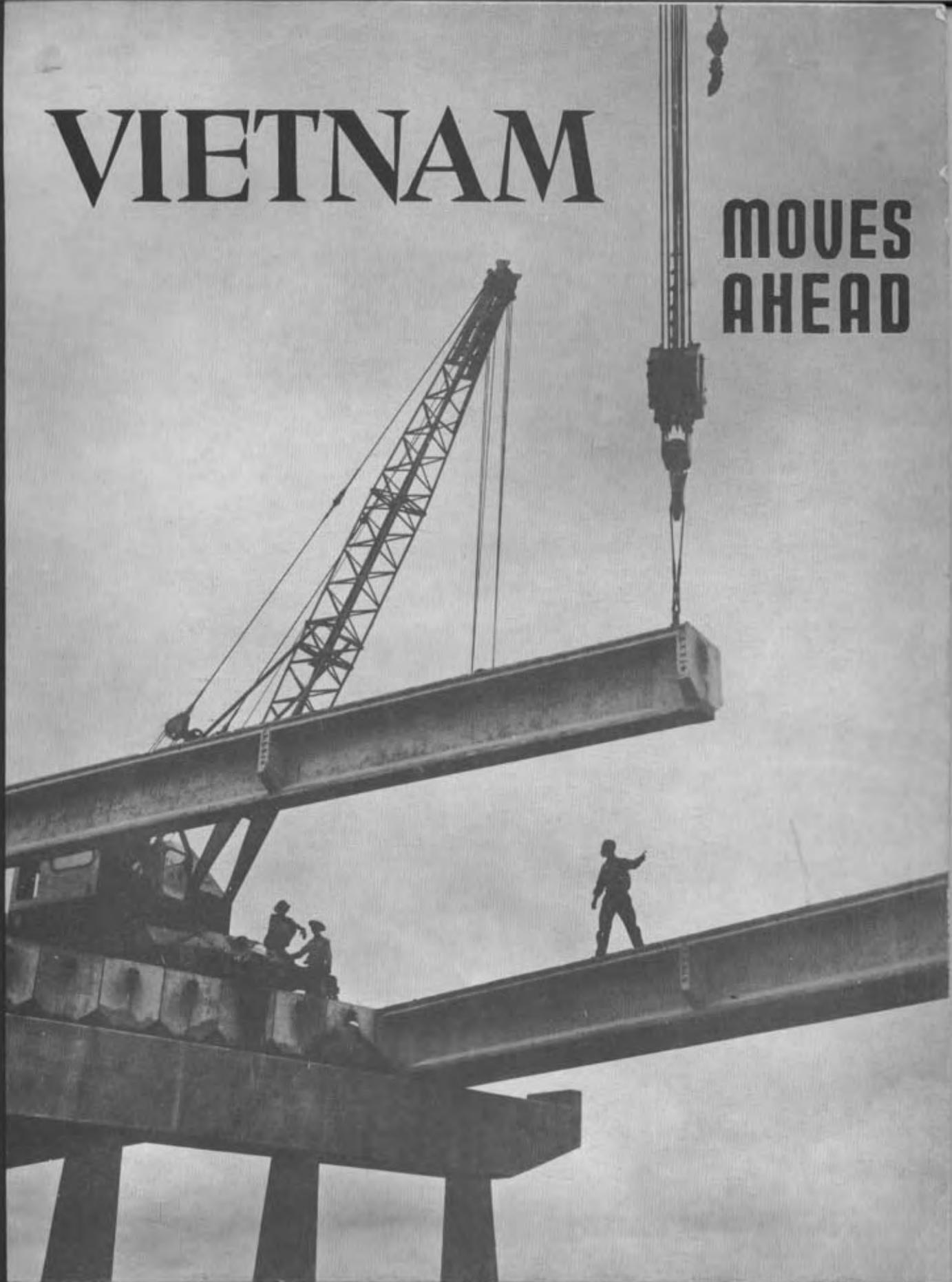


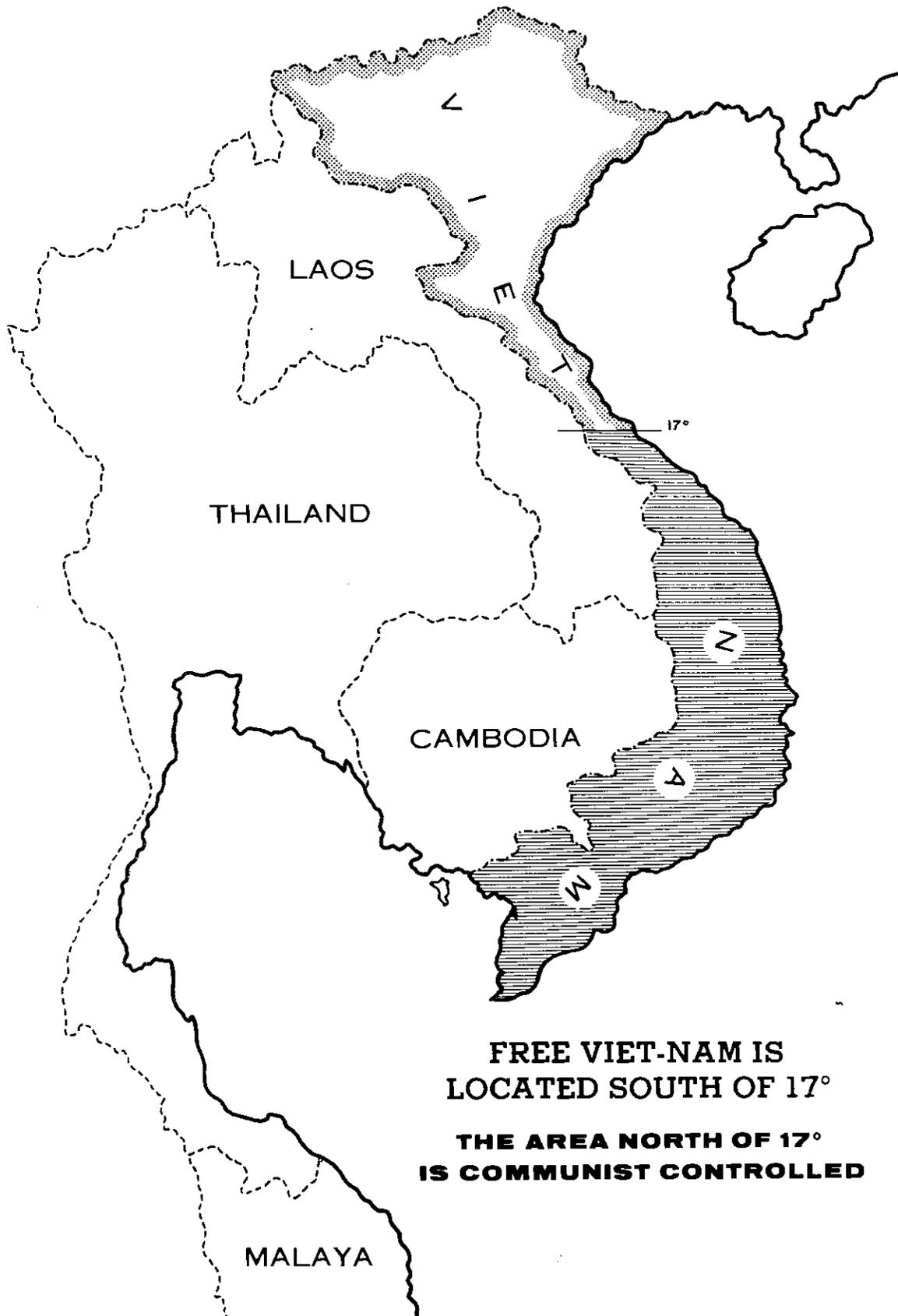
# VIETNAM

**MOVES  
AHEAD**

**U  
S  
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M**



**ANNUAL REPORT FOR FISCAL YEAR 1960**



**FREE VIET-NAM IS  
LOCATED SOUTH OF 17°**

**THE AREA NORTH OF 17°  
IS COMMUNIST CONTROLLED**

UNITED STATES OPERATIONS MISSION TO VIETNAM



ANNUAL REPORT FOR FISCAL YEAR 1960

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## FOREWORD

This pamphlet is a record of the activities of the programs of American Economic Aid conducted in Viet-Nam for the year ending June 30, 1960.

It was for Viet-Nam a year of substantial gains in agriculture and industry, as well as in social welfare.

To many of these gains it is possible to ascribe a role to the American Aid program, so widespread have become its ramifications in Viet-Nam. In every activity described in these pages, however, it is the Vietnamese who have made the major effort in planning and in execution, and it is to the Vietnamese that major credit is due for the good results obtained.

As the leaders of Viet-Nam have often said, independence must be won in the economic as well as in the political field. Viet-Nam is well on the road to a balanced economy, and her progress in agriculture and in industry have won international acclaim. The USOM is proud to be associated in the joint efforts that have resulted in this progress.

ARTHUR Z. GARDINER  
Director of USOM

Saigon, October 1, 1960



*President Diem inaugurates through traffic on Saigon - Dong Ha Railroad August 7, 1959.*

## INTRODUCTORY NOTE

The year ending June 30, 1960, witnessed the fifth anniversary of the Republic of Viet-Nam. Although Vietnamese history dates back to antiquity, it was only following the Geneva conference of 1954 that Viet-Nam received international recognition of its independent status, and in the following year that the Republic was established. These first five years of the fledgling republic have been remarkable both for their variety and their accomplishment. When Viet-Nam achieved its independence it was a country ravaged by a decade of war and destruction, severed from its former industrial heart, and newly released from colonial status. Its economy was, not surprisingly, an unbalanced one. Nearly a million new citizens streamed in from the North. The country lacked both the resources and the personnel required to keep functioning, and unaided it was incapable of putting its economy on a sound basis. It faced formidable tasks such as the development of a government and the pacification of warring elements within the populace. There was also a continuing threat of communist attack and subversion from the portion of the country north of the 17th parallel.

To assist Viet-Nam to cope with these many problems the U.S. launched a many faceted aid program which, since 1954, has totalled \$1,302 million. In the early years this aid was heavily concentrated upon emergency relief programs, and as these needs were met, the emphasis shifted more toward the rebuilding of the destroyed transportation and communications network, and the re-establishing of the former agricultural production, so as to relieve the country from its dependence on external assistance for meeting its basic needs from abroad,

Thanks to the vigorous efforts of the young government and the aid of its friends, the reconstruction phase is now largely completed, although the communications system is still below prewar standards and in the South the canal network remains unusable in many areas. The opening of the first regular through railway traffic on the vital Saigon-Hue Railroad line on August 7, 1959, symbolized to many observers the completion of one phase of rebuilding; the Vietnamese now seek to forge ahead in new fields.

Even prior to the completion of its rebuilding efforts, however, Viet-Nam had undertaken to lay the foundation for its goal of economic independence by inaugurating a number of long range projects in the fields of education, land reform and land development, health, and public works. Positive results are now becoming apparent from these efforts. American aid has played a significant role in many of them. An example of this is reflected in the numbers of children enrolled in elementary school in Viet-Nam, which has risen from 400,000 on Sept. 1, 1956 to 1,500,000 on Sept. 1, 1960 thanks to vigorous classroom building and teacher training programs in which a partnership has been forged between Vietnamese and Americans.

Concomitant with these efforts, and of increasing importance now that reconstruction is virtually completed, has been a drive to raise the country's industrial production and to diversify its agricultural output so as to close the unwieldy foreign exchange gap. In this campaign, also, the US aid program has played a major role and the results of the efforts of previous years began to become encouragingly apparent in FY 1960.

For the calendar year 1959, export earnings attained the level of \$75 million, as compared with \$55 million the previous year. Although rice and rubber constitute the bulk of these exports, initial sale of several new export commodities betokened a broadening of Vietnam's export base. Among these new export items are handicrafts, livestock, and seafood. Accompanying these exchange earnings were substantial exchange savings, resulting from increasing local production of such items as textiles (from 68 to 83 million meters), sugar (from 25 to 58 thousand metric tons), coal, and hard fibres. These accomplishments helped the Vietnamese government to cut its commercial imports from \$225 million in 1958 to \$208 million in 1959. Since 1957 its annual imports of textiles have declined from \$44 million to \$24 million. At the same time, the composition of the imports is increasingly shifting from consumers goods to equipment and raw materials for industry, reflecting the country's growing ability to meet its own needs.

*The special inaugural train.*



**LEGEND:**

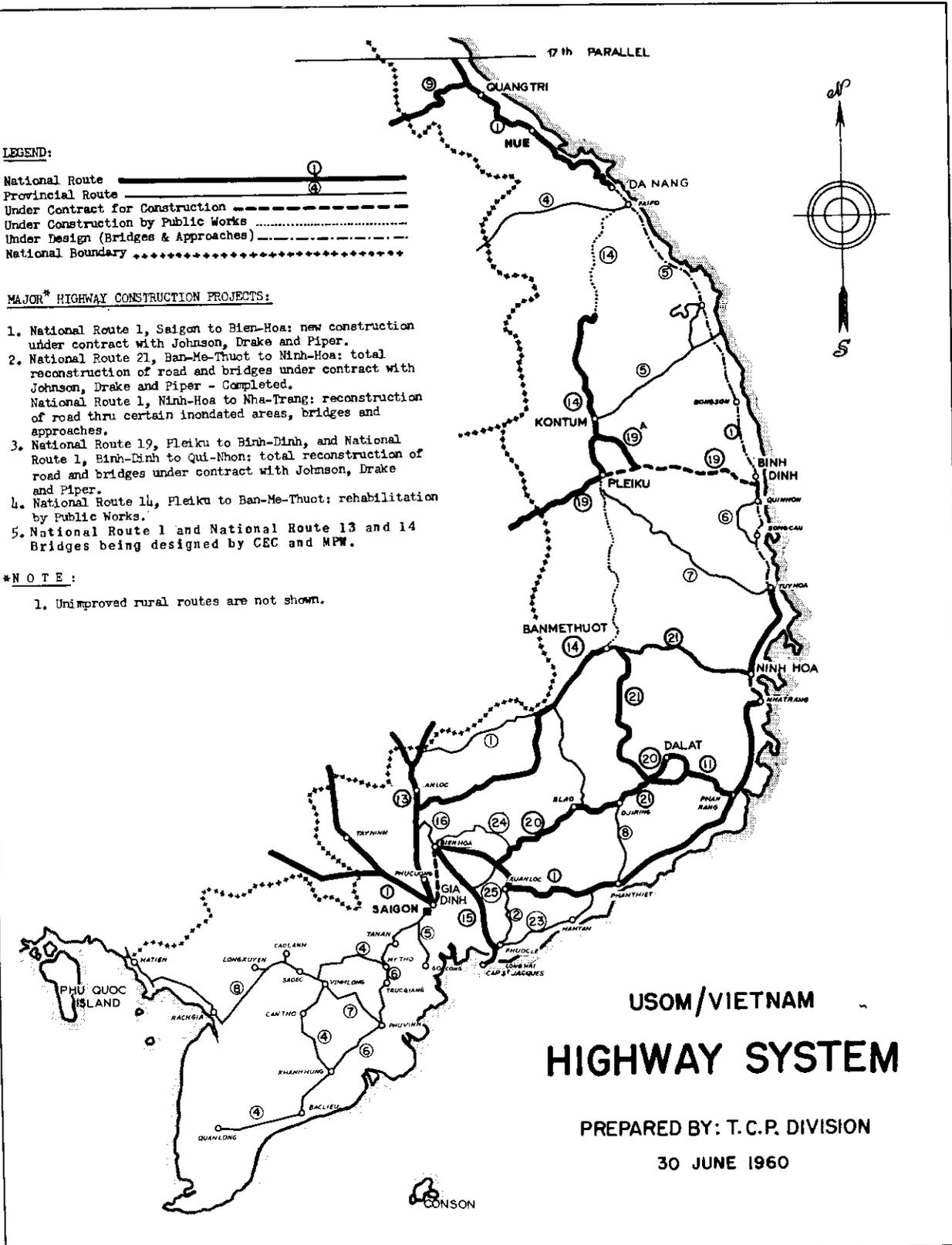
- National Route ①
- Provincial Route ④
- Under Contract for Construction
- Under Construction by Public Works
- Under Design (Bridges & Approaches)
- National Boundary

**MAJOR\* HIGHWAY CONSTRUCTION PROJECTS:**

1. National Route 1, Saigon to Bien-Hoa: new construction under contract with Johnson, Drake and Piper.
2. National Route 21, Ban-Me-Thuot to Ninh-Hoa: total reconstruction of road and bridges under contract with Johnson, Drake and Piper - Completed.
3. National Route 19, Pleiku to Binh-Dinh, and National Route 1, Binh-Dinh to Qui-Nhon: total reconstruction of road and bridges under contract with Johnson, Drake and Piper.
4. National Route 14, Pleiku to Ban-Me-Thuot: rehabilitation by Public Works.
5. National Route 1 and National Route 13 and 14 Bridges being designed by CEC and MPW.

**\*NOTE:**

1. Unimproved rural routes are not shown.



**USOM/VIETNAM  
HIGHWAY SYSTEM**

PREPARED BY: T. C. P. DIVISION  
30 JUNE 1960

# PUBLIC WORKS

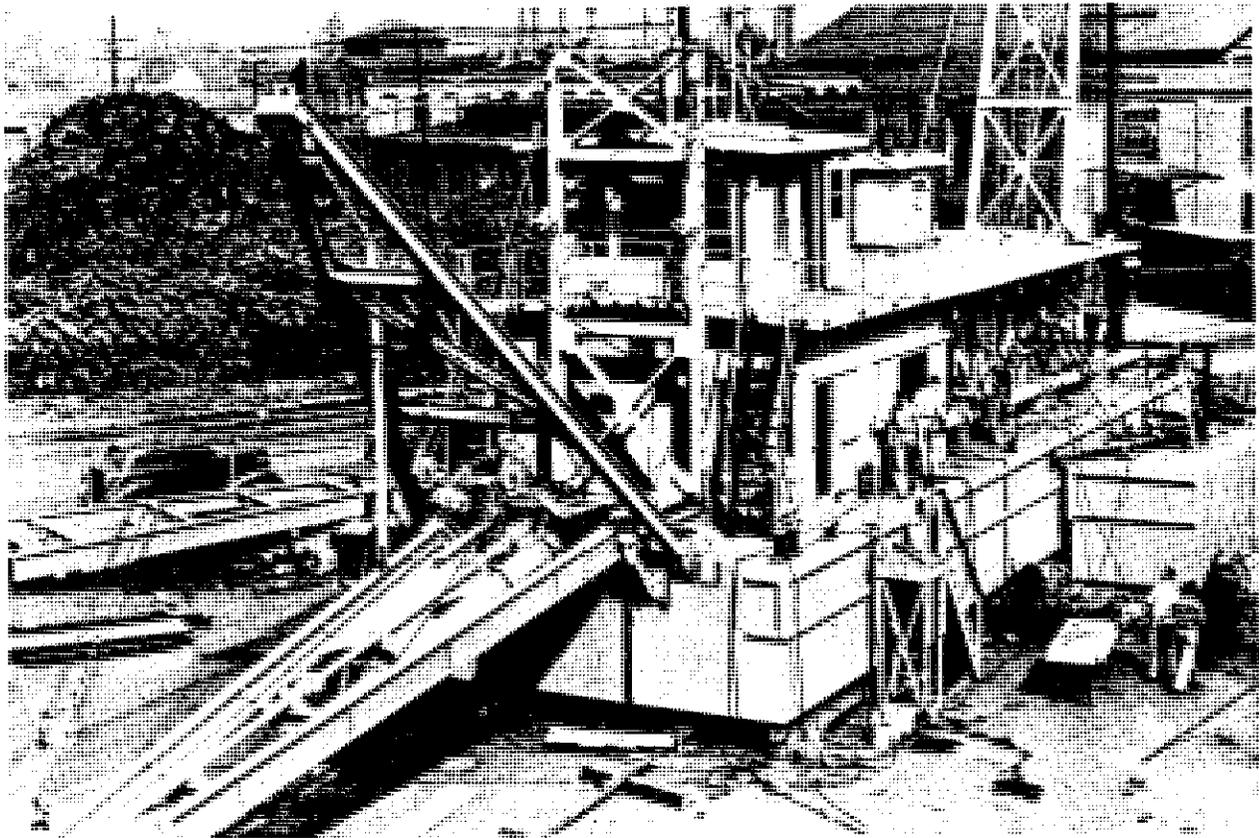
## PUBLIC WORKS

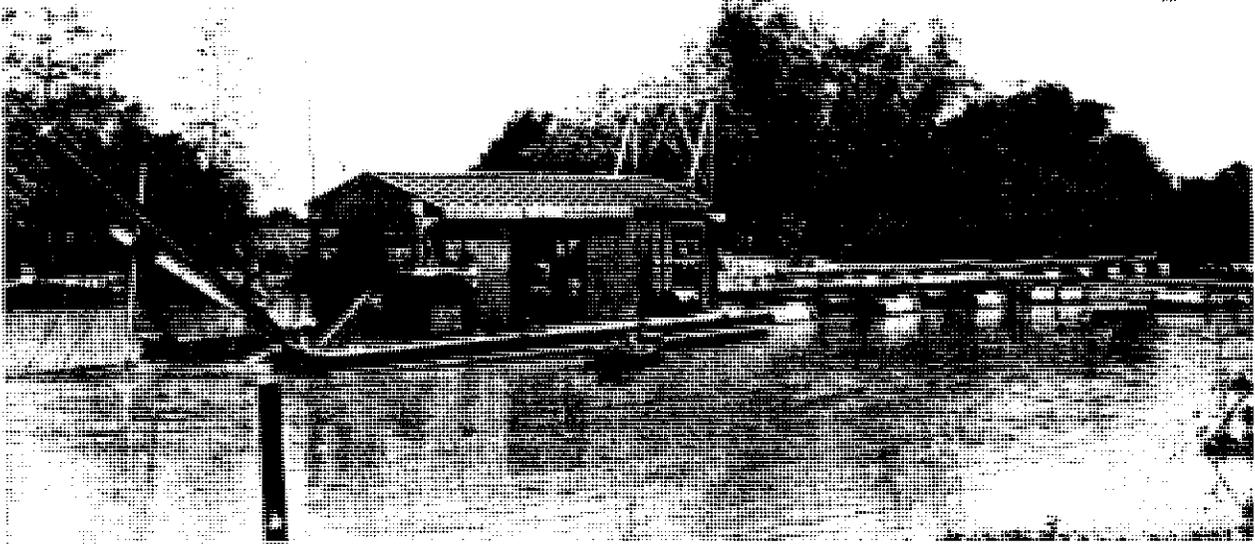
In no sector did Viet-Nam suffer more war damage than in its public works facilities. Of the 1,406 kilometers of railway, for example, only 908 kilometers were operable by mid 1954 and this length was divided into two portions separated by a gap of 498 kilometers; 68 bridges in reinforced concrete, totalling 2,300 meters, had been destroyed beyond repair; several hundred meters of metal girders were either totally or largely destroyed; many stations, depots, workshops were razed to their foundations; and at least 1/3 of the rolling stock was gone and much of what remained was worn out.

