UNITED STATES OPERATIONS MISSION

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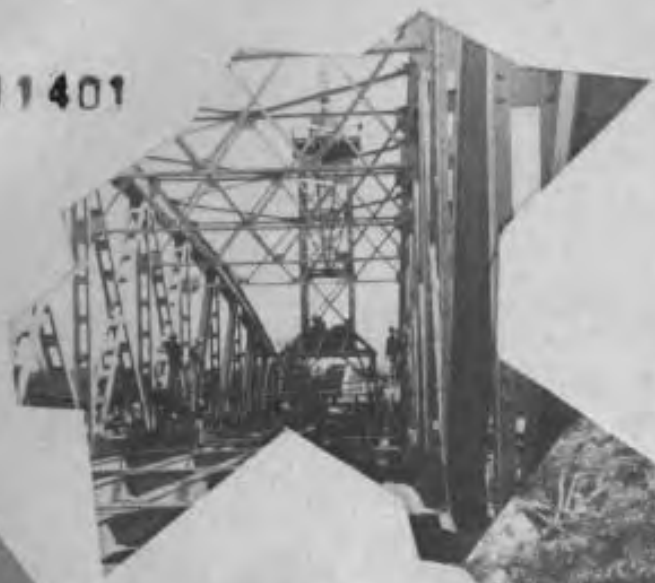
CAMBODIA LAOS VIETNAM



ACTIVITY REPORT

Indochina -- 1954

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VIETNAM (GVN)

CUMULATIVE THROUGH JUNE, 30 1954

Fiscal year 1954 saw increased war destruction by the Vietminh. Bridges and trains were blown up and villages wantonly destroyed. More and more aid had to be given the homeless and sick.

UNITED STATES OPERATIONS MISSION TO VIETNAM

CUMULATIVE ACTIVITY REPORT

(on Cambodia, Laos and Vietnam)

THROUGH JUNE 30, 1954

The refugees from the North begin the long task of building new homes and rebuilding their lives on land allotted them in South and Central Vietnam.

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POLITICAL REVIEW

For more than seven years Indochina has been the theater of a bitter struggle to arrest the southward thrust of the Communist forces allied behind the facade of the Viet-Minh, who, although avowedly Marxist in character, have consistently sought to present themselves to the Vietnamese people as champions of their national aspirations against the French. The armed forces of the French Union and the Associated States, powerfully supported by American economic and military aid programs, fought to defeat the Communist-led, Communist Chinese-backed Viet Minh troops, whose aim was to transform Cambodia, Laos and Vietnam into Communist satellite states. French participation in this military effort was clouded in the latter half of 1953 and during the first few months of 1954 by a deepening feeling of weariness and frustration resulting from the prolonged drain on the nation's resources of manpower and money and by an increasingly articulate campaign of parliamentary, press and public agitation to seek an end to the war, at almost any price if necessary.

The participation of the Governments and peoples of the Associated States in the struggle was constantly handicapped not only by a lack of conviction on the part of their armed forces in the urgency and validity of their cause but likewise by a widespread absence of imaginative and inspired political leadership and by the inadequacy and immaturity of their political institutions: by a tragic irony of interlocking cause and effect the heritage of the colonial era continued simultaneously to dog both the successful prosecution of the war and the creation of viable non-Communist national regimes in the three Associated States.

The American contribution to the defense of the freedom and integrity of the Associated States was impressive in both the economic and military fields. It was insufficient by itself, however, to tip the balance of forces decisively to the disadvantage of the Communist because of the elements of weakness which continued to undermine the effectiveness of Franco-Associated States participation and also because of the greatly increased assistance made available to the Viet Minh by their Chinese Communist allies following the conclusion of the truce in Korea.

The steady deterioration of the political and military situation in Indochina in the spring of 1954, climaxing in the heroic but disastrous defense of Dien Bien Phu, in the gathering impact of defeatist pressures in Paris, and in the downfall of the Laniel Government, led inexorably to a negotiated solution at the Geneva Conference. This solution, agreed to on July 20, marked the end of hostilities throughout Indochina but at a price which in effect constitutes a major political and strategic success for the Communists at the expense of the free world. The Associated States are more or less effectively neutralized and Vietnam, the most important of the three, is provisionally partitioned slightly north of the 17th parallel pending the holding of national elections in 1956. The result is to hand over to the Viet Minh the rich and populous northern half of Vietnam and thus to bring about a major southward territorial

advance for the forces of Communism in Southeast Asia.

V I E T N A M.-

The relationships between France and the Associated States, which in the post-Geneva period have become so fluid as almost to escape precise definition, have been in the process of evolution throughout the past year. In recognition of the fact that the 1949 Accords concluded with each of the Associated States no longer corresponded to current political realities in Indochina, the French Government issued on July 3, 1953 a formal declaration of its intention to perfect the independence and sovereignty of the three States within the framework of the French Union. The Governments of the Associated States were invited to nominate delegations to negotiate revisions of existing relationships with the former colonial power and to create a permanent association based on equality and mutually agreed rights and privileges.

The initial Vietnamese official reaction to the French Government's declaration took the form of a statement pledging total mobilization of the nation's energies in the prosecution of a war which had now in fact become its own. The general popular reaction, however, was lukewarm and skeptical: it became apparent that the Vietnamese, who had been complaining for years about French infringements on their sovereignty, were somewhat at a loss to formulate their demands when given a concrete opportunity to do so. When Ambassador Dejean arrived in Saigon on July 28 to assume his duties as the first regularly appointed Commissioner General of France in Indochina, he defined his mission in terms of the following three basic tasks: (1) to strike hard to make the Viet Minh abandon the long struggle; (2) to perfect the independence of the Associated States in accordance with the French Government's declaration of July 3; and (3) to negotiate new accords with the Associated States on a basis of absolute equality. A few days later General Navarre, Commander-in-Chief of French Union Forces in Indochina, held a press conference at Hanoi in which he expressed the view that the balance of forces could be tipped against the Viet Minh within the ensuing year by the use of offensive rather than defensive tactics, barring what he described as unforeseen circumstances. Outwardly at least, it seemed that prosecution of the war and the quest for an acceptable formula defining the relationships between France and the Associated States were to receive fresh strength and impetus.

Unfortunately this relatively hopeful prospect was soon clouded by the hesitations of the Governments of the Associated States to commence negotiations with France. In Vietnam the extreme nationalists favored the total withdrawal of French influence while insisting on the maintenance of French military and financial support and there appeared to be no readily available compromise capable of reconciling these widely divergent points of view. Pressure for the inclusion of nationalist elements in the preparations for the Franco-Vietnamese negotiations grew so rapidly and became so vocal that Chief of State Bao-Dai and the National Government finally decided that no decision irrevocably binding Vietnam could be taken without some form of popular consultation. It was believed that it might prove advantageous to confront these extra-governmental elements

with the realities of responsibility and to ensure their concurrence in any agreement emerging from the negotiations. The vehicle for this consultation took the form of a so-called "National Congress", which was convoked in Saigon on October 12 for the purpose of formulating the Vietnamese position in the forthcoming negotiations and to nominate a panel of names from which the Chief of State could select the official Vietnamese delegation to be sent to Paris.

The mandate to organize the Congress was given by Bao-Dai to his cousin Prince Buu Loc, the Vietnamese High Commissioner to France, who returned to Saigon on September 17, rather than to President Tam as head of the National Government. The Congress, which numbered 211 members, was composed of representatives of nationalist groups, religious and confessional organizations, municipal councillors, labor unions, business interests and others.

The inexperience of members of the Congress in political affairs and parliamentary procedure, coupled with the highly emotional character of their nationalist sentiments, was soon reflected in the deliberations of this hastily summoned body. A resolution was passed calling for the total independence of Vietnam and declaring that the country could not remain a member of the French Union "in its present form". This was an allusion to what Vietnamese nationalists considered as the excessively centripetal nature of the clauses of the French Constitution of 1946 defining the French Union, its organs, functions, and responsibilities.

Whether due to faulty drafting or to ignorance and lack of responsibility, the adoption of this resolution produced an instantaneous and stormy reaction in France, where the Laniel Government was already finding it difficult to stem the mounting tide of appeals for the alleviation of the heavy financial and manpower sacrifices being borne by France in Indochina. The passage of the resolution was scarely less welcome in other foreign countries concerned with the preservation of Indochina from Communist domination.

