proposed FY 1970		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/68	5,721	4,010	1,711							
Estimated FY 69	1,738	1,638								
Estimated through 6/30/69	7,459	5,648	1,811	Technicians	102	745	847	102	856	958
				Participants . . .	100	-	100	137	-	137
				Commodities . . .	46	105	151	10	105	115
				Other Costs . . .	-	640	640	-	-	-
Proposed FY 70	1,210	Undetermined		Total Obligations	248	1,490	1,738	249	961	1,210

American Medical Association;
American Dental Association

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Medical and Dental Education	ACTIVITY Public Health	FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-540-150	PRIOR REFERENCE P. 85, 86 FY 1969 Vietnam PDB	INITIAL OBLIGATION FY: 1957	SCHEDULED FINAL OBLIGATION FY: Undetermined

Saigon Medical Center to about 300 persons, and plans further expansion, particularly in the faculty, as qualified personnel can be recruited and trained.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Nursing Education and Training		ACTIVITY Public Health			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-540-349		PRIOR REFERENCE P. 87	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project assists the Vietnamese Ministry of Health (MOH) to increase the number and quality of trained assistant nurses and nurse technicians, as part of the effort to improve the quality of patient care throughout Vietnam. During FY 1970, approximately 500 assistant nurses are scheduled to complete a one year training course and 150 nurse technicians will have finished a more intensive three year course.

In order to achieve these targets, nurse advisors from the U.S. will be provided to advise the MOH in formulating and executing nurse training programs and in the operation of nursing schools, and to assist in programs of in-service and on-the-job training at hospitals throughout Vietnam. Qualified Vietnamese nurses will be sent to the U.S. for advanced training which will improve their contribution to the development of nursing education in Vietnam.

This is a continuing project from FY 1968.

Progress to Date: A total of seven assistant nursing schools are now in operation, including two new ones which opened in 1968; these schools graduated a total of 535 assistant nurses in the past year. In addition, 108 nurse technicians were graduated from the two nurse technician schools. The training of assistant nurses will remain at the present level of about 500 annually. Emphasis is now being given to increasing the numbers of nurse technicians and upgrading the quality of education for both categories. The U.S. has been providing sixteen advisors to assist in the development and operation of the

schools, as well as training programs in hospitals throughout the country.

FY 1970 Program: A.I.D. will provide \$518,000 for 19 nurse advisors, and \$38,000 for 24 participant trainees, four of which will study nurse training in the U.S. and the remainder will observe nurse education/training in other Asian Countries.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	U.S. Public Health Service
Through 6/30/68	837	681	156								
Estimated FY 69	599	629		Technicians	452	66	518	452	66	518	
Estimated through 6/30/69	1,436	1,310	126	Participants . . .	81	-	81	38	-	38	
		Future Year Obligations	Estimated Total Cost	Commodities . . .	-	-	-	-	-	-	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 70	556	Undetermined		Total Obligations	533	66	599	490	66	556	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	Health Logistic Support			ACTIVITY	Public Health		FUNDS	Supporting Assistance
PROJECT NUMBER	730-11-590-350			PRIOR REFERENCE	P. 91	FY 1969	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
					Vietnam PDB	FY: 1967		FY: Undetermined

Project Target and Course of Action: This project provides medical supplies and equipment needed by the Ministry of Health, Social Welfare, and Relief (MHSWR) for medical/health programs in 61 hospitals and about 1,000 dispensaries throughout the country, and continues to assist the MHSWR develop a dependable national medical logistics system.

Construction on 13 province health service warehouses being funded in FY 1969 will be completed during FY 1970. Eleven additional provincial warehouses are to be funded from local currency during FY 1970, with construction scheduled to begin in early CY 1970. Some 156 third-country nationals will continue to assist the MHSWR in its supply operations, medical equipment and vehicle maintenance, as well as give on-the-job training to Vietnamese in these fields. This is a continuing project.

Progress to Date: Over the past 2-year period, the effectiveness of the supply system has improved significantly. At present the system can fill 75-80% of line items upon receipt of requisitions as compared with a 30% performance rate in early 1967. Of the 15 warehouses funded in prior years, 6 regional sub-depots and 2 provincial warehouses are complete. An additional provincial warehouse and 6 warehouses at the Saigon Medical Logistics Center will be completed during CY 1969. The U.S. management consultant firm of Pope, Evans, Robins, International, Ltd., is nearing successful completion of its efforts to develop necessary supply procedures, and train Vietnamese in their use. More than \$9 million in A.I.D. funds were

used to order medical supplies in FY 1968; this level, an increase of \$2 million over earlier estimates, resulted from the need to replace stocks drawn down in the aftermath of Tet and Spring, 1968 offensives.

FY 1970 Program: During FY 1970, A.I.D. will provide \$6.8 million for medical supplies which will fill about 50% of the needs of the civilian medical/health programs. The Department of Defense is funding the remainder. These commodities will move through the MOH medical supply system to support health programs throughout Vietnam. A.I.D. will also provide \$1,230,000 for the extension of contracts which provide 49 vehicle repairmen and 107 warehousemen. Some 47 U.S. technicians and 25 third-country nationals will provide direct assistance in overall supervision and operation of the supply system at a cost of \$1,390,000. The Government of Vietnam will continue to support a staff of about 300 persons for the medical logistics center and depots throughout the country.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	22,267	14,540	7,727								International Industrial Company; Pope, Evans, Robins, International, Ltd.; Republic of Korea
Estimated FY 69	9,027	10,154		Technicians	1,356	750	2,106	1,390	1,230	2,620	
Estimated through 6/30/69	31,294	24,694	6,600	Participants . . .	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	Commodities . . .	6,745	-	6,745	6,798	-	6,798	
				Other Costs . . .	-	176	176	-	-	-	
Proposed FY 70	9,418	Undetermined		Total Obligations	8,101	926	9,027	8,188	1,230	9,418	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Public Health General Support	ACTIVITY Public Health			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-599-375	PRIOR REFERENCE P. 92	FY 1969 FY 1969	INITIAL OBLIGATION Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: 1967 FY: Undetermined

Project Target and Course of Action: The purpose of this project is to provide advisory assistance to the Vietnamese Ministry of Health, Social Welfare and Relief in administrative as well as policy matters pertaining to health, and overall supervision and administration of all USAID assistance projects in the Public Health sector. Guidance will be provided to Mission management on matters pertaining to public health in Vietnam.

This is a continuing project from FY 1968.

FY 1970 Program: The proposed dollar funding (\$492,000) will cover the services of the Assistant Director for Public Health, his deputy, an executive assistant, and 12 health administrators. Two of these persons will be provided by the Department of Defense.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
Through 6/30/68	1,194	938	256	Technicians	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Department of Defense
Estimated FY 69	456	649			Participants . . .	-	-	-	-	-	
Estimated through 6/30/69	1,650	1,587	63 <th>Commodities . . .</th> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td>	Commodities . . .	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	Other Costs . . .	-	-	-	-	-	-	
Proposed FY 70	492	Undetermined		Total Obligations	364	92	456	400	92	492	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Telecommunications		ACTIVITY Public Works			FUNDS Supporting Assistance	
PROJECT NUMBER 730-12-225-029		PRIOR REFERENCE P. 93	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1958	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Targets and Course of Action: The overall objective of this project is to establish a country-wide network of telecommunications services linking population centers in the provinces with the capital, improving urban service, and expanding international circuits. For the short term, the objective is to assist the GVN in proper maintenance of the equipment and facilities furnished in prior years, making the maximum feasible use of these facilities under wartime conditions, and improving the administrative capacity of the GVN Directorate of Posts and Telecommunications (P&T).

A.I.D. furnishes technical services to secure these short-term targets pending the time when the GVN can devote the necessary skilled manpower and other resources for fundamental system improvement. A return to peacetime conditions is likely to require some expansion of A.I.D.'s assistance, not currently programmed, to integrate elements of the military communications network into the civilian system and reorganize P&T.

Progress to Date: Hostilities and a shortage of skilled Vietnamese personnel have severely limited progress. Nevertheless the major links in the Southern Toll microwave system (Saigon and points south) were maintained in operation with A.I.D. assistance and some progress continued in improving the quality of service. Repairs of damages incurred during the Tet offensive have been completed and approximately 4,000 new telephones have been installed. The quality of international circuits, used extensively by U.S. troops, press services, and other

commercial users, improved greatly with the installation of new equipment financed by P&T.

FY 1970 Program: Continuation of three U.S. direct-hire technical advisors is proposed (\$94,000); and continuation of contract assistance on a reduced scale for operation, maintenance, engineering, and training services to P&T (\$200,000 for 12 months ending April 1971). The regular P&T budget for CY 1969 is estimated at VN\$ 825 million (\$ 7 million U.S. equivalent).

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES Undetermined			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1969			Proposed FY 1970		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/68	12,483	10,479	2,004		102	-	102	94	-	94
Estimated FY 69	652	1,169			-	-	-	-	-	-
Estimated through 6/30/69	13,135	11,648	1,487	Technicians	100	-	100	-	-	-
		Future Year Obligations	Estimated Total Cost	Participants . . .	-	-	-	-	-	-
				Commodities . . .	-	450	450	-	200	200
Proposed FY 70	294	Undetermined		Other Costs . . .	202	450	652	92	200	294
				Total Obligations						

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Inland Waterways Improvement	ACTIVITY Public Works			FUNDS Supporting Assistance	
	PRIOR REFERENCE P. 94 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1970	
PROJECT NUMBER 730-11-350-297					

Project Target and Course of Action: Project objectives are to (a) maintain waterway communications in priority areas of the Delta, (b) provide 3,500,000 cubic meters of land fill and construction material annually for public works projects, and (c) train additional Vietnamese dredge crews so that the GVN Directorate of Navigation can expand its performance to cover essential dredging.