The condition of most of the highways, of the telecommunication system, and of the canal network was equally poor. Hundreds of bridges had been destroyed, major road arteries had been deliberately smashed, mined, and otherwise rendered unserviceable, telephone and telegraph facilities were razed, and the canals were silted from lack of maintenance.

Restoration of the major transportation and communication arteries was given a high priority by the new government, and during the past year much of this restoration reached completion. Outstanding in this respect was the inauguration, on August 7, 1959, of through passenger and freight service on the railroad, the first such service in twelve years. A short while later, in May, 1960, National route 21, a major artery which had deteriorated to an often impassable and little used roadway, celebrated the completion of its reconstruction, thus opening up for settlement and further development the hitherto remote mountain regions, estimated to be potentially among the most productive agricultural areas in Viet-Nam. Meanwhile, restoration work continued on other roadways, the dredging of canals, and the replacement of railway rolling stock. The engineering of a nation wide telecommunications system and the improvement of Vietnam's airport facilities also proceeded.

*A 12 inch dredge furnished by USOM being assembled in Saigon.*





*An 8 inch dredge furnished by USOM is busily helping to restore Viet-Nam's intricate canal system. Dredge operators are Vietnamese.*

Other public works programs were designed to help ease the life of the people of Viet-Nam as well as to increase their efficiency. Typical of these were projects for bringing sanitary drinking water supplies to villages and for extending the availability of electric power. During the year ending June 30, 1960, 322 wells were completed, most of them in newly settled areas or in areas where the water supply had previously come from ditches or other unsanitary sources.

#### DEVELOPMENT OF WATERWAYS

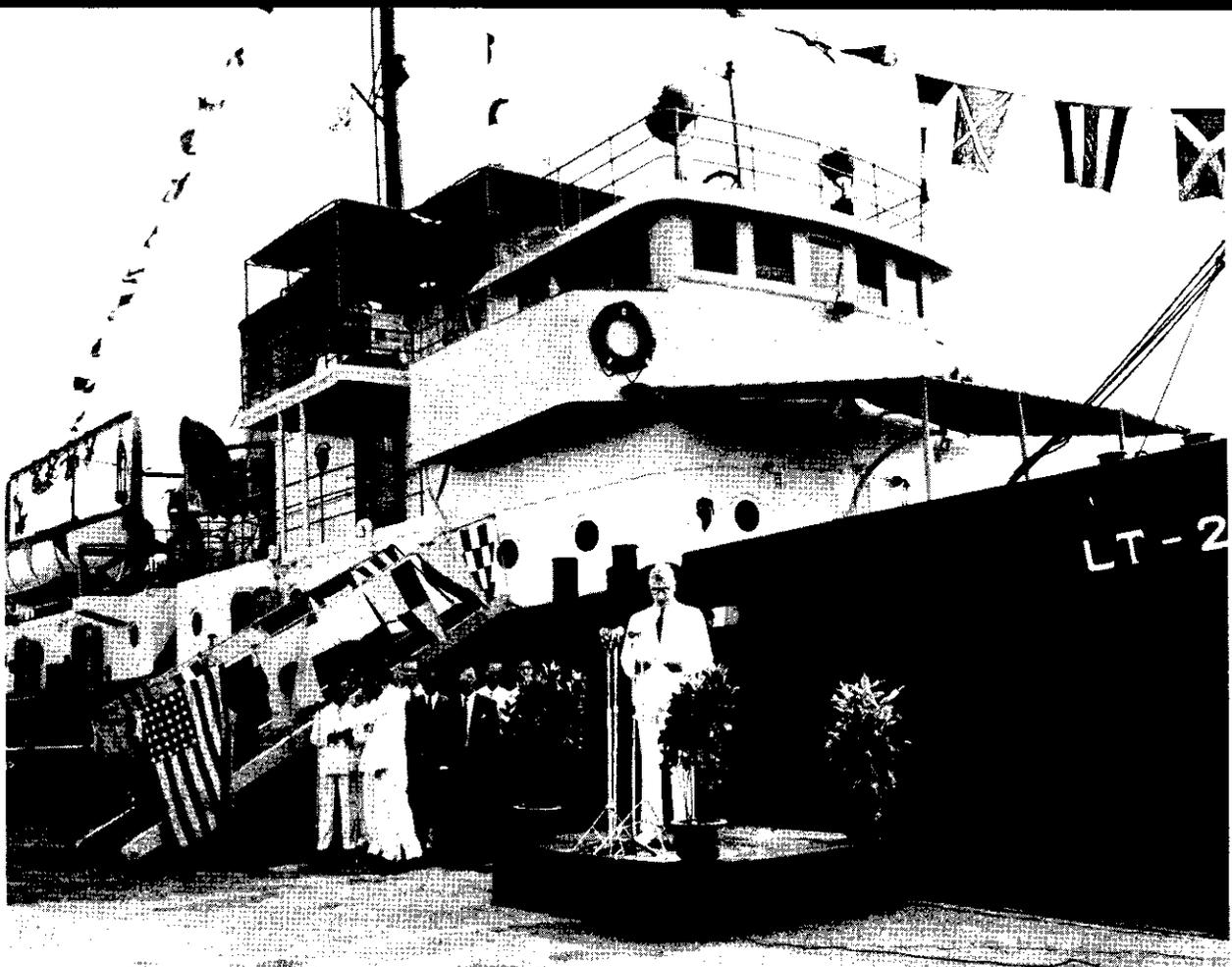
Water arteries are a vital portion of Vietnam's communication system. The canal system alone comprises approximately 1,500 kilometers of primary and 1,000 kilometers of secondary canals, a large part of which fell into virtual disuse during the war period.

With U.S. assistance Viet-Nam is undertaking to restore this canal network, so vital for the efficient marketing of agricultural produce. During 1960, 4,098,551 cubic meters of infill were dredged from the nation's canals under this program. Simultaneously, the American firm of Daniel, Mann, Johnson, and Mendenhall were carrying out an engineering study of the inland waterway system to determine the priority of work needed to restore the system to meet minimal requirements, and to make a hydrographic survey of the first priority canals selected. This firm is also assisting the Hydrographic Section of the Ministry of Public Works to equip itself, as well as to train its personnel to carry out hydrographic surveys.

Particularly encouraging have been the results of the training program in dredge operation which was carried out with USOM assistance beginning in 1955.

*The 12 inch dredge at work rehabilitating the canal network in the southern delta.*





*A 1200 horsepower sea rescue and salvage tug being presented to the Port of Saigon by USOM Director Gardiner. It will be a welcome sight to ships in distress in the South China Sea and will also provide insurance against the clogging of the vital Saigon River.*

By 1960, the theoretical operating efficiency of the dredges was 120 % as compared with a figure of only 20 % in 1955, and the cost of the material dredged had declined from VN \$ 121 per cubic meter in 1955 to an average of VN \$ 8.2 per cubic meter in 1960. A central dredge repair yard has been equipped including machine tools capable of providing complete dredge repair services.

The port of Saigon, South Vietnam's only operating deep water port, lies 40 miles inland on the Saigon River. As a necessary insurance against emergencies in the vital Saigon River channel, as well as to permit aid to be provided to vessels in distress in the neighboring seas, USOM last year supplied Viet-Nam with a sea-going tug of 1,200 horse-power.

### HIGHWAYS

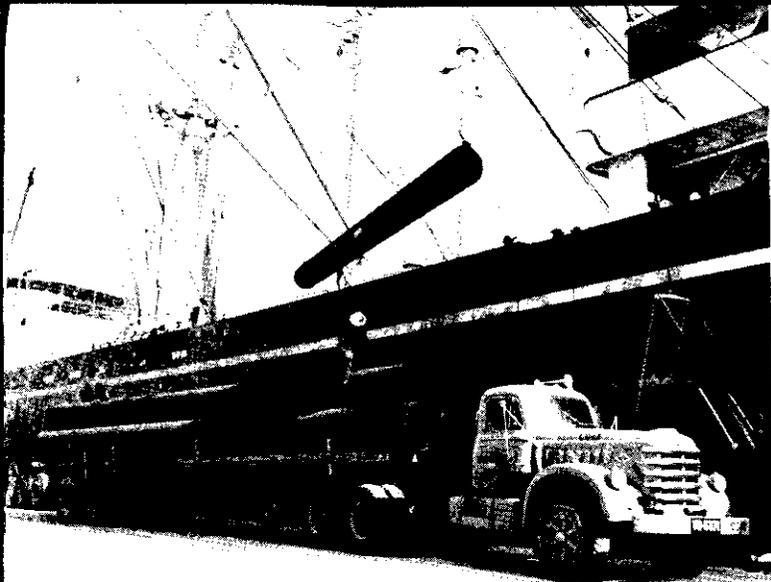
Since independence, the restoration of Vietnam's highway network has been given a high priority by the Vietnamese government, and for that reason by the USOM also. The year 1960 saw the completion of a significant portion of this restoration effort, as well as important strides towards extending the old network. Two American companies under contract

with USOM are cooperating with the Ministry of Public Works in the implementation of this program. They are the Capitol Engineering Corporation, and Johnson, Drake and Piper of Viet-Nam.

#### *National Route 21 — Ninh Hoa to Banmethout.*

The completion of the important East-West artery, National Route 21, from Ninh Hoa to Banmethout, took place in May, 1960. Built at a cost of approximately \$ 14,000,000 in American aid funds, a large part of which was spent on equipment for the Public Works Department and in-service training of Vietnamese technicians, it is the largest completed Vietnamese-American aid project since the resettlement of the refugees from the North,

In 1957 this Route was hardly a road at all. It was impassable in the rainy season; most of its bridges were temporary wooden or military structures; for most of its length only one lane was available for traffic; and surfacing was virtually non-existent. Now a two lane roadway reconstructed to modern standards, it offers fast and convenient transportation between the coast and the highlands. Passenger rates for the trip between Banmethuot and Ninh Hoa have been reduced from 120 piastres to 70 piastres. Freight



*Steel tubing being unloaded for USOM projects.*

#### **Bridge Construction.**

The first priority bridge program, consisting of five bridges on National Routes 13 and 14, and 38 on National Route 1, has been designed and construction bids will be received by the end of 1960. 1,000 lineal meters on National Route 1 are being designed by the Ministry of Public Works and twelve bridges on National Route 13 have been designed by them. The second priority bridge program, four on National Routes 13 and 21 on National Route 1, is now being designed by CEC. The final group of nine major bridges on National Route 1 will be designed by CEC during FY 1961.

#### **Equipment.**

More than US \$ 18,000,000 (new acquisition value) of construction equipment has been imported in support of these USOM-sponsored highway projects for the Ministry of Public Works. Further equipment not already assigned directly to the Ministry of Public Works will be so assigned upon completion of USOM-

sponsored projects now being constructed by American contractors. This includes — besides shops and fixed plants and their equipment — hundreds of road-building machines and other pieces of movable equipment, e.g., tractors, power shovels, adequate stocks of spare parts, etc.

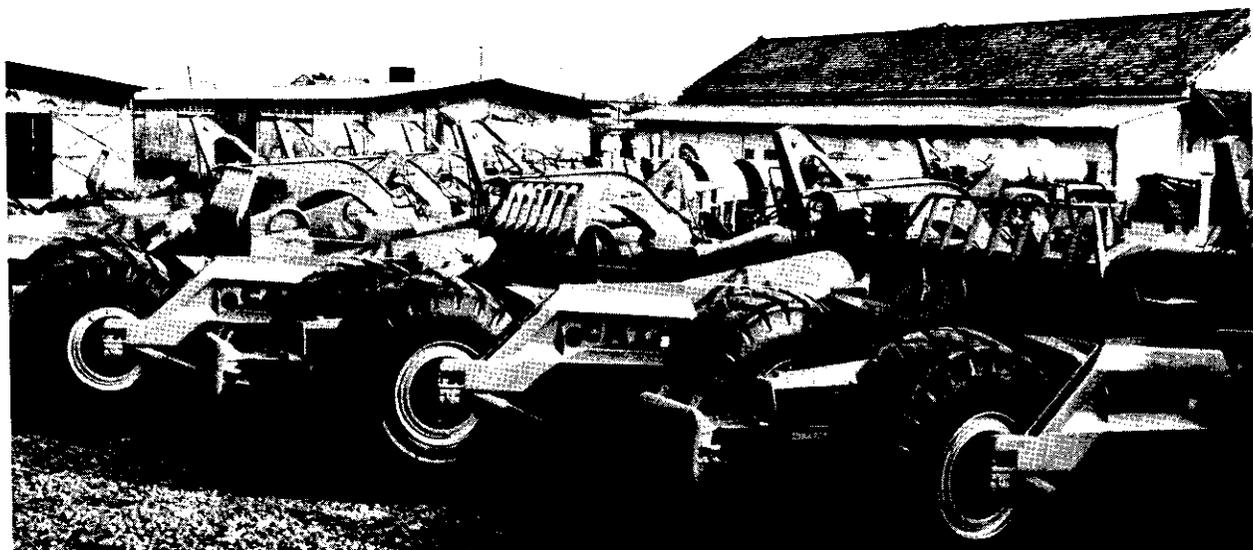
#### **Training.**

In-service and classroom training of Vietnamese has been a continuing activity of JDP and Capitol during the year. Technical training has, in many instances, been supplemented by English language instruction. JDP is currently offering a supervisory development course which has met with enthusiastic response from its employees and from Ministry of Public Works personnel. 103 persons have completed this training. Another 2,500 persons have received other types of concentrated technical training, producing a cadre of highly proficient equipment operators, repairmen, machinists, skilled laborers, surveyors, welders and other specialists. In addition, Capitol is training bridge and highway designers, draftsmen, surveyors, laboratory technicians and quality control personnel. Capitol is formulating manuals covering administration, maintenance, construction, equipment and design. The supervisory training school will be transferred to the CEC Advisory Group for continuation after September 1960.

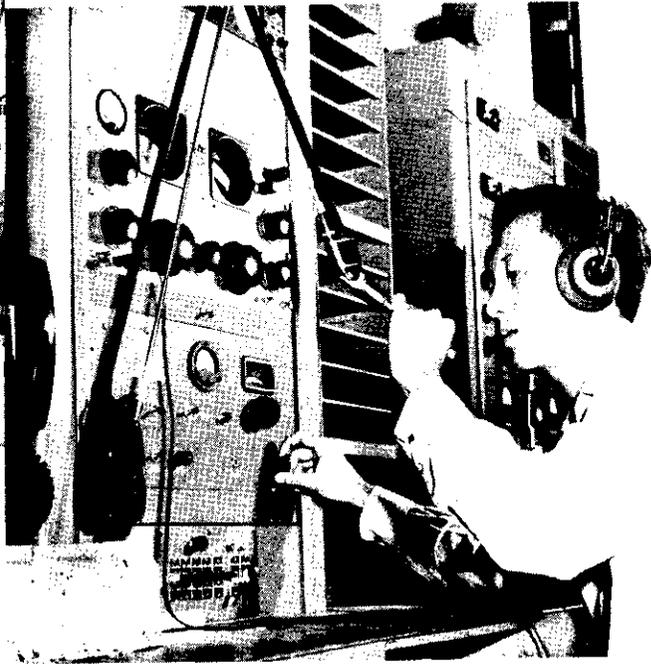
### **CIVIL AVIATION**

During FY 1960 USOM continued its efforts to help Viet-Nam to bring its aeronautical ground facilities and meteorological services up to the highest international and domestic standards. At Tan Son Nhut Airport, Vietnam's major air terminal, the north-south runway was repaired, strengthened, and extended. Turn-off areas were constructed to accommodate jet aircraft and the high intensity lighting of the runway was completed. Engineering design,

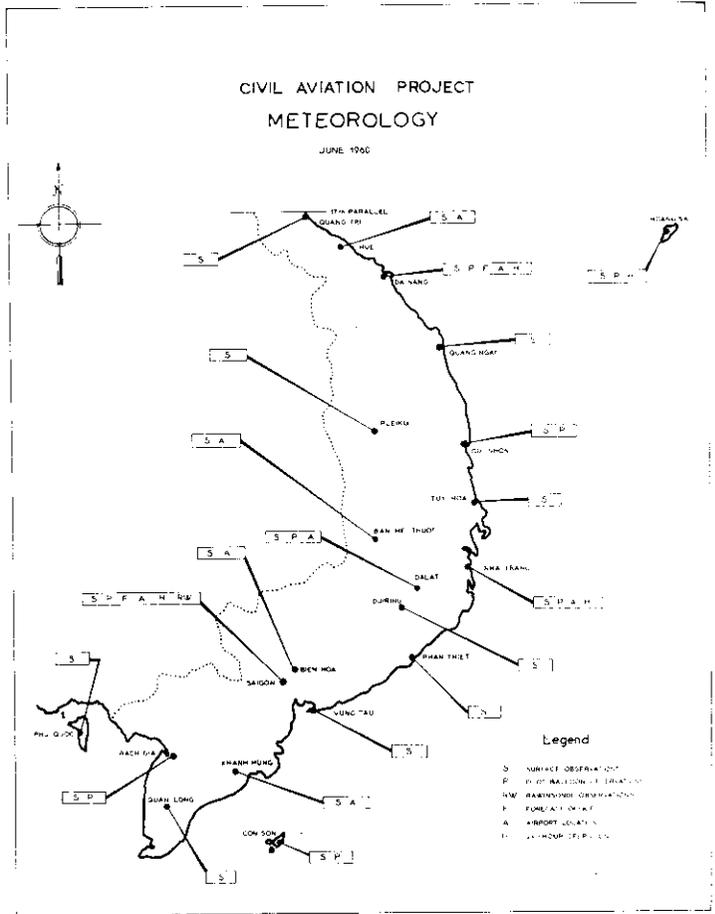
*Road building equipment, to be turned over to the Vietnamese Government upon completion of the road program.*







A civil aviation participant, recently returned from the U.S.A., puts his newly acquired skills to good use.

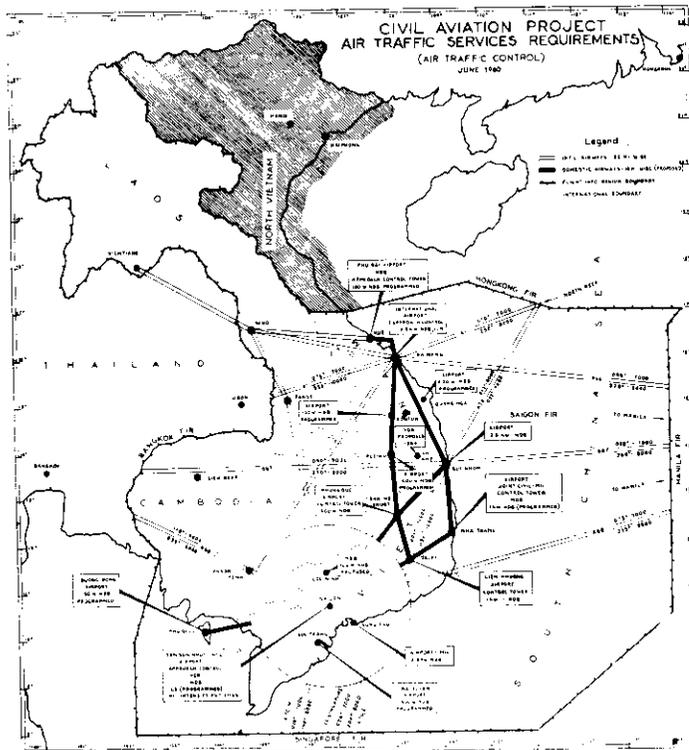


### DEVELOPMENT OF DRINKING WATER SUPPLIES

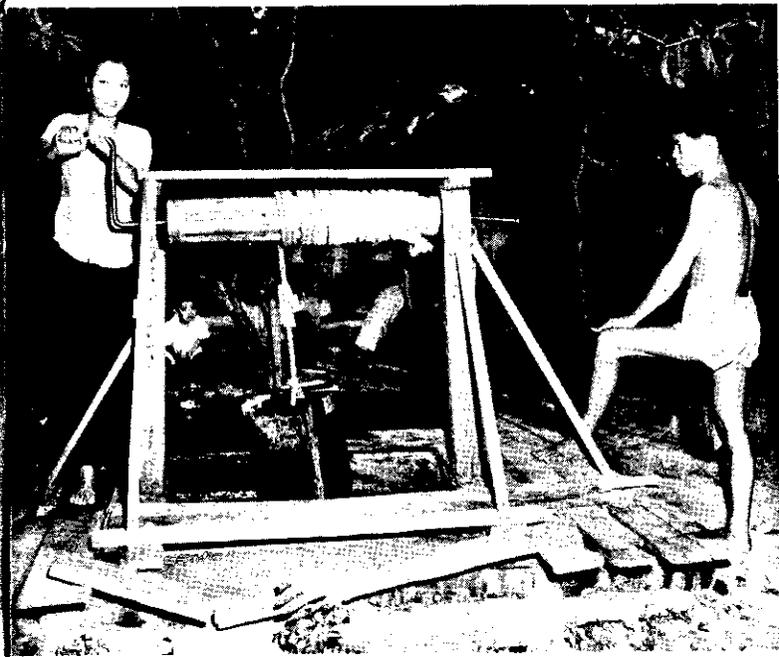
Although an adequate supply of sanitary drinking water is a fundamental need for the development of any community, much of Viet-Nam is still lacking in this basic commodity. In the towns, the water supply is often inadequate for the people's needs, and frequently relatively inaccessible, especially to the poorer classes who must pay to have water hauled to their homes from distant sources. In the villages, the situation is often worse, for sanitary water is sometimes completely absent and the villagers are obliged to drink stagnant water and to subsist on such water as falls from the heavens. Often, they do not even realize the hazards of drinking impure water nor do they relate it to their health problems.

The US aid program seeks to meet this pressing need through an extensive well drilling undertaking, which also includes a training program for Vietnamese well drillers, and through the launching of a project which will eventually establish or expand water systems in fifty municipalities throughout the country.

