Vietnam - Ship Operations

INTERNATIONAL COOPERATION ADMINISTRATION

Washington 25, D. C.

August 23, 1957

NOTE TO CORRESPONDENTS:

One of the most pressing needs in the underdeveloped countries of the free world is transportation. Mutual Security Funds are used in many ways to help these countries develop vital transport and communications facilities.

During fiscal year 1956, ICA participated in 182 projects in this field,

Provided 80 U. S. technicians to work with counterparts in the participating countries, and

Provided $130, 092, 255 in financial assistance to the projects.

Attached is a narrative-tabular summary of the projects.

Similar reports on other fields of activity are in preparation, and will be sent to you shortly. I hope they prove interesting and useful.

William J. Caldwell
Director of Public Reports

Attachment

HOW MUTUAL SECURITY FUNDS ARE USED

V - Transportation

International Cooperation Administration
Office of Public Reports

August 1957

ICA PROJECTS (TRANSPORTATION)

FY 1956

Total Projects FY 1956	182
Total Cost	$130,092,255
Total Number of Technicians In the field FY 1956 (Direct hire)	80
Total Number of Participants Trainees in U.S. FY 1956	251

OBJECTIVES

An adequate transportation network is the backbone of a country's economy, servicing all elements of its productivity complex. Without it, no country can prosper. It is of little avail to produce products which cannot be moved from producer to consumer. Therefore, efforts to increase agricultural, industrial or other productivity need to be geared to the availability of transportation. In some cases this can be accomplished with little expenditure, through providing technical advice on how to better utilize existing facilities. In other cases new facilities are needed to link communities together and thus promote interchange of goods; or to permit their export if a surplus develops. Some of the countries were war-ravaged and need rehabilitation or rebuilding. In still other cases, notably Korea, transport networks were shattered by war, and require rehabilitation or rebuilding.

FY 1956 PROJECTS BY MAJOR AND FUNCTIONAL FIELDS OF ACTIVITY

Field of Activity	Number of Projects	Number of Countries	Total Cost
31. Highways	54	30	$ 47,017,070
32. Urban Transit & Traffic Engineering	3	3	200,250
33. Railways	24	13	53,975,130
34. Port Facilities & Harbor Improvements	12	9	2,501,315
35. Inland Waterways	5	5	348,500
36. Ship Operations	6	6	198,760
37. Air Transport	57	35	24,931,492
39. All other Transportation	21	16	919,738
TRANSPORTATION TOTAL	182	48	$130,092,255

SAMPLE PROJECT

HIGHWAYS - TURKEY

Highway aid to Turkey, covers a period of 9 years and an expenditure of some $46 million for services of U.S. technicians, equipment and materials. As a direct result of this program, the interior of Turkey has been opened to the benefits of modern commerce. Since some 82% of Turkey's population lives in a small villages, the effect of this penetration has been remarkable - increased incentive to expand growth of crops for sale to other areas and the outside world; increased purchasing power with the consequent demand for manufactured products which go toward raising standards of living; expansion of interest in the rest of the country with its consequent effect on national unity, education, business, and industry.

The total cost in FY 1956 was $147,000 for the payment of technicians. U.S. aid to the entire project is set for phase-out by December 31, 1958.

The following table illustrates the results of the highway program in between 1948-1956:

ITEM	1948	1956
All weather roads	5650 mi.	11,800 mi.
Paved roads	580 mi.	2,100 mi.
Total motor vehicles	20,231	81,382
Annual vehicle miles	137,470,000	735,590,000
Annual ton-miles	230,000,000	1,505,000,000
Annual passenger miles	752,000,000	7,280,000,000
Freight costs per ton-mile	15.1¢	5.6¢

Among other results are:

1) Promotion of law establishing Turkish Directorate of Highways.

2) Passage of new traffic laws

3) Training of some 6000 equipment operators, mechanics, and technicians.

SAMPLE PROJECT

Ports - Philippines

During World War II, Manila's port facilities were completely destroyed. The U.S. Army Engineers, between 1947 and 1950, constructed two new piers; and the Manila port authorities reconstructed others. Nevertheless these facilities are totally inadequate for Manila's traffic. There are always vessels at anchor awaiting a berth, or working their cargo with lighters, creating extra costs to both ship operators and cargo owners.

Early in 1956 the Philippine Government proposed that $1,400,000 of U.S. funds be provided to finance the purchase of steel piling for construction of an additional pier to accommodate at least four vessels at one time. This project was approved and supplemented with additional funds in 1957, the total cost of the piling being $2,600,000. The Philippine Government has allocated pesos 7,500,000 for local materials and labor. The above dollar amount, plus the salary of one ICA engineer, is the total cost to the United States. Construction should be finished in 1958.

It is interesting to note that all engineering and construction is being carried out by the Filipinos themselves, with only one ICA staff engineer as advisor. The low bidder for the steel piling is an Ohio firm; thus, all the dollars involved in this project will be spent in the U.S. The first shipments of piling are now en route.

SAMPLE PROJECT

Ship Operations - Vietnam

During World War II, navigation aids such as buoys, beacons, and harbor lights in the Saigon River from its mouth to Saigon were greatly damaged; and the following period of unsettlement in Vietnam inhibited repair of such facilities. The result was an atmosphere of insecurity and risk for all vessels - both local and ocean-going - calling at the port of Saigon. The river could be travelled safely only in daylight hours, and operations in the port itself were limited to daytime except under unusual emergencies.

In 1955 a small amount of local currency was committed to replacing pylons along the Saigon River route. In 1956, there was provided $101,000 with which to purchase electrically-lighted beacons and buoys in conjunction with the pylons, and to finance trainees in operation of nautical beacons. The Vietnamese Government supplemented this amount with piastres 1,000,000. Additional U.S. funds are provided in FY '57 to complete all procurement of import material for this project; and total installation cost as well as continuing operating and maintenance expense will be borne by the VN Government. At the present time, it appears that installation of these Saigon River navigation aids will be completed before the end of 1957.

SAMPLE PROJECT

Railways - Korea

ICA began taking over railway advisory services on the Korean National Railways from the U. S. Military in 1955. Since that time, logistic support has declined from $41 million in 1955 to $28 million in 1957, and will be materially reduced in 1958. Locomotive miles have declined and tons per train have increased. Freight tonnage has increased 33-1/3%.

Early it became apparent that the enormous amount of money being spent for coal, which was imported, had to be reduced. The cost of coal alone was accounting for 50% of the entire railway budget. Yet, Korean coal is not suitable for economical operation of steam locomotives. Experts advised the procurement of diesel electric locomotives to replace the antiquated steamers in service. Orders were placed for 29 new U. S. diesels in addition to procuring ten smaller units from the U. S. Army. Delivery of these units has started and will be completed in 1957. It is estimated that based on units replaced (4.3 steam for 1 diesel electric) a 50% reduction in the fuel bill alone will result; the number of locomotive back shops will be reduced from 5 to 2, coaling and water stations will be abandoned, etc. Twenty-five of the better steam locomotives were converted from coal to oil fired. By so doing this has increased their efficiency and reduced the cost of operation 70%.

Improved railway foundry operations have increased production of brake shoes 300 per cent, from 9,000 to 36,000 per month.