The primary means of achieving these objectives is a contract with the Retired Servicemen's Engineering Agency (RSEA) of the Republic of China, under which the agency operates four dredges in the Delta and provides extensive on-the-job training to Vietnamese dredgers. The GVN is contributing the piaster equivalent of one million dollars to the contract over its projected three year term.

Progress to Date: Four RSEA dredges were on the job in June 1968 and began operation in July. They are now operating in the Delta on a 24-hour basis, and at present rate of excavation should move the targeted amount of material by the end of FY 1969. Over the same period, 128 Vietnamese dredgers working in the project will have entered training. The first cycle of thirty-two trainees was graduated at the end of 1968.

FY 1970 Program: The amount (\$2,000,000) proposed covers the third and final year's extension of the RSEA contract to May 1971.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	5,428	2,575	2,853								Retired Servicemen's Engineering Agency
Estimated FY 69	2,050	2,319									
Estimated through 6/30/69	7,478	4,894	2,584	Technicians	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	Participants . . .	-	-	-	-	-	-	
				Commodities . . .	50	-	50	-	-	-	
				Other Costs . . .	-	2,000	2,000	-	2,000	2,000	
Proposed FY 70	2,000	None	9,478	Total Obligations	50	2,000	2,050	-	2,000	2,000	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
Rural Water Development	Public Works			Supporting Assistance
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
730-12-521-359	P. 95, 96	FY 1969 Vietnam PDB	FY: 1967	FY: Undetermined

Project Target and Course of Action: The objective of this project is to provide potable water supplies to people not presently served by urban water systems. Priorities are established jointly by CORDS pacification officers, the GVN's Directorate of Water Supply, and USAID Water Resources advisors. A high priority has been to furnish safe water for refugee camps and civilian hospitals. Most other completed water systems supply District towns of 5,000 population or less.

The project provides U.S. and third-country technicians to augment the resources of the GVN Directorate of Water Supply, currently reduced by military mobilization to two hundred men. In addition the 513th Engineering Control Advisory Detachment (ECAD), U.S. Army Corps of Engineers, specializes in development of surface water sources and distribution systems.

Progress to Date: During FY 1968, 31 rural wells and 11 water systems were completed. The failure to work at capacity levels was due to the Tet offensive. Over the past three years the following installations have been completed:

Deep wells drilled	217
Turbine pumps installed	128
Surface Water Treatment plants constructed	39
Existing Treatment Plants Rehabilitated	12
Elevated Storage Tanks/Towers Constructed	33
Water Distribution Systems Completed	58
(Total of 106,000 meters of pipe)	

Public Fountains installed

477

These facilities are capable of supplying potable water to 1.6 million people.

FY 1970 Program: Twelve direct hire U.S. engineers and well drilling technicians plus six third country nationals are proposed to train GVN crews (\$383,000). A.I.D. also finances travel and per diem costs of the twenty authorized officers and men of the 513th Engineer Control Advisory Detachment (ECAD) under a participating agency service agreement (\$90,000). Commodities include pipe and fittings, replacement parts for well drilling equipment, pumps, and accessories (\$376,000).

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	U.S. Army Corps of Engineers.
Through 6/30/68	3,847	1,402	2,445								
Estimated FY 69	989	2,560									
Estimated through 6/30/69	4,836	3,962	874	Technicians	436	115	551	383	90	473	
		Future Year Obligations	Estimated Total Cost	Participants . . .	-	-	-	-	-	-	
				Commodities . . .	438	-	438	376	-	376	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 70	849	Undetermined		Total Obligations	874	115	989	759	90	849	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Provincial and Rural Electric	ACTIVITY Public Works			FUNDS Supporting Assistance
PROJECT NUMBER 730-12-220-379	PRIOR REFERENCE P. 99, 100	FY 1969	Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: 1970
			INITIAL OBLIGATION FY: 1967	

Project Target and Course of Action: The objectives of this project are to ensure continuity of electric power in provincial cities (outside Saigon) and to maintain and extend power to selected rural communities in support of pacification activities.

The project assists Electricity of Vietnam (EOV), a GVN-owned utility, which serves the power systems of twenty-six provincial cities and numerous small rural installations. An immediate target is to assist EOV in extending reliable supplies of electricity to eleven additional municipal systems in CY 1969.

A.I.D. finances advisory, operation, and maintenance services to EOV through a contract with the Trans Asia Engineering Associates. Related services through the Taiwan Power Company are being funded from prior year obligations. Commodity assistance is phasing out and presently involves only power distribution equipment and accessories. It is anticipated that all U.S. assistance under this project will be terminated with FY 1970 funding. In future years some community utility systems should be able to qualify for support from the proposed Municipal Utilities Improvement Fund, project 730-52-521-398.

This project was presented last year as part of project 730-11-890-393, Provincial Cities Reconstruction and Development.

Progress to Date: A power network (Electricity of Vietnam) presently serves twenty-six cities. Since 1966, new power systems in 41 hamlets and villages have been installed in support of revolutionary development

objectives.

FY 1970 Program: Contract engineering advisory services will be extended for a final twelve months (\$200,000). Commodities include distribution lines and accessories for the completion of currently approved system extensions (\$220,000). One U.S. direct-hire engineer will supervise the orderly phase out of A.I.D. support. The GVN supports the Electricity of Vietnam power system to the extent of about VN\$ 300 million (\$2.5 million) per year.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Trans Asia Engineers Taiwan Power Company
Through 6/30/68	2,195	667	1,528								
Estimated FY 69	739	1,395		Technicians	39	-	39	39	-	39	
Estimated through 6/30/69	2,934	2,062	872	Participants ...	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	Commodities ...	500	-	500	220	-	220	
				Other Costs ...	-	200	200	-	200	200	
Proposed FY 70	459	None	3,393	Total Obligations	539	200	739	259	200	459	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Provincial Roads and Quarries		ACTIVITY Public Works			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-310-392		PRIOR REFERENCE P. 97	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The purpose of this project is to provide GVN regional and province-level public works engineers with the resources they need to improve secondary provincial roads, in furtherance of pacification priorities. Toward this end, project objectives are: (a) the repair and rehabilitation of over 1,000 pieces of heavy construction equipment of the Directorate of Highways by the end of 1970; (b) allocation of the equipment to provincial engineering offices, and provision of the technical assistance required for its proper use and maintenance; and (c) increasing Vietnamese quarry production of aggregate (crushed rock) to the level required for road and other construction, particularly in the Delta area.

A.I.D. contracts for the rehabilitation of major items of construction equipment, providing some new repair parts, tools and materials.

A.I.D. finances a contract with a U.S. firm for the operation of a quarry at Nui Sap, An Giang province. Production should average 17,000 cubic meters per month (25,000 short tons) at full operation early in CY 1969. Such production would meet all immediate needs in the Delta for road and other public construction. It is estimated that the quarry can be turned over to Vietnamese operation before the end of 1971.

The engineering staff of the GVN Ministry of Public Works is so heavily engaged in necessary construction and maintenance of primary routes of strategic military importance, supported by the U.S. Department of Defense,

that secondary provincial roads have been neglected and have deteriorated. Recognizing the importance of such roads for rural development, A.I.D. has agreed to help augment the field engineering staff by providing 15 U.S. contract highway engineers. The Ministry of Revolutionary Development (MORD) budgeted one billion piasters (\$8.5 million equivalent) to support provincial road improvement in 1968. The roads to be improved are selected by GVN and CORDS for their contribution to pacification and economic improvement objectives.

Some advisory assistance is being continued to the National Construction and Equipment Training Center (former project 730-11-290-354) as a supporting element of this project. Besides training equipment operators, the Center translates operator and maintenance manuals into Vietnamese for distribution to the provinces.

Progress to Date: The major equipment repair contract has been awarded, and the contractor began mobilizing his staff and equipment at the end of 1968. The contract for provincial highway engineering technical services has not yet been negotiated. Production at An Giang quarry began in June 1968, and was on schedule toward meeting the targeted volume of aggregate at year's end.

FY 1970 Program: \$2.0 million is required to extend the An Giang quarry contract to July 1971; \$800,000 for a one-year extension, on a reduced basis, of the equipment repair contract; \$253,000 for repair parts and tools; \$370,000 to continue fifteen provincial highway engineer advisors under contract until January 1971; \$62,000 for two U.S. and

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Through 6/30/68	6,038	-		6,038	Estimated FY 1969			Proposed FY 1970		
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated FY 69	3,430	5,230			62	-	62	62	370	432	RMK-BRJ Trans Asia Engineers Undetermined
Estimated through 6/30/69	9,468	5,230	4,238	Technicians	5	-	5	5	-	5	
		Future Year Obligations	Estimated Total Cost	Participants ...	363	-	363	253	-	253	
				Commodities ...	-	3,000	3,000	-	2,800	2,800	
				Other Costs ...							
Proposed FY 70	3,490	Undetermined		Total Obligations	430	3,000	3,430	320	3,170	3,490	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Provincial Roads and Quarries	ACTIVITY Public Works			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 97 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-310-392				

one third-country highway equipment specialists; and \$5,000 for two equipment management participants to be trained in a third country.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Airlines Advisory Assistance		ACTIVITY Public Works		FUNDS Supporting Assistance
PROJECT NUMBER 730-11-370-394		PRIOR REFERENCE None	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The project assists the Vietnamese national airline in expanding its operations to maximize its contribution to domestic transportation needs during the war and, over the long term, to national development. Primary objectives are to develop Air Vietnam into (a) a more efficient and safer airline, emphasizing domestic operations, and (b) an economically sound airline with the capacity to expand and modernize its fleet and services from its own operating revenue. A specific target is to increase revenue traffic (passenger seat miles and ton miles of cargo) by 15% by the end of CY 1969, and by 50% by the end of CY 1971.

The project is implemented through a contract with a U.S. airline, which will provide a team of specialists in management, operations and maintenance to Air Vietnam, together with on-the-job and U.S. training. Priority contract activities include the establishment of safety standards no less than those set for U.S. airlines, increasing revenues through improved management practices, and expanding and regularizing domestic schedules.