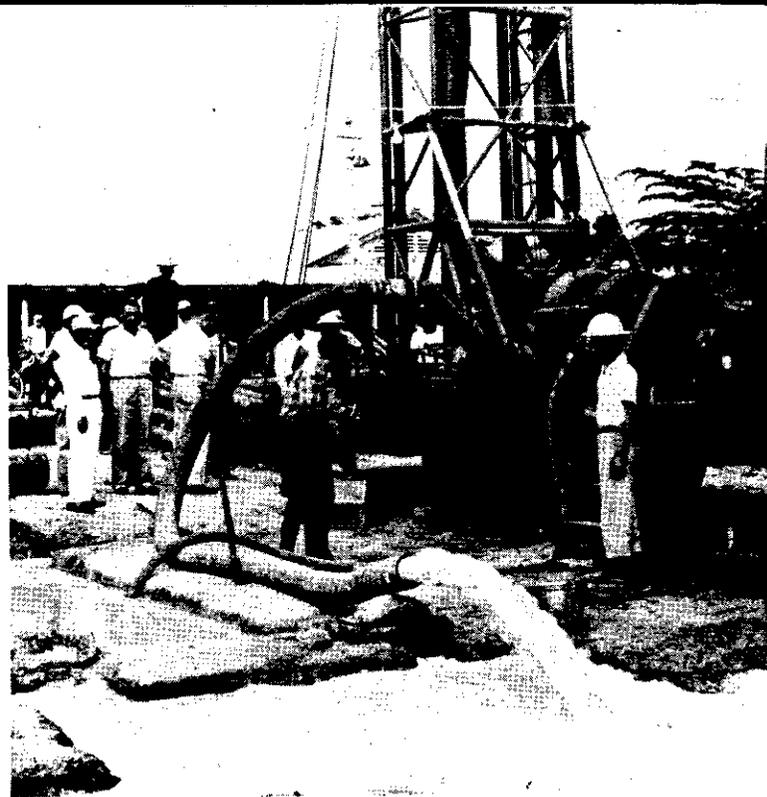
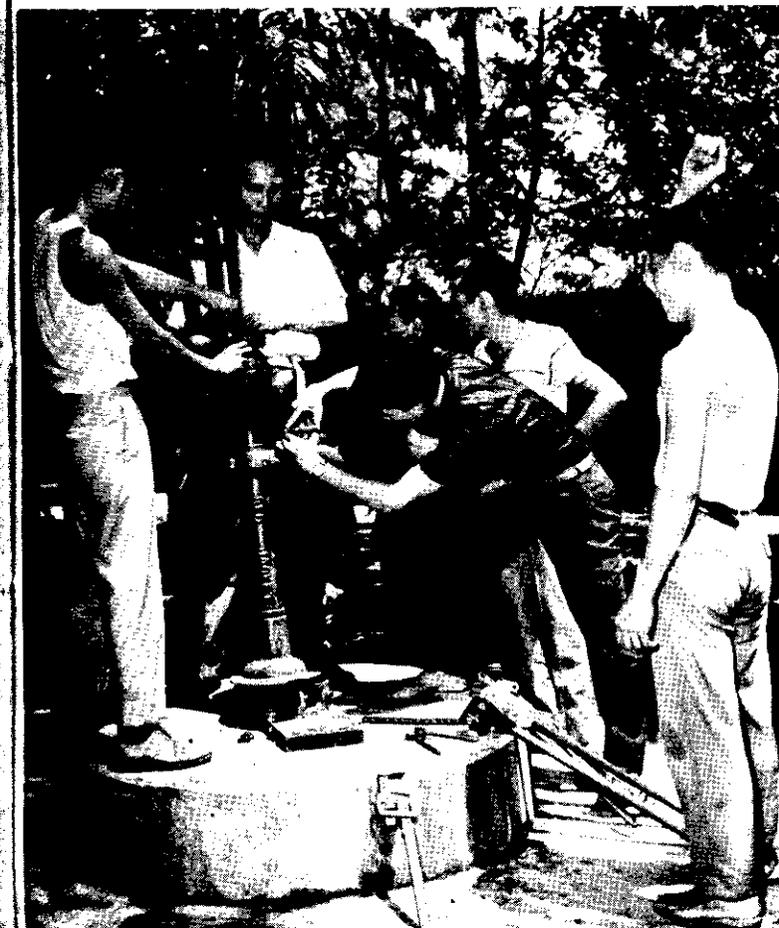
During the year ending June 30, 1960, 322 wells were dug, as part of a program which aims at digging



5,000 wells by 1965. On the job training as well as training abroad was provided to Vietnamese apprentices and technicians. The Hydro-technic Corporation of New York, under contract with ICA, completed the surveys which provide the basic data for the establishment of water supply systems for fifty selected towns.



*Before and after. A sanitary pump will replace an open-bucket type one.*



*Water! The well drilling program is one which touches the people very intimately. In many places water is carried by human backs (usually women's) for long distances prior to the arrival of a USOM drilling rig.*

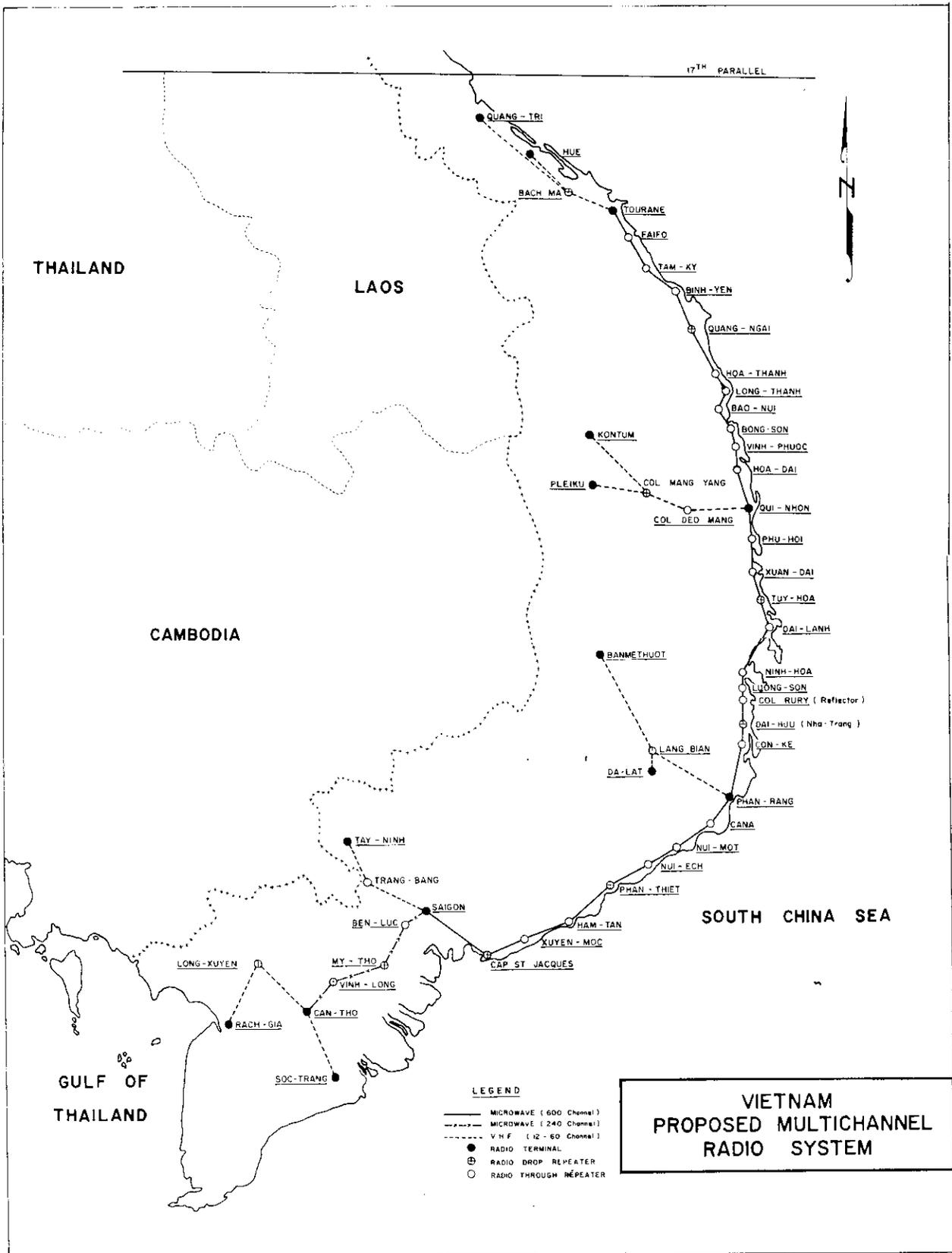
## TELECOMMUNICATIONS

To tie Viet-Nam together through an efficient telecommunications network as well as to integrate Viet-Nam into a regional system enabling it to communicate with its neighbors, a regional project was established in 1958 among Thailand, Laos, and Viet-Nam. At present, the firm of Television Associates of Indiana, under contract with ICA, is engaged in the engineering work preparatory to the construction of the Viet-Nam network, which will include a micro wave system of telecommunications, a very high frequency radio system, rehabilitation of the Saigon telephone system, and establishment of small telephone exchanges in Saigon and the outlying provinces.

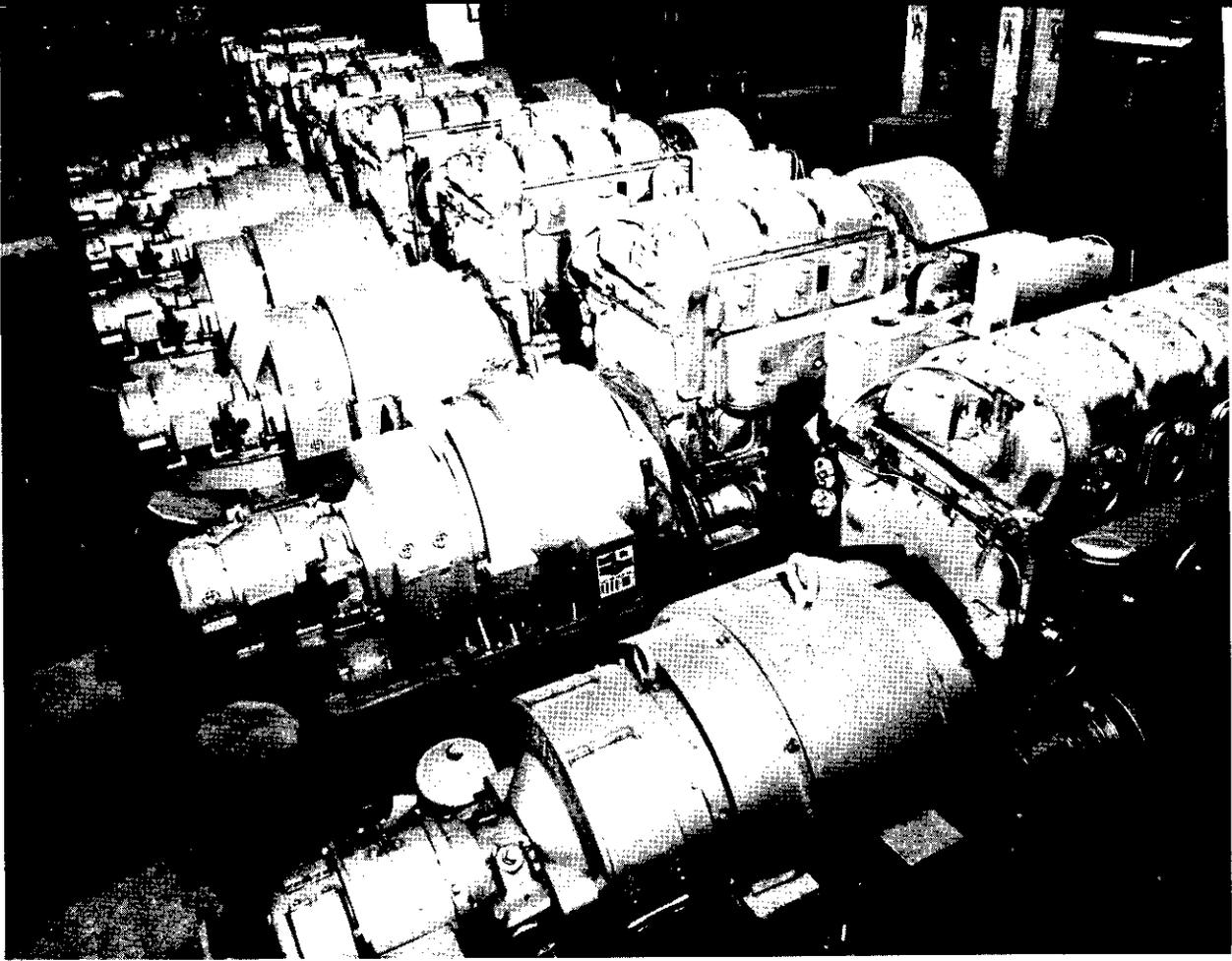
During the year, extensive map search and survey work were carried out and tower sites were selected. A telephone survey of the Saigon area was completed, and a detailed investigation of the state of the present outside plant was made. Equipment specifications were largely completed, paving the way for ordering the equipment required.



*Addition to Saigon PTT building, to house Toll System Equipment.*



**VIETNAM  
PROPOSED MULTICHANNEL  
RADIO SYSTEM**



*Generators to bring light and power for industry and a better life.*

## ELECTRIC POWER

USOM is cooperating with the Government of Viet-Nam in a comprehensive effort to expand electric power generation, transmission, and distribution facilities throughout the Republic of Viet-Nam. It is estimated that requirements for electric energy will increase at the rate of 9 % compounded annually in the Saigon-Cholon area and 6 1/2 % compounded annually in the rest of the country. Based on the above estimates, it will require approximately 360,000 kilowatts of operating generating capacity and the generation of 1,339 million kilowatt hours by 1975, whereas, in 1955 there was installed in all of Viet-Nam 92,298 kilowatts of generating capacity and the annual energy usage was only 255 million kilowatt hours. Vietnam's per capita consumption of energy in 1955, according to the United Nations Economic Survey of Asia and the Far East, was 17 kilowatt hours; that of Japan, 731 kilowatt hours; Singapore, 305 kilowatt hours and Hong Kong, 243 kilowatt hours for the same period.

It is estimated that 80 % of all electric generating capacity is installed in the Saigon-Cholon area. USOM is endeavoring to assist in the decentralization of this power by financing the procurement of medium and small diesel electric generating units for distri-

bution in the provinces. To-date, 80 diesel electric generators totalling 3,714 kilowatts have been purchased together with various transmission and distribution equipment. This first phase of the project will result in the formation of a nucleus of an overall electric power network. During 1960 the American firm of Howell and Co., under contract with USOM, helped in the training of Vietnamese personnel in power systems and accounting procedures and assisted the Government of Viet-Nam in the setting up of a national power authority.

In addition to the above, the Government of Viet-Nam has applied to the Development Loan Fund for a loan for the construction of the 33,000 kilowatt thermo-electric plant in the Saigon-Cholon area and a 69 KV ring transmission line. Under a Viet-Nam/Japan reparations agreement, an 80,000 kilowatt hydro-electric plant is scheduled for construction at Da Nhim near Dalat. This is the first phase of a project with the ultimate installed capacity of 160,000 kilowatts. Power will be carried to Saigon from Da Nhim on a 230 KV transmission line. USOM is supporting this program by supplying technical assistance here in Viet-Nam and participant training in the United States.

# AGRICULTURE

## AGRICULTURE

Viet-Nam is essentially an agricultural country. Of its approximately 5 million labor force, 4 million are classified as engaged in agricultural pursuits, and of some 13 million inhabitants in the country, 11 million are rural dwellers. Recognizing this fact, USOM has made a concerted effort to assist the Vietnamese government first to restore and subsequently to expand, modernize, and improve its agricultural sector. However, the task of transforming the agrarian economy of a country often following out-moded traditional production methods into a self-reliant nation of high proficiency is necessarily a slow and difficult process. The rural areas of Viet-Nam are only now recovering from the physical and psychological shocks of a decade of warfare. There is a critical lack of trained technicians and basic facilities, there is continued poor security in many rural areas, and the local agencies upon which agricultural improvement must depend are few, thinly spread, and overburdened. The USOM cooperative program for the agricultural development of Viet-Nam concentrates on the training of local technicians and the implantation of enduring changes, rooted in the people. This is a gradual up-hill process requiring continuous, coordinated efforts in many project areas. Mistakes are made and frustrations are numerous; yet, there are definite worthwhile accomplishments to be recorded, gains which are increasingly evidenced by marked improvement in the lives of the rural people.

### PRODUCING MORE FOOD

To diversify the base of Vietnam's traditional two-crop, rice-rubber economy and to provide better incomes for farm families, Vietnam's agricultural sector must develop new crops, improved varieties, and more efficient farm practices. For these purposes, the Division of Agriculture supports intensive crop and livestock development programs.

Ten pilot *agricultural stations*, located for maximum coverage of the country's varied soil and climatic conditions, conduct continuous test-demonstration work in crop and livestock development, testing new varieties, breeds, and practices, and propagating improved plants and animals for distribution to the farmers. This work is greatly aided by twenty technicians of the International Voluntary Service (I.V.S.),

young U.S. Agricultural college graduates with farm backgrounds, who provide invaluable technical assistance to the Vietnamese station managers under the guidance of USOM technicians.

Rice, basic to the economy of Viet-Nam, is the commodity upon which at least eighty per cent of the population depends for income and survival. Although efforts to promote crop diversification are meeting considerable success, the improvement of rice cultivation must necessarily continue to be of prime importance in the program of helping the farm people. Farm demonstrations of improved varieties and more efficient cultural practices are resulting in consistently higher yields. This year the rice seed multiplication program was revised and enlarged, and provision made for the cooperatives and farmers' associations to serve as distributors of improved variety seed. This procedure should greatly increase the yields in large areas now planting less desirable varieties. Already rice yields are showing significant improvement, rising from an estimated 1.9 tons per hectare for the crop year 1956/57 to 2.2 for the crop year 1959/60.

In *soils and fertilizer* projects, analytical and experimental work is providing valuable data for the determination of reliable recommendations. This year a modern new soils laboratory was established, a facility which will greatly accelerate the work. With the cooperation of F.A.O. technicians, a general soils map of Viet-Nam was compiled which will be of considerable value in numerous agricultural planning activities. Fertilizer tests are being conducted on three hundred sites and the data being acquired will provide important information on the fertilizer requirements of major crops.

The program for the development of *fiber crops* is making a valuable contribution to Viet-Nam. Fibers are essential for the production of rice bags, fish nets, rope, etc. Formerly imported in large quantities, they are now being successfully produced locally, virtually eliminating some \$2.5 million of import requirements and providing the possibility of an increasing tonnage for export at highly attractive prices. These crops, which are being especially encouraged in Resettlement and Land Development areas, are popular with the farmers who are finding them to be several times more profitable than rice.

The total value of fiber produced in Viet-Nam in the year ending June 30, 1960 was over one hundred million piastres as compared with about five million in 1957.

*Sugarcane* production and sugar processing facilities were severely damaged or destroyed during the war. Cane fields were diverted to other crops, or abandoned. As a consequence, sugar import requirements have imposed a heavy burden on the nation's economy. However, with USOM assistance, three sugarcane stations are testing and rapidly multiplying improved varieties for distribution to the farmers. Processing facilities are being expanded. It is expected that by 1965 Vietnam will be largely free of its dependence on foreign sugar.

In the development of *subtropical horticulture*, a wide variety of fruits and vegetables are being introduced into Viet-Nam. Rootstocks of improved citrus varieties are being tested and propagated for distribution to growers. Grapes and deciduous fruits being tested in the central area show promise as potential commercial crops. Newly introduced vegetables such as okra, eggplant, and pepper are popular with the farmers. The production of dry onions, garlic, potatoes, and especially of sweet corn is also showing encouraging results.

In *tropical horticulture* several outstanding accomplishments in the development of new commercial crops are reported. Cacao, oil palm, and avocado seeds are being imported in large quantities, propagated, and distributed to farmers who are taught proper cultural procedures for their care. Over one-half million lacquer seedlings grown in two nurseries of Lam Dong Province have been distributed to area farmers. To convert production from green tea to the more profitable black tea, growers are constructing new processing facilities.

Of particular significance is the acceptance of the newly introduced technique of «Mist spray propagation of cuttings» which greatly reduces the time required for plant propagation. Eight mist propagation units were constructed this year, four of them by private growers. Cuttings of tea, fruit trees and rubber are being propagated in these units.

In 1955 when the *livestock development program* was started, animal populations had been critically depleted by the war, local breeds were of poor quality and disease was prevalent; breeding and sanitation facilities were badly neglected or nonexistent, and government agencies competent to cope with the problems were yet to be developed. The program began with the importation of purebred animals for

*Kenaf and Jute variety plots in the Nha Trang area. This year the production of kenaf was increased by 110 %, the production of jute, by 48 %.*





*The motorization of fishing junks enables Vietnamese fishermen to increase their catches by over 300 %.*

upgrading local stocks, and the establishment of basic animal husbandry facilities. Today, good quality cattle, swine and poultry in comparatively ample quantities may be found throughout the country. In the 12 months ending in June, 1960, Viet-Nam was able to export over 15,000 swine including 3,000 head of breeding stock. Good poultry and eggs are increasingly plentiful. Duck feathers continue to rank as a significant export item.

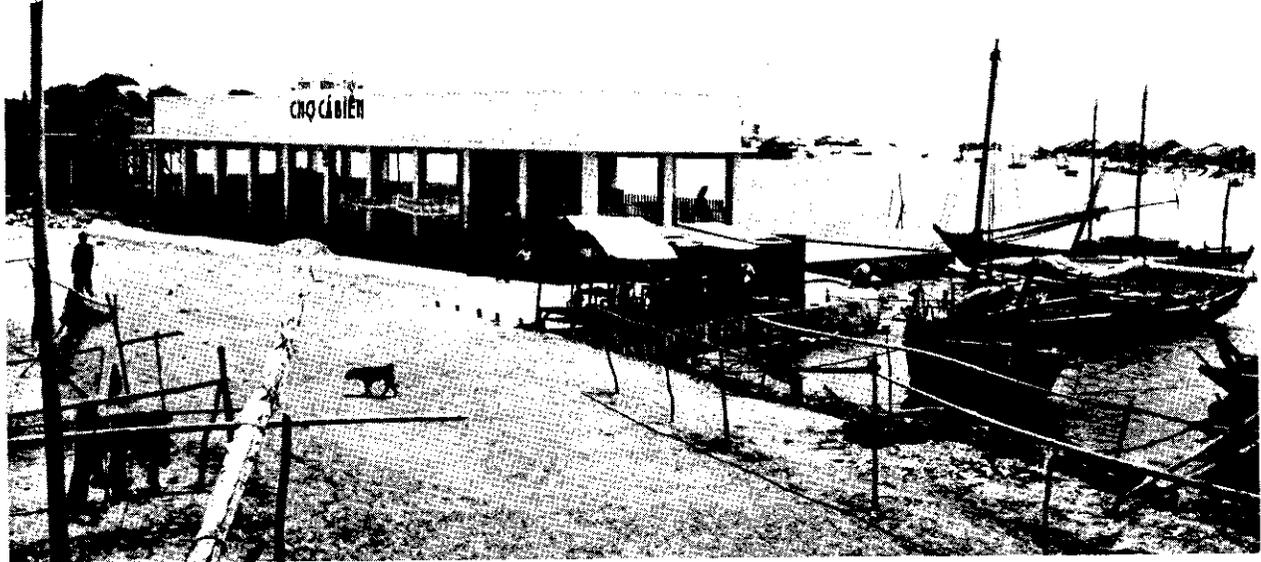
Mobile vaccination teams are effectively suppressing animal diseases. Private enterprise in livestock raising is encouraged and with technical assistance provided by the numerous livestock stations, local producers are beginning to prosper. Livestock shows at local agricultural fairs are attracting increasingly large crowds of interested farmers.

During the year, modern cattle market facilities at Chau Doc and a new animal husbandry station in Long An Province were opened for service.

The development of Vietnam's fisheries is an especially promising field. The government fisheries department is only three years' old, and still must build an adequate staff. The fisheries resources in Vietnam's coastal and inland waters are, however, rich.