American observers, while sympathizing with the legitimate national aspirations of the Vietnamese, were fully aware of the disastrous impact it could not fail to have on a war-weary and politically divided French Parliament, press and public. The conclusion of the truce in Korea had only served to enhance these feelings in France, and in Vietnam President Tam himself had publicly expressed his fear that Chinese military aid would be made available to the Viet Minh in increasing volume as a result of the truce.

Faced with this vigorous foreign reaction, the members of the Congress hastily rescinded the controversial "in its present form" clause and passed a second resolution favoring Vietnam's continued membership in the French Union as a completely independent nation. Unable to agree on a panel of names from which Bao Dai would select the Vietnamese delegation to the Paris talks, the Congress nominated its entire membership as a possible source of delegates for the consideration of the Chief of State, who might also nominate outsiders of his own choice.

The performance of the Congress revealed that the Vietnamese were still for the most part living in a kind of dream world of their own confection, encouraged by their apparently unshakable belief that France and or the United States would in any case continue to save the day for them, regardless of what they said or did. The cavalier attitude of members of the Congress in disregarding the international implications of their actions and their inability or refusal to perform the tasks assigned to them did considerable harm to Franco-Vietnamese relations and further deepened the atmosphere of pessimism surrounding the still pending negotiations.

The division of responsibilities between the Government and the nationalist groups with respect to the negotiations remained ill defined and imprecise. Although provincial elections took place for the first time on October 25 throughout the zone controlled by the National Government, the political atmosphere remained confused and troubled by conflicting rumors of forthcoming governmental changes. These rumors took factual form with the fall of the Tam Government from office on December 17 and its replacement by a Cabinet headed by Prince Buu Loc on January 16. The new Government announced a campaign of austerity and democratization and promised not only to combat corruption on the domestic front but to take up in earnest the question of the negotiations with France and to press them to a successful conclusion as soon as possible.

The new Government's domestic program was subordinated in importance from the outset to the problem of the negotiations with France, which did not get underway in Paris until March 8, more than eight months after the French Government had issued its invitation of July 3. During most of the remainder of the critical period under review Prince Buu Loc and the leading members of his Cabinet were absent from the country, as Bao Dai had been for three months in the autumn of 1953 and was to be again from April 10 on. The result was to create a vacuum of authority and leadership throughout Vietnam from which the country was destined to suffer more and more seriously as the military situation deteriorated. Meanwhile, as a result of the Berlin Conference, it had been agreed to convene an international conference at Geneva on April 26 to deal with the two principal theaters of Far Eastern tension : Korea and Indochina.

The Communists promptly stepped up their military and propaganda campaigns in preparation for the Geneva Conference, with very soon began to overshadow in importance the slow-moving Franco-Vietnamese negotiations in Paris. The situation which existed at the opening of the Geneva Conference found the Vietnamese Government in a highly vulnerable position from many points of view. Internal security had steadily deteriorated under Viet Minh pressure and the absence of effective political leadership. The military position was approaching the catastrophic surrender of Dien Bien Phu, which finally took place on May 7. The country was still without an appointed or elected National Assembly which could have given voice to popular aspirations.

The Franco-Vietnamese negotiations in Paris had dragged on interminably, with the result that the projected treaties of independence and association within the French Union were still unsigned; the Chief of State and most of the Government were in France; and Parliament, press and

public in France were clamoring for negotiations with the Viet Minh and an end to the war. The initialing on June 4 of the treaties of independence and association with France passed almost unnoticed, with all eyes focused on Geneva where, after the replacement of the Laniel Government by that of Mendès-France, it seemed increasingly probable that some kind of ceasefire would be arranged between the opposing forces in Indochina.

At this dark moment most of the principal actors in the Indochinese drama were changed. The French Government decided to recall Commissioner General Dejean and General Navarre and to replace both with a single man exercising both functions. The Cabinet's choice fell on General Ely, who had served until that time as Chief of the French Combined Chiefs of Staff. He arrived in Saigon on June 8 to assume his new duties, assisted on the military side by General Salan, General Navarre's predecessor as Commander-in-Chief. Likewise in extremis the Vietnamese Government headed by Prince Buu Loc tendered its resignation to Bao Dai, who appointed as head of the new Government the well known nationalist leader, Ngo Dinh Diem. Diem had held no public office since 1933 and in fact had passed much of the intervening period out of the country as a voluntary exile. His Government, which was installed in office with full civil and military powers on July 7, was faced almost immediately with the problems created by the contraction of the zone controlled by the Franco-Vietnamese forces in the Tonkin Delta and the abandonment of the populous southern area of the Delta to the Viet Minh. On July 20, it was announced that a ceasefire had been concluded at Geneva, over the protests of the Vietnamese Government, and that as a result Vietnam would in fact be partitioned slightly above the 17th parallel. This territorial division, although carefully described as provisional in character pending the holding of general elections in 1956, results in the handling over to the Viet Minh of the rich and heavily populated northern half of Vietnam, including the important cities of Hanoi and Haiphong.

C A M B O D I A.-

The Cambodian Government's reply to the French declaration of July 3, 1953, was to demand the transfer of all powers and privileges still retained by the French in Cambodia, with little sign of any concessions in return. The French agreed in principle to this transfer of services and also recognized the King of Cambodia's territorial command of all military forces in the Kingdom, although the French Union Command's desire to retain operational command of units east of the Mekong River remained a bone of contention for some time. Franco-Cambodian negotiations developed in reverse order to that followed in Vietnam, where nothing was done on the technical level until the treaties of independence and association were drafted and ready to be initialed, at which time Geneva, the ceasefire and partition made the technical details more or less irrelevant. In Cambodia, on the other hand, negotiations on the technical level looking towards the transfer of various services still held by the French progressed with numerous ups and downs over a period of many months between August 1953 and March 1954, with the result that the Cambodians were in full possession of all the practical elements of

sovereignty on the eve of the Geneva Conference without having ever reached the stage of treaty drafting. It now appears that the King and His Government might even be willing to skip this stage and to accept the Geneva declaration as formalizing the country's independence before the world. However, the precise nature of Cambodia's future relationship to France, which may well take the form of a bilateral association , in or out of the French Union, conferring mutual rights and privileges on both contracting parties, is expected to be defined in forthcoming Franco-Cambodian negotiations.

The King's highly personal and often spectacular quest for the realization of Cambodia's complete independence continued during much of the period under review. It was punctuated by long absences from Phnom-Penh and frequent governmental crises which maintained a more or less constant state of tension. His campaign, however, was effective in stripping Son Ngoc Thanh, the intellectual and spiritual leader of the non-Communist dissidents, of his claim of being the standard bearer of the cause of national independence. One by one the other dissident leaders and their followers rallied to the royal cause, attracted by its growing strength and success, as well as by the King's unquestioned patriotic and religious fervor. The Viet Minh contributed their part to this reversal of the trend by invading the northeastern corner of the country in April 1954. The invasion was not to be compared in importance or danger to that twice visited upon Laos and it was doubtless attempted, at least in part, to a political and propaganda platform for the Communists to use at Geneva in championing the cause of their phantom "Khmer Government", which in fact enjoyed no support whatever in Cambodia as a whole.

The concessions made by the Communists at Geneva have further solidified the authority of the King and His Government, who are eager to obtain direct American aid for the development of their country. Regardless of any long-range limitations on their freedom of political action which may result from the Geneva agreement, the Cambodians are convinced that their independence and sovereignty have now been formally recognized by all the Great Powers. Their principal remaining concern in this connection is the breakup of the quadripartite economic and monetary system established by the Pau Accords in 1950, which would leave them free to set up their own currency system, bank of issue and independent economic apparatus.

L A O S.-

The Laotian Government's reply to the French Government's declaration of July 3, 1953 was the most cordial of the three answers to the French invitation, and it was therefore not surprising that it was the first to produce concrete results. The transfer of services from the French to the Laotian authorities proceeded smoothly and with relatively little discussion, with the result that the two Governments were able to sign a definitive treaty formalizing Laotian independence and association with France in the French Union as early as October 22, 1953.