Progress to Date: The major technical services contract was signed with Pan American World Airways in January 1969, with work scheduled to begin in March. Air Vietnam, with its own funds, purchased two Boeing 727 jet transports in 1968 for use on international routes. The airline now connects eighteen cities within Vietnam and serves ten Far Eastern cities. It has approximately 3,000 employees.

FY 1970 Program: Funds proposed for FY 1970 will permit the extension of technical assistance for the twelve months

beginning August 1970 and purchases of commodities such as training equipment, mock-ups, and supplies (\$470,000). Approximately thirty participants from Air Vietnam are to receive six months' training in the U.S. in flight operations, services, engineering maintenance, finance and sales (\$150,000).

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/ AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
Through 6/30/68	630	-	630	Technicians	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Pan American Airways
Estimated FY 69	252	147			Participants . . .	-	-	-	-	420	
Estimated through 6/30/69	882	147	735	Commodities . . .	75	-	75	150	-	150	
		Future Year Obligations	Estimated Total Cost	Other Costs . . .	-	177	177	-	50	50	
					-	-	-	-	-	-	
Proposed FY 70	620	Undetermined		Total Obligations	75	177	252	150	470	620	

Country:

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Metropolitan Area Development		ACTIVITY Urban Reconstruction and Development			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-995-370		PRIOR REFERENCE P. 101, 102	FY 1969	Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: Undetermined
				INITIAL OBLIGATION FY: 1967	

Project Target and Course of Action: The project will help alleviate the city's most urgent war-induced problems at the municipal level by (a) instituting a number of short-range improvements in the Saigon municipal government, and (b) expanding programs of self-help and community action. Major target areas for improving municipal government are (1) administrative improvements to expedite service to the public despite continuing GVN personnel shortages; (2) improvement of fire protection through adoption of modern fire-fighting techniques and organization of volunteer neighborhood fire-fighting units; and (3) improved traffic control, repair of non-arterial streets, and advice on improving bus service to prevent further traffic congestion. The project's largest dollar contribution is for street repair, with the target of resurfacing twenty-two streets totalling 24.4 km by the end of FY 1971.

Last year's Tet attack resulted in a wave of popular enthusiasm for self-defense and self-help activity which the second aspect of this project seeks to support through increased advisory, training, and material assistance. A specific target in self-help housing reconstruction is to complete 2,670 units begun in 1968 under the New Life Construction program and initiate 3,500 additional units in 1969. Under this program, communities elect building councils, pool their GVN-supplied reconstruction assistance materials, and agree to rebuild in accordance with a planned site layout. The project will also support self-help improvement of community services and facilities,

such as paving of walkways, drainage, and day-care nurseries. The recruitment and training of an additional 200 Vietnamese community workers is planned in 1969. The principal costs of this activity are in local currency, paid from municipal, GVN and counterpart sources. Approximately VN\$ 56 million (\$475,000 equivalent) is currently available to support the expanded self-help program. Additional funds are being sought in the 1969 GVN budget.

This project is administered by a special Saigon Civil Assistance Group under CORDS, which coordinates all U.S. assistance to the Saigon area. Under more normal conditions greater emphasis would be placed on urban planning, long-range development, and additional infra-structure investment; however, current absorption of Vietnamese trained manpower and resources by the war effort restricts such efforts. (See Public Administration project 730-11-720-339, Support of Local Government.)

Progress to Date: The municipal administration was heavily engaged after the Tet attack in repairing damaged facilities and in the care of urban homeless. Progress in administrative reform was therefore slight. A.I.D.-financed consultants in fire protection and traffic engineering began work in the second half of 1968, and are formulating improvement programs with municipal officials. Bus service was substantially improved through the rehabilitation of thirty-five busses and the GVN's purchase of an equal number of new vehicles. The number of operating routes increased from four to seven. The possibility for major bus service expansion through private enterprise was opened

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	1,630	172	1,458							Undetermined
Estimated FY 69	2,761	1,880								
Estimated through 6/30/69	4,391	2,052	2,339	213	83	296	233	80	313	
		Future Year Obligations	Estimated Total Cost							
				1,439	-	1,439	479	-	479	
				-	1,026	1,026	-	1,000	1,000	
Proposed FY 70	1,792	Undetermined		1,652	1,109	2,761	712	1,080	1,792	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Saigon Metropolitan Area Development	Urban Reconstruction and Development				
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION		
730-11-995-370	P. 101,102	FY 1969	Vietnam PDB	FY: 1967	FY: Undetermined

in December when the GVN invited offers from private firms to take over the municipal system. A.I.D.-financed street repair work under contract is to begin early in 1969.

In community self-help action during FY 1968, local development councils were elected in fifty-six urban Khom (precincts), five urban Phuong (wards), and one urban district in Saigon. Over 2,500 reconstruction housing units were initiated on a community planned and organized basis. Thirty small public works improvements were completed. Local self-defense groups, assisted with DOD supplies, have been organized in the Saigon area in conjunction with National Self Defense Plans.

FY 1970 Program: Eleven U.S. direct hire Area Development Officers are proposed (two of whom are detailed from Department of State) to advise municipal, district, and subsidiary units of local government and private groups on community action programs (\$313,000). Assistance of four municipal administrative reform advisors is available from project 730-11-799-372, Public Administration Technical Support. Commodities comprise rebar, roofing, and small prefabricated buildings for community centers (\$144,000); asphaltic cement used by municipal street repair crews (\$255,000); and fire protection and traffic control equipment (\$80,000). An additional \$1.0 million is proposed to complete the targeted amount of contract street resurfacing.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Electric Power		ACTIVITY Urban Reconstruction and Development			FUNDS Supporting Assistance
PROJECT NUMBER 730-12-220-356		PRIOR REFERENCE P. 103, 104	FY FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967
					SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: Project objectives are to: (a) expand power generating and distribution capacity for the Saigon Metropolitan area to approximately 350 MW by the end of 1972, and (b) establish the Saigon Power Company (SPC) as a fully independent, effective utility company by the same date. When these objectives are met, it should be possible to provide for further expansion through the utility's own revenue earnings and credit.

The primary means of achieving these objectives were developed in FY 1967 when A.I.D. made a capital grant of \$32 million for: (a) management advisory services to the SPC by a U.S. company for three years - \$2 million; (b) the purchase, installation and initial operation of two 66,000 KW steam electric generating units (Thu Duc 2 and 3) - \$21 million; and (c) the engineering and construction of reinforcements and extensions to the transmission and distribution system - \$9 million. The GVN is contributing VNĐ 1.1 billion (U.S. \$9.1 million equivalent) for local costs.

In order to meet current power needs pending installation of the major units, there is a need to install 35 additional 2,100 KW diesel generators (funded in prior years) and, to make some interim improvements to the distribution system.

Progress to Date: All conditions precedent to the disbursement of the \$32 million grant were met by the GVN in December 1968. This was one year later than the original project schedule and caused a revision in the target com-

pletion date. The delay was necessary to assure full achievement of essential objectives under the grant.

The solicitation document for an engineering and construction contract for Thu Duc 2 and 3 is in preparation. The contract for utility management services was concluded in late 1967 with Commonwealth Associates, Inc., whose staff have been advising SPC since December, 1967. The Detroit Edison Co., continues to provide A.I.D. with specialized advisory services for project implementation.

All thirty-five interim 2,100 KW diesel units were received in 1968 and are to be installed during 1969. Installation of a 15,000 KW gas-turbine unit was completed during 1968.

Installed generating capacity for the Saigon area increased in 1968 to a total of 155 MW.

FY 1970 Program: Six U.S. direct-hire electrical engineers will be continued to plan and supervise project operations (\$219,000). The services of six diesel generator specialists will be extended under contract for one year to December 1970 (\$335,000).

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	50,707	6,723	43,984							Commonwealth Associates Inc. Detroit Edison Company
Estimated FY 69	800	11,794								
Estimated through 6/30/69	51,507	18,517	32,990	235	165	400	219	335	554	
		Future Year Obligations	Estimated Total Cost	-	-	-	-	-	-	
				400	-	400	-	-	-	
				-	-	-	-	-	-	
Proposed FY 70	554	Undetermined		635	165	800	219	335	554	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Water and Sewerage	ACTIVITY Urban Reconstruction and Development			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 105		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1971
PROJECT NUMBER 730-12-521-358	P. 105	FY 1969	Vietnam PDB	

Project Target and Course of Action: The project is designed to (a) provide the urban population of Saigon with an adequate water supply system for the next ten years, and (b) assist the Saigon Metropolitan Water Office (SMWO) to become a self-sustaining water utility.

A.I.D. provides technical advice, management training, and commodity assistance to this vital facility. Primary emphasis is now on replacing deteriorating pipe and providing service to new areas (low cost housing, refugee centers, and military facilities). A.I.D. commodity financing was extended for an additional year (FY 1969), but was limited to repair of war damage and emergency extensions to low-cost housing and refugee resettlement areas. SMWO finances excavation and installation work with its own funds. A contract with Commonwealth Services Inc. provides assistance in improving administration and fiscal management of the SMWO.

The project will also provide the GVN a feasibility study for sewerage system improvement (financed in prior years), upon which the government may determine future public investment needs in this area.

Progress to Date: The GVN Ministry of Defense is returning to SMWO essential technical personnel who have served over one year in the armed forces. Delivery of treated water to the Saigon area increased to 65 million gallons daily in 1968 from 54.8 MGD in 1967. Two 23 MGD reservoirs and eight elevated storage tanks are being built with GVN funds. Water rates have been increased from 6 to 10 piasters per cubic meter, and a wide variety of

administrative management improvements recommended by the U.S. contractor have been instituted by SMWO.