Faced with a decision as to whether to support a large scale approach to the fishing industry or to concentrate on assisting the individual fisherman, USOM chose to channel the major portion of its aid to small scale operators. The motorization of small boats rather than the purchase of big ships was given priority, and with excellent results. More than 1,500 fishing junks are now equipped with modern marine engines, thus extending their range of operation, freeing them from dependence on the vagaries of the wind, and increasing their catches by 300 %. Because distribution has traditionally been one of the major problems in the fishing business, USOM has concentrated much of its attack on this problem, through the construction of new fish landing facilities with adjacent cold storage facilities. **Seven of these landing facilities were completed during the past year and three more are nearing completion.** N.A.C.O. production loans of nearly 23 million piastres were granted through the new fisheries cooperatives, enabling fisherman to obtain badly needed new equipment.

The results of these efforts can be seen in once dormant coastal villages which are being transformed into prosperous centers of bustling activity. The new



*Fish landing facilities constructed under the aid program. The developing fishing industry is bringing new wealth to Vietnam's coastal fishing villages.*

landing facilities, which were initially believed to be too large, have already become inadequate, and the market price of fish at Saigon has declined by 20 %. Fish is also developing into a significant export item.

Inland, or fresh water pisciculture, is also in an early state of development and has received some USOM attention. During the year ending June 30, 1960, two fresh water pisciculture stations were completed, making a total of twelve in operation from which nearly four million fish were distributed for rural fish farming in farm villages and Agrovillage settlements.

#### TEACHING FARM PEOPLE

The Agricultural Extension Service of Viet-Nam aims to improve the income and the standard of living of the rural people through practical education in improved farm and home practices. Twenty-four provincial Agricultural Extension Agents are

*Extension Home Improvement Agents learn to make and to use teaching materials in their program for helping farm women improve homemaking practices.*

now assisting the farmers in twenty provinces. This year they conducted 1,119 result demonstrations of improved cultural practices, 1,105 farm meetings attended by 51,395 farmers, and 20 three-day local leader training schools for 1,980 volunteer leaders. USOM supports this program with technical assistance and with direct grants of supplies, vehicles, and equipment, with local currency for administrative and training purposes, and with a substantial participant program. Three phases of the extension program receive particular emphasis.

In the *Home Improvement Program* farm women are helped to learn and adapt improved home-making practices. Seventeen agents, assisted by 654 trained local leaders are now working in thirteen provinces. This year they conducted 1,306 educational community meetings attended by 34,000 farm women who learned such practical practices as improved home sanitation, home food production and preparation, child care, kitchen improvements, etc.

*This 4-T (Rural Youth) Club member is growing better vegetables with the help of his new compost shelter which also serves to show village elders the advantages of good compost.*



In the *Rural Youth (4-T) Program* 32 agents, assisted by 1,159 trained volunteer local leaders, are working with farm boys and girls in 507 organized clubs with 26,652 members in 19 provinces. These clubs are patterned after America's 4-H clubs. During the year 2,621 club meetings were held with an attendance totalling 96,723. Club members learn by doing in practical, productive projects in crops, livestock, community improvement, etc. In all of its aspects, this program increased more than 100 % this year.

An important part of the Extension program is the production and distribution of instructive information materials for farm people, and the preparation of teaching materials for the agents and leaders. Since its beginning in 1956, the *Extension Information Section* has produced, with American aid equipment and supplies, approximately four million units of such educational material. This year the activity was extended to serve all agencies of the Ministry of Agriculture.

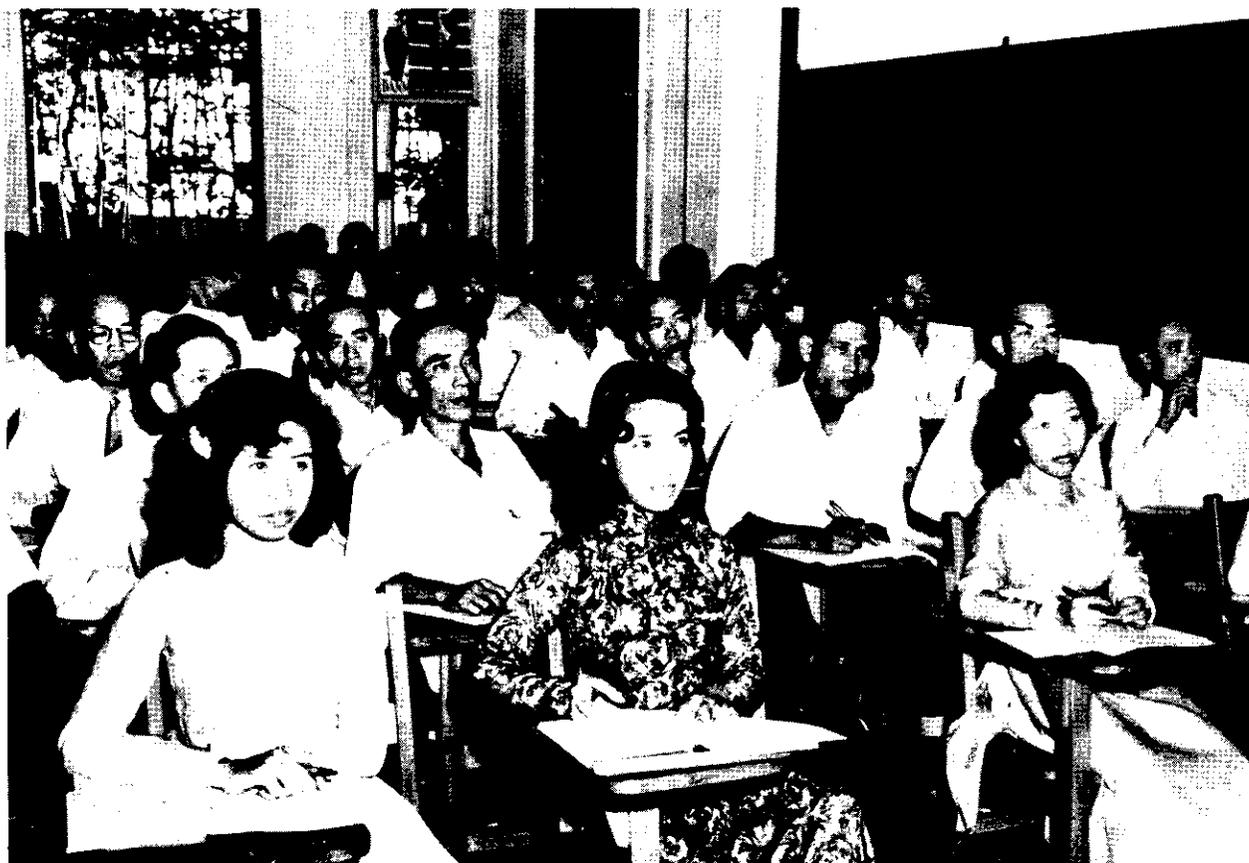
#### HELPING THE PEOPLE TO HELP THEMSELVES

The rapid development of agricultural credit and cooperative organizations in Viet-Nam exemplifies the American-Aid principle of encouraging self-help through democratic action.

In the year ending June 30, 1960, 23,000 farm families, members of 35 pilot *rice storage and credit cooperatives*, were provided with V.N. \$ 64,000,000 in low interest credit enabling them to expand and improve their production, thus increasing their incomes. This year the cooperatives doubled their capital stock, now at V.N. \$ 11,495,503. These cooperatives introduced the making of warehouse loans on rice held in storage awaiting market conditions favorable to the farmers, the warehousing of seed and fertilizer for distribution to the members, and such services as custom tractor plowing and rental of machinery to facilitate harvesting. Three of the pilot rice cooperatives now have community rice milling facilities which are substantially reducing milling costs for their members. Thirty-one of the rice Co-ops were organized into a Federated Supply and Marketing Cooperative for the pooled purchasing of supplies and the transport and marketing of the farmers' produce.

A parallel project is that for the development of *Farmers' and Fishermen's Cooperative Associations*. These associations are designed to enable the farmers to obtain services for themselves on a group basis which would not be feasible on an individual basis. By June 30, 1960, scarcely more than one year after their inception, enrollment included 262,000 farm family members. Twenty-two training meetings were provided for district leaders, and 360 village training

*Over 800 carefully selected students have been trained for leadership in Agricultural Cooperatives and Farmers' Associations at the Cooperative Research and Training Center in Saigon.*



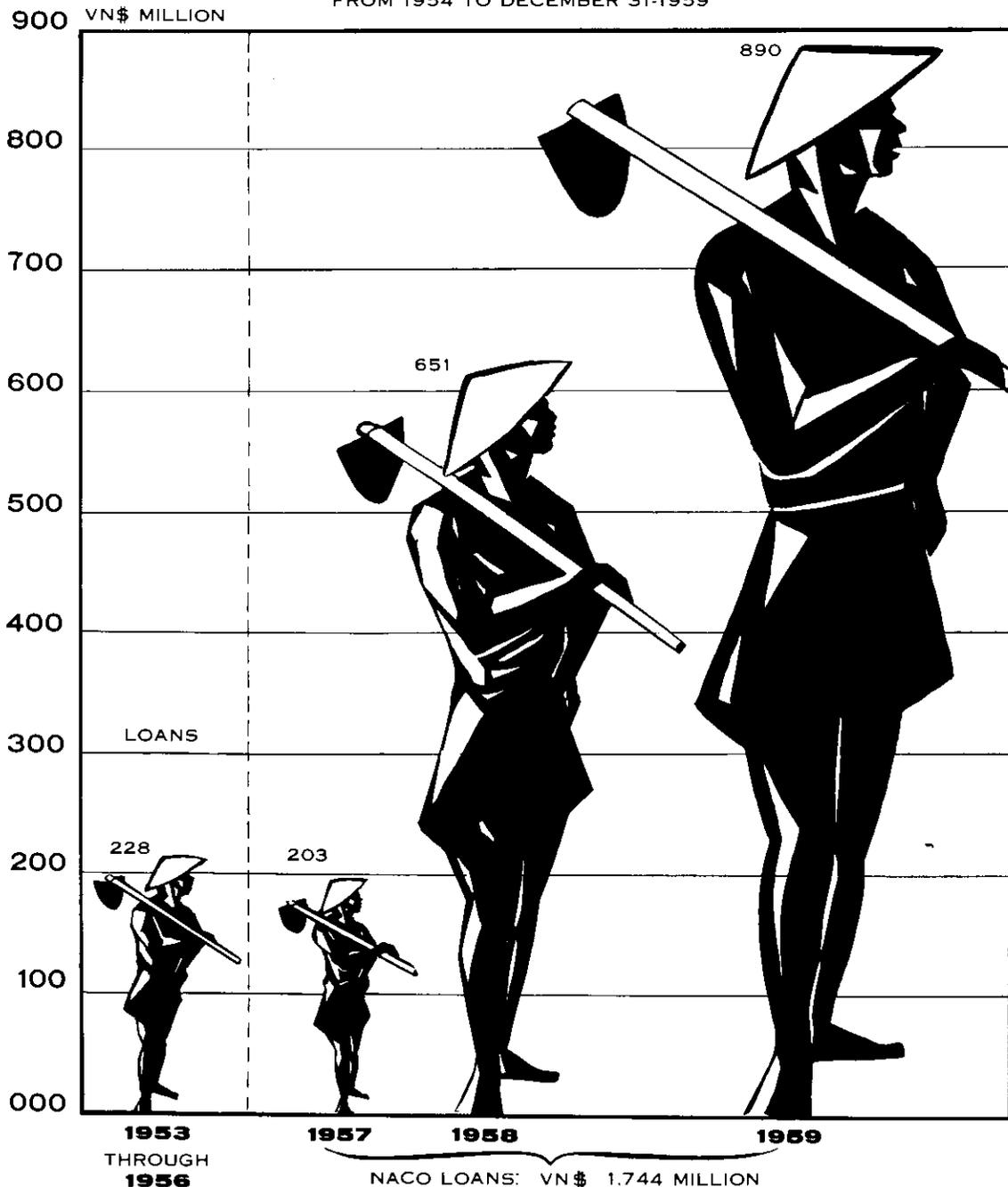
schools conducted for Farmers' Association leaders who were taught to develop local programs based on local needs. With USOM help, the Government of Vietnam arranged with the joint commission on Rural Reconstruction of China for the services of eleven technicians who made a detailed survey of Farmers Associations in Viet-Nam, submitting a five-year program which they will help to implement. It was

adopted by the Vietnamese government with only minor changes. Eighteen district Farmers Associations and three village Fisheries Cooperatives were selected as pilot demonstration units in this rapidly developing program for the rural people.

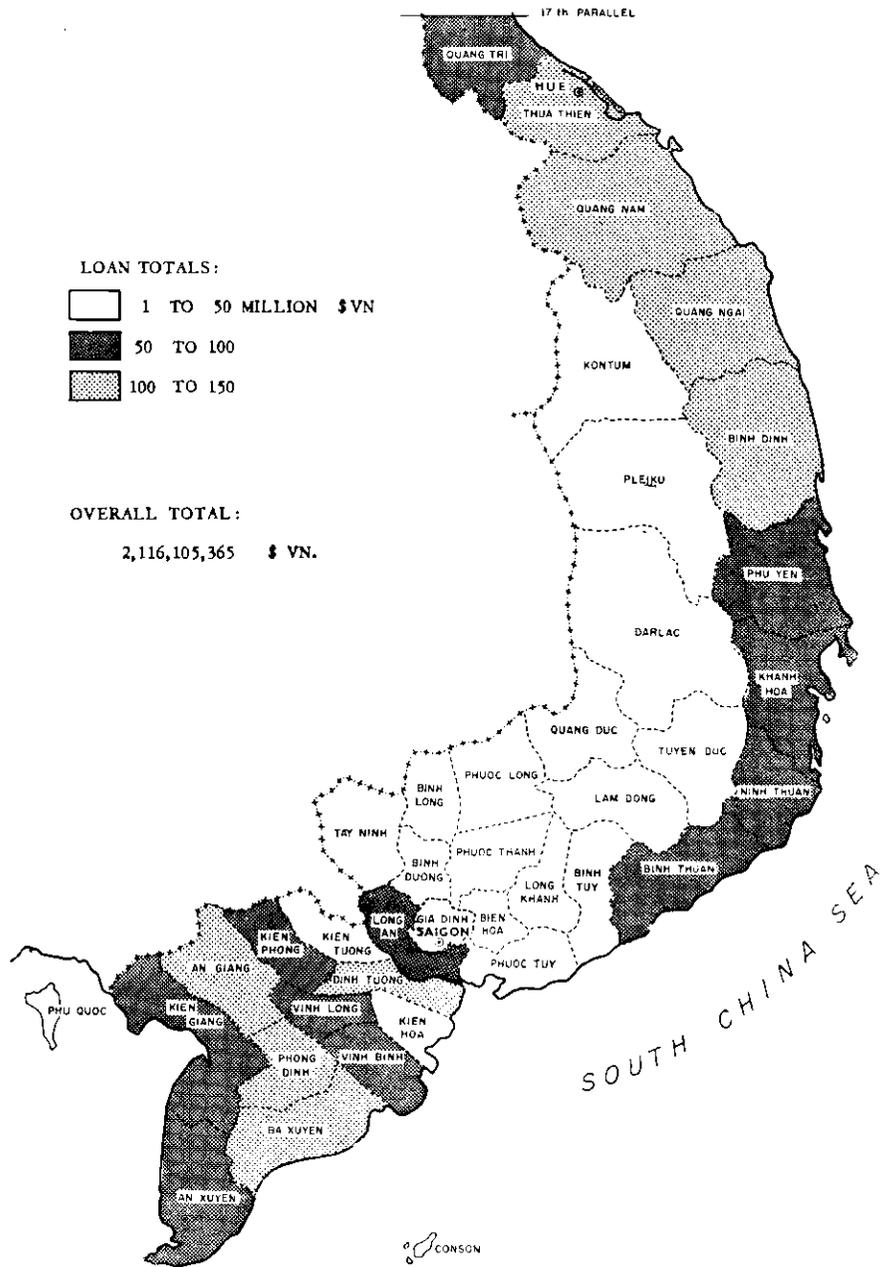
To serve the needs of the growing cooperative movement, the *Cooperative Research and Training Center*, jointly sponsored by Cooperative League of

### AGRICULTURAL CREDIT LOANS

FROM 1954 TO DECEMBER 31-1959

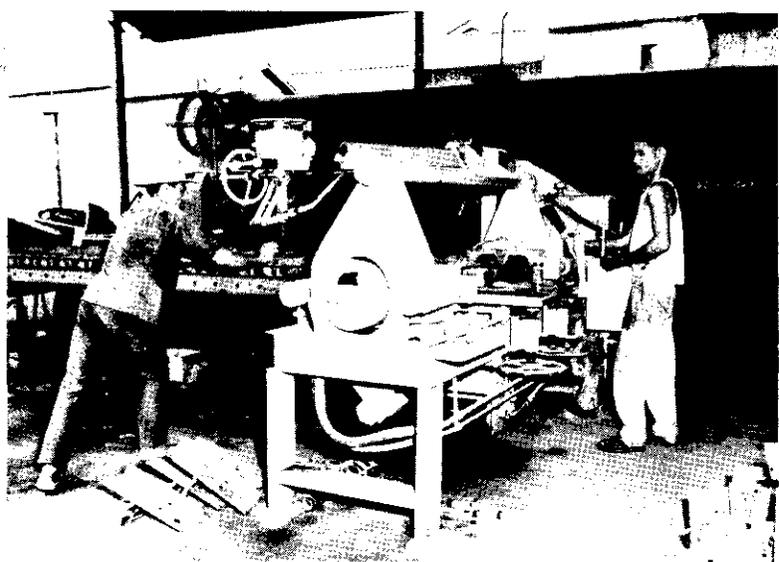


NATIONAL AGRICULTURAL CREDIT OFFICE (NACO)  
 DISTRIBUTION of LOANS by PROVINCE (Jan'57 to July'60)



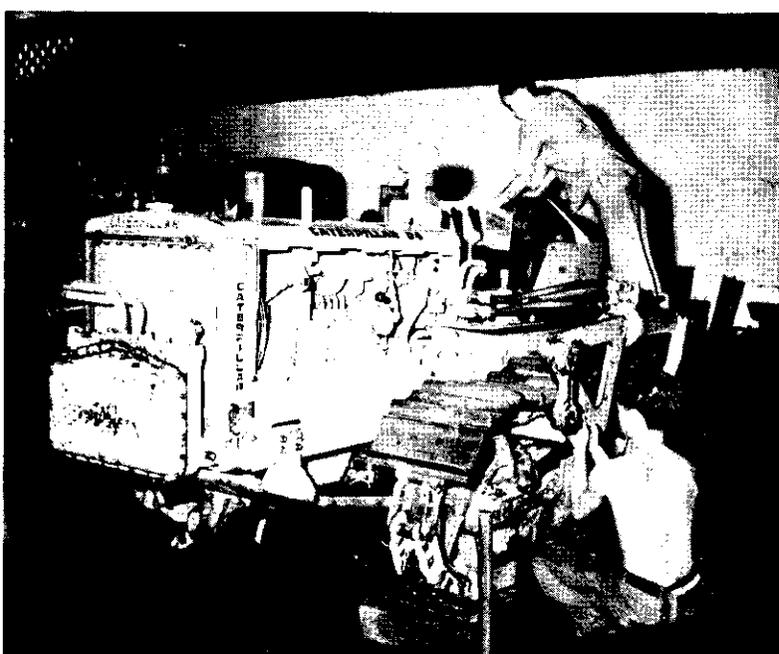


Earth moving equipment for clearing the jungles of Viet-Nam -- a gift of the American people



The shops of the Agricultural Machinery Directorate service and repair over a thousand units of field equipment for Land Development projects. This electric track welder, renewing worn caterpillar tracks, is typical of the services provided.

Tractor being repaired by Vietnamese technicians at the Agricultural Machinery Directorate.



America, was established in mid-1959 for training leaders and cadres. By June 30, 1960, there were 830 graduates actively engaged in the field.

Closely coordinated with the development of cooperatives and farmers' associations, the *National Agricultural Credit Office* (NACO) serves in providing the low-interest credit necessary to the country's agricultural development. There are now four District Offices and thirty-one Provincial Credit Offices. During the 1959-60 loan season, VN \$ 889,600,000 were loaned enabling 400,000 farm families cultivating 800,000 hectares to improve their farms and homes, thus increasing their production and raising their living standard. The creation of the Commissariat General for Cooperatives and Agricultural Credit administratively combined the functions of NACO and the Directorate of Cooperatives, increasing the effectiveness of both. As a step toward self-sufficiency, a new savings deposit program has attracted a total of sixty million piasters.

### DEVELOPING AGRICULTURAL RESOURCES

In *Irrigation and Water Control* projects the Vietnamese spirit of cooperative «self-help» is dramatically demonstrated by the village people who voluntarily contribute their labor for construction of community irrigation systems. The value of their work is estimated at nine million piasters for the year. American Aid funds provided for the construction of thirty village irrigation systems which benefited 70,000 farm people cultivating 24,000 hectares of land. The Government of Viet-Nam undertook other similar projects with its own funds. The systems being constructed provide improved irrigation, better drainage, and protection from salt water.

USOM assistance in the extensive *Land Development Program* for resettling families from overpopulated areas of low social-economic opportunity onto new or reclaimed farm lands is shared by several projects. Much of the Crop Development activity contributes directly to the program. Fiber crops, for example, are found to be particularly suited to the newly opened Land Development Centers, and the fibers project emphasizes the establishment of these crops in the new villages. The agricultural and livestock stations make similar contributions. During the year, *The Agricultural Machinery Directorate* (AMD) cleared and prepared 37 new village sites, bringing the total to 121 villages established for the resettlement of 159,000 farm people. Field activities included: the clearing of 7,000 Ha.; plowing of 25,500 Ha.; and the disking of 12,000 Ha. In addition, numerous access roads were built and several fiber retting ponds constructed.

The task of maintaining the numerous items of heavy equipment necessary for so large an undertaking is assumed by the AMD Central Shops in Saigon. With USOM financed specialized equipment, the shop provides maintenance for 380 tractors, 340 units of tillage equipment, and 450 transportation units. A part of this workload is carried out in the field by mobile repair units.

The work of the *Agricultural Economics and Statistics* project is essential to the efficient planning and direction of the Nation's program for agricultural development. Using improved techniques, the annual accelerated rice survey was repeated in the southern provinces this year, and extended to cover Central Viet-Nam. The results show that heretofore, the total area under rice cultivation has been over-estimated, an error that has been largely compensated by the under-estimation of rice yields. A sample survey, called «The 1960 Agricultural Census of Viet-Nam», has been prepared and enumeration is to start in September. All sectors of agricultural production will be covered, providing bench-marks for future operations.

## DEVELOPING AGRICULTURAL TECHNICIANS

The *National Agricultural College* at Bao-Loc (Blao), founded in December, 1955 with sixty-three students assembled in makeshift wooden classrooms, now has an attractive modern campus consisting of well equipped laboratories, dormitories, a large new library-auditorium, and numerous agricultural installations. This year the College's scholastic status was elevated by supplementing the secondary level program with a superior level program. Over sixty students were enrolled in the first class of the superior level. Total College enrollment is now 345, with a faculty of seventeen which includes six resident foreign professors. These accomplishments are making a significant contribution to the National Agricultural program so critically in need of trained technicians. All of this year's sixty-two graduates at the secondary level were immediately employed by the Ministry of Agriculture.