The Government, conscious of the country's relative weakness and

dependence upon French protection and support, has had fewer difficulties attributable to emotional nationalism with respect to France than the other two Associated States. It has, however, had to face two major Viet Minh invasions during the past year, with a consequent overwhelming strain on its slender resources and nebulous administrative structure. During both invasions - April 1953 and February 1954 - the courage and determination of the aged King of Laos in refusing to flee from the royal capital at Luang Prabang, and the relative unity of the country behind its well established and widely respected Government, were factors of considerable importance in galvanizing national resistance to the invaders. As a result the mission of the French High Command in defending Laos was greatly facilitated on each occasion.

Laos has emerged from the Geneva crisis with general international recognition of her independence, as well as the right to retain French assistance in training her armed forces. The provisions in the Geneva Accord for the regroupment of Viet Minh and pro-Viet Minh dissident forces in the two northeastern provinces of Phong Saly and Sam Neua may turn out to be fertile in difficulties. The Government's major preoccupation will doubtless be the physical reconstruction of the battered country and the strengthening of its economy with the equipment of a modern state.

A stepped up war activity took precedence over all other business during 1954 in a last desperate effort to stem the Red tide.

Top: The King of Cambodia reviews his troops. A Laotian patrol watching for infiltrators, wades through rice land.

Lower: Vietnamese troops line up for inspection by General Mark Clark in July, 1953. New recruits were being drilled daily.

MILITARY REVIEW

Although lacking the means to accomplish military victory, the Viet Minh during the years 1946-1950 conducted extensive, confounding, and successful guerrilla activities. Frustrated by an enemy that seemed everywhere and yet nowhere, the French, nevertheless, prior to 1950, entertained hopes that the Viet Minh could be whittled down to a nuisance force, or at least to a point where some political solution could emerge. However, this hope was dimmed when, in December of 1949, Red China began supplying Ho Chi Minh's forces via trucks, carts and on the backs of men with the weapons and munitions Ho needed to transform his guerrillas into well-organized divisions. As the Chinese Communists neared the Tonkin border, there was a marked increase in Viet Minh pressure. This increase manifested itself in all areas, but particularly in the Tonkin-China border area where the Viet Minh wished to establish a secure supply zone. The French found it necessary to abandon many of their scattered outposts in North Tonkin and began to concentrate on extending the perimeter of the Delta. The French observed at this time that there was little strictly guerrilla warfare in Tonkin and that when Viet Minh attacks were made, they were made in force according to plan and by disciplined troops.

As of 1 March 1950 the Viet Minh controlled more than half the China Tonkin border and the central part of Tonkin down to the vicinity of Thai Nguyen, from Nam Dinh southward to a point well past Vinh in Annam, from Tourane southward to the plateau regions, and the tip and central portions of Cochinchina.

With the end of the rainy season of 1950 the Viet Minh resumed their efforts to clear the China border area of the French, and by November the last major French post in Tonkin outside the Red River Delta was lost.

January 1951 marked the arrival of the newly formed Viet Minh divisions on the scene. Through reorganization of regiments and battalions in Tonkin, five divisions were realized. Shortly before this General Jean de Lattre de Tassigny arrived on the scene, and, adopting a policy of initiative, threw into reverse the downward trend of French morale. Over the next few months Viet Minh attacks, launched against the Delta area in multiple division strength, were stopped at Vinh Yen, Dong Trieu and the Day River. During this period, as has generally been the case throughout this conflict, Viet Minh casualties were some five times greater than those of the French. Yet the Viet Minh always seemed able to fill their ranks. When the waters receded after the cessation of the rainy season, 1951, it was the French who took the initiative, dropping three parachute battalions around the Viet Minh who were attacking Nghia Lo. Viet Minh losses in this engagement were put at 3,000.

The French at about the same time commenced extensive clearing operations in the Delta area. While many Viet Minh were killed and thousands taken prisoner during these operations, the Viet Minh at the completion of the operations still controlled extensive areas. The

French found that the Viet Minh would stand and fight inside the Delta only when they were superior in force or protecting a fortified area or dump. Otherwise they would attempt to conceal their identity, and if capture seemed imminent, would dispose of or conceal their weapons. At the end of 1951 the Viet Minh had opened coordinated attacks around the Delta for the purpose of restoring lost positions within the Delta and to obtain rice.

In January 1952 General de Tassigny was replaced due to illness by General Raoul Salan. There was wide-spread Viet Minh activity throughout Vietnam during the early months of 1952, but the primary target of the Viet Minh continued to be the Delta. There the Viet Minh had two objectives - to force the French from Hoa Binh and to infiltrate more elements into the Delta itself for the purposes of recruiting, stealing rice, and killing Frenchmen. The Viet Minh succeeded in both of these objectives. Large French clearing operations initiated in March and April in the Delta saw little success. The enemy in large numbers had buried their arms, changed into civilian clothes and dispersed.

The Viet Minh were recovering from severe losses suffered over the past months. During the fall and winter of 1952-1953, the Viet Minh changed the center of their military effort westward, moving several of their best trained divisions into northwest Tonkin. In the last few weeks of the spring campaign season they penetrated in force for the first time into north and north central Laos. The campaign, however, halted 15 miles from Luang Prabang and the same distance from Xieng Khouang. The rains and the extended supply lines were too much for Giap and his soldiers.

In May 1953 General Henri-Eugène Navarre took over command from General Salan. The Navarre plan called for a strengthening of the Vietnamese forces. In the past the French had been able to thrust deep into Viet Minh territory, but there had been insufficient trained forces to hold the areas taken. A strengthened Vietnamese army could perform this mission, according to the new French plan. Although the Vietnamese army had increased in strength over the past year, there had been relatively little success in digging the Viet Minh out. In actuality, the Viet Minh had long since ceased being a guerrilla force which could be beaten simply by a routing-out. Ho Chi Minh had acquired a well-trained, well-organized and adequately equipped force.

General Navarre proceeded to launch an agressive campaign against the enemy. In July he staged an airborne operation against the Chinese border town of Langson, where the enemy had a depot, a stroke that resulted in heavy materiel destruction to the Viet Minh. Early in October, 1953 the initiative was again taken by the French Union in Operation "Mouette-Pelican" whereby a strong French mobile and amphibious force struck Thanh Hoa south of the Delta in an effort to bottle up two Viet Minh divisions. Results were inconclusive. By mid-December the Viet Minh were in a position to strike southwestward down Colonial Route 12 through the Mu Gia Gap to Thak Hek in Central Laos. For a short period the vital north-south supply artery, RC 13, was cut. During the first two months of 1954, however, this attacking force was rolled back to the coastal areas by French Union countering action.

The major action of the war commenced when the entire Viet Minh five division battle corps excepting three regiments launched a new Laos attack that carried to Luang Prabang. General Navarre inserted three Mobile Groups into the path of this advance at Dien Bien Phu but the Viet Minh by-passed that important road junction and continued south until late February. Then the force returned north to strike at Dien Bien Phu on the night of 13 March in a battle that continued through four stages for 56 days. The French Union lost Dien Bien Phu and over 15,000 men but the attacker lost over 20,000 men. Dien Bien Phu represented a major change in Viet Minh battle strategy outright assault of a strongly fixed position with adequate field and anti-aircraft artillery in support. The French Union garrison was overwhelmed on 7 May and by 26 May the first elements of the Viet Minh battle corps had arrived opposite the Tonkin Delta to threaten that keystone of the French defensive force in Vietnam. The battle for the Delta appeared likely to continue throughout the summer of 1954.

Stronger than ever and still growing, the Viet Minh on July 1st controlled all of Tonkin except the Delta, which was heavily infiltrated, most of Annam down to Pleiku and Qui Nhon with the exception of the Viet Minh-harassed coastal strip of Tourane-Quang Tri, and, finally, the southern tip of South Vietnam. Few areas of South Vietnam and Laos were free from Viet Minh guerrilla activities and the incidence of such activities was increasing in Cambodia.

ECONOMIC REVIEW

The primary consideration in an economic review of the Associated States during the past year is the war that was being fought here. This completely overshadowed any normal economic equilibrium by limiting local output while increasing the demands for goods and services. The factors of production, such as available land, non-military manpower, and non-military capital (government or private) were seriously limited, while the effective demands on production were increased by the rise in the numbers of soldiers, the supply of money, and the concentrations of people in the urban centers. Budgetary needs that they were not able to meet from normal resources were imposed on the Governments of the Associated States to finance the war.