FY 1970 Program: A greatly reduced funding level is proposed for FY 1970 on the assumption that future commodity requirements will be procured through other means. Four U.S. technicians are to be continued (\$115,000) and two SMWO engineers are proposed for U.S. participant training in water works engineering (\$16,000). The GVN grants an annual subsidy to SMWO of approximately VN\$ 360 million (\$3 million U.S. equivalent), principally for on-going construction.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	6,683	784	5,899							
Estimated FY 69	1,973	4,466								
Estimated through 6/30/69	8,656	5,250	3,406							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 70	131	Undetermined								
				Total Obligations						
				1,404	569	1,973	131	-	131	

Other

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	
Youth Affairs	Other	Supporting Assistance	
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-825-336	P. 107 FY 1969 Vietnam PDB	FY: 1967	FY: Undetermined

Project Target and Course of Action: This project is designed to involve both rural and urban Vietnamese youth in the nation building process, and thus stimulate constructive social change and economic improvement.

The GVN objectives to which A.I.D. provides advisory support are: (1) promote community self-government and self-improvement in selected areas of Saigon, and encourage youth organizations to participate in civic development projects, especially housing reconstruction; (2) encourage growth of civic-action oriented private youth groups such as "School Youth Activities", 4-T (similar to 4-H club), and Boy Scouts in all parts of the country, and involve such groups in community action; (3) support youth groups' voluntary emergency-aid projects such as refugee and disaster relief activity; (4) develop or identify activities within the Self-Defense program which are particularly suitable for youth and student participation.

Emphasis in FY 1970 will be placed on further encouraging interest and participation of youth in the above activities. Local community units will be expanded in Saigon Districts 6, 7, and 8 and initiated in Districts 4 and 9 involving the use of youth groups. Provincial "School Youth Activities" will organize students and teachers for community-action programs of the self-help type, involving 35 provinces and at least 20,000 students. Existing youth groups will continue assistance to refugees as appropriate. Student civil-defense training will expand to cover 30,000 students. Greater participation by

rural youth in community-action projects will be encouraged. A.I.D. Youth Affairs advisors at national and regional level work with youth leaders to promote the success of these activities, and coordinate youth activities with A.I.D.'s programs through the Saigon Civil Advisory Group, Refugee Division, Education Division, etc.

This project is a continuation of Project 730-11-990-336 presented last year.

Progress to Date: Substantial achievements have been accomplished in each target area. Saigon Youth Civic Development efforts have contributed toward the construction of 1,900 housing units, development of vocational education courses for adults, reconstruction of a community high school, and the solicitation of nearly four million piasters for local self-help projects. Private Youth Groups supported work camps, civic improvement programs, and sponsored the development of refugee housing for nearly 30,000 people. High School and College student groups have developed cultural programs, a sanitation campaign, dispatched medical students to the provinces, and developed activities to bring provincial youth into community activities. The Self-Defense program of the Ministry of Interior has been aimed at organized youth groups and individual participants and has succeeded in enrolling hundreds of thousands of youth in this national effort. The A.I.D. Youth Affairs advisors, located in each region of the country, have been able to help stimulate these activities through their advisory efforts and material support.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES	
	Obligations	Expenditures	Unliquidated	OBLIGATIONS			
				Estimated FY 1969			Proposed FY 1970
				Direct AID	Contract/Other Agency		Total
Through 6/30/68	405	376	29				
Estimated FY 69	264	261					
Estimated through 6/30/69	669	637	32	254	-	254	
		Future Year Obligations	Estimated Total Cost	276	-	276	
Proposed FY 70	276	Undetermined		10	-	10	
				-	-	-	
				-	-	-	
				264	-	264	
				276	-	276	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
	Youth Affairs	Other		
PROJECT NUMBER	PRIOR REFERENCE		INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-825-336	P. 107	FY 1969	Vietnam PDB FY: 1967	FY: Undetermined

During the VC offensives of 1968 young people responded strongly to the need for disaster-relief action, constructing refugee housing, repairing damage, distributing supplies, providing cleanup and medical care teams, and operating emergency refugee centers. Private youth groups (National Youth Relief Committee) and students (Student Committee for Refugees) assumed responsibility for a total of 21 refugee centers sheltering over 42,000 refugees.

Rural youth is being brought more fully into participation through the School Youth's Activities Program and local weekend public-action camps. Some 104 such camps, which work on self-help type projects of community value, were organized during the last half of 1968. Rural youth activity is also being channelled through such established groups as 4-T (under Agriculture) and Boy Scouts. Boy Scout enrollment increased from 5,500 to 13,900 during CY 1968.

FY 1970 Program: This project provides advisors to the GVN Directorate of Youth, six in Saigon and one each in the four Regions (\$276,000). The GVN has budgeted VN\$ 556,717,000 (\$4,714,000) for youth activities in CY 1969.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Village and Local Development		ACTIVITY Other			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-810-388		PRIOR REFERENCE P. 108	FY 1969	INITIAL OBLIGATION Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project is designed to strengthen the structure of local government through maximum involvement of people in their own village affairs. It helps the villagers better their lives through organized effort. The Ministry of Interior, responsible for local government, is taking the leadership role in encouraging the villages to adopt this process. Within the total Revolutionary Development Program, this project constitutes a special effort to get people from villages and hamlets involved in the planning and implementation of development programs for their villages. It is a process to extend village administration and designed to markedly increase popular participation in major decisions affecting the welfare of the community, to engage the participation of villagers in resolving problem areas, and to assure their participation in the benefits derived therefrom. This project exemplifies the involvement and grassroots participation envisaged under Title IX.

The Village Development process begins with a house-to-house fact-finding survey conducted by villagers themselves to develop a simple quantitative measure for identification of their common problems. The survey is followed by a village meeting called to appraise the results and in which the villagers themselves identify major problem areas and set their own priorities. These problems often involve such diverse subjects as the number of children not attending school, the number of hogs lost to disease, or the need for credit. Sub-committees are then appointed by the village to deal with these problems.

These sub-committees consist of one village or hamlet official and other villagers qualified to deal with the assigned problem. Sub-committees may be established for areas such as education, health, animal husbandry, agriculture, credit and finance, and housing. Following successful initiation of this program in five pilot provinces, the GVN in conjunction with U.S.A.I.D. is extending it to 300 villages or more in at least 10 additional provinces in CY 1969. The province government through its District organization will provide technical assistance. Project support as required is available from MORD self-help funds and from the provincial technical services of the Ministries. Experienced U.S. advisors will guide and train local officials in this process for mobilizing local initiative and energies.

This project was initiated in FY 1969.

Progress to Date: Village and Local Development programs are now operating in five pilot provinces. In Dinh Tuong province where the program was initiated in seven villages, 38 sub-committees have been formed involving 190 members. This means that at least 152 villagers are now participating in village activities who would not otherwise have been involved. They have nearly 100 small projects such as a training course in animal health, fish pond management, village public health training course and construction of self-help school rooms, all in various stages of development, etc. In Than Cuu Nghia village, for example, the Animal Husbandry Sub-committee confronted by the fact that 60% of their hogs died of disease in the prior year, sent

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
Through 6/30/68	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 69	166	151		Technicians	Estimated FY 1969			Proposed FY 1970		
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated through 6/30/69	166	151	15	Participants . . .	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	Commodities . . .	-	-	-	-	-	-	
Proposed FY 70	208	Undetermined		Other Costs . . .	-	-	-	-	-	-	
				Total Obligations	166	-	166	208	-	208	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	Supporting Assistance
Village and Local Development	Other		
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-810-388	P. 108 FY 1969 Vietnam PDB	FY: 1969	FY: Undetermined

two of its members to the province capital to learn inoculation techniques. The sub-committee members were trained, returned to their village, and an inoculation program is now underway.
FY 1970 Program: \$208,000 is required for seven advisors.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE National Information Services	ACTIVITY Other			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-960-267	PRIOR REFERENCE P. 109	FY 1969 FY 1969	INITIAL OBLIGATION Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: 1963 FY: Undetermined

Project Target and Course of Action: The objective of this project is to assist the GVN information agencies in keeping the Vietnamese people informed on policies and programs of their government. Assistance to Directorate General for Information and Press (DGIP) is provided through the Technical Services Division of the Joint U.S. Public Affairs Office (JUSPAO) in Vietnam. The information programs assisted by A.I.D. through JUSPAO are: National Information Services (NIS), Radio Vietnam (VTVN), National Motion Picture Center (NMPC), National Printing House (NPH), and the Vietnamese Information Services (VIS). Assistance to Television Vietnam (THVN) is funded by the DOD. To assist these agency programs USIA provides technical advisors and some commodities. Emphasis in FY 1970 will be placed on increased production and improved quality of material published by the National Printing House, more documentary films and news reels to be made by the NMPC, improved equipment maintenance in VIS repair centers.

A national radio network will be completed during the early part of CY 1970. For the first time, a direct system of communication will exist reaching 95% of the population. Because of the vulnerability of radio stations as enemy targets, a 12 station network plan was revised to one involving four stations which will give the same population coverage with better security and also require less operating staff. Small stations now in existence will be phased out or transferred to military uses with the exception of the more recently constructed stations at Can Tho, Quang Ngai and Hue. These will be retained as

auxiliary relay stations for national emergencies and under normal circumstances to transmit programs of regional interest. A contract will be let in FY 1970 to ensure proper initial maintenance and operation of U.S. supplied equipment. An A&E survey will be undertaken for the reconstruction of Radio Saigon studios destroyed by enemy action.

Progress to Date: National Information Services operations received a heavy blow in the February 1968 enemy offensive when radio stations and VIS centers were damaged and destroyed, and personnel killed and captured. However in spite of this, NPH increased its output of materials in support of the National Information Program and progress was made in improving the staff and operation of the regional VIS repair centers.