The *USOM Participant Training Program* contributes directly to the agricultural development of

*The National Agricultural College at Bao Loc (Blao) now has over 350 students.*



Viet-Nam by the provision of trained technicians so critically needed for program implementation. This year under the sponsorship of the Division of Agriculture, 160 participants studied abroad, 65 in the US and 95 in third countries. The training provided ranged from observational tours of only a few weeks

duration, to intensive technical training on the university graduate level. But the gain is more than that of technical skill. Participants returning to their jobs have invaluable new insight into the problems confronting them; their perspectives are changed in ways that greatly enhance their productive capacities.

### FARMERS COOPERATIVE ASSOCIATIONS

July 1960

PROVINCES	Organized districts	Organized villages	Small Agricultural Units	Membership	PROVINCES	Organized districts	Organized villages	Small Agricultural Units	Membership
Quang Tri	1	18	614	15,549	Binh Duong	5	15	227	7,732
Thua Thien	9	80	1,562	46,613	Bien Hoa	3	17	103	2,648
Quang Nam	2	44	663	17,243	Dinh Tuong	7	14	205	6,665
Quang Ngai	1	12	552	16,412	Gia Dinh	3	30	332	9,390
Binh Dinh	2	29	270	9,075	Kien Hoa	7	35	441	4,087
Phu Yen	1	16	261	10,531	Kien Tuong	4	20	183	5,394
Khanh Hoa	2	28	175	5,273	Long An	7	93	1,048	152,423
Ninh Thuan	1	9	62	1,883	Phong Dinh	5	24	348	10,286
Binh Thuan	1	19	174	5,294	Vinh Binh	4	35	350	10,728
An Giang	5	17	447	11,977	Vinh Long	6	29	391	13,469
Ba Xuyen	7	21	520	16,408					
						83	605	8,754	261,996

### THIRTY FIVE PILOT RICE STORAGE AND CREDIT COOPERATIVES

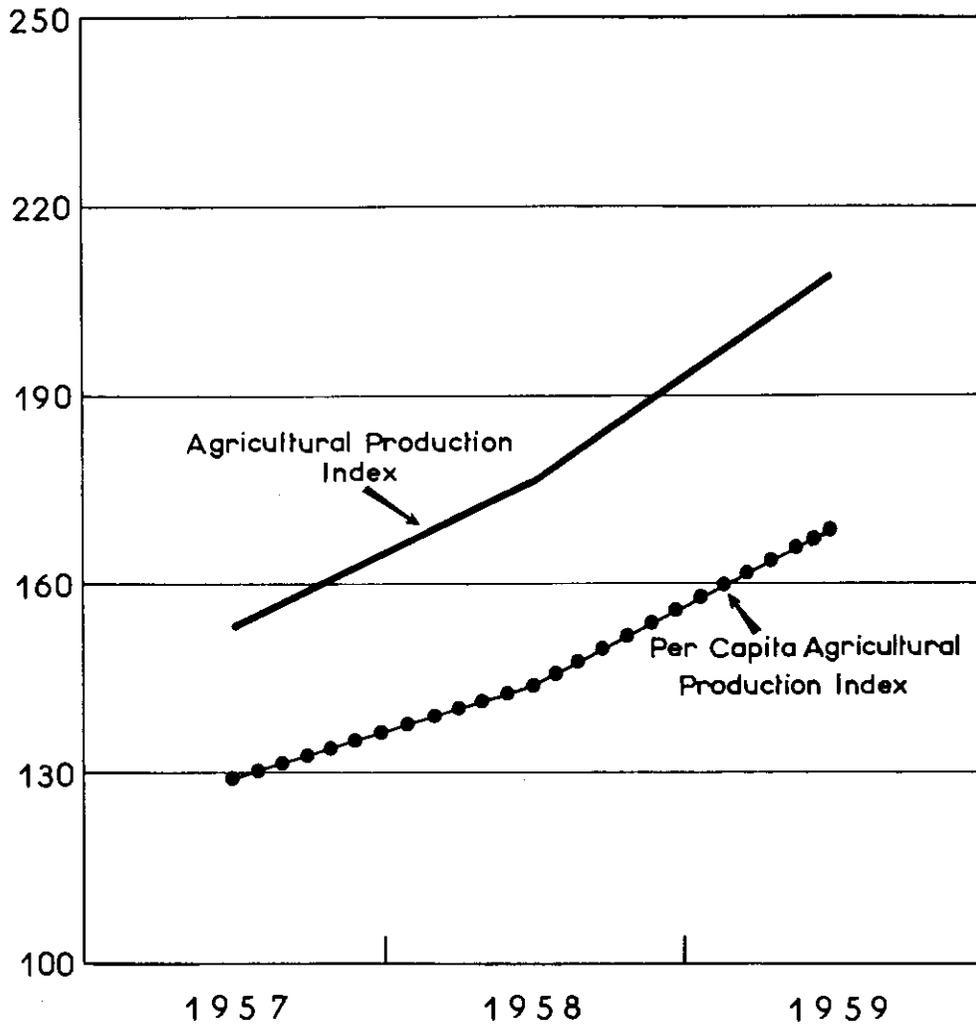
(each cooperative has a warehousing capacity of 800 tons of bagged paddy).

DESCRIPTION	1956-57	1957-58	1958-59	1959-60
Active member farm families	2,734	9,027	14,861	23,544
Villages serviced	129	242	267	306
Paid capital in shares (VN \$)	649,300	2,261,336	3,760,966	6,032,760
Hectares cultivated by members	7,118	27,081	50,389	85,375
Production loans made (VN \$)	8,314,000	18,054,000	44,262,097	64,481,985
Per cent collected	99 %	97.6 %	91.4 %	71.7 % (1)
Average loan per farm family (VN \$)	3,040	2,000	2,990	2,726
Hectares operated per farm family	2.6	3.0	3.3	3.7
Paddy grown by members (tons)	14,947	51,453	75,583	204,900
Average yield per hectare (tons)	2.1	1.9	1.5	2.4
Paddy retained for consumption (tons)	6,835	22,567	37,152	58,860
Paddy warehouse at cooperatives (tons)	579	9,121	19,974	25,669
Commodity warehouse loans to members (VN \$)	0	0	254,000	3,000,180
Paddy marketed by co-op for members (tons)	0	914	18,060	25,910
Fertilizer warehoused for distribution (tons)	664	100	3,175	35,000
Bags loaned to facilitate transportation	11,580	182,420	399,480	518,200
Rice pedal threshers loaned	0	340	1,168	8,060

(1) Collection is still under way.

# AGRICULTURAL PRODUCTION INDEX

1952-54 = 100



Data:

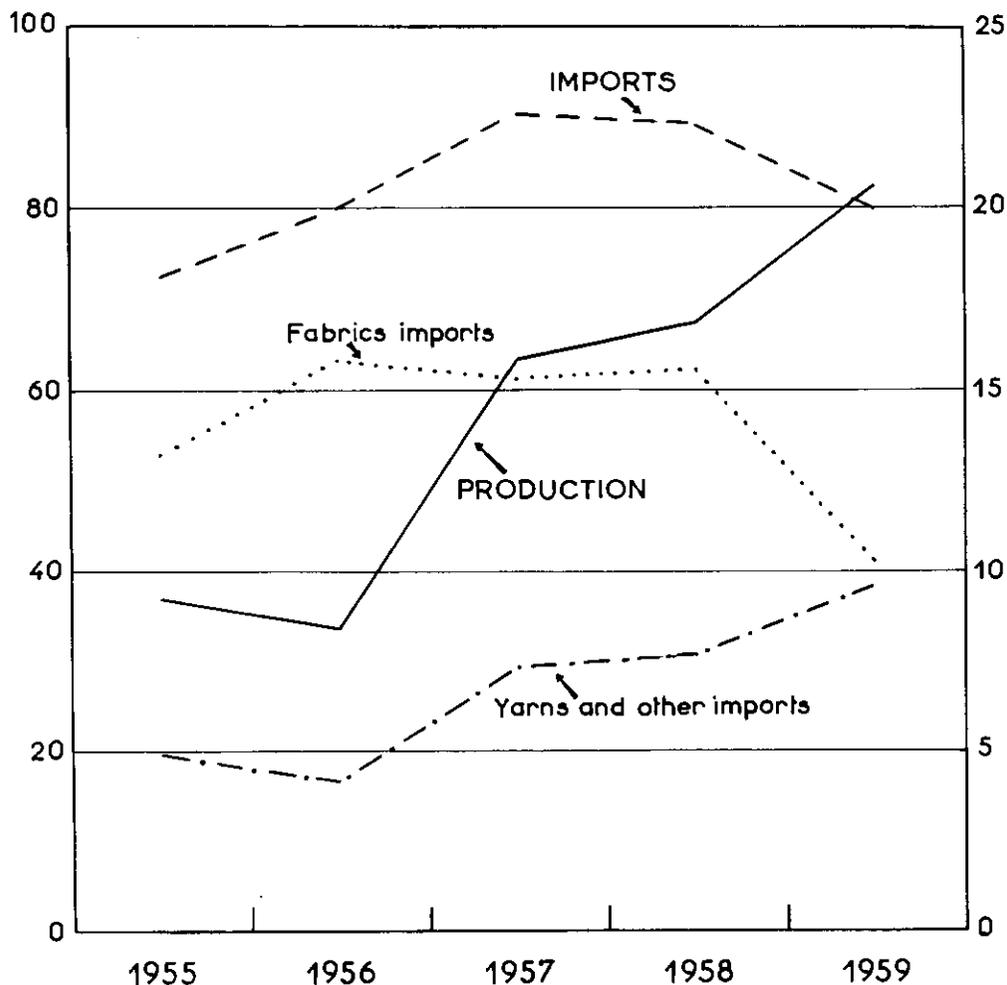
	<u>1957</u>	<u>1958</u>	<u>1959</u>
Agricultural Production Index	153	176	209
Per Capita Agri. Prod. Index	129	144	169

Source: USOM/Saigon

# TEXTILE PRODUCTION & IMPORTS

PRODUCTION  
Millions of Meters

IMPORTS  
Thousands of Metric tons



Data:

	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>
PRODUCTION (Millions of Meters)	36.8	33.5	63.4	67.5	82.6
IMPORTS (Thousands of M Tons)	18.1	20.0	22.6	22.3	20.0
Yarns and other imports	4.9	4.2	7.3	7.7	9.6
Fabrics imports	13.2	15.8	15.3	15.6	10.3

Source: National Bank of Viet-Nam

# COMMERCIAL IMPORT PROGRAM

## COMMERCIAL IMPORT PROGRAM

The Commercial Import Program is a highly important factor in the economic development of Vietnam. Under this program, I.C.A. makes foreign exchange available to Vietnamese industrialists and importers for procurement of capital goods, raw materials and other commodities.

This program has a triple impact on the nation's economy: (1) It contributes to the development of industry and agriculture through the import of capital goods and raw materials; (2) It helps to feed and clothe the people and supply them with other material needs through the import of certain consumer items, thereby maintaining their standard of living and simultaneously combatting inflation; (3) It provides the local currency for the Counterpart Fund, which is used to pay the cost of USOM-sponsored aid projects, and to help cover the nation's military expenditures. (When an importer purchases foreign exchange provided under the Commercial Import Program, his piastres are deposited in the Counterpart Fund).

Under this program, more than \$1 billion worth of goods came into Vietnam during the calendar years 1955 through 1959. The size of this program has declined steadily in recent years as Vietnam's economy has gradually recovered some of its former production levels and won back some of its export markets. This program will continue to decline as Vietnam's production and foreign exchange earnings rise, closing the gap between what Vietnam earns from exports and what it must import. During 1958, for example, Vietnam imported a total of \$232 million worth of commodities. During the same period she exported \$55 million in products. This left a gap of \$177 million which was financed by American aid. In actual fact American aid financed more than \$190 million in imports because Vietnam used part of its \$55 million to meet expenses of students and other travellers abroad, the costs of its foreign missions, other payments due to foreigners, and to increase its foreign exchange reserves. American aid paid for about 85% of all imports to Vietnam in 1958. In 1959, total imports declined slightly to \$225 million while export earnings rose to \$75 million, thus leaving a gap of \$155 million, excluding the invisible expenses. In 1960 the gap is expected to decrease further.

At the same time, the composition of the Com-

mercial Import Program is shifting as Vietnam moves forward in developing her own consumer goods industries. The percentage of consumers goods being imported has already begun to decline and advance licensing indicates that this trend will be considerably accelerated in the coming year, thus leaving the greater part of the Commercial Import Program for the financing of equipment and raw materials. Some of the industries receiving equipment under this program last year will be found listed in the Industrial Development portion of this report.

The following tables show the actual utilization of the Commercial Import Program funds during the calendar years 1957-59.

COMMERCIAL IMPORT PROGRAM  
Summary of Imports  
During Calendar Years 1957-1959  
(Value in 1,000 U.S. \$)

	V A L U E		
	1957	1958	1959
1. Industrial Equipment and Machinery	52,259	30,289	28,166
2. Raw materials, fuels, and other essential supplies for industry and agriculture	101,185	71,390	77,464
3. All other commodities	116,498	88,867	70,047
<b>TOTAL</b>	<b>269,942</b>	<b>190,546</b>	<b>175,677</b>

Table 1.

**COMMERCIAL IMPORT PROGRAM**  
**IMPORTS OF INDUSTRIAL EQUIPMENT**  
**AND MACHINERY**  
**CALENDAR YEARS 1957-59**  
(Value in 1,000 U.S. \$)

ITEMS	1957	1958	1959
1. Transportation vehicles	11,506	6,104	4,089
2. Industrial electrical apparatus and parts	5,241	1,884	3,169
3. Metal products and tools	4,752	1,750	1,554
4. Engines and turbines	3,668	2,996	2,345
5. Engines, chassis and parts	3,301	2,634	2,209
6. Signal, communication and distribution equipment	3,023	1,715	1,595
7. Acc'tg and bookkeeping machines	2,662	845	406
8. Machines and parts for textile industry	2,160	916	2,514
9. Tractors and parts	2,054	2,466	1,598
10. Construction, mining and conveying equipment	2,049	1,572	1,313
11. Scientific instruments	1,903	1,460	1,452
12. Aircraft and parts	1,714	540	0
13. Generators and motors	1,382	833	1,362
14. Machine tools	819	342	288
15. Spare parts for industrial machinery	782	494	614
16. Ball and roller bearing equipment	691	231	263
17. Metal working machinery	689	175	220
18. Industrial air-conditioning and refrigerating equipment	646	238	272
19. Air compressors and pumps	547	113	325
20. Machinery for paper, leather, and other industries	527	799	317
21. Printing machinery	356	168	134
22. Industrial machinery	264	385	223
23. Machinery for chemical industry	252	186	228
24. Photographic and movie equip. for comm. and indust. use	252	104	131
25. Belts and belting	246	129	125
26. Scales	246	139	53
27. Vessels, parts and equipment	199	820	1,293
28. Wood-working machinery	158	52	26
29. Railroad equipment and parts	62	199	48
<b>TOTALS</b>	<b>52,259</b>	<b>30,289</b>	<b>28,166</b>

Table 2.

**COMMERCIAL IMPORT PROGRAM**  
**IMPORTS OF RAW MATERIALS, FUELS,**  
**AND OTHER ESSENTIAL**  
**SUPPLIES FOR LOCAL INDUSTRY**  
**AND AGRICULTURE**  
**CALENDAR YEARS 1957-59**  
(Value in 1,000 U.S. \$)

ITEMS	1957	1958	1959
1. Structural steel and other construction material	17,145	11,012	12,271
2. Yarns for textile industry	11,015	9,898	10,981
3. Coal and fuels	10,678	9,765	9,951
4. Chemicals	10,144	4,044	4,803
5. Paper and newsprint	9,603	5,028	5,215
6. Cement and other building material	6,552	6,709	7,545
7. Pharmaceutical raw materials for local industry	5,527	2,869	8,589
8. Tobacco	4,275	2,751	3,167
9. Fertilizers and pesticides	4,264	5,015	6,085
10. Ferrous and non-ferrous metals	4,009	2,345	2,704
11. Non-metallic minerals	2,961	1,941	1,515
12. Hides and leather	1,397	820	164
13. Impregnated fabrics	1,221	1,431	749
14. Raw jute, jute sacks, cords and twines	1,248	83	54
15. Fats and oils	1,212	788	458
16. Plywood and lumber	1,071	1,375	963
17. Raw silk	1,105	0	0
18. Other textile raw materials	335	51	52
19. Miscellaneous raw materials and supplies	7,453	5,467	2,198
<b>TOTALS</b>	<b>101,185</b>	<b>71,390</b>	<b>77,464</b>

Table 3.

**COMMERCIAL IMPORT PROGRAM**  
**IMPORTS OF ALL OTHER COMMODITIES**  
**CALENDAR YEARS 1957-59**  
(Value in 1,000 U.S. \$)

<u>ITEMS</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>
1. Textile products	42,157	34,303	23,995
2. Food products (flour, sugar, milk, and milk products)	23,115	15,473	17,965
3. Pharmaceuticals	11,054	7,854	2,975
4. Tires	8,026	5,845	3,582
5. Petroleum products	6,842	6,934	8,306
6. Metal products	6,311	3,993	4,194
7. Transportation vehicles	5,793	7,840	2,935
8. Chemical products	3,382	1,250	1,919
9. Non-metallic mineral products	2,307	1,062	875
10. Electrical equipment	1,433	916	727
11. Books (technical, scientific, educational and religious)	1,384	1,065	1,205
12. Watch parts	1,284	0	0
13. Paper products	994	390	574
14. Office supplies	643	0	0
15. Miscellaneous products	1,733	1,942	795
<b>TOTALS</b>	116,498	88,867	70,047



*Ambassador Durbrow, Viet-Nam Vice President Tho, and USOM Director Gardiner sign an agreement for the sale of U.S. surplus commodities under the provisions of Title I of Public Law 480.*

# INDUSTRIAL DEVELOPMENT

## INDUSTRIAL DEVELOPMENT

Economic development in South Vietnam, until recent years, was almost exclusively centered in the field of Agriculture. Prior to the partition of the country nearly all industry was located in the North; the South was important primarily for its rice and rubber production. Such industry as did exist was limited principally to beer and soft drink manufacture, match and cigarette making, home textile and other small handicraft activities, rice milling, small ship-building facilities, and two relatively small sugar mills.

Since the partition in 1954, however, it has become necessary for the South to look to its own potentialities for satisfying a portion of its requirements for manufactured goods. In so far as natural resources useful for industry are concerned, it would not appear to be particularly richly endowed. It does, nevertheless, have such proven mineral deposits as coal, limestone, and glass sand, and there are possibilities that exploitable iron, gold, mica and copper may also exist. It also has the potential hydroelectric development in the Plateau areas near Dalat and Ban Me Thuot.

With these resources as a base, and with the energy, industry and intelligence of its more than 12 million people to complement them, Vietnam has, in the past two years, undertaken an industrial development program which will eventually result in her producing many of the manufactured items she previously had to import. This program is receiving assistance of various kinds from I.C.A., as well as from many other sources. I.C.A. assistance is made available in two forms. One of these is the Non-Project or Commercial Import Program; the other is the Project, or Direct Aid Program.

### THE COMMERCIAL IMPORT PROGRAM

Under the Commercial Import Program dollars are granted to the Government of Vietnam for the purpose of financing the importation by manufacturers and importers of various commodities, among which are capital equipment for industrial projects. During 1960 the sum of approximately U.S. \$ 9,700,000 was made available for this purpose to a total of 365 different manufacturing firms.

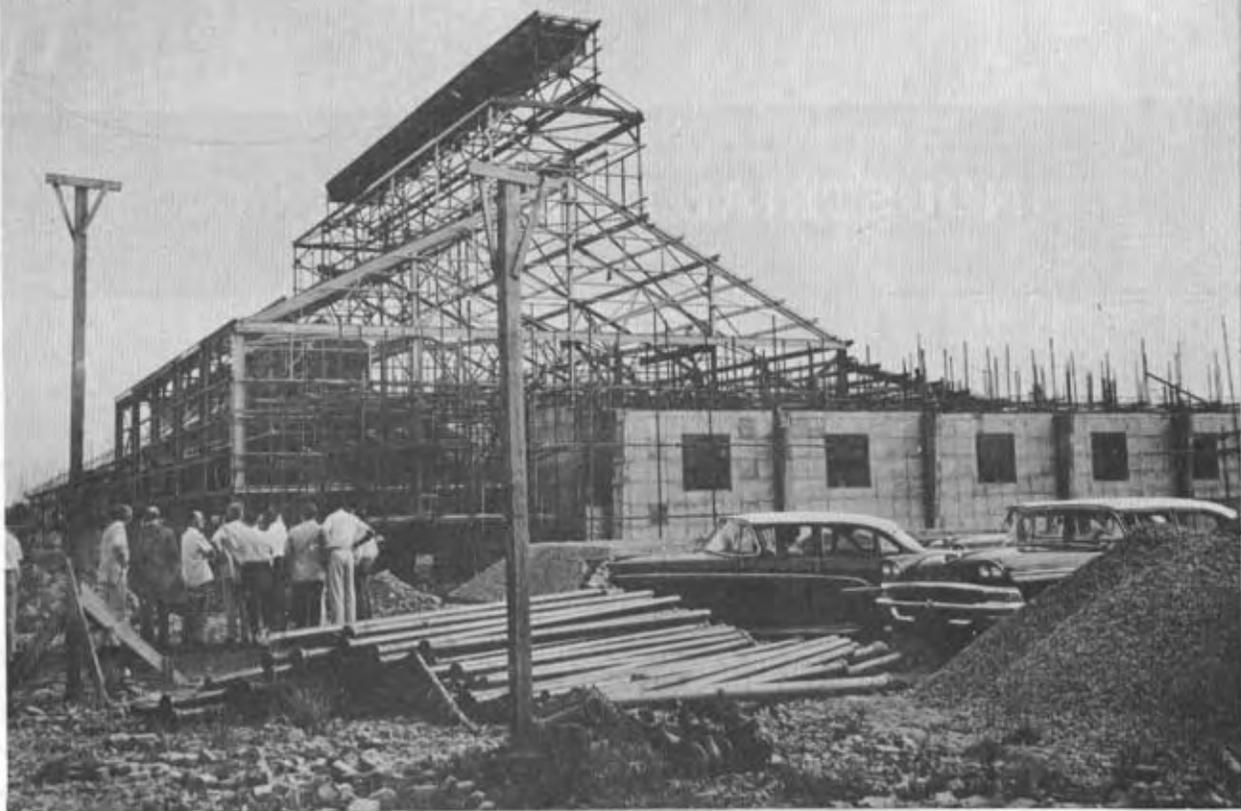
Licenses under the Commercial Import Program during 1960 for equipment exceeding U.S. \$ 100,000 were as follows:

Ky Nghê Dê Đông-A.	Textiles	U.S. \$ 249,000
Công Ty Ky Nghê	Paper	U.S. \$ 2,280,000
Giay Vietnam		
Chan A	Textiles	U.S. \$ 134,000
Brasseries et Glacières de l'Indochine	Beer and soft drinks	U.S. \$ 124,000
Khai Vinh	Fishnets	U.S. \$ 159,000
Vinatefinco	Textile finishing	U.S. \$ 500,000
Viet-Nam Silo Company	Cement	U.S. \$ 196,000
Viet-Nam Jute Company	Jute bags	U.S. \$ 700,000
Viet-Nam Chlorine and Alkali Co.	Caustic soda and chlorine	U.S. \$ 400,000
Plantation des Terres Rouges	Rubber	U.S. \$ 177,000
Compagnie des Eaux et de l'Electricité	Water and Electricity	U.S. \$ 242,000
Société Vietnamienne du Jute	Jute bags, twine and rope	U.S. \$ 279,000

In addition to the above listed plants assisted out of fiscal year 1960 funds, actual construction of several other important industrial projects, financed out of prior year funds, was started or completed during the year. Among these plants are the following:

### CONG TY THUY TINH VIETNAM

This glass bottle manufacturing plant utilized U.S. \$ 1,007,000 made available under the Commercial Import Program. It has a capacity of approximately 15,000 tons of glass containers per year, and will satisfy Vietnam's entire market requirements for this product. Its production will result in a saving of approximately U.S. \$ 2,800,000 in foreign exchange annually. It will employ about 200 workers, and almost all of its raw material requirements will come from local sources. It is scheduled to go into full production by the end of October, 1960.