In addition to the above, these governments are victims of the same conditions existing in most under-developed areas, i.e., the lack of surplus production, the lack of practicably accessable sources of government revenue, the lack of the institutions and personnel necessary for economic development, the lack of political or economic cohesion, and, in some degree, the lack of a sense of a market economy. These things in themselves, disregarding the war, point to low productivity, the inability to attract foreign capital, a badly distributed income, and low government resources difficult to collect.

These two factors, the active war in this area and the under-developed nature of the economy, mean that foreign aid plays a major role in the Associated States and must continue to play a major role in any economic development.

The exact state of the economy is not easy to determine because statistics are not highly developed and because some of the factors are hidden, especially some aspects of French participation. Some pertinent information can be found, however. In the absence of any adequate statistics, the gross national product of the Associated States, taken as a whole, has been estimated at between 50 and 75 billion piasters.

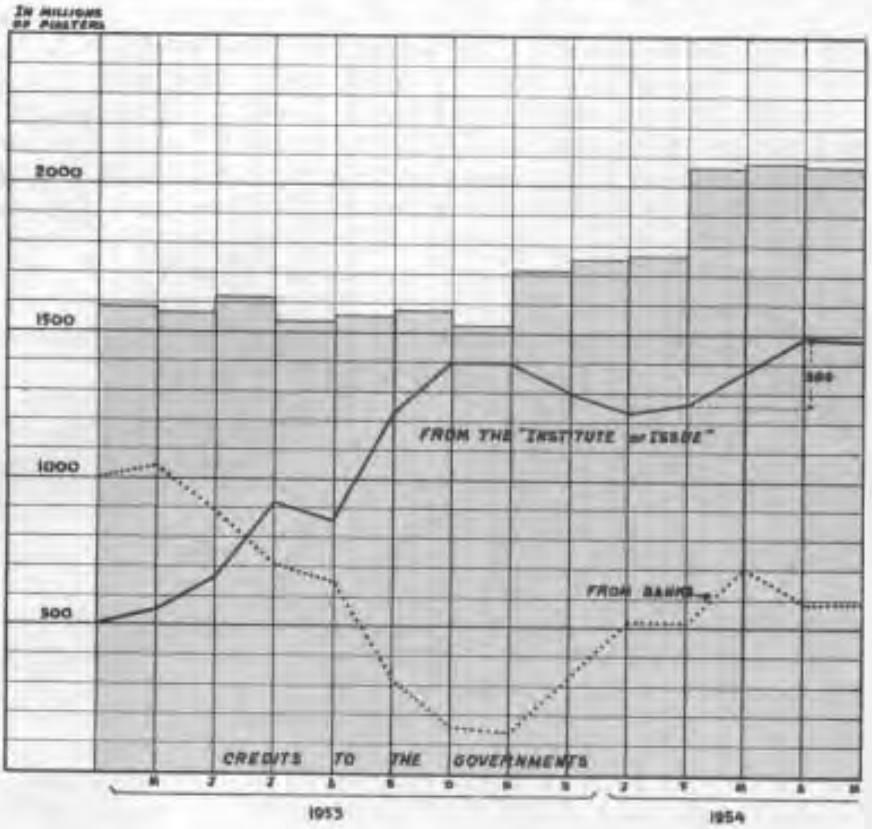
Each of the three countries showed a deficit in its budget last year, including both civilian and military expenditure. The large customs receipts, brought about by the imports for the French Expeditionary Force, were not divided among the three countries according to agreed percentages, however, but were kept by Vietnam to help finance the war. If these receipts had been properly distributed, the Cambodian deficit would have been eliminated.

Two thirds of the Government budgets of between 7.5 and 9.5 billion piasters were reported as having been used to finance the war in 1953. Government revenues aside from customs receipts, are limited by the lack of an administrative organization to collect other taxes.

As of May 31, 1954, more than 2 billion piasters had been advanced by the Institute of Issue and private banks to the three governments. This figure added to the 8.3 billion piasters transferred from private

banks at the time of the PAU agreements, makes the total public debt over 10 billion piasters.

CREDIT TO THE GOVERNMENTS



The supply of money increased from 10 billion to more than 12 billion piasters shortly after the devaluation and subsequent price rise . This increase was provided by the expansion of banknotes in circulation. Demand deposits have remained steady at the pre-devaluation level of 1.8 billion piasters.

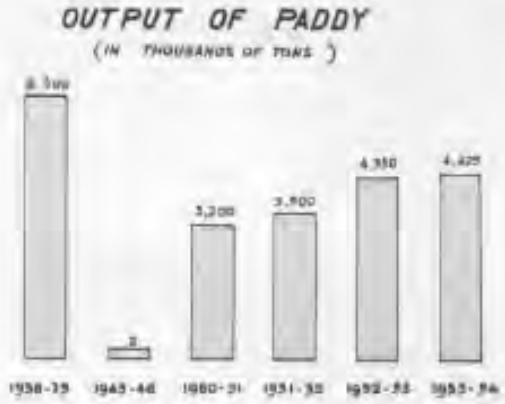
Total foreign aid is difficult to specify, but the U.S. has been contributing about $25 million per year of non-military aid and technical assistance, while French and U.S. military expenditures together probably equal the gross national product exclusive of these expenditures, i.e., about 50 to 75 billion piasters per year. In addition, there are small amounts of French Government economic aid, Colombo Plan aid, and United Nations aid. It is these foreign aid amounts which provide the dominant influence on the money supply, prices, foreign trade, and the balance of payments.

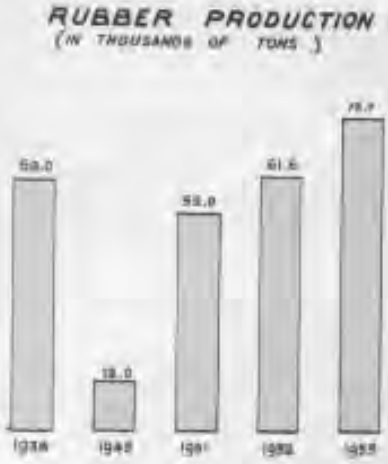
Of major importance for the year under review was the devaluation of the piaster that took place in May 1953, with special reference to the terms of trade and the balance of payments, and the inflation of prices.

Production

Agriculture - The Associated States are primarily agricultural areas rice being the basic food staple and chief source of wealth. Of the total cultivated area about 85% is normally planted to rice and 1.7% to rubber.

As a result of World War II agricultural production fell to the lowest level in 20 years, and only in recent years has some progress been made to achieve or surpass pre-World War II levels. Rice production (paddy) is presently estimated at 4,425,000 tons annually, compared with 4,450,000 tons in 1952 or a little more than two-thirds of the prewar level. The production of rubber equalled 75,742 tons in 1953, compared to 63,000 tons in 1952, or an increase of 26% over pre-war years. Corn production has fallen from an average annual yield of 630,000 tons in prewar years to 170,000 tons at present. In 1953 the production of sugar cane, sweet potatos and manioc, kopra, raw tobacco, tea, peanuts, sesame, and vegetables were all generally below 1938 levels.





Forestry - It is estimated that forests cover 37,500,000 hectares (144,791 square miles) or about 49% of the area of the Associated States. Approximately 30% of the standing timber is economically exploitable, but owing to the insecurity during the past years, only a small amount of this valuable resource has been exploited. Production of forest products in 1953 amounted to approximately 540,000 cubic meters of timber, 270,000 cords of firewood and 48,000 tons of charcoal. These amounts represent increases over the 1952 production of 436,029 cubic meters of timber, 294,165 cords of firewood, and 35,000 tons of charcoal, but are only about one third of pre-war levels.