FY 1970 Program: Funding is required in FY 1970 for 31 advisors (\$1,053,000); 1 participant for 3-month study in the Philippines (\$2,000); spare parts, supplies, and equipment (\$638,000); and \$505,000 for an operation, maintenance and training contract. The GVN has budgeted VN\$ 900 million (\$7,627,000) for the Ministry of Information in CY 1969.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			Undetermined		
					Estimated FY 1969		Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/68	6,076	1,939	4,137							
Estimated FY 69	2,876	1,341								
Estimated through 6/30/69	8,952	3,280	5,672							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 70	2,198	Undetermined			728	2,148	2,876	645	1,553	2,198
				Technicians	-	1,148	1,148	-	1,053	1,053
				Participants . . .	2	-	2	2	-	2
				Commodities . . .	721	-	721	638	-	638
				Other Costs . . .	5	1,000	1,005	5	500	505
				Total Obligations	728	2,148	2,876	645	1,553	2,198

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE USAID Technical Support		ACTIVITY Technical Support			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-999-000		PRIOR REFERENCE P. 111 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: Undetermined	

Project Target and Course of Action: This project funds personnel, contract and commodity requirements to support all U.S.A.I.D. employees in areas of personnel administration, residential quarters and furnishings, office space, repair and maintenance, office supplies and equipment, travel and transportation, communications and records, security and safety.

Funds for personnel in other organizational components of the U.S.A.I.D. which cannot be attributed to any one sector or project, including U.S.A.I.D.'s Program and Economic Office, Controller's Office, and Legal Office, also are included here. Since U.S.A.I.D. supplies vehicles, office supplies and furniture to CORDS out of a common pool, funds for these items are included. Finally, funds are included for administrative support of U.S.A.I.D. and CORDS dependents situated in the nearby countries of Thailand, the Philippines and Taiwan.

The Technical Support project provides supporting services for about 2,000 direct-hire employees, 300 TDY employees or other personnel. The Travel Section handles approximately 8,000 international trips per year. U.S. A.I.D. has responsibility for leasing residential quarters and manages 140 residential quarters, composed of 39 apartment buildings and 101 houses. Building maintenance for 21 office buildings in the Saigon area is provided. More than 60 generators are operated in the Saigon area providing either full or stand-by electrical service to many of the office and residential buildings; more than 500 generators are operated throughout Vietnam. U.S.A.I.D.

telephone capacity has been increased. Since Tet, the U.S.A.I.D. has trained more than 300 guards to cover more than 50 locations of office and residential locations.

Local currency support including salaries of local employees, rents, utilities, and in-country procurement and travel are provided through a trust account drawing on Vietnamese owned counterpart funds generated through A.I.D. and PL 480 programs.

FY 1970 Program: A total of \$23,925,000 is proposed for technical support during FY 1970. Of this, \$9,820,000 will fund 422 employees, including 321 direct-hire in Vietnam, 91 third-country nationals, and one under a PASA. \$6,337,000 will be required for commodities including replacement vehicles, office equipment, supplies and furniture. Other costs of \$7,768,000 include locally placed contracts to provide such services as local trucking and labor, repair of office equipment, maintenance-repair of vehicles, equipment and local construction. Also included is the continuation of the contract with International Voluntary Services for personnel to assist in provincial programs in community development, refugee assistance, agriculture and education.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	151,809	121,573	30,236							U.S. Army Hang Yang Construction Co. Adrian Wilson Associates International Voluntary Services, Inc.
Estimated FY 69	29,376	35,534								
Estimated through 6/30/69	181,185	157,107	24,078	12,066	1,916	13,982	9,562	983	10,545	
		Future Year Obligations	Estimated Total Cost							
				8,825	250	9,075	6,237	100	6,337	
				1,278	5,041	6,319	1,544	5,499	7,043	
Proposed FY 70	23,925	Undetermined		22,169	7,207	29,376	17,343	6,582	23,925	
				Technicians						
				Participants . . .						
				Commodities . . .						
				Other Costs . . .						
				Total Obligations						

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE MACV/CORDS Technical Support	ACTIVITY Technical Support	FUNDS Supporting Assistance
PROJECT NUMBER 730-11-999-381	PRIOR REFERENCE P. 118 FY 1969 Vietnam PDB	INITIAL OBLIGATION FY: 1967
		SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project funds personnel costs of civilians assigned to management and support functions for MACV/CORDS, and a portion of air transportation and communications costs.

The Civilian Operations and Revolutionary Development Support (CORDS) was established early in 1967 within the Military Assistance Command in Vietnam (MACV) in order to provide unified management for certain combined U.S. civil and military activities. These activities are an integral part of the Pacification program and include support for the Revolutionary Development, Public Safety and Refugee programs.

Staff requirements are 591 direct-hire for FY 1970. Funds for U.S.A.I.D. secretaries assigned to CORDS, and for U.S.A.I.D.-funded Area Development officers, shown under the Revolutionary Development Project last year, are now included in this project.

Air America provides necessary internal air transportation under contract. A.I.D. pays roughly one quarter of the cost with DOD paying the remainder. The A.I.D. portion is expected to be \$4.7 million of which \$2 million will be in piasters from the U.S.A.I.D. Trust Fund and \$2.7 million from A.I.D. appropriations.

Other contract funding is for continuation of a contract under which third country nationals (Filipinos) provide radio and telecommunication maintenance and operations services.

FY 1970 Program: A total of \$21,606,000 is proposed for FY 1970 funding. Of this \$18,285,000 is requested to fund

591 direct-hire American and 106 direct-hire third-country employees and training for up to 150 newly recruited junior FSO's and other eventual replacements of direct-hire now in Vietnam. A total of \$621,000 for 86 third-country employees under contract to Landis Brothers is proposed. Other costs of \$2.7 million will fund the U.S.A.I.D. portion of the Air America Contract.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated								
				Estimated FY 1969		Proposed FY 1970					
Through 6/30/68	16,461	13,507	2,954	Cost Components	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Air America Landis Brothers
Estimated FY 69	17,405	16,285			16,784	621	17,405	18,285	621	18,906	
Estimated through 6/30/69	33,866	29,792	4,074	Participants ...	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	Commodities ...	-	-	-	-	-	-	
				Other Costs ...	-	-	-	-	2,700	2,700	
Proposed FY 70				Total Obligations	16,784	621	17,405	18,285	3,321	21,606	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Support of Revolutionary Development		ACTIVITY Revolutionary Development			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-995-332		PRIOR REFERENCE P. 113, 114	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The project is designed to mobilize the rural population at the village level for its own defense and development, within the framework of GVN authority. This "Revolutionary Development" effort has over the past four years become a major instrument of the broader policy termed "pacification," which includes gaining territorial security and rooting out the VC elements. Through the Revolutionary Development program, a GVN presence is established in selected priority areas, villagers are organized for their own defense, village and hamlet self-government is fostered, and the people encouraged to organize themselves to engage in communal activities for village development.

Budgeting resources of the regular GVN ministries and local governments are augmented through the Ministry of Revolutionary Development (MRD) in the form of funds, commodities, and teams of specially trained young Vietnamese "RD Cadre." A.I.D. support consists of U.S. advisors to MRD and its Cadre Training Center; third-country national (Filipino) community development advisors; U.S. Navy Seabee teams for major local construction and engineering; and some commodities for self-help projects. U.S. support is administered by CORDS (Civil Operations and Revolutionary Development Support) under the U.S. Military Command.

Emphasis of the RD Program in CY 1969 will be on increasing local popular participation in planning and conducting self-help activities. Administration of projects is to be increasingly decentralized to village councils as

a means of promoting stronger local self-government. At the same time the GVN will shift more responsibility for both small scale and larger development activities to the traditional line Ministries and provincial governments. In CY 1969, the GVN anticipates having in operation 47,500 RD Cadre consisting of 1,450 teams. The size of the standard RD team will be reduced from 59 to 30 men; the local defense function will be shifted to the para-military Popular and Regional Forces. The success of Village Self-Help projects will not be measured in 1969 by the number of projects completed but rather by the more significant criteria of village man-hours and piaster contributions.

The 1969 GVN budget allocates VN\$ 3.8 billion (\$32 million U.S. equivalent) for MRD, of which VN\$ 2.0 billion is for transfer to provinces to support self-help projects. Progress to Date: Despite the forced curtailment of RD activities in the first half of 1968 following the Tet offensive, by year's end considerable progress had been achieved. The target of 850 RD Cadre Teams was met by the end of 1968, and over 12,500 self-help projects were completed in the last seven months of 1968, representing less than the 1968 target but more than the 11,470 projects in 1967. Seabee teams, besides assisting in land clearance projects and the construction of roads, bridges, and public buildings, trained over a thousand Vietnamese in technical construction skills.

For 1969, revised procedures and training curricula were developed in order to increase village responsibility for planning and implementing self-help projects. A new top-

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/ AGENCIES						
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1969			Proposed FY 1970		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/68	8,924	5,260	3,664							
Estimated FY 69	4,113	5,764								
Estimated through 6/30/69	13,037	11,024	2,013	Technicians	1,881	682	2,563	1,052	888	1,940
				Participants . . .	-	-	-	-	-	-
		Future Year Obligations	Estimated Total Cost	Commodities . . .	1,500	-	1,500	-	-	-
				Other Costs . . .	50	-	50	1,200	-	1,200
Proposed FY 70	3,140	Undetermined		Total Obligations	3,431	682	4,113	2,252	888	3,140

U.S. Navy
Eastern Construction Co.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Support of Revolutionary Development	ACTIVITY Revolutionary Development		FUNDS Supporting Assistance
PROJECT NUMBER 730-11-995-332	PRIOR REFERENCE P. 113, 114	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
	FY 1969	Vietnam PDB	

level GVN Central Pacification Development Council was established to coordinate activities of regular government ministries in support of RD.

The overall Pacification Program, of which RD is a part, made noteworthy gains toward the end of 1968 and in the initial months of 1969. The GVN's Accelerated Pacification Campaign which began in November 1968 had as its target the upgrading of some 1,000 additional hamlets to relatively secure status by January 1969. As of February 1, this goal had been exceeded with approximately 1,055 hamlets having experienced considerably improved security along with other advantages associated with the GVN presence.