*A glass plant under construction.*

#### VIETNAM TEXTILE CO. (VINATEXCO)

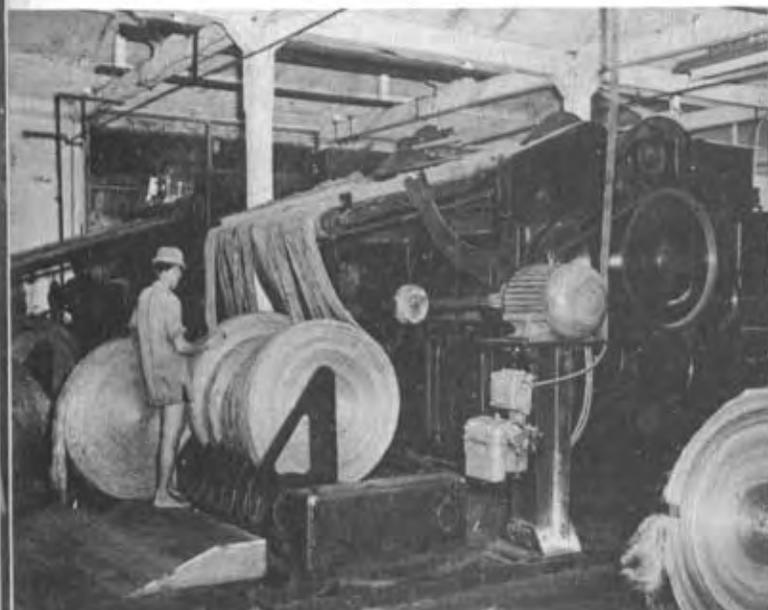
Work on this cotton textile plant started in 1959, and it began manufacturing in July, 1960. It is equipped with 20,000 spindles and 400 automatic looms of the most modern design. Its annual production capacity is 15,000 bales (400 pounds each) of 20 count cotton yarn and 240,000 bolts (40 yards each) of gray cotton cloth. The estimated annual foreign exchange saving represented by this production is U.S. \$ 3,840,820.

Foreign exchange made available under the Commercial Import Program for the plant amounted to U.S. \$ 2,214,000. The plant employs approximately 700 workers.

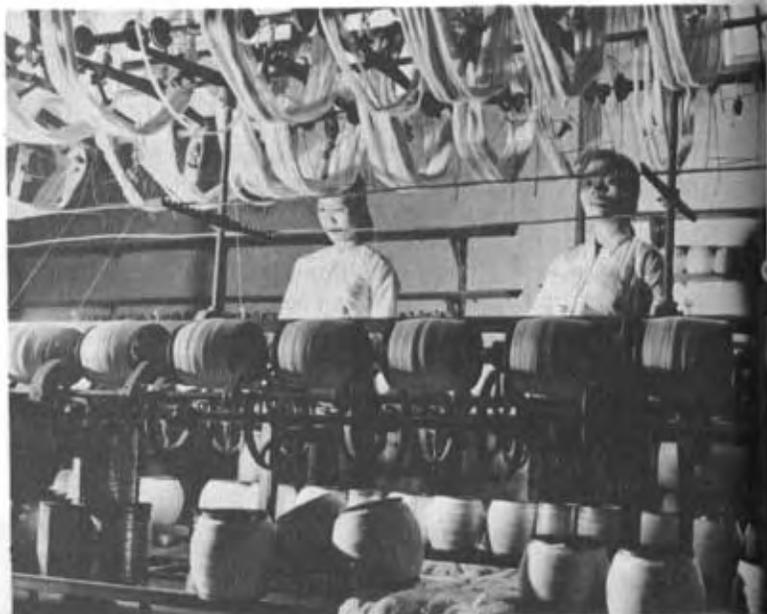
#### VIETNAM CONG THUONG CONG TY

The activities of this plant have in the past been restricted to recapping rubber tires with imported camel back. During 1960, however, it undertook an

*A jute mill.*



*A textile mill.*



expansion project for the manufacture of its own camel back. Production is expected to begin during October 1960. The production capacity of the plant will be 400 tons of camel back a year, or enough rubber to recap approximately 40,000 tires.

The foreign exchange saving represented by the plant's production will be approximately U.S. \$ 300,000. Total dollar financing under the U.S. Aid Program amounted to about U.S. \$ 200,000.

#### DONG NAI KY NGHE

This textile weaving plant was established in June 1958. It is equipped with 130 automatic looms, and preparatory and finishing equipment. Aid furnished under the Commercial Import Program amounted to U.S. \$ 159,500. Production capacity is about 202,800 meters of fabric per month. Approximately 100 workers are employed.

#### VIETNAM DEVELOPMENT CORP.

This plastics manufacturing firm produces plastic bags and pipe. It began operating in June, 1959. Since then, it has been constantly expanding. It has, to date, been the beneficiary of foreign exchange furnished under the American Aid Program in the amount of U.S. \$ 126,863. Production capacity for bags is 240 tons a year, and for water pipe 120 tons a year. The labor force currently numbers 34 workers. Equipment presently ordered will enable the firm to expand its line in the Spring of 1961 to include nylon monofilament and P.V.C. sheeting.

#### VIETNAM ALUMINUM TUBE MANUFACTURING CO.

Equipment for this aluminum tube manufacturing plant was financed under the Commercial Import Program at a cost of U.S. \$ 120,000. Still under construction, the plant expects to start production early in 1961.

Products to be produced by the plant are non-rigid toothpaste-type tubes, rigid pharmaceutical tubes, and tubes for dry cell batteries, the latter to be made from zinc. Production is expected to be 800,000 tubes per month. The labor force will be approximately 30 persons.

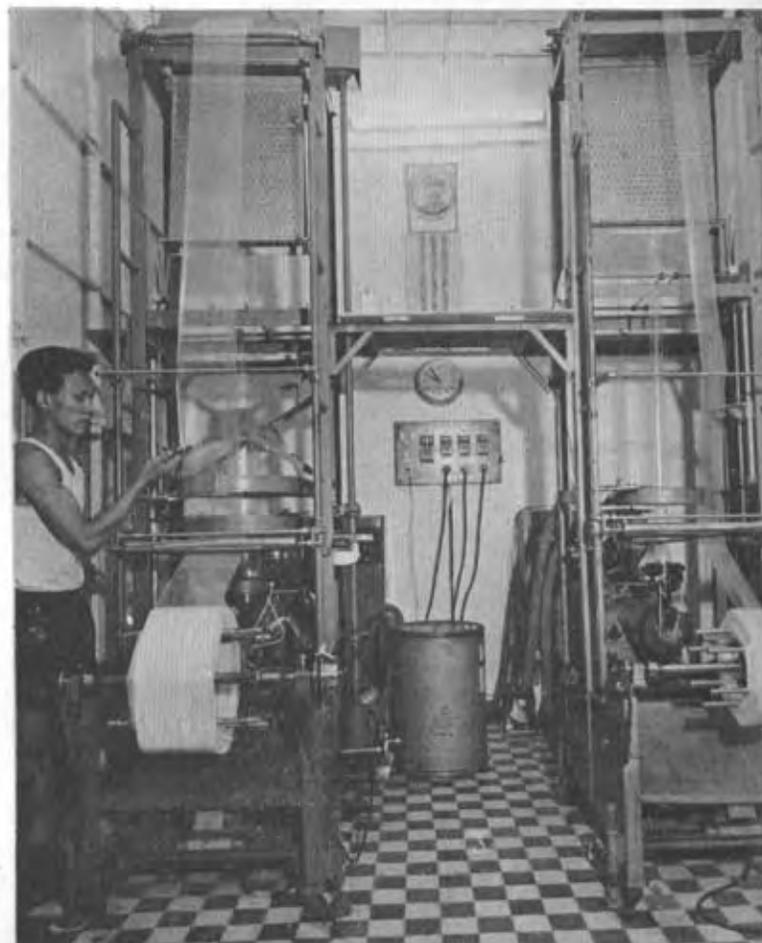
#### THE DIRECT AID PROGRAM

Under the Direct Aid Program, assistance is made available to projects of the Government of Vietnam. Projects and achievements under this program in 1960 were as follows :



*A silk and cotton spinning plant.*

*A plastics factory.*





*The Vinatexco spinning and weaving mill. It has an annual production capacity of 15,000 bales of yarn and 240,000 bolts of gray cotton cloth ; it will save about 3.8 million of foreign exchange annually.*

## THE INDUSTRIAL DEVELOPMENT CENTER

The Industrial Development Center was established in 1958 for the purpose of providing technical and financial assistance to the development of industry in Vietnam. It was endowed with a fund of U.S. \$ 6,000,000 and V.N. \$ 100,000,000 to be used to guarantee industrial loans by commercial banks. It also has an operating fund of approximately V.N. \$ 15,000,000. In addition, it was provided with the consultant services of a team of American Engineers, furnished by the firm of Day and Zimmerman, Inc.

All loan guarantees are made in terms of piasters ; as of June 30, 1960, the I.D.C. had guaranteed loans totalling V.N. \$ 187,732,500 of which the equivalent of U.S. \$ 2,987,930 were for the purchase of imported equipment for 28 different private manufacturing firms.

Presented below, with a brief description of several of the more important ones, is a list of the firms which received financial assistance under the I.D.C. program.

### VIETNAM AMERICAN TEXTILE AND FINISHING MILL-VIMYTEX

This cotton textile plan is a joint American and Vietnamese undertaking. It received a loan from the I.D.C. in the Spring of 1960 and expects to start manufacturing in November, 1960. Both a spinning and weaving facility, it is equipped with 17,200 spindles and 300 automatic looms. Its annual produc-

tion will be : 12,900 bales (400 pounds each) of 20 count cotton yarn, 72,000 bolts (40 yards each) of grey cotton cloth, 54,000 bolts (40 yards each) of dyed cotton cloth, and 54,000 bolts (40 yards each) of printed cotton cloth. This production will result in a foreign exchange saving of approximately U.S. \$ 3,000,000 annually. The plant will employ about 800 workers. Dollar financing under the U.S. Aid Program for this plant amounted to U.S. \$ 1,600,000.

### VIETNAM TEXTILE CO. (VINATEXCO)

The I.D.C. loan for this plant was for local costs only. Equipment was imported under the Commercial Import Program ; the details of this plant may be found under the discussion of that program.

### EAST-WEST ABSORBENT COTTON CO.

This absorbent cotton firm received an I.D.C. sponsored loan in November, 1958, and began operating in the Fall, 1959. Its production capacity is in the order of 200 tons per year. It employs about 60 workers. Equipment costs were about \$ 50,000.

### SAIGON BLANKET AND WOOL MANUFACTURING CO.

This firm received a loan from the IDC in the early

part of 1960. Construction of buildings was completed in the fall of 1960 and manufacturing will begin early in 1961. The plant will have a production capacity of about 182,000 blankets a year and will employ about 140 workers. Foreign exchange savings accruing to Viet-Nam as a result of its operation are estimated to be about US \$ 200,000 annually.

#### VINH TUONG CERAMICS CO.

This plant, which began operating in the spring, 1959, was granted an IDC sponsored loan in May, 1959.

Current production of the plant is about 660 tons of dinnerware per year. An expansion project currently underway will result in an increase in capacity to about 1,000 tons a year. The labor force numbers about 200 workers.

Annual foreign exchange savings resulting from the production of the plant are equal to approximately US \$ 250,000. Total foreign exchange cost of equipment will be approximately US \$ 90,000.

#### VINH DU FERBLANTERIE AND IMPRIMERIE

This plant was the first tin can manufacturing facility to be established in Saigon. In the spring of 1959, it applied for and was granted a loan from the IDC to carry out an expansion program. Under this program, which will cost almost US \$ 100,000 in foreign exchange and which is not yet completed, production capacity will increase from 1,800,000 cans of all kinds a year, to about 4,000,000 cans. The number of workers will increase from 40 to about 200.

#### OTHER PLANTS WHICH RECEIVED IDC LOANS

<i>Plant</i>	<i>Product</i>
Paracel Exploitation Company	Phosphate
Lien Hiep Saw Company	Saw blades
Société Indochinoise Forestière et Allumettes	Matches
Viet Nam Duck Feather Co.	Egg powder

*An absorbent cotton factory*



Alfana Watch Company	Watch Assembly
Albatros Paint Company	Paint
Nam Huong Tooth Paste Co.	Tooth paste
Tin Duc Soap Co.	Soap
Overseas Purchase Co.	Notebooks
Hoang Anh Weaving Mill	Textiles
Société St. Isidore	Tobacco
Nguyen Khac Thuan Pencil Co.	Pencils
Vinh Phu Sugar Mill	Sugar
Dong Nai Cotton Co.	Textiles
Xuong Thien Nhien Co.	Dinnerware
U-Sing Food Co.	Food canning
Truong Ke An	Pharmaceuticals
Vien Dong Flashlight and Battery Co.	Flashlights and dry cell batteries
Cong Ty Che Tao Bong Thuoc	Absorbent cotton
Viet Nam Duoc Pham Cuoc	Pharmaceuticals
Viet Hung Weaving Mill	Textiles
Tran Minh Ngoc	Auto Mufflers

#### THE HANDICRAFT DEVELOPMENT CENTER

The Handicraft Development Center was established in 1958 for the purpose of giving financial and technical assistance to Vietnamese artisans.

The Handicraft Sales Store, which was set up under the project, was inaugurated in August 1959. Since then, it has enjoyed a continuing success. Located in a former Saigon department store, it attracted approximately 22,000 visitors during 1960 and sold VN \$ 10,014,000 worth of handicraft products.

Technical services for the project have been provided since its inception through contracts with two American consultant firms. One of these is United States Consultants. Under the ICA contract with this firm, 20 Japanese technicians and two American engineers have worked in Viet-Nam since 1957. Their job has been to give technical assistance to artisans and small industrialists in the fields of textiles, bamboo, rattan, ceramics, sericulture, woodworking, fisheries and irrigation.

The second contract has been with the industrial design firm of Russell Wright Associates. Under its terms, an American design specialist has advised local artisans in ways to improve the design and quality of their products, as well as in marketing and export techniques.

The Handicraft Development Project has resulted in a greatly expanded domestic market for handicraft products, as well as in the creation of a foreign market which shows promise of becoming increasingly important.

#### THE TAN MAI WOOD PANEL PLANT

This project is for the establishment of a pressed wood chip panel plant to be located within the confines of the Cong Quan Khai Thac Nha May Tan Mai (Tan Mai Factory Regie). It will have a capacity of approximately 385,000 square meters of 16 mm thick veneered wood panels per year and will employ about 50 workers. Equipment for the plant costing US \$ 309,986 was ordered from a German supplier in May, 1960. The local currency costs, including working capital, will be about VN \$ 7,000,000. Erection of buildings is scheduled to begin about the first of October, and equipment will arrive around the end of the year. Installation engineers will come to Viet-Nam in February or March, and the plant will begin production in about May or June of 1961. Production of the plant will result in a foreign exchange saving of about US \$ 900,000 per year.

#### NONG SON COAL MINE DEVELOPMENT

This project is for the development of the Nong-Son Coal Mine to an annual production of at least 150,000 tons of marketable coal per year. Total ICA aid to the project for commodities and technical services amounts to US \$ 1,630,000. In addition, approximately US \$ 88,000 is being made available for programs of participant training in the United States.

Work during 1960 on the project included the following:

a) Most of the ICA financed commodities were ordered. These include three trucks, a bulldozer, a tractor loader, 50 mine cars, a telephone system, eight ventilating fans, 19,700 feet of pipe, 3 underground mechanical loaders, two slushers, two core drills, 10 coal drills, a water pump, and miscellaneous other items.

b) Negotiations were entered into between ICA and the Paul Weir Co. for the services of a team of American technicians. This team will consist of a coal mining engineer, a geologist, a core drill operator, a civil engineer, and a coal utilization and marketing specialist. They are expected to come to Viet-Nam during the Fall of 1960 and will stay for periods varying from 6 months to 2 years.

c) Work on the 30 kilometer railway extension from Ky Lam to Nong Son was begun by the Viet-Nam Railroad.



*The Handicraft Center displays a wide variety of traditional and modern utility and art items. Many of the modern items, designed with export sales in mind by Russell Wright Associates, under contract with USOM, are already finding favor with tourists and foreign buyers.*



# EDUCATION

## EDUCATION

Upon independence VN found itself deficient in trained personnel in all fields. Its development goals could only be realized if a substantial flow of competent personnel could be established, and to do this, basic training facilities of all types were needed as well as persons to do the training. The USOM Education program was designed to give immediate and effective assistance to the ambitious training program undertaken by the government. Although USOM's most important contribution is probably the technical assistance which it provides to help the Vietnamese develop an educational system suited to their needs, there has also been much aid of the more tangible type, such as construction and the furnishing of equipment.

Discussed below is assistance which has been given to education at the elementary and the secondary level as well as to higher education, to teacher training, and to vocational studies. In other portions of this report will be found mention of various specialized educational programs in such fields as nurse training, public administration, and agriculture. On-the-job training of local personnel is an integral and key portion of all major USOM projects. Each of the aforementioned educational efforts being carried out

within Viet-Nam is supplemented by an extensive participant training program under which Vietnamese students, civil servants, and high officials are sent abroad for observation tours and specialized training.

### General Education

USOM assistance in the field of general education encompasses a variety of activities. In the area of elementary education the major emphasis has been on the construction of classrooms, of which there has been a desperate shortage. In the 12 months ending June 30, 1960, 207 new classrooms were built, bringing the total number of USOM-aided classrooms constructed to date to 2,900. A large portion of these classrooms were joint undertakings whereby USOM financed a portion of the construction cost and the villages supplied the labor and the balance of the costs. (The Vietnamese government has constructed 12,000 classrooms from its own funds over the same period). At some of these schools, wells have been drilled by the USOM Public Works Division, and pumps and roofing materials have been supplied.

Assistance to secondary education has also been

*A scene from the workshop for elementary school teachers. Teachers are being shown how to construct an inexpensive abacus for teaching arithmetic. An effort is made to design all teaching aids from readily available local materials.*



*Workshop for Secondary School Chemistry teachers.*





Daily work in the language laboratory is a vital aspect of pre-service and in-service education of English teachers. This teacher is attending the vacation workshop for teachers of English,

primarily the construction and equipping of classrooms and of science laboratories. During the year, 31 secondary school classrooms were completed under the USOM aid program. Provision of science laboratories for existing secondary schools continued, 16 laboratories having been completed during the year, bringing the total to date to 29 out of a projected

38 to be built. Three of these laboratories were fully equipped with physics and chemistry equipment and supplies and 15 other laboratories were partially equipped. In an effort to upgrade the quality of secondary teaching and to insure more effective use of the science equipment, two workshops for teachers of Physical and Natural Science were held in Saigon and Hue, with technical assistance by USOM. Ninety teachers attended these workshops.

The *instructional materials development* project is designed to improve both primary and secondary education through the provision of teaching aids. During 1960, Book 3 of the Health Series and Book 2 of the Civics Series were printed and distributed. Book 4 of the Health Series and Book 3 of the Civics Series were written. A variety of titles was translated and printed, among which were texts in descriptive geometry, experimental physics, philosophy and history. A Regional Conference on Educational Materials was held in Saigon, attended by 71 persons from 4 countries. A newsreel showing the printing, distribution and use of instructional materials was prepared. A total of 1,888,635 copies of textbooks and instructional materials were printed at the Textbook and Publication Center by the end of June 1960.

#### Technical Vocational Education

The expansion and improvement of Vietnam's facilities for *technical and vocational education* have received attention from USOM. In Saigon, a modern technical-vocational school has been built, the Phu Tho Polytechnical School. After being operated on a restricted basis for several years, Phu Tho Polytech was completed and officially opened on January 15, 1960. It is offering advanced vocational training in Automotive Mechanics, Machine Shop, Forging and Welding, Sheet Metal Work, and Woodworking, as

#### Delegates to the Regional Educational Materials Seminar held in Saigon from March 7-11, 1960.



well as a program of vocational teacher training. Recent months have seen the installation of the school's electrical system, and the addition of considerable new operating equipment as well as of salvage material to be used for teaching purposes.

Among the curricula to be added to the Phu Tho Polytechnical School is a Home Economics Program, and inasmuch as Home Economics is a relatively new addition to Vietnam's educational program, two In-Service Teacher Training Workshops in Home Economics Education were held during the year with a total of 92 teachers in attendance. Two teachers' guides were written on « Nutrition and Preparation of Foods », and audio-visual instructional materials were prepared.

The vocational education program also calls for the development of 3 new polytechnical schools — to be erected at Vinh Long, Qui Nhon, and Tourane. Construction on the Vinh Long school has already begun.

#### *Teacher Training and Higher Education*

The construction of classrooms is meaningless without teachers to staff them, although it may be necessary to employ some teachers whose training does not measure up to the educational standard desired. This approach, which has been followed to some extent in Viet-Nam, has, at least, the advantage of making some education available to children immediately. The quality of the teaching can be upgraded over a period of time. USOM is actively assisting the GVN in such a program.