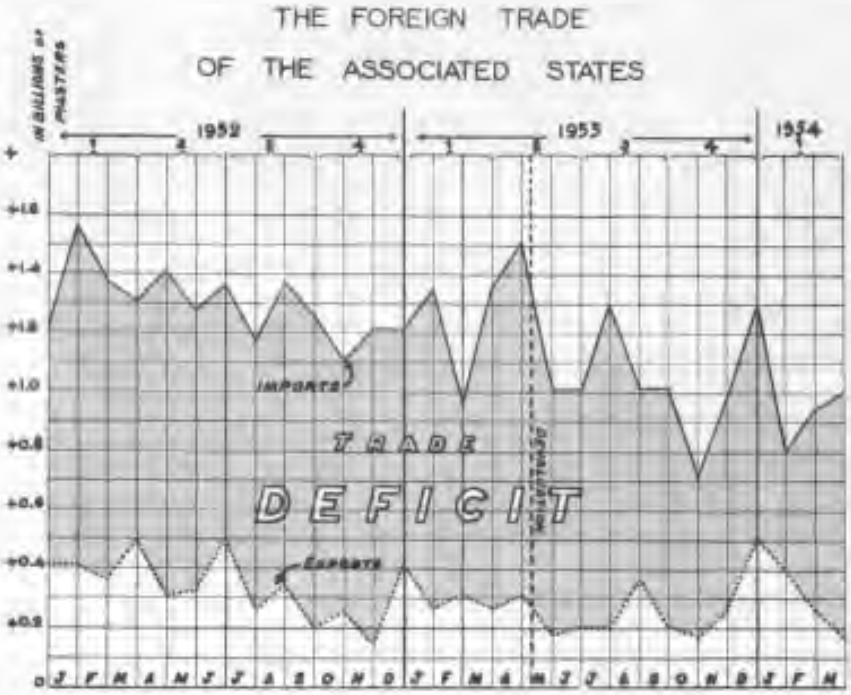
Fisheries - Production of fresh fish in Vietnam has fallen to one-sixth of pre-war levels or to approximately 30,000 tons in 1953. In Cambodia, however, fish sales have increased from 91,000 tons in 1952 to 130,000 tons in 1953 and are 30% over 1938 levels. This represents improved marketing facilities more than increased catches.

Minerals - To a large extent, the known mineral wealth of the Associated States remains unexploited. Coal is the major item produced, but the 832,000 tons taken in 1953 is still well below the level of the pre-war years.

Tin production brought out for export in Laos increased considerably in 1953 over 1952 before the mines were lost to the Viet Minh at the end of the year, but never equalled more than a fraction of pre-war output.

Industry - Although of relatively minor importance in the overall economy of the Associated States, some manufacturing is carried on. The output of cement, oxygen, acetylen, carbonic gas, beer, and cigarettes, the most important industries, exceeded pre-war levels by the end of FY' 54. Alcohol, textiles, soft drinks, refined sugar, basket work, soap, salt, and matches are also produced. In addition, there are those industries connected directly to agricultural pursuits, such as rice mills, lumber mills, rubber processing plants, charcoal producing centers, etc.

Foreign Trade - The foreign trade of the Associated States has been characterized by a gross imbalance on merchandise account, with exports covering only about one-fourth the imports. This deficit on merchandise account has increased from 2 billion piasters in 1948 to more than 11 billion piasters in 1952. 1953 saw a slight reduction to 10 billion piasters.



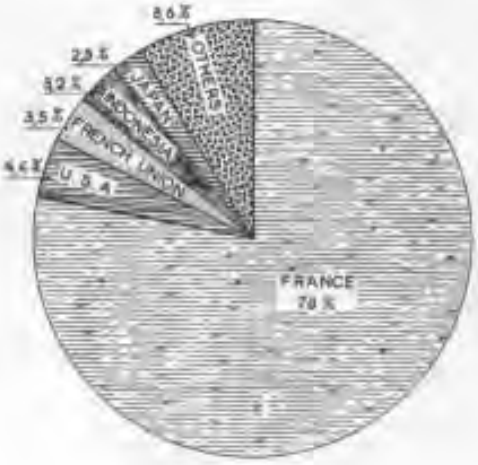
The change in 1953 was less than might be expected in view of the devaluation because of the time lag (the devaluation took place before the middle of the year), the export taxes imposed by the Vietnamese Government which prevented the devaluation from exercising its full influence on export price reductions, the early prohibition on the export of rice, and the subsequent fall in world prices of rice and rubber, making receipts from these major exports disappointingly low.

If the period June - March 1952/53 is compared with June - March 1953/54, the change is more striking, with imports dropping 26%, exports dropping 16%, and the trade deficit being reduced by 30%.

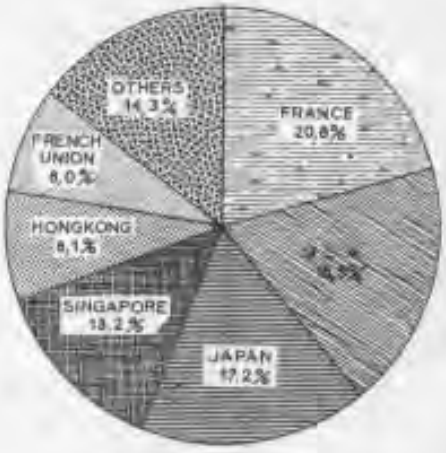
This deficit on merchandise account is aggravated by a large outflow on capital transfers. The net outflow on this account has grown from 4 billion piasters in 1948 to about 14 billion piasters in 1951. The current magnitude of this outflow is estimated to exceed 20 billion piasters annually.

These deficits are covered mainly by French Army expenditures and U.S. Economic Aid.

Merchandise imports continue to come primarily from France, three quarters of the total coming from this source last year. Exports on the other hand have been gradually shifting from France and the French Union to the hard currency areas (dollar and sterling areas).



IMPORTS
_1953_



EXPORTS
_1953_

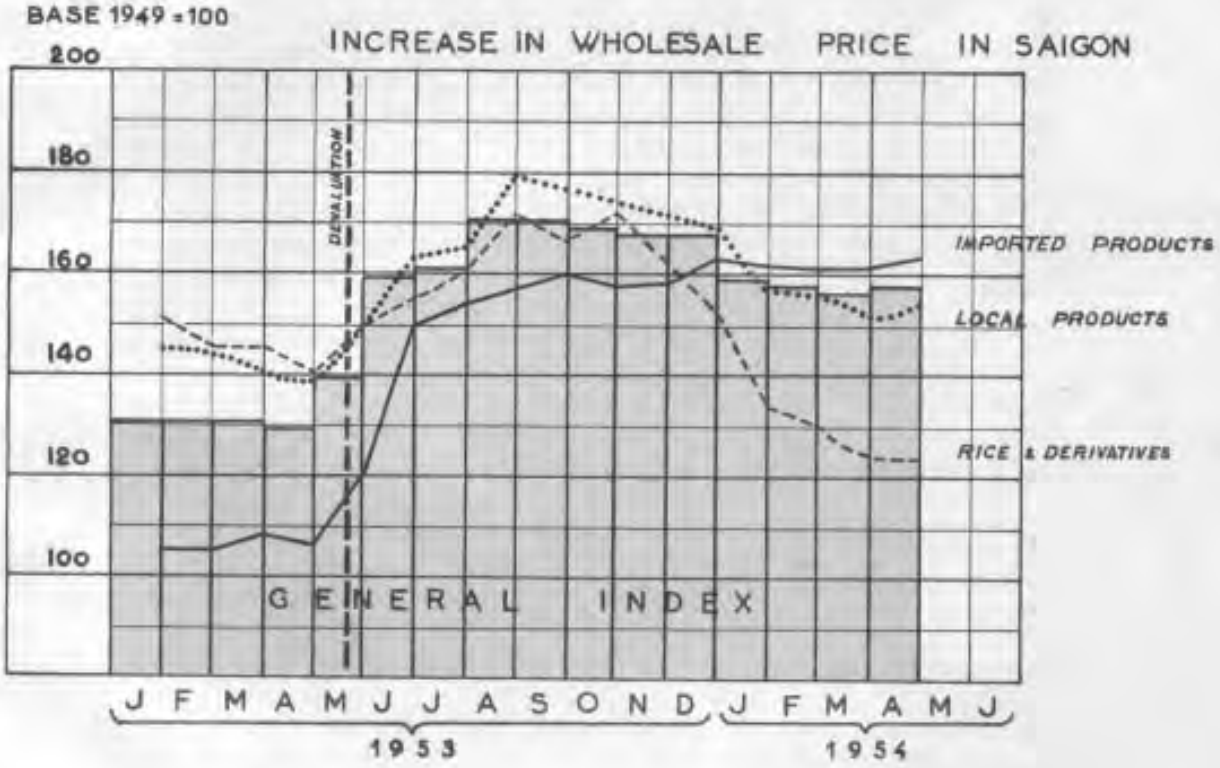
Prices

The general index of wholesale prices rose 22% during the post-devaluation period in spite of a decline in the price of rice, which is heavily weighted in this index. Local products other than rice rose 11.5% in price, while imported products rose 51.8%.