FY 1970 Program: Twenty-one U.S. direct-hire advisors are proposed, of whom fifteen will support the MRD in improving administration, and six training specialists for the RD Cadre Training Center (\$1,036,000). Three direct-hire and 130 contract third-country national community development advisors (formerly under CORDS Technical Support) are proposed, working specifically on the self-help program (\$904,000). Provision of additional commodities for self-help projects is tentatively eliminated, as supplies in the pipeline are considered adequate and projects are increasingly using locally available items. The other cost component finances travel, per diem, and equipment support of between fifteen and eighteen Seabee teams of thirteen men each (\$1,200,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Ethnic Minorities Affairs	ACTIVITY Revolutionary Development			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-995-335	PRIOR REFERENCE P. 116, 117 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

officials to observe the operation of minority affairs programs in neighboring countries. In addition, two Highlanders in the U.S. will continue work toward a degree in tropical agriculture. The commodity component of the FY 1970 program consists of acquisition costs of excess property and some new office equipment for MDEM (\$34,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Refugee Relief and Social Welfare		ACTIVITY Refugees/Social Welfare			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-822-307		PRIOR REFERENCE P. 119 - 123	FY 1969	INITIAL OBLIGATION Vietnam PDB	FY: 1966	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project assists the Government of Vietnam (GVN) to provide adequate assistance to refugees and other displaced and needy persons. The concentration is on: (a) improvement of reception, identification, and temporary care of new refugees, and (b) reestablishment of the refugees within the society at the earliest possible time, through assisting them in returning to their villages or resettling them in other locations.

At the beginning of FY 1969 there were about 1,100,000 refugees on the rolls. During the first six months of 1969 480,000 were added (consisting of 338,000 resulting from statistical adjustments as the system for enumerating refugees was improved, and 142,000 new refugees). During the same period about 240,000 refugees were resettled or returned to their villages of origin. This left a net increase of about 240,000. Over the balance of FY 1969 we expect a net decrease roughly equal to the net increase in the first six months. This estimate is based on the expectation that statistical adjustments will show a decline during this period as the GVN removes refugees who have attained self-sufficiency from the rolls, and on the assumption that security will permit sizable continued resettlement at about the present rate. In FY 1970 we expect a continued downward trend in the number of refugees on the rolls, but this will depend on the course of the war.

Refugee and welfare programs are administered by the Ministry of Health, Social Welfare, and Relief (MHSWR).

The MHSWR and its staff are responsible for construction and maintenance of temporary centers, the provision of such services as medical care and the distribution of cash and commodities including food and clothing. The MHSWR presently has a staff of about 1,900 persons involved with refugee and welfare activities. This includes about 1,000 in the Ministry and 900 in provinces and districts.

The MHSWR also plans and supervises the return or resettlement of the refugees, including the distribution of funds and commodities to assist the refugee in rebuilding their homes and making a readjustment to normal life. Commodity allowances include food, building materials, tools, and other equipment. The construction of housing is primarily a self-help effort. Technical assistance is also being given to the refugees in the development of cooperatives and cottage industries, and in vocational training.

Social welfare activities complement refugee efforts by concentrating on needy persons such as widows and orphans who are not part of the refugee program. These activities emphasize and encourage the assumption of welfare responsibility by private voluntary agencies and community organizations, but also include government-operated institutions: 23 day-care centers which care for about 2,000 children of working mothers, public orphanages containing about 1,000 children, and 31 homes for the aged.

A.I.D., through MACV/CORDS, provides 115 technical personnel for deployment throughout Vietnam and commodities for relief and resettlement, primarily construction materials. In addition, PL 480 commodities comprise a major

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Through 6/30/68	17,408	5,606		11,802	Estimated FY 1969			Proposed FY 1970		
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated FY 69	16,400	15,528		Technicians	2,986	2,827	5,813	3,120	2,457	5,577	American Red Cross; Community Development Foundation; International Rescue Committee; Catholic Relief Services; Salvation Army.
Estimated through 6/30/69	33,808	21,134	12,674		43	-	43	67	-	67	
		Future Year Obligations	Estimated Total Cost	Participants . . .	9,183	675	9,858	6,868	625	7,493	
				Commodities . . .	-	686	686	-	373	373	
				Other Costs . . .							
Proposed FY 70	13,510	Undetermined		Total Obligations	12,212	4,188	16,400	10,055	3,455	13,510	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS Supporting Assistance	
Refugee Relief and Social Welfare	Refugees/Social Welfare				
PROJECT NUMBER 730-11-822-307	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION		
	P. 119-123	FY 1969	Vietnam PDB	FY: 1966	FY: Undetermined

portion of the food distributed by the MHSWR, and are valued at \$17 million in FY 1969 and an estimated \$21 million in FY 1970.

During FY 1969, more than 30 voluntary agencies are operating refugee relief and welfare programs. A.I.D. provides logistic support for all these voluntary agencies, and has contracts with 10 in order to supplement their own resources. The objective is the creation of a Vietnamese capability in both public and private sectors to render necessary social services without massive outside assistance.

This project is a continuation of last year's Refugee Relief project, 730-11-820-307, with all aspects of the former Social Welfare project, 730-11-820-360, merged into the refugee project. The merger of these projects allows for management of these twin programs more efficiently through a single administrative mechanism.

Progress to Date: In the first half of CY 1968, the refugee situation was greatly affected by the Tet and May attacks on urban areas which displaced a total of more than a million persons. Through the combined efforts of the GVN, U.S. agencies, voluntary agencies, other private and religious groups, and volunteers from many nations throughout the country, the immediate needs of food, shelter, and medical care for these "evacuees" were met, and virtually all have now been settled.

In addition to its successful handling of the urban "evacuees" problem, the GVN in 1968 raised the priority attached to the regular program for refugees from rural areas. The MHSWR has become a more effective instrument for dealing with refugee problems. An automatic data processing system has been installed to improve the accuracy of information on numbers of refugees and to provide information on the conditions of temporary camps. In addition, 326,000 "regular refugees" were resettled or returned to their homes during CY 1968.

During FY 1969, the CORDS/Refugee and Welfare staff was further expanded from 99 to 115 positions to further improve technical assistance for the MHSWR. One-hundred and two of these positions are presently filled.

In addition to previous Free-World Assistance from Germany, New Zealand, and Australia, as well as other nations under the auspices of the League of International Red Cross Societies, more than twenty nations and international organizations responded to a GVN appeal for assistance in the aftermath of the Tet and May attacks.

FY 1970 Program: Funding in FY 1970 is proposed for 115 direct-hire employees (\$3,120,000). Contracts (\$3,455,000) with voluntary agencies will provide multi-purpose refugee relief teams, training programs, and assistance in child care, youth counselling, and development of cottage industries; two other contracts with voluntary agencies will not require FY 1970 funding. The contracts will provide about 200 persons. Commodity support will require \$6,868,000, primarily for cement, roofing and rebar, and various other items such as emergency rations, tents, clothing, and tools. Participant training will require \$67,000.

The principal contracts will be: \$540,000 to extend a contract with the American Red Cross for managing refugee camps; \$610,000 to extend a contract with the Community Development Foundation for training 10-man mobile teams; \$800,000 to extend a contract with the Catholic Relief Services to provide medical and social services and train Vietnamese; and \$275,000 for a contract with the International Rescue Committee to train refugee relief workers.

During CY 1970, it is estimated that the refugee budget of the MHSWR will exceed the equivalent of \$25 million, 30% of which will provide for temporary relief, and the remainder for resettlement. The equivalent of about \$3 million additional will support other welfare activities.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
	National Police Support	Public Safety		
PROJECT NUMBER	PRIOR REFERENCE		INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-710-352	P. 126	FY 1969	Vietnam PDB FY: 1967	FY: Undetermined

On July 1, 1968, a National Plan, designated "PHUNG HOANG" (PHOENIX) to direct, control and coordinate national efforts toward combatting VCI, was initiated by the GVN. The NP includes operational elements involved in this campaign and these elements work with other government forces and services. The NP contributed major and direct support to the neutralization of more than 15,000 members of the VCI during CY 1968.

\$10,181,000 in commodity support was turned over to the National Police in FY 1968. This included new patrol and interceptor boats, wheeled vehicles, communications equipment, ammunition, weapons and construction materials.

A new National Identification Project was initiated October 1, 1968. Under the old program many cases had been lost, stolen, or otherwise compromised. The new program affords greater control and safeguards over these abuses. 328,599 new cards were issued by December 28, 1968; all essential equipment for this project was in place and personnel technical training completed. It is planned to issue 3,000,000 new cards in CY 1969.

In CY 1968, 14,568 police completed in-service training. During the period January 1, 1968 to November 30, 1968, 9,476 new recruits were trained at three training centers. Under the participant training program 377 Vietnamese received training during CY 1968: 30 in the U.S. and 347 in other countries.

3,500 new police detention spaces were added by the GVN during CY 1968 by expanding existing facilities and building two regional and 13 provincial facilities. An NP Detention Bureau was established in CY 1968 to manage approximately 5,000 detainees in police facilities.

By the end of CY 1968 more than 50% of all National Police were assigned to the district level and below. Rural police expansion is continuing with emphasis at the village level in conjunction with overall pacification efforts.

In the control of resources and population during the period October, 1964 through November 30, 1968: 453,622

arrests have been made including 27,930 VC and VC suspects; 14,400,897 kilos of foodstuffs, 473,028 units of medicine, and 7,030,801 units of equipment confiscated as contraband by the police.

In FY 1968 a major marine base was constructed by My Tho; design and survey work has been completed for an additional base at Can Tho. A & E work is in progress for regional training centers at Bien Hoa and Can Tho.