The teacher training and higher education program in Vietnam is one of USOM's most vital efforts, both because it is directly helping to fill the tremendous



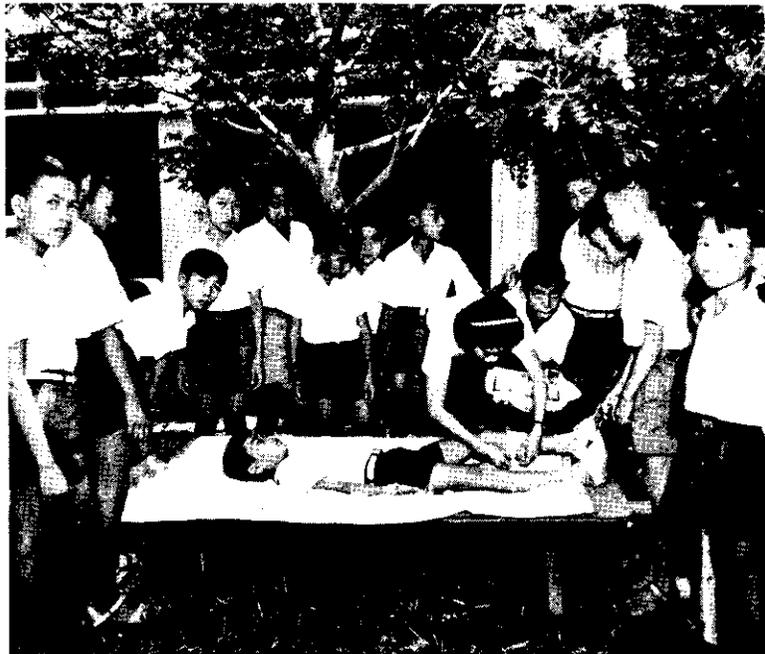
*An American technician observes a student at work at Phu Tho Polytechnical School.*

need for trained teachers and advanced educational facilities and also because it is helping Vietnam to develop a sound educational philosophy. One of the most significant activities in this regard has been a series of 12 in-service workshops held during the

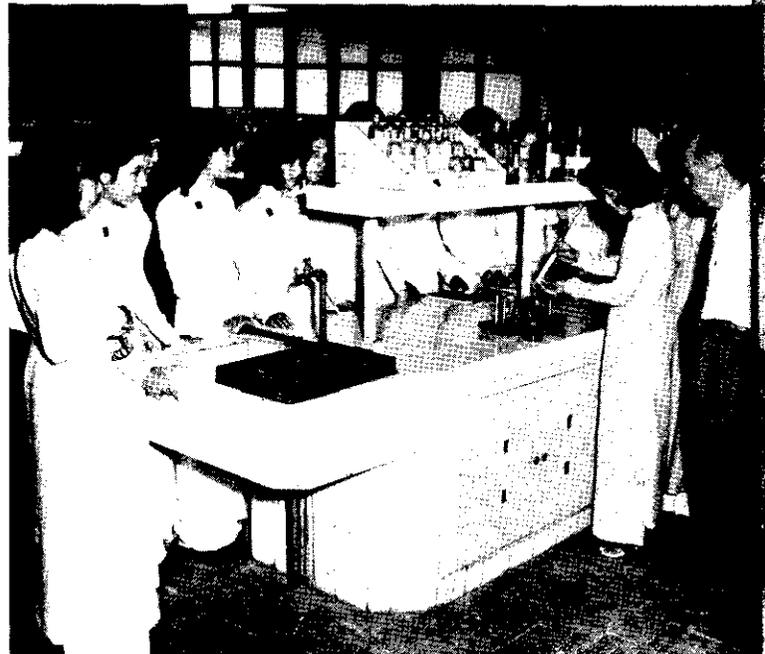
*The desire to learn English is very strong in Viet-Nam and the language laboratory is usually well occupied. A team of linguists from the University of Michigan is introducing the latest techniques in language teaching to Vietnamese teachers of English.*

*Students learn by doing at Phu Tho Polytechnical School.*





*First aid skills are described in a demonstration class at the National Normal School.*



*The laboratory at the National Normal School. Crowded classes and limited budgets prevent much individual experimenting but everyone gets a turn to help with the demonstrations. Materials, equipment, and classroom are all USOM financed.*

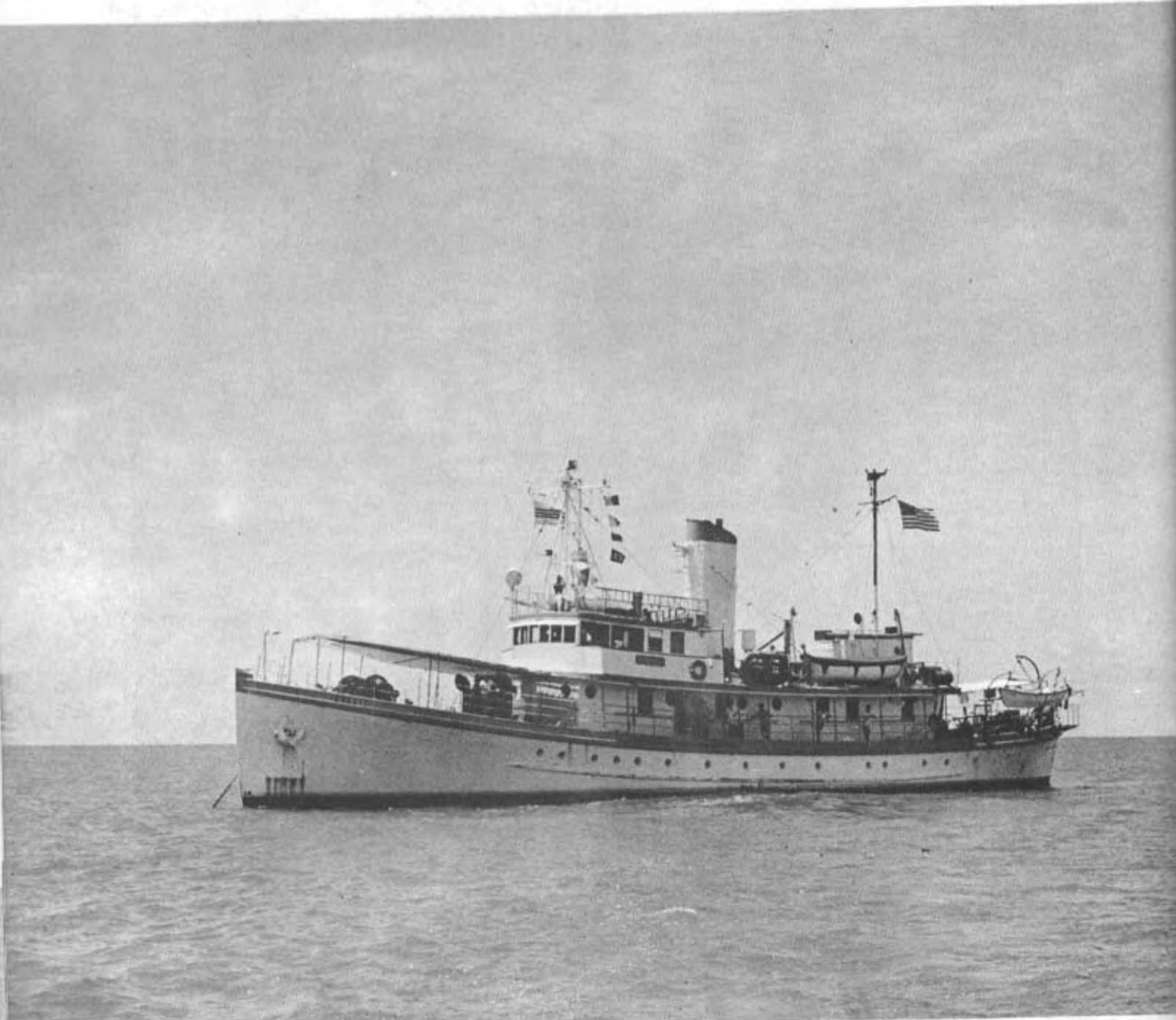
year, which provided approximately 2840 student weeks of training to 800 teachers. These workshops, held during the vacation period at various locations in Vietnam, were designed to upgrade the teaching skills of elementary and secondary school teachers both through refresher courses and through the introduction of new subject matter and better teaching techniques. USOM aid to these workshops took the form of both financial and technical assistance, each workshop having at least one USOM resident advisor. Seminars were also held for provincial education chiefs.

USOM efforts to improve and expand instruction at the National Normal School, Vietnam's major institution for training elementary teachers, stressed new teaching methods and improved concepts of management, and included provision of some teaching equipment. Plans for the construction and operation of two new rural normal schools at Vinh Long and Qui Nhon and of an elementary demonstration school for Saigon were completed and the contracts for construction have been executed for the Vinh Long Normal School and for the demonstration school.

The Faculty of Pedagogy, Vietnam's principal institution for the training of secondary teachers, was provided with a revised curriculum for the English language section, and instruction in the most modern methods of teaching English to Vietnamese speaking peoples. These techniques are based on extensive linguistic research carried out by a team from the University of Michigan under an ICA contract. Educational specifications and preliminary construction drawings were completed for a new Faculty of Pedagogy plant and a laboratory high school to be patterned after the American Comprehensive high school.



*Collecting specimens — a typical morning activity aboard The Stranger. A training program for young Vietnamese scientists is an integral part of the project.*



*The Stranger, a U.S. research vessel made available to the governments of Viet-Nam and Thailand under a regional project for the exploration of the economically important marine life and resources of the South China Sea and the Gulf of Thailand. In addition to modern marine research equipment the vessel has a team of marine biologists to supervise the gathering and study of data.*

# OVERSEAS TRAINING

## OVERSEAS TRAINING

Vietnam has a critical need to send its people abroad both for academic and for practical training. Despite the Herculean efforts being made by Vietnam to expand and extend her educational facilities, it will be many years before she can provide adequate facilities for training in many fields. Indeed, for a country the size of Viet-Nam it is not economical to attempt to provide advanced academic training in every field. To help meet Vietnam's needs USOM operates a broad program of overseas « participant » training. On-the-job training and observation tours, both in the US and in third countries, is supplemented by an extensive academic overseas training endeavor, and the program as a whole is effectively filling a serious void in Viet-Nam's professional, governmental, and technical skills.

The following table gives some indication of the size of the program and its scope :

## PARTICIPANT TRAINING

Number of Vietnamese Participants Sent Abroad for Training July, 1954 to June, 1960

Field of Training	To USA			To Third Countries		
	1954-59	1960	Total	1954-59	1960	Total
Agriculture	23	32	55	145	35	180
Industry	4	3	7	4	30	34
Public Works	40	36	76	50	6	56
Labor	0	1	1	0	1	1
Public Health	36	38	74	83	20	103
Education	133	89	222	28	11	39
Public Safety	0	60	60	0	0	0
Public Administration	102	12	114	13	8	21
Public Information	24	15	39	4	2	6

The USOM Director presents a certificate of achievement to a participant upon her return to Viet-Nam.



A participant returnee under the Civil Aviation project operates communications equipment at the aeronautical communications station at Tan Son Nhut.



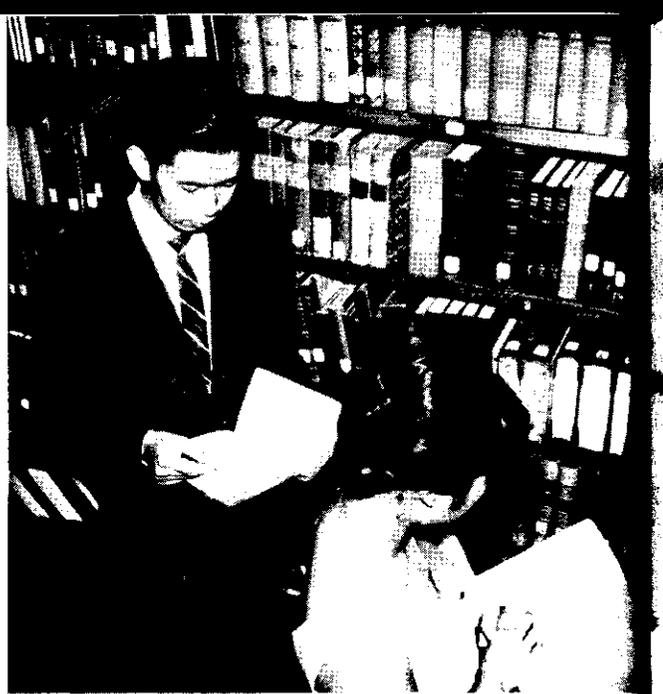
MSUG Program *	67	13	80	33	0	33
Community Development	0	1	1	0	0	0
<b>TOTALS</b>	<b>429</b>	<b>300</b>	<b>729</b>	<b>360</b>	<b>113</b>	<b>473</b>

\* Michigan State University Group program.

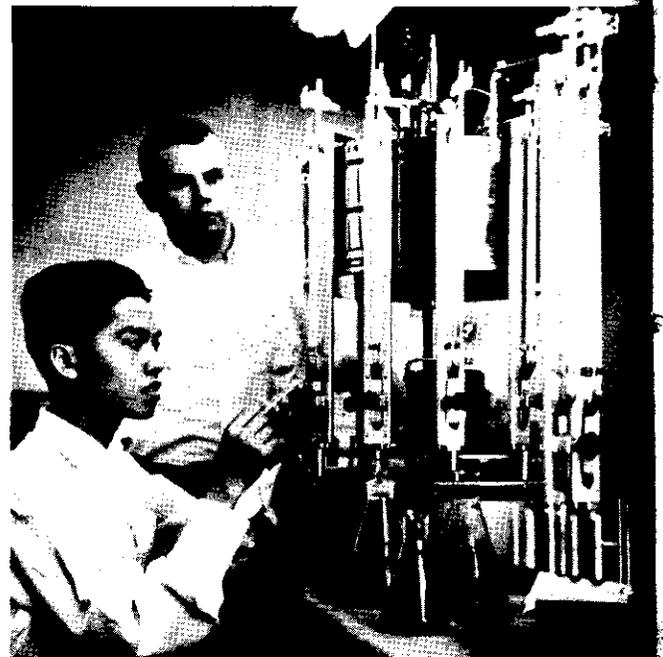
The number of participants who departed in FY 1960 was half as great as the total number who departed in the entire 5-year period 1954-1959. Officials who left in earlier years are now back in Vietnam, utilizing their knowledge to improve the operations within their respective bureaus; teacher trainees are beginning to return and to staff the schools and the universities; technicians are returning and sharing their new-found skills with those who remained behind. This program is perhaps USOM's most vital activity, and it is likely to be required for many years more if new industries are to develop and the country to continue to improve the life of its citizens.

The selection, preparation, placement, and training of these participants is a large undertaking in which many individuals and organizations must give their unstinting cooperation. Initially, the need for a specific program of participant training is usually brought to the attention of the USOM by a Vietnamese or an American technician working on the project in which the need exists. Upon the recommendation of the Vietnamese government, one or more candidates are selected to pursue the necessary training. Their qualifications are reviewed by USOM, and forwarded on to a suitable training location for further review and placement. Such placement may be handled by ICA in Washington or by the USOM in the 3rd Country to which the participant is to be sent. In the meantime, it is usually necessary to provide intensive English language training to ready the candidate for his overseas study. This training is most frequently provided by wives of US officials under the aegis of the Vietnamese American Association, a bi-national cultural organization. As the date for departure approaches, the American Women's Association of Saigon, an unofficial organization of American women resident in Saigon, busies itself with making these prospective travelers' journey as smooth as possible. Question and answer seminars are organized, « typical American » dinners are given, and other helps to the uninitiated voyager are provided. Finally, an intensive orientation program is held at which an effort is made to anticipate, explain and ease the major cultural, geographic, and administrative perplexities which the participants are likely to encounter. For the average, shy Vietnamese trainee, a trip to the other side of the world is a formidable, if not a forbidding, prospect.

Once in the U.S., or in a 3rd country, the participant



*In filing room of U.S. Immigration and Naturalization Service a Vietnamese participant in police administration takes down notes from a case history file.*



Two participants from Viet-Nam familiarize themselves with the library at Georgetown University.



Vietnamese participant in the science laboratory at the University of Maryland.

is met by an American governmental official or by a volunteer from the Washington International Center. He is lodged in a reasonable hotel and asked to report to the appropriate U.S. government office. Very shortly thereafter, unless further English language study is necessary, he makes contact with the institution which has been selected to provide his training. This may be a university, a business firm, or one or more governmental offices which open their facilities for the inspection and observation of the trainee. The training period may last from a few months to one or more years, and usually includes such extra-curricular activity as visits to American homes and other places of interest.

Upon completion of the training program the participant returns to Vietnam, where he will put his newly acquired knowledge to immediate use.

#### *U.S. Training Programs*

A typical U.S. participant training program is that of two supervisory employees of the well drilling operations of the Ministry of Public Works. In December, 1959, they left for America, where they devoted the first month of their visit to an intensive language training course at the American University Language Center in order to improve their English speaking and comprehension proficiency. In February they went to Madison, Wisconsin, to begin their training, after having stopped for a few days en route from Washington to observe and participate in the Indiana Water Works Section Meeting in Indianapolis. The training program at Wisconsin covered both ground water and surface water study. A three-day visit to the Sheboygan filter plant was included, as well as shorter visits to other softening and filter plants and to the U.S. Geological Survey in Madison. A letter from one of them reads in part: « I also accompanied Mr. — to some manufacturers producing pumps and well drilling machines and equipment around Madison. Before I left, some visit tours were made of small industrial filter and salvage plants where I enjoyed the processing operations very much. I had some days working on water pollution and got some idea about various industrial waste treatment systems such as: aeration type treatment, combination of aeration and trickling filter type treatment, ridge and furrow type, spray irrigation type, chemical treatment etc... I left Madison with great regrets. People over there are very impressible, kind and very helpful. I did not feel away from home because I had a homelike atmosphere everywhere. Madison always leaves a good impression on me ».

In June, upon completion of the program at Madison, the two participants were sent to a 2-month special course in Ground Water Development, jointly sponsored by the University of Minnesota and I.C.A., with participation by WHO. Engineers from 26 nations

attended this course, which was designed to provide training in how to locate and develop subterranean water supplies, a water source still largely untouched in many of the less developed countries.

After the close of this special course the participants are scheduled for another series of visits to various American manufacturers of well drilling, pumping, and water supply equipment. After a closing and evaluation session back in Washington, the two young men will return to Vietnam to put their training to good use.

#### *Third Country Training Programs*

Illustrative of a 3rd country training program launched during the year is that of the 30 technicians in sugar development. This project was a joint effort of the USOM Industry and Agriculture Divisions, of USOM Vietnam and the TCM/Taipei, and of the Vietnamese and Chinese governments.

In preparation for a concerted effort in sugar production and milling, the Vietnamese government and the USOM selected 20 young men suitable to become sugar mill foremen, and 10 young agriculturalists interested in sugar cane development. USOM arranged the necessary financing. The Chinese government provided a training program. These 30 young men are now on Taiwan, pursuing a comprehensive training program arranged by the Taiwan Sugar Corporation which will last a year for the 10 agriculturalists and two years for the factory trainees.

#### *Scholarships for Leadership Training*

A special participant project, initiated only two years ago, provides specialized training at the undergraduate level in the U.S.A. for current graduates of the Vietnamese Lycees.

The scholarships are designed to provide a full under-graduate program leading to the bachelor's degree with a maximum of four years' study. Fifteen students were sent to the U.S.A. under this program in 1958-1959; twenty-four in 1959-1960, and 30 in 1960-1961.

Approximately 500 candidates out of a possible 5000 lycee graduates apply annually for those scholarships. A comprehensive examination in English now serves as the preliminary screening device. The 60 candidates receiving the highest scores on this examination are designated as regular and substitute participants. The final selection of 30 regular participants is based upon the preliminary English tests, the oral interview conducted by a committee of examiners, and the final English test administered by the Vietnamese-American Association.

The scholarship record in American Universities of the present 39 participants is quite impressive. For the three semesters between January, 1959, and June, 1960, course marks have been:

*Vietnamese educators visit the science laboratory  
and the library of Coolidge Senior High  
School, Washington D.C.*



*A Vietnamese doctor observes American  
techniques at Children's Hospital,  
Philadelphia, Penna.*

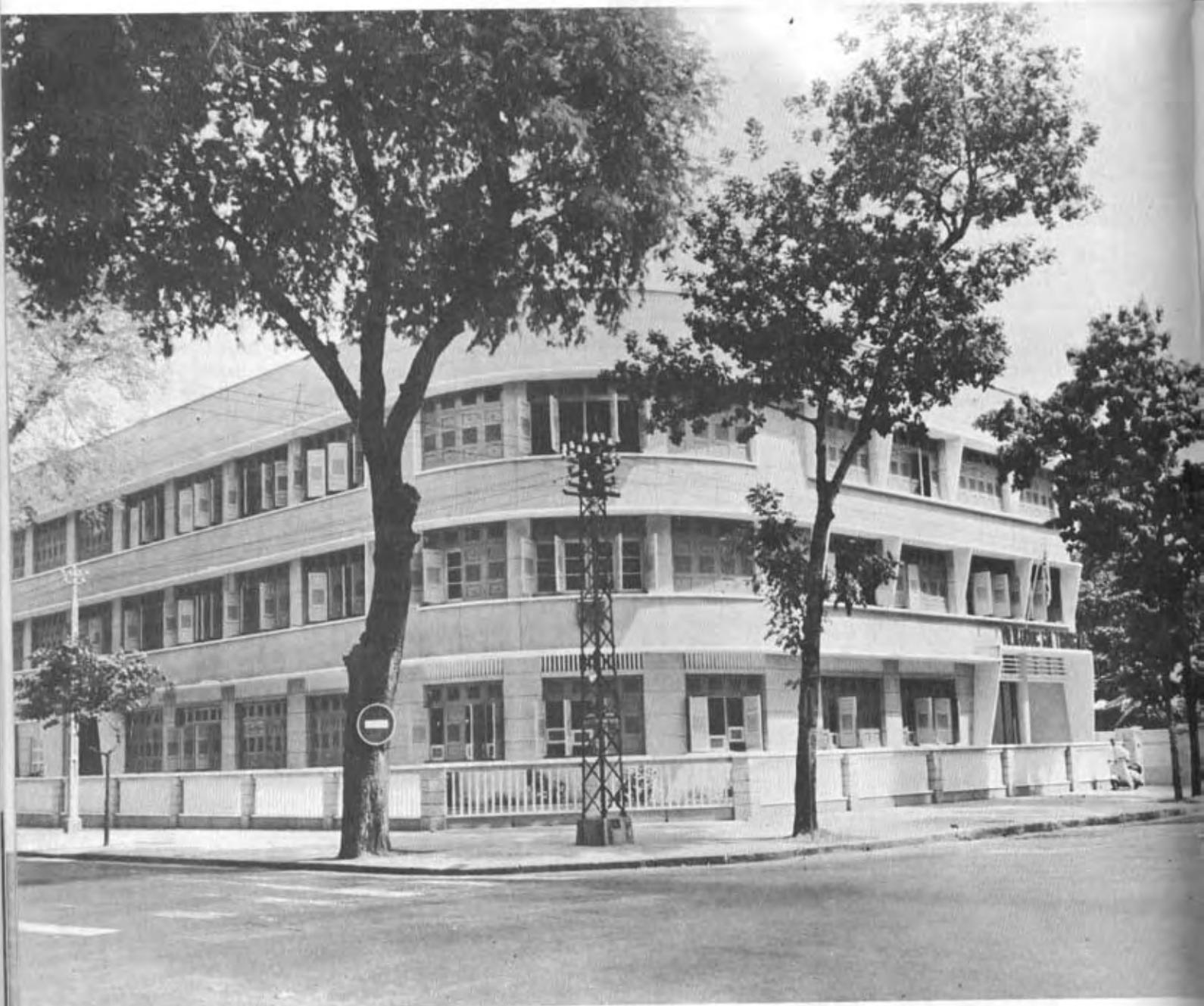


A's .....	114
B's .....	126
C's .....	75
D's .....	10
Failures .....	0
Total courses carried .....	325

The fields of specialization are limited to Business Administration, Economics, Engineering, Architecture, Science, Sociology, and Teaching of English.