Consumers' prices also rose, especially on imported item. Prices on local items rose less because of the fall in the price of rice and

because of Government controls on wages.

The increases in prices were due to the devaluation, and the failure of the Government to take strong enough anti-inflationary measures, the increase in the supply of money, the large local military expenditures, the shortage of goods and services, the lack of confidence in the future, and other causes.



2.00 HEALTH AND SANITATION

With an estimated population of 26 million, the Associated States have only about 250 doctors and 84 hospitals, with a total capacity of 12,600 beds. There are perhaps 300 maternities and infirmaries, averaging less than 10 beds each. Even these meager facilities are concentrated in the urban centers and, because of poor transportation, are essentially unavailable to the 75% of the population who live in rural areas. To aggravate the situation, military requirements further reduce the beds available for civilians.

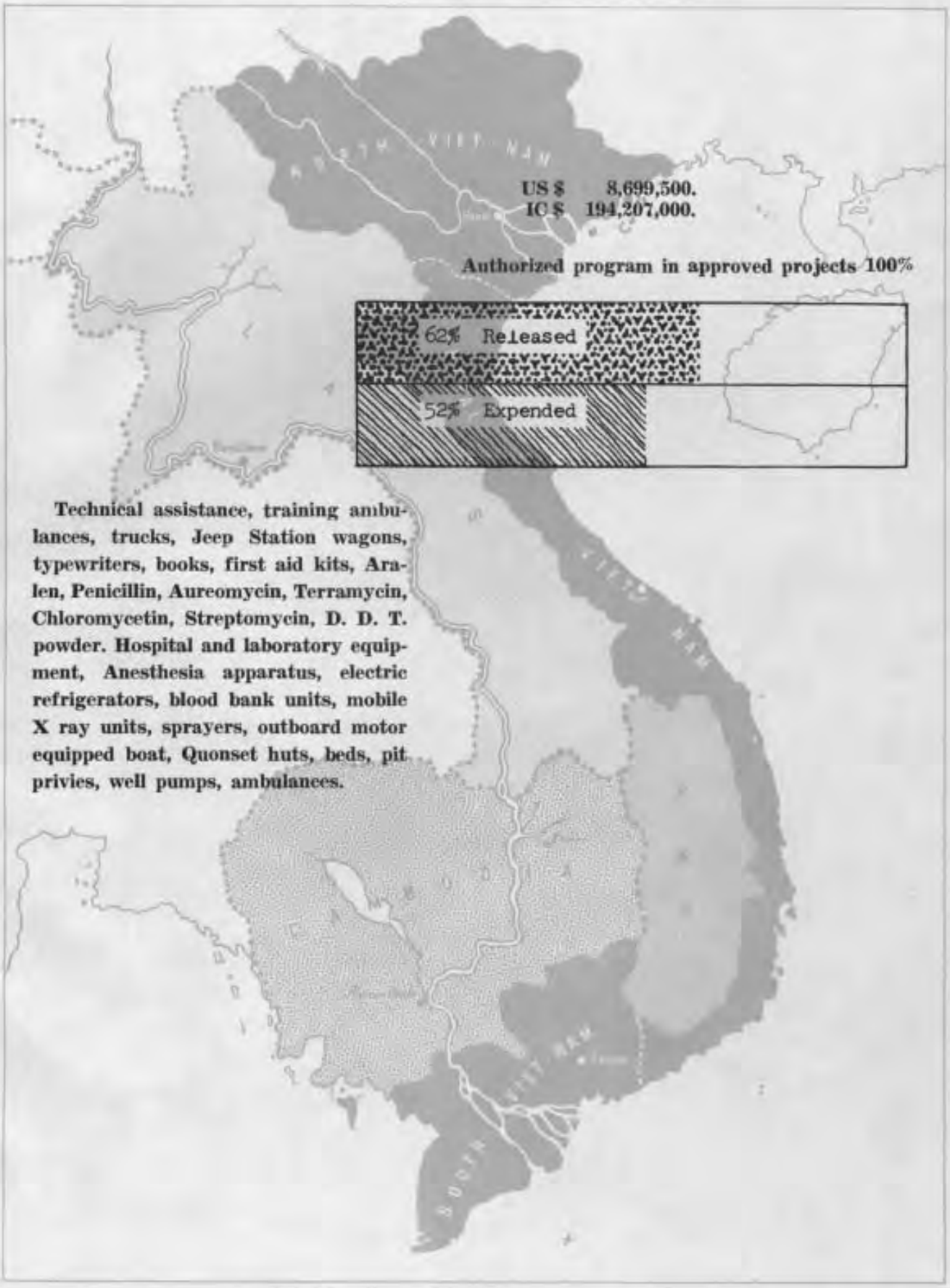
Additionally, few programs of preventive medicine, designed to protect the people from the debilitating diseases so prevalent in this area, were in operation prior to those installed with the assistance of American Economic Aid.

To fill the obvious needs for trained personnel in the field of health, there is only one medical school, with branches in Hanoi and Saigon, attended by 325 students of which 30 to 40 graduate per year. Almost all graduates are conscripted by the Military.

Cambodia has a Health Officers School.

This is the basic situation from which Health and Sanitation problems are being attacked.

2.00 HEALTH AND SANITATION



Technical assistance, training ambulances, trucks, Jeep Station wagons, typewriters, books, first aid kits, Aralen, Penicillin, Aureomycin, Terramycin, Chloromycetin, Streptomycin, D. D. T. powder. Hospital and laboratory equipment, Anesthesia apparatus, electric refrigerators, blood bank units, mobile X ray units, sprayers, outboard motor equipped boat, Quonset huts, beds, pit privies, well pumps, ambulances.

2.11 - Malaria Control

Highly prevalent in mountainous areas, malaria is combated by an integrated program of both prevention and treatment. At present, there are 16 three-man malaria survey teams who gather mosquitos, take blood smears and make spleen examinations· 8 three-man laboratory teams who identify mosquitos and examine blood smears· 48 six-man DDT spraying teams. About 230 tons of 75% wettable DDT are used annually to spray 1,104,000 homes, giving protection to some 4,450,000* people. Over 150,000 tablets of Aralen are dispersed annually to 100,000 patients.

* These figures are at variance with those in the 1953 report because of printing errors in that report.

Instruction in Malaria at Pasteur Institute, Saigon

2.12 - Environmental Sanitation

This program is designed to reduce disease-producing environs. A major part of this attempt is concentrated in the well program. With an ultimate goal of serving 10,000 villages, the immediate program envisages supplying 4,000 villages with sanitary wells, 5 to 10 meters deep, provided with hand pumps. The wells are dug by the villages and the program provides the lining, the cap and the pump. To date, 2,000 pumps have been distributed. A deep-well drilling rig has been supplied which will help to reach more palatable water than is usually possible with the shallow wells. Several wells have also been made available and the water system at Hue, in Central Vietnam, has received financial help. Water testing kits have been given to Cambodia.

The improper disposal of human excreta is another major problem causing a high incidence of intestinal diseases. In an effort to reduce the sources of infection, a demonstration pit-privy program was started, with emphasis on information to be furnished by local health educators. This program provides a prefabricated reinforced concrete slab to any community, group, or individual who will do the excavating and construct the superstructure. Work is underway to establish 4,000 of these pit-privies, with primary emphasis in major food producing areas.

New water treatment and storage plant, Hue Central Vietnam. This new addition consists of a water tower two water tanks and a pumping station which will increased the daily sanitary water supply by 2 642.000 gallons.

2.13 - Venereal Disease

The Associated States have requested aid in establishing survey and treatment centers for venereal diseases in the principal cities. This program has been integrated with the development of the Public Health Laboratory Program (see following), under which laboratories are being established in Hanoi and Saigon. Penicillin is provided to the hospitals, some of which is used in the treatment of veneral disease patients. Nearly 25,000 patients have received treatment with penicillin this year.