FY 1970 Program: \$17,104,000 will be required to fund this project in 1970. Of this sum \$8,589,000 will be required for commodities and maintenance of equipment; \$208,000 for participant training; \$8,307,000 for 241 U.S. advisors and 100 third-country nationals. Commodity support for the NPFF is provided by the Department of Defense.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Public Safety Telecommunications	ACTIVITY Public Safety			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-710-299	PRIOR REFERENCE P. 127	FY 1969 FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1966
				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Courses of Action: This project provides support for the operation and maintenance of the country-wide integrated police telecommunications system which is under the control of the Combined Telecommunications Directorate (CTD). The system provides fast, efficient and reliable communications essential to nation-wide police operations and other security communications needed for government maintenance of law and order. It involves the continuing development of an integrated National Police radiophone system to headquarters at four regions and 44 provinces, and 240 district police stations; the expansion and improvement of telecommunications for all police field operations and the continuing maintenance of the Village Hamlet Radio System (VHRS). This latter system, unique to Vietnam, provides local radio communications on security matters between about 2,500 villages and 7,000 hamlets and their respective districts in the absence of any rural telephone system. DOD has assumed the funding for new and replacement radios and spare parts for the VHRS since its expansion in 1968 was related primarily to military activities.

Progress to Date: (1) The National Police operational network in 1968 was increased from 4,396 to 6,846 radios.

(2) In 1968 DOD and A.I.D. agreed to further expand the Village/Hamlet Radio System (VHRS) in support of Province Revolutionary Development and military and paramilitary activity concerned with village/hamlet radios in this system from approximately 12,110 at the end of

CY 1968 to approximately 27,000. Fifteen provincial maintenance shops for the VHRS exist; 30 additional facilities are being established.

(3) GVN budgetary resources for this project total VN\$ 377,140,000 for FY 1969.

FY 1970 Program: \$3,263,000 will be required to fund the project in 1970. Of this \$1,396,000 will be required for commodities, i.e., radios (other than village/hamlet radios), vehicles, generators, communications equipment, parts and supplies: \$1,615,000 for contract services to help maintain the V/H Radio System; \$52,000 for training six participants outside Vietnam and \$200,000 for six direct hire U.S. advisors. DOD will continue to provide VHRS radio equipment and parts. USAID will continue to provide maintenance and technical support for VHRS.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1969			Proposed FY 1970			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	12,119	5,258	6,861							
Estimated FY 69	3,346	6,799								
Estimated through 6/30/69	15,465	12,057	3,408	187	1,025	1,212	200	1,615	1,815	
		Future Year Obligations	Estimated Total Cost	52	-	52	52	-	52	
				2,082	-	2,082	1,396	-	1,396	
				-	-	-	-	-	-	
Proposed FY 70	3,263	Undetermined		2,321	1,025	3,346	1,648	1,615	3,263	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Correction Centers		ACTIVITY Public Safety			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-710-353		PRIOR REFERENCE P. 128	FY 1969	Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project provides A.I.D. support to improve Vietnamese prison conditions, to expand their capacity, provide for prisoner segregation and relocation, and improve security, health and rehabilitation conditions in the prisons. The GVN and U.S. agencies, including DOD, are jointly contributing to an effort to improve the overall prison situation. A.I.D.'s contribution is in technical assistance, construction commodities, vehicles and other equipment to the GVN Directorate of Corrections. The GVN proposed to commit VN\$ 467,000,000 and \$732,364,000 to this project for CY 1968 and CY 1969 respectively.

The specific targets of the project include: (1) Relocation of certain correction centers and the renovation and expansion of facilities at existing sites by GVN where required at 41 correction centers. (2) Recruitment of additional GVN personnel to administer correction centers. (3) Further expand and improve vocational training courses for prisoners. (4) Relocation of prisoners to reduce overcrowding and to provide greater security from VC attacks.

This is a continuing program but it was accorded higher priority in CY 1968 following VC attacks on the centers and large scale prisoner releases by the VC during the Tet offensive. An all out effort to complete a majority of construction in FY 1969 will be followed by a significant phase down in FY 1970.

Progress to Date: (1) The general problems of poor prison security, inadequate space and health have been signifi-

cantly reduced. Facilities for 10,500 additional prisoners were constructed in CY 1968. The monthly prisoner mortality rate was reduced from 43 in 1967 to 18 in 1968. 6,500 prisoners were moved to more secure prisons to alleviate overcrowding and reduce the vulnerability of prison facilities to VC attacks.

(2) In the 41 existing prison centers, 29 underwent renovation or construction of kitchen and dining facilities, 27 had improvements in sanitation facilities and 12 had renovated or new dispensaries.

(3) The Vietnamese staff totalled 1,054 as of June 30, 1968; an additional 1,000 have been requested and approved for prisoner supervision.

(4) Vocational training has been conducted at the four national level correction centers for 95% of their prison population as of June 30, 1968. Organized vocational training at provincial correction centers is progressing more slowly since the prison population is utilized in reconstruction of prison facilities. However, academic, vocational and political re-education programs had been extended to 24 correctional centers at the province level by the end of CY 1968.

FY 1970 Program: Funding of \$598,000 is requested for FY 1970. \$541,000 is for construction commodities, wheeled vehicles and other equipment. \$57,000 is for two U.S. direct hire advisors. To meet possible sudden prisoner increases and alleviate some still crowded conditions, the Directorate of Corrections plans to construct facilities for an additional 13,000 prisoners during CY 1969.

U.S. DOLLAR COSTS (In Thousands)				Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated		Estimated FY 1969			Proposed FY 1970			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/68	440	97	343								
Estimated FY 69	1,122	518									
Estimated through 6/30/69	1,562	615	947	Technicians	44	-	44	57	-	57	
		Future Year Obligations	Estimated Total Cost	Participants . . .	-	-	-	-	-	-	
				Commodities . . .	1,078	-	1,078	541	-	541	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 70	598	Undetermined		Total Obligations	1,122	-	1,122	598	-	598	

PROJECT DATA SUMMARY

(Dollar Amounts in Thousands)

TABLE IV

Part 2

COUNTRY: VIETNAM

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1968			Estimated FY 1969			Proposed Program FY 1970		Future Year Obligations	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligation 6/30/68	Obligations	Expenditures	Unliquidated Obligation 6/30/69	Funds	Amount		
Agriculture Extension and Information	730-11-110-289	65	69	2,609	2,073	536	115	588	63	-	-	-	2,724
Crop and Livestock Production	730-11-130-290	64	67	456	446	10	-	10	-	-	-	-	456
Irrigation and Rural Engineering	730-11-120-316	67	Undet	852	666	186	340	322	204	-	-	Undetermined	
Fisheries	730-11-180-317	67	Undet	315	218	97	464	175	386	-	-	Undetermined	
Forestry	730-11-170-318	67	68	234	206	28	-	28	-	-	-	-	234
Agricultural Economics and Statistics	730-11-140-362	67	69	364	327	37	292	241	88	-	-	-	656
Vocational Education	730-11-690-271	66	66	2,778	2,549	229	-	211	18	-	-	-	2,778
Teacher Education	730-11-690-272	63	68	5,548	5,081	467	-	430	37	-	-	-	5,548
Adult Education	730-11-670-324	66	67	21	18	3	-	3	-	-	-	-	21
Cam Ranh Industrial Development	730-11-930-310	66	67	103	99	4	-	4	-	-	-	-	103
Labor Institute	730-15-410-222	60	66	230	218	12	-	12	-	-	-	-	230
Logistics Management	730-11-790-306	67	67	5,083	4,496	587	-	587	-	-	-	-	5,083
Ports Improvement	730-11-340-385	67	68	1,452	102	1,350	-	583	767	-	-	-	1,452
Civil Administration Improvement	730-11-790-301	65	67	1,000	992	8	-	8	-	-	-	-	1,000
Veterans Affairs	730-11-790-344	66	68	126	72	54	-	32	22	-	-	-	126
Municipal Water Supply	730-12-520-284	64	67	635	614	21	-	21	-	-	-	-	635
Rural Water	730-11-120-293	64	67	675	611	64	-	64	-	-	-	-	675
Electric Power	730-11-220-295	65	67	2,378	1,979	399	-	399	-	-	-	-	2,378
National Const. and Equip. Train. Center	730-11-390-354	67	68	134	122	12	-	12	-	-	-	-	134
Rural Electric Cooperatives	730-11-220-357	67	69	2,035	459	1,576	469	1,131	914	-	-	-	2,504
Provincial City Water Supply	730-12-521-386	67	69	1,781	469	1,312	640	1,044	908	-	-	-	2,421
Nha Trang Streets	730-11-310-396	68	68	3,000	-	3,000	-	900	2,100	-	-	-	3,000
Municipal Utilities Loan Fund	730-52-521-398	69	Undet	-	-	-	3,036	18	3,018	-	-	-	Undet
Health Development	730-11-590-300	67	67	10,646	10,189	457	-	457	-	-	-	-	10,646
National Health Rehabilitation Institute	730-12-530-351	67	69	1,454	814	640	761	558	843	-	-	-	2,215
National Health Advisory Service	730-11-590-373	67	69	728	248	480	457	603	334	-	-	-	1,185
Reconstruction and Urban Planning	730-11-250-305	66	66	3	2	1	-	1	-	-	-	-	3
Architecture and Urban Planning	730-11-830-355	67	68	1,860	358	1,502	-	743	759	-	-	-	1,860
Minh Mang Housing Reconstruction	730-11-860-395	68	68	4,200	-	4,200	-	100	4,100	-	-	-	4,200
Total													
TA													
SA													
DL (grants)													

PROJECT DATA SUMMARY
(Dollar Amounts in Thousands)

TABLE IV
Part 2

COUNTRY: VIETNAM

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1968			Estimated FY 1969			Proposed Program FY 1970		Future Year Obligations	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligation 6/30/68	Obligations	Expenditures	Unliquidated Obligation 6/30/69	Funds	Amount		
Public Safety Services	730-11-710-270	63	67	4,710	4,522	188	-	181	7	-	-	-	4,710
Chieu Hoi Support	730-11-995-334	67	68	1,274	735	539	-	415	124	-	-	-	1,274
General Contract Support	730-11-990-303	65	67	7,227	7,097	130	-	130	-	-	-	-	7,227
Danang City Water	730-12-521-387	67	67	31	25	6	-	6	-	-	-	-	31
Military Affairs	730-11-995-337	67	67	786	785	1	-	1	-	-	-	-	786
Total													
TA													
SA													
DL (grants)													

STATUS OF DEVELOPMENT LOANS

TABLE V

Country: VIETNAM

Borrower: GOVERNMENT OF VIETNAM

Funds: DEVELOPMENT LOANS

Title and Number of Loan: Water Distribution System 730-A-005	
Date Authorized: January 30, 1959 Date Signed: November 2, 1960	
Loan Status as of 12/31/68	Loan Terms
(In Thousands of Dollars and Equivalent)	Duration 30 years
Authorized 17,481	Grace Period 1 year
Disbursed 17,457	Interest Rate 3½ %
Repayments 1,253	Grace Period 3½ %
Interest Collected 2,259	Currency of Repayment . . Piasters L/C

Eiffel completed its contract in April 1966. A contract with Hawaiian Dredging-Pomeroy, a joint venture, for the construction of the pumping station and water treatment complex was awarded in December 1963. This contract is completed.