*Participants from Viet-Nam familiarize themselves with the library at Georgetown University.*





*The new home of the National Institute of Statistics.*

# HELPING THE GOVERNMENT TO ADMINISTER ITS AFFAIRS

## HELPING THE GOVERNMENT TO ADMINISTER ITS AFFAIRS

USOM is engaged in a many sided program of assisting the Vietnamese government to improve the techniques by which it conducts its administrative operations. This program includes assistance to the Government's main statistical gathering agency, to its training school for public servants, to its news gathering and disseminating agencies, to its purchasing agency, to its budget bureau, and to its civilian security agencies. It also provides research likely to be needed in subsequent years, as well as consulting services in various fields and in-service training for government employees.

The Public Administration, Public Safety, Finance, and Program Support Divisions of USOM, and a contract team of specialists from Michigan State University, cooperated in carrying out this program.

## NATIONAL INSTITUTE OF STATISTICS

During the past year the development of programs designed to increase the ability of the National Institute of Statistics to furnish accurate and up-to-date statistical information continued at an accelerated pace up until March 1960.

As preparation for the General Population Census of 1960, a register of populated places was begun in September, 1959, which furnished up-to-date population estimates based upon the family registration system. The estimate for the country, adjusted for June 30, 1960, was close to fourteen million inhabitants; omissions in the registration might well account for another million.

As the final step in preparing the N.I.S. both technically and administratively for the General Census, a complete demographic census was taken of the Province of Phuoc Tuy. The training sessions held in preparation for this provincial census were visited by a delegation of top census officials from Thailand, anxious to exchange information on census problems in a similar environment. The census data were processed by N.I.S. personnel and tabulated by the local I.B.M. service bureau. The test was completely successful.

New consumers' price indices, designed in 1958, were calculated through the year 1959 for test purposes.

Finally, in January 1960, they became the new official indices, published in the monthly statistical bulletin of the N.I.S.

A number of training activities were initiated under the American Aid Program. A four months' course for clerk-enumerators was started in June, 1960. Two technicians were sent to Washington to study the methods of estimating national accounts.

With the aid of a USOM specialist in the operation of statistical libraries, the N.I.S. Library was modernized and equipped. The flow of documents was organized and exchanges of documents with other institutions was undertaken.

The new building of the N.I.S. was constructed with funds from the counterpart and national budgets. It was completed and occupied in May, 1960. I.B.M. tabulating equipment was bought with American Aid project funds to permit the N.I.S. to process its own data as well as statistical information collected by other G.V.N. agencies; it arrived in Saigon in June, 1960. The services of an American specialist in tabulating systems and training were furnished.

## NATIONAL INSTITUTE OF ADMINISTRATION

The activities of the Michigan State University Group largely centered around the development and improvement of the government's training school for civil servants — the National Institute of Administration. During early 1960 a new curriculum jointly worked out by an NIA-MSU committee was adopted, to become effective in August, 1960. At that time over 100 students, selected by competitive examination from more than 800 applicants and constituting the largest freshman class in the NIA's history, will begin their studies.

During the year, the NIA faculty collaborated with the MSU advisors in carrying out an empirical field study of provincial administration and another joint NIA-MSU team prepared a supplement to the previously published *Vietnamese Government Organization Manual*. The first two volumes of a three volume study in depth of a Vietnamese village were completed and published by members of the M.S.U. group,

together with a case-book on Vietnamese administration and a labor force study of the Saigon area. The Vietnamese faculty of the N.I.A. completed 9 textbooks and numerous other scholarly studies, with the advice and guidance of MSU technicians.

The in-service training activities of the NIA were continued with American Aid project funds and with MSU advice and assistance. These activities include the planning and conducting of training programs, the preparation and distribution of training materials, and the setting up of a regional training center. Major publications included monthly issuance of 6,000 copies of the *In-Service Training Newsletter* and the bilingual publication of a book entitled *Scientific Management*.

The USOM program is also providing funds for NIA buildings, and during the year construction commenced on the new campus. The library collection was extended to exceed 13,000 volumes by the year's end, and use of the library's facilities expanded considerably. Book loans totalling more than 450 volumes per month. The head librarian of the NIA returned from a training program in the Philippines, where she had obtained a library science degree. The faculty of the NIA was also enhanced by the return of 2 participants from graduate study in the US.

A survey in January, 1960, indicated that NIA graduates now hold responsible positions both in the central ministries and in the field. Among the first 98 graduates of the NIA, 14 are now deputy province chiefs, 19 are district chiefs, 13 are chiefs of bureaus in central departments, 4 are secretaries of embassies, and others hold such significant positions in directorates general of major department, as attaches of cabinet, and as chiefs of important services.

### CENTRAL PURCHASING AUTHORITY

USOM commenced providing assistance to the Vietnamese government's Central Purchasing Authority in 1956 in an effort to help prepare it to assume a fuller role in Vietnam's procurement activities. This assistance has proved to have been well chosen and well used. In 4 years' time, the CPA has now become accepted as the central agency for the procurement of offshore commodities for governmental offices. By its insistence on clear definition of requirements, justification of need, and high procurement standards, the Authority has proved an effective tool in raising public administration standards. It is evident that this project will prove a continuing and important influence in the future.

Tonnage handled per month averaged 7,320 metric tons, up from a monthly average of 5,000 metric tons during 1959.

The Warehousing Service of the Authority was active in the prompt movement of commodities and,

with the cooperation of USOM, almost immediate distribution was made of shipments as soon as they were received. Records and general housekeeping were good. A start was also made by this organization to provide routine service for automotive equipment of various projects not having such service conveniently available. An efficient and adequately equipped service station will be completed by the close of the calendar year.

Throughout the year, as it had done since the inception of the project, the Public Administration Division of USOM provided guidance in the improvement of methods and procedures. As a result of this continual cooperation and consultation, the objectives of this project were considered well achieved as of the close of June, 1960. A reliable and efficient unit has been created which will undoubtedly grow in usefulness to the Vietnamese Government during the coming years.

### PUBLIC SAFETY

The maintenance of the public security is a *sine qua non* for a country's successful economic development and USOM has therefore undertaken to assist the Vietnamese Government to increase the effectiveness of its civilian police and security forces. The program is an extensive one and covers aid to the Civil Guard, the Surete (Vietnamese Bureau of Investigation), and to municipal police forces.

The planning, equipping, and staffing of a radio communications network is one of the major activities conducted during the year under this project. Three national and regional teletype stations were installed and construction of a building for the national communication center in Saigon was completed. Training courses were begun for the personnel who will staff this network.

About 200 hours of general instruction was provided to ranking officers of the Saigon Municipal Police and Surete, and training programs were planned for Civil Guard personnel, to commence in the fall of 1960. Substantial amounts of equipment were also supplied to the Civil Guard in an effort to increase its mobility and effectiveness.

### GOVERNMENT INFORMATION FACILITIES

In order to help the Department of Information and Radio Viet-Nam to bring the Government's message to rural areas, USOM continued its assistance to the 700 community listening centers located throughout the provinces, to the fleet of mobile units, and boats equipped with sound projectors and loud-speakers, radios, tape recorders etc., and to the motion picture center designed to produce documentary films and to train motion picture technicians. USOM also provided

**NATIONAL RADIO NETWORK**  
 PROJECT No. 430-92-165

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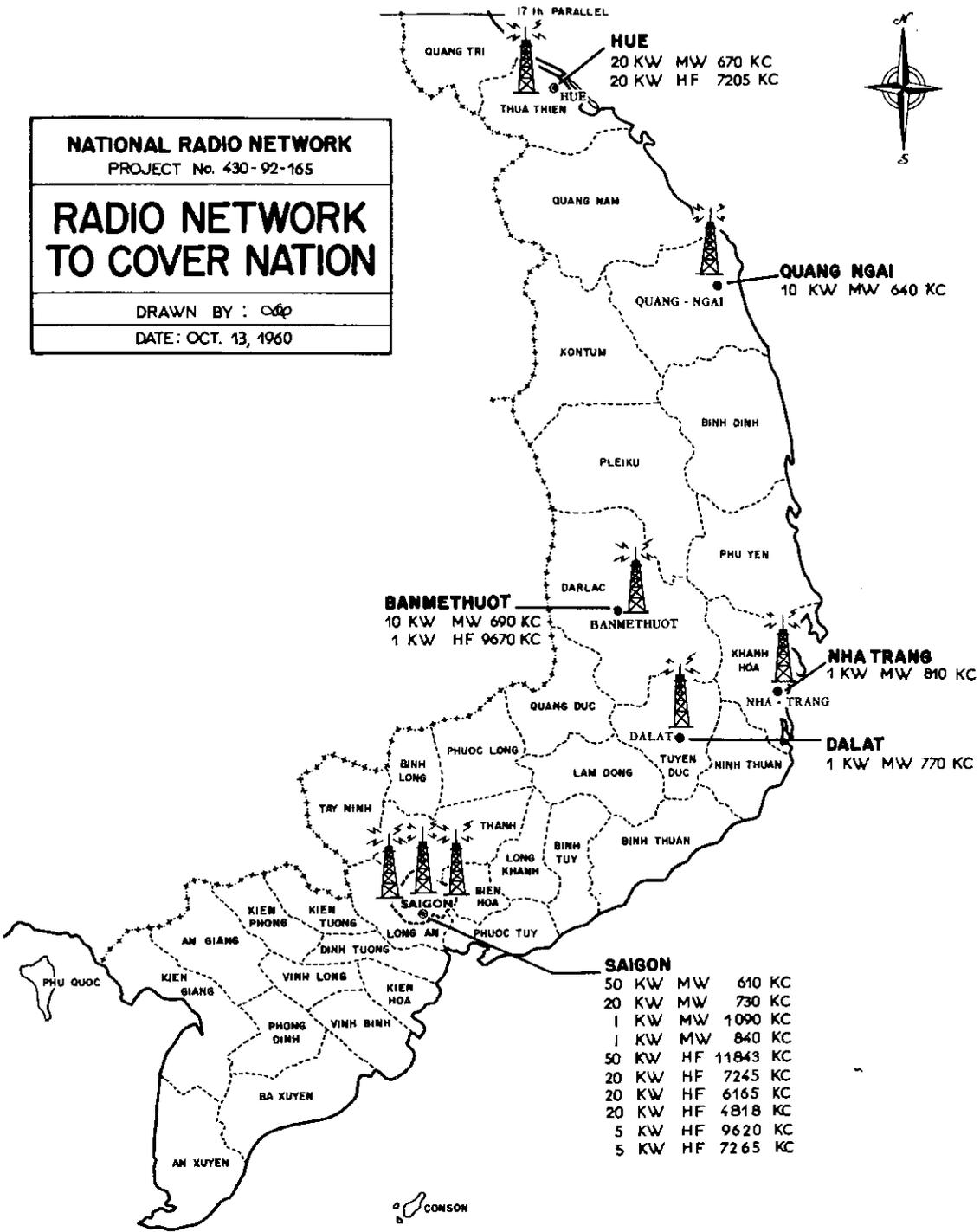
**RADIO NETWORK  
 TO COVER NATION**

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DRAWN BY : *oap*

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DATE: OCT. 13, 1960



Printed by USOM's Graphics Section

equipment and technical assistance for expanding and improving Viet-Nam's radio network, and equipment and technical assistance for the printing, graphics, and photographic facilities of the Government.

With the exception of the assistance to Radio Viet-Nam, the bulk of these activities were largely completed during and prior to June 30, 1960, and are in the process of being transferred to the Government's hands for continuance. During the year maintenance work was carried on by USOM on the mobile units and the listening centers, and the number of boat-mounted mobile units was increased. The training of maintenance and of electronic technicians continued. The motion picture center also continued to train technicians and to supervise film production. The building for a regional photographic laboratory

at Qui-Nhon was completed during the year and equipment for the Ministry of Information's Graphic Shop was ordered. Meanwhile, the Government was making full use of USOM provided facilities and of the technicians which USOM has trained.

The assistance to Radio Viet-Nam moved forward during 1960 after having been temporarily halted the previous year for technical and policy reasons. Agreement between USOM and the Government was reached on the installation network for 6 stations. A studio/transmitter FM link was procured and placed in operation at Saigon and installation of short and medium wave transmitters began at the Quang-Tri (Saigon) station. Transmitters were ordered for the Hue and Ban Me Thuot stations.

#### OTHER TECHNICAL ASSISTANCE PROJECTS

A complete enumeration of the myriad forms of advice and guidance in public administration which USOM and MSU technicians provided over the year is not feasible. In addition to the foregoing major projects, for example, American technicians assisted the Vietnamese government to modernize its accounting, auditing, and budgeting function; made and helped to implement recommendations for improving Organization and Management procedures in the Health Department and in the Presidency; conducted

studies of Viet-Nam's taxation system and made a number of proposals for its reform; helped to prepare commercial banking legislation and to set up a system of bank examination and controls; drafted insurance legislation to permit the setting up and regulating of local insurance companies; and assisted the Directorate General of Civil Service to improve the civil service system and to make a survey of all government jobs and the employees filling them.



*I.B.M. tabulating machinery installed at the Directorate General of Budget and Foreign Aid.*





*A village first aid station.*

staffed, receives an American-aid obstetrical kit and a rural infirmary kit; USOM also helps in the preparation of health education materials and pays for their production. Payment of salaries of project personnel, which began in 1957, will, as of January 1961, be taken over by the Vietnamese Government, and the salaries of all new workers being taken on are paid by this source. The cost of drugs and supplies for the first aid stations, hitherto completely borne by USOM financial support, will be gradually taken over by the Government of Viet-Nam starting in 1961.

During the past year USOM assisted in developing rural health workers through classroom and field training:

- a). Two 1-month training courses were given to 60 head nurses and district health workers.
- b). A 1-month course was given to 5 health technicians.
- c). Twenty-six sanitary agents were trained in a four-month course.
- d). Nine health educators had a two week refresher training course.

This local training was supplemented by observation tours to Far Eastern countries (5 persons), by attendance at a regional Health Education Work Conference in Bangkok (5 persons), and by academic training in the US and Canada (17 persons).

Assistance was also given to the Department of Health and the National Institute of Statistics in revising their vital and health statistics forms, methods, and procedures, to modernize them in conformity with international standards.

The Tuberculosis Hospitals in Saigon and Hue were supplied with drugs for the treatment of tuberculosis and with training aids. Water analysis equipment was added to the Training Center, and equipment in varying quantities was made available to forty hospitals.





*The elephants transporting Malaria Eradication spray teams including USOM personnel and equipment to remote mountain villages.*



*Montagnard woman assisting sprayman by carrying water to mix DDT solution.*



The Study Center at Djiring in the central highlands has been operational since October, 1959, and extensive entomological and hematological studies are being carried out. The functions of the center are being expanded to include investigation of all problems pertaining to epidemiology, operations, and field administration, and the geographical areas under study have been expanded as well. A second study center is being prepared at Go Cong in the Delta region, and is expected to be placed in operation very shortly.

Fourteen technicians were sent to the Malaria Eradication Center at Tala, Philippines, for 3 months training, followed by one month of field observation in Taiwan. They are now assigned to field positions within the Malaria Service.

### NURSING EDUCATION

The past year has been one of transition from a two-year basic nursing curriculum to the American type three-year basic curriculum in the two National Schools of Nursing which are located in Hue and in Saigon. These schools will graduate their first students in the fall of 1960 and these graduates may be expected to assume an important role in demonstrating the value of good nursing care on the recovery of patients.

In an effort to provide immediate relief to the acute shortage of nursing personnel, subprofessional education programs have been developed in both Hue and Saigon in conjunction with the basic nursing education programs. Since the first programs graduated students in April, 1959, a total of 174 nursing assistants have completed their studies in the two centers. A six month course for the mountain students continues to function.

In Hue, Saigon, and Can Tho advanced training courses have been offered in basic nursing skills for nurses selected from the staffs of government hospitals. Each course is three months in duration and admits six to nine students. Seminars have been held for nurses on the faculties of the schools of nursing, for head nurses in the teaching hospitals, and for nurse supervisors from provincial hospitals. It is the intent of these seminars to provide opportunities to develop skills and understanding in special areas or activities.

In addition to the technical assistance, counseling, and guidance supplied by USOM technicians to the foregoing educational activities, a participant training program in the U.S. has been launched. Direct assistance has also been given in supplies and equipment and in the constructing and renovating of patient care facilities and School of Nursing facilities in Hue, Saigon and Can Tho. Assistance has also been given to the WHO Schools of Midwifery.

*Spraying a rural home.*

## A NOTE ON CHARITABLE OPERATIONS

### A NOTE ON PRIVATE CHARITABLE OPERATIONS

The foregoing report has highlighted the major official activities of the USOM in Viet-Nam during the past year. This picture of the USOM effort would not be complete, however, without some mention of the more outstanding of the many supplementary and unofficial activities carried on by the USOM personnel, their families, and other Americans resident in Saigon. These activities do contribute significantly to shaping « the American presence », and to forming Vietnamese opinion about the nature of American's interest in Viet-Nam. They are also not without their impact upon Vietnam's economy.

Certainly the most far reaching of these supplementary activities is that of the surplus food distribution carried out under the provisions of Title III of Public Law 480. Under this law Congress has made available substantial amounts of American surplus food for free distribution to needy overseas persons. The food is a gift from the American people, the ocean transportation is also provided free of charge, and the distribution of the food within the country is carried out by approved American voluntary, non-profit organizations. In Viet-Nam, the Mennonite Central Committee and the Catholic Relief Services

participate in this program which, in the year ending June 30, 1960, distributed to needy Vietnamese persons more than 12,000 tons of wheat flour, 23,000 tons of corn meal, 5,000 tons of broken rice, and 4,000 tons of dried milk. This food went to some 750,000 persons — school children, orphans, hospital patients, aboriginal peoples whose crops had failed, families being relocated on new, uncultivated land, and to thousands of indigent people. The value of these commodities, at commercial prices and freight rates, was close to \$ 10 million, and in thousands of cases they provided the difference between a bare subsistence diet and some minimum standard of satisfactory feeding, although still leaving much to be desired.

Another well known American welfare activity in Viet-Nam, unofficial and not limited to USOM families, is the work of the American Womens Association of Saigon. This group of more than 200 American women, for the most part wives of official Americans and of American contract firm employees, carries on a wide variety of activities ranging from hospitality to newly arriving Americans to stimulation of cultural events. Most important, however, are the many welfare programs carried out.

*American food surpluses, made available for free distribution through authorized U.S. voluntary agencies, are warmly received by rural Vietnamese folk. Corn meal, corn, wheat flour, and dried milk are the principal commodities available. The flour is usually baked into bread prior to distribution. Landed value of such food shipments to Viet-Nam in the year ending June 30, 1960, exceeded \$ 8,000,000.*





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These include cash and kind contributions to orphanages, hospitals, paraplegic patients, nurseries, schools and other institutions. Finances for these charitable activities derive from various fund raising efforts carried on by the women and during FY 1960 the budget for such welfare programs exceeded 500,000 piasters.

The Education Division of USOM established a notable precedent several years ago by sponsoring a New Year's party for a school of under-privileged children, and the event has now become a traditional affair. Funds are raised from the American and local

employees of the Education Division.

The return to Viet-Nam of some of the initial participants who had studied in the U.S. sparked a movement to organize an alumni association of persons who had attended U.S. colleges and universities. Many Americans participated with the Vietnamese in forming this group. The American University Alumni Association now has a charter from the government and sponsors varied activities designed to appeal to its members and to spread information about American higher education to interested Vietnamese persons.



*The American Women's Association of Saigon bring an afternoon's cheer to a local orphanage.*

*Vietnamese orphans enjoy New Year's party sponsored by the USOM Education Division.*



LIST OF PROJECTS ACTIVE IN FY 1960

Development of Agricultural Extension Service  
Improvement of Agricultural Education  
Crop Development  
Improvement of Irrigation and Water Control  
Administration of Agrarian Reform  
Land Development  
Livestock Development  
Improvement of Agricultural Economics and Statistics  
Improvement of Agricultural Credit and Cooperative Organizations  
Fisheries Development  
Nong Son Coal Development  
Telecommunications  
Electric Power Development  
Tan Mai Wood Panel Plant  
Expansion of Rural-Urban Water Supply  
Development of Small Industry  
Sugar Technicians Training  
Highway and Bridge Construction  
Railway Administration Improvement  
Rehabilitation of Inland Waterways  
Development and Expansion of Aeronautical Ground Facilities  
Labor Leader Training  
Malaria Eradication Program  
Health Services Development  
Expansion of Medical Education Facilities  
Improvement of Nursing and Allied Education  
Expansion and Improvement of Technical Vocational Education  
Expansion and Improvement of Elementary Education  
Expansion and Improvement of Secondary Education  
Expansion and Improvement of Teacher Training and Higher Education  
Scholarships for Leadership Training  
Instructional Materials Development  
Improvement of Municipal Police and Surete  
Strengthening Civil Guard  
Establishment of In-Service Training  
Modernization of Accounting and Auditing Systems  
Improvement of Banking, Insurance and Taxation  
Development of a Government Supply System  
Development of the National Institute of Statistics  
Improvement of the Public Service  
Training for Community Development  
Expansion of Government Information Facilities  
Establishment of National Radio Network  
Peaceful Uses for Atomic Energy  
Marine Research in South China Sea  
Improvement of English Language Training

**LIST OF ICA-FINANCED INSTITUTIONAL  
CONTRACTORS ACTIVE IN VIETNAM IN FY 1960**

<i>Contractor</i>	<i>Activity</i>
Thomas B. Bourne Associates	Tan Son Nhut Airport Survey
Capitol Engineering Corporation	Highway and Bridge project
Daniel, Mann, Johnson and Mendenhall	Engineering Study and Hydrographic Survey of Canal System
Johnson, Drake, and Piper of Viet-Nam	Highway and Bridge projects
Howell and Co.	Electric Power System
Television Associates of Indiana	Regional Telecommunications Network
Harza Engineering Co.	Regional Mekong River Study
Michigan State University	Public Administration Counseling
University of Michigan	English Language Instruction (Regional)
University of California (Scripps Institute)	Marine Research of South China Sea
McIntosh Laboratories	Radio Viet-Nam Project
International Voluntary Services, Inc.	Technical Assistance to various Agricultural projects
Joint Commission on Rural Reconstruction in China	Development of Farmers Associations and crop improvement
Day and Zimmerman, Inc.	Industrial Development Center
Russell Wright Associates	Handicraft Development
U.S. Consultants, Inc.	Small Industry Development