2.14 - Trachoma Control

Twenty-two teams have been established to dispense antibiotics for the control of this disease. Each team has three nurses, a clerk and a chauffeur. In addition, some of the first aid people are given training in the treatment of trachoma. About 500,000 patients are treated annually at present, and the trachoma control teams also assist in giving inoculations against smallpox and cholera.

2.15 - Maternal and Child Health

Some 50% of the infants die in the first year of life in the Associated States. To help reduce the infant mortality rate, an American doctor was obtained on a contractual basis for a period of eight months to survey the need for, and to develop, training courses for 130 midwives in North Vietnam. A suggested list of essential equipment for improving these services to the people was developed at the same time Cambodia and Laos also have received equipment, medicines and financial aid under this program. USAOM nurses have started a nurse-training course in Laos for 84 midwives there. The World Health Organization furnishes technical assistants for this program in Cambodia.

Nurses training ward in Nam Viet Hospital.

Mealtime at Nam-Viet Hospital.

2.16 - Other Contagious Diseases

Tuberculosis is prevalent throughout the Associated States, and a program of vaccination with BCG has been started under the supervision of technicians provided by the World Health Organization and the United Nations International Children Emergency Fund, using counterpart funds for equipment and operating expenses. Surveys in the control of plague and typhus have been made and two effective rat extermination projects were carried out this past year.

Examinations by a Vietnamese doctor at Kien Lien First-Aid Station near Hanoi.

Six mobile teams in Cambodia and four in Laos help control yaws with penicillin. This program provides the penicillin, vehicles and operating expenses.

2.21 - Intestinal Parasite Control

Surveys conducted in the schools of North Vietnam came out 92% positive for round-worm, 2,3% positive for hookworm, and 46% positive for whipworm. To help meet this situation, a program has been developed to provide training for laboratory technicians and health educators in North Vietnam and Laos in the identification of intestinal parasites. Village health educators are charged with instituting educational courses in the schools and with the collection of fecal samples which they submit to the laboratory technicians for examination. On the recommendation of the chief doctors, hexylresorcinol crystoids are distributed by the health educators. An integral part of this program is the pit-privy program explained previously (see Section 2.12). Some 36 laboratory technicians and health educators have been given special training in intestinal parasite control in Vietnam and Laos.

2.30 - Medical Care Facilities

To help meet the drastic shortage of medical care facilities, American Aid has assisted in the reconstruction of provincial hospitals and in providing minimum essential equipment. Medicines have also been furnished.

Crowded conditions prevailed in North Vietnam hospitals. Two to a bed was the rule rather than the exception.

Nursing demonstration at Nam Viet Hospital.

2.31 - Hospitals

One hundred and five quonset huts * have been provided, contributing approximately 1,500 beds and auxiliary services. The new "Hopital Populaire" at Saigon has 400 beds with another 200 beds planned. American Aid helped with the provision of equipment. The building was constructed with funds provided from local contributions. Considerable equipment has been provided for other hospitals and laboratories, including 36 ambulances, 46 x-ray machines, 25 minimum hospital kits, 52 refrigerators, 18 generators, 4 laundry units and many surgical instruments.

Special attention has been given to improving laboratory facilities in the Associated States. A new laboratory at Hue in Central Vietnam has been completed, using counterpart funds. Seventy-five minimum laboratory kits have been provided to provincial hospitals. Temporary laboratories for training laboratory technicians were established in Saigon and Hanoi for Vietnam and in the capitals of Cambodia and Laos. Both local and American technicians at these schools provide instruction in the use of minimum laboratory kits. About 70 laboratory technicians have been trained in this manner. A blood transfusion center was established in Cambodia and blood banks will be established soon in Vietnam. The general drug distribution program has provided penicillin, anti-malarial, terramycin, dehydrostreptomycin, aureomycin, and chloromycetin and reaches over a half-million people a year.

* This is two less than reported last year because two huts have been switched to non hospital purposes.

Pneumothorax treatment at President Thinh Hospital, Cholon, Equipment was supplied by American Aid.

Prefab hospital set up at Sontay.

American aid is equipping l'Hopital Populaire in Saigon.

2.32 - Rural Health

First aid kits containing simple drugs are distributed to village first aid stations.

To date, some 3,472 kits have been distributed, benefiting approximately 4,200,000 people per year. Quarterly refills are provided for the kits.

« President BUU-LOC awarding Medal of Vietnam to Mrs. Loretta PARSONS, American nursing consultant, for work in Nursing Demonstration Unit, Hue, April 1954 »

2.33 - School Health

A program of health education in the schools has been started in Cambodia, for which American Aid is providing equipment, supplies, and financial support. The World Health Organization furnishes the supervising technicians. At present, the courses are confined to students training to become teachers in the public school system, but it is planned to expand the program to reach the elementary schools.

Dr. Clifford H. Jope, Senior Surgeon came from the United States Public Health Service to Viet-Nam in March 1951 and was appointed Public Health Administrator for Central Viet-Nam, where he served for almost two years. A brilliant physician, he was highly estemeed by all of his American, Vietnamese and French friends and colleagues.

Dr. Jope died February 27, 1953, in Hue, only two weeks before he was scheduled for Home Leave. He is survived by a wife and three children. A Memorial Service was held in his honor in the Saigon Protestant Church on March 5, 1953.

The Governor of Central Viet-Nam, Phan-van-Giao, dedicated the Microbiological Laboratory in the Benh-Vien Trung-Nong Hospital in Hue to the Memory of Dr. Jope. A bas-relief plaque in honor of Dr. Jope was unveiled at this dedication inscribed as follows:

«To the memory of Dr. Clifford H. Jope, who gave his lifs in the devoted service of his Country and Viet-Nam on February 27, 1953, this plaque is affectionately dedicated by his American colleagues of the United States Special Technical and Economic Mission.»

On April 29, 1953, H. M. Bao-Dai, Chief of State, conferred, posthumously, the Honorary title «Chevalier in the National Order of Viet-Nam» on the late Dr. Jope.

2.40 - Social Welfare Education and Training

Equipment, visual aids, literature, and other teaching devices have been furnished through American Aid to improve the various programs aimed at the education and training of medical care and auxiliary personnel, including doctors, nurses, and technical assistants.
The efforts have been directed toward expanding the existing refresher courses.

Class in first aid at Prek Leap Agriculture School, Cambodia.

2.41 - Medical Education

The Royal School of Medicine in Cambodia is nearing completion. American Aid contributed assistance in the construction of the school and in the procurement of considerable equipment. This school will accomodate approximately 125 Cambodian and Laotian students, graduating some 20 each year. Since it is not a complete medical school, some of the students will continue training abroad.

Phnom-Penh medical School

2.42 - Nurses Training

Consisting of nursing education, in-service training, and scholarship training, this program will train 225 student nurses per year in Vietnam, of which approximately 110 will be graduated annually. A three year course for 80 student nurses has been approved in Cambodia. Seven health centers have been established giving in-service training to nurses, and this last year 74 nurses completed training. Twenty-eight others are continuing the work. In scholarship training one midwife has completed one year in the U.S., two have been accepted for a year's work in Canada, and one application is pending. Three study tours to nearby Eastern countries have been made with 24 nurses participating.

2.43 - Health Education

One hundred and one Health Education teams reach 2,000,000 people per month. The program trains health educators who work at the village level and provides them with periodic refresher courses. Forty-five special classes have been given to Buddhist Priests.

2.44 - Public Health Administration

To combat the problem of a shortage of personnel in the Ministries of Health, technical assistance is being given to this personnel, and officials at all levels are encouraged to take observation trips to the United States, or to countries adjacent to the Associated States, to

improve their knowledge of administrative procedures. One official has returned after spending a year in the United States, and another is presently in the United States taking an 18 month training course in Public Health. The Director General of Health for Vietnam, together with a Regional Director of Health, recently returned from a 60 day observation tour of public health facilities in the United States. Aid is also provided to defray the additional personnel costs necessitated by American Aid work.

Rice land as seen from the air. Rice is Indochina's most important crop. Great strides have been made in improving quality and production.