Work being financed through local currency contracts with Vietnamese firms to improve the distribution system is progressing satisfactorily. The treatment plant went into operation in December 1966, and water from this facility is now available to users.

Steps have been taken to build up the capability of the water office to take over the management of the water facility. However, war-related work load and personnel shortages have made continuing U.S. advisory assistance necessary. **Financial Status:** Payments of principal and interest are current. Unexpended balances are being deobligated.

Host Country Role and Procurement Source: Local currency costs of this project, totalling approximately \$10,000,000 equivalent, are being paid by the Vietnamese Government. Goods and services have been procured on a world-wide procurement basis under policies in effect at the time the loan was authorized.

Comments and Implementation: The physical project financed by this loan is complete. Two major contractors filed claims in excess of loan availabilities and the GVN covered the costs of a compromise settlement from their own foreign exchange holdings.

Purpose of Loan: This loan covered the foreign exchange costs of engineering and construction supervision, materials, and equipment necessary to improve and expand the water supply for the Saigon metropolitan area (Saigon-Cholon-Gia Dinh - Govap and Thu Duc). Construction involved an intake structure, pumping station, treatment plant, transmission mains, and the modernization of the distribution network. The facilities are designed to produce and supply 125 million gallons of treated water per day.

Physical Status: There was a two-year delay in the start of this project due to (a) reluctance of the Vietnamese Government to accept the exchange rate applicable for the repayment of development loans, and (b) the decision to review the proposed river water system in light of counter proposals for meeting water requirements from dug wells.

In May 1961, a contract was signed with Hydrotechnic Corporation, a U.S. firm, to provide overall engineering services to design the system and supervise construction. In December 1962 a construction contract was awarded to Les Etablissements Eiffel de Paris for the manufacture and installation of the pre-stressed concrete transmission pipeline from the river source. They, in turn, subcontracted with the International Pipe & Ceramic Company (Interpace) of New Jersey for the manufacture of all concrete piping in Vietnam.

STATUS OF DEVELOPMENT LOANS

TABLE V

Country: VIETNAM

Borrower: GOVERNMENT OF VIETNAM

Funds: DEVELOPMENT LOANS

Title and Number of Loan: Electric Power 730-A-006	
Date Authorized: November 8, 1960 Date Signed: January 6, 1961	
Loan Status as of 12/31/68	Loan Terms
(In Thousands of Dollars and Equivalent)	Duration 20 years
Authorized 11,988	Grace Period 1 year
Disbursed 11,650	Interest Rate 3½ %
Repayments 1,949	Grace Period 3½ %
Interest Collected 1,500	Currency of Repayment . Piasters L/C

military draft stripped the Borrower of trained personnel, but recent arrangements have been made with the Ministry of National Defense to see that a sufficient number of key trained GVN personnel are available. Operation and maintenance advisory and training services are being provided for the generating plant by Commonwealth Associates Inc. under contract with A.I.D.

Purpose of Loan: This loan was made to finance the foreign exchange costs of construction, installation, and initial operation of (a) a 33,000 KW thermal power station, and (b) a 66,000 volt transmission system and extension to the existing distribution system. It also provided engineering training and management services for the system. Expanded electric power for the Saigon area from this source has been an important element in helping compensate for the loss of hydroelectric power from the CaNhim dam due to Viet Cong sabotage of the transmission lines.

Physical Status: Generating facilities and distribution systems are in commercial operation and the project is complete.

Financial Status: Payments of principal and interest are current. Unexpended balances are being deobligated.

Host Country Role and Procurement Source: Local currency costs amounting to the equivalent of some \$2 million were paid by the Government of Vietnam. All loan-financed procurement was from United States sources.

Comment on Implementation: This project was impeded in many ways by the war in Vietnam. The original plan to use Vietnamese coal had to be altered to oil-firing as VC action in the mine area restricted access to this coal source. Design and re-design engineering was not completed until late 1963, and construction did not begin until January 1964. The

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Teaching Hospital	ACTIVITY Post-Hostilities See Medical and Dental Education Project-730-11-540-150		FUNDS Supporting Assistance
	PRIOR REFERENCE P. 85	INITIAL OBLIGATION FY:	SCHEDULED FINAL OBLIGATION FY:
PROJECT NUMBER	FY 1969	Vietnam PDB	

Project Target and Course of Action: The objective of this project is to establish a 500-bed teaching hospital to support the clinical sciences segment of the medical curricula of the Saigon Medical School. In this modern hospital the fourth and fifth year students can apply in clinical practice the lessons of their classroom instruction program, thus requiring an effective basis for their internship. This hospital also will provide a badly-needed base for community health services for Metropolitan Saigon, as well as a significant increment of additional beds needed to alleviate severe crowding in Saigon hospitals. This is the final major project in a two-stage construction program, under which the United States Mission supported the building of a Basic Sciences facility, completed in 1966.

Progress to Date: During FY 1969, A.I.D. is providing funds for A&E services (\$640,000), under Project 730-11-540-150, Medical and Dental Education, for the teaching hospital.

FY 1970 Program: No A.I.D. funds for construction or equipment are programmed or requested for FY 1970. Once peace is restored, this is the kind of project we would expect to resume. Therefore, if peace negotiations prove fruitful during the course of FY 1970, A.I.D. would be prepared to undertake implementation of this project. The estimate of A.I.D. funding under such circumstances is \$2.5 million. A.I.D. would expect, in a post-hostilities environment, that funds in this magnitude would become available through reduction in present war-related projects.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1969		Proposed FY 1970			
Through 6/30/68					Direct AID		Contract/Other Agency	Total	Direct AID	Contract/Other Agency
Estimated FY 69					Technicians					
Estimated through 6/30/69				Participants . . .						
		Future Year Obligations	Estimated Total Cost	Commodities . . .						
Proposed FY 70				Other Costs . . .						
				Total Obligations						

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE DaNang City Water	ACTIVITY Post-Hostilities			FUNDS Supporting Assistance	
	PRIOR REFERENCE P. 99, 100 FY 1969 Vietnam PDB		INITIAL OBLIGATION FY:	SCHEDULED FINAL OBLIGATION FY:	
PROJECT NUMBER					

Project Target and Course of Action: The project objective is to provide an adequate and safe water supply for the population of Danang, a key northern port and South Vietnam's second largest city. The bulk of the city's population of over 300,000 presently relies on private shallow wells which produce an inadequate supply of water subject to pollution from septic tanks and undirected surface drainage. A small municipal system supplies less than 4% of the population. The shortage of water in the Danang area has limited water use to approximately two gallons per capita per day. As an important coastal port, the city has the potential of developing into a major industrial and commercial center for the northern zone of the country. An adequate water supply is a basic requirement for such development. In recognition of these factors, the GVN has assigned Danang the highest priority in its program of improving municipal water services.

The project comprises construction of an intake tower on the Cam Le River, a raw water pumping station and storage facility, a water treatment plant, a high service pumping station and power plant, and the necessary main transmission and distribution piping. The basic features of the system will be designed for a rated capacity of 15 million gallons daily (MGD), and arranged to accommodate future expansion to twice this amount. Such capacity and expansion potential will provide a base for adequate water service to the area for several decades.

A.I.D. proposes to finance the dollar costs of U.S. engineering services, construction and equipment, and

training for maintenance and operation. The GVN will cover all local costs. Major construction work is estimated to take three years, with phased expansion of distribution thereafter to full 15 MGD utilization.

Progress to Date: A feasibility study, plans, specifications, and cost estimate for the 15 MGD facility was completed by Ralph M. Parsons Co. in February 1967, and revised in November 1967. The cost of the project at that time was estimated at \$7,593,000 U.S. dollars and VN\$ 455,133,000 (\$3,857,000 U.S. equivalent). Since that time costs have risen, the U.S. military has begun a project to supply its own water needs in the Danang area, and the GVN is planning interim improvements to the municipal system on an emergency basis to increase its capacity to 2 MGD. These factors will require a further updating of cost estimates and a recalculation of cost/benefits before the commitment of A.I.D. funds for the major project.

FY 1970 Program: Funds for this project are not specifically requested in FY 1970, since it is proposed as a post-hostilities public works activity. If hostilities end in FY 1970 the project will have high priority. A.I.D. would expect to fund the project from reductions in present war-related projects.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES							
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1969			Proposed FY 1970			
Through 6/30/68					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 69				Technicians							
Estimated through 6/30/69				Participants . . .							
		Future Year Obligations	Estimated Total Cost	Commodities . . .							
Proposed FY 70				Other Costs . . .							
				Total Obligations							