3.00 - AGRICULTURE AND NATURAL RESOURCES

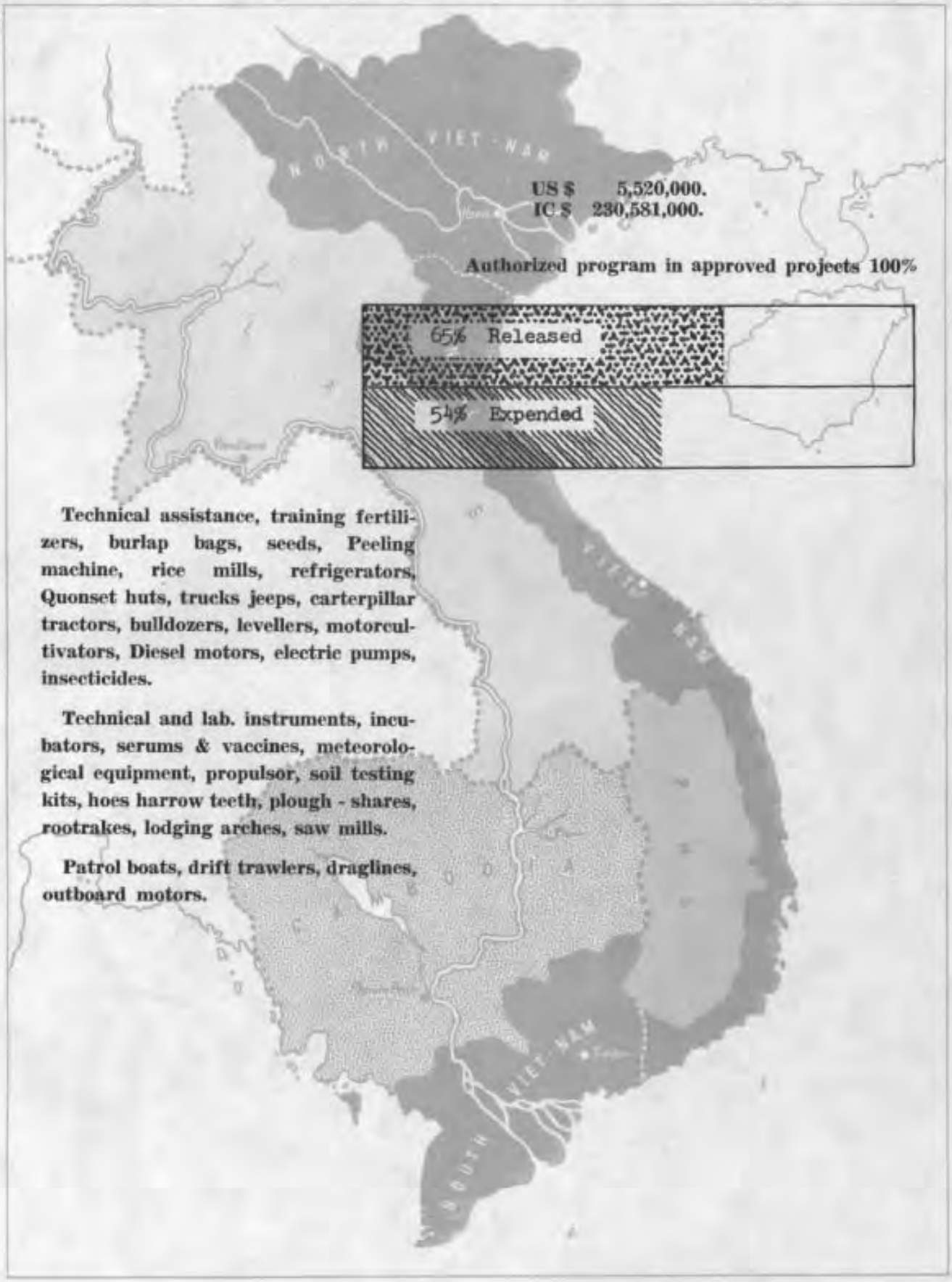
As has been pointed out previously, the economy of the three Associated States is basically agricultural with rice being grown on 85% of the land under cultivation. Production of corn, coffee, tea, pepper, copra, kapok, rubber and several other crops, as well as fish, all contributed to the prosperity of the countries before World War II. With much of the area disturbed as a result of civil war and guerrilla activity, production of all crops except rubber was greatly reduced during the years 1946 to 1950. For an idea of production levels see the Economic Review section of this report.

GENERAL PROGRAM ACTIVITY

It is essential that production be increased if the economy of the countries is to be stabilized and a basis established for the support of independent governments. It has, therefore, been the objective of the Agriculture and Natural Resources Division to assist the participating countries in increasing their production and in stabilizing their populations on the land.

At the beginning of the program, it was found necessary to meet the immediate needs of producers by providing fertilizers, seeds, hand tools, plow shares and harrows; to resettle displaced cultivators, and to give emergency assistance to fishermen and forest laborers.

3.00 AGRICULTURE AND NATURAL RESOURCES



Technical assistance, training fertilizers, burlap bags, seeds, Peeling machine, rice mills, refrigerators, Quonset huts, trucks jeeps, carterpillar tractors, bulldozers, levellers, motorcultivators, Diesel motors, electric pumps, insecticides.

Technical and lab. instruments, incubators, serums & vaccines, meteorological equipment, propulsor, soil testing kits, hoes harrow teeth, plough - shares, rootrakes, lodging arches, saw mills.

Patrol boats, drift trawlers, draglines, outboard motors.

It was also necessary to strengthen and support the governmental agencies responsible for program implementation. Assistance was provided for employing additional personnel and to permit on-the-job and in-service training of agricultural technicians. Necessary supplies and equipment required for proper functioning of the agencies was furnished.

Gradually, the program was developed to include assistance in meeting the more fundamental needs of the agricultural economy. These activities include rehabilitation of irrigation and drainage works, development of animal breeding stations, organization of cooperatives and credit institutions and development of agricultural education, training, and research facilities.

3.11 - Fertilizer Distribution

Approximately 45,400 tons of fertilizer have been purchased for distribution, mainly to rice growers. This figure includes 12,460 tons which are being delivered and distributed during the 1954 fiscal year. Approximately 600,000 families who are located principally in North and South Vietnam, where rice production is concentrated are being benefited. Ammonium sulfate fertilizer is being used on rice seedbeds. Cultivators report an increase in yield of 25 to 30 per cent from the use of this fertilizer. A National Fertilizer Commission is being organized in Vietnam which will determine fertilizer needs and handle the purchase, allocation, and distribution of fertilizer in the future.

3.12 - Crop Production

The crop production program provides for assistance to refugees and poor farmers by supplying hand tools, improved seeds, insecticides, and other agricultural supplies so that they can produce crops for their own requirements and for sale to provide a cash income. Over 197,000 small farm tools and 900 tons of improved crop seeds have been distributed. Progress is being made in establishing or rehabilitating breeding stations for rice, tropical fruits, pepper, tobacco, vegetables and silkworms. This involves the selection, testing and distribution of improved varieties and strains for increased yields and improved quality. Over 200,000 farm families are receiving direct benefits from these programs.

American Aid has helped produce a bumper corn crop in Cambodia.

3.13 - Livestock Production and Improvement

The three governments have been assisted in providing vaccines and serums for protecting cattle from contagious diseases and 250,000 cultivators are estimated to have been reached through this program. Counterpart credits have also been available for reestablishing and rehabilitating cattle, swine and poultry breeding

stations, and for the importation of purebred swine and poultry. Offspring from the stations are now being distributed to cultivators. The veterinary services have been provided with essential equipment and credits for employment of technicians in order that they may reach larger numbers of cultivators with their services.

3.14 - Irrigation and Drainage

The program for the rehabilitation of irrigation and drainage works in South Vietnam is now nearing completion. Realization of this project will provide 11,000 hectares of drained rice cropland to meet the urgent needs of Free Vietnam.

In Cambodia, the project for rehabilitating the Baray Occidental Irrigation system, utilizing a 50 million cubic meter storage reservoir built by the Khmers 10 centuries ago, is more than sixty percent complete.

Left: Sodding main irrigation canal to stabilize slopes. Barai, Cambodia. Right: Enlarging main irrigation canal to convey 459 cu.ft. per second. Dragline was furnished by USOM.

Diversion and control structures for handling the flood run off on the Siem Reap River are ready for testing. The principal canals and lateral ditches in more than half of the irrigated area are ready for use.

3.15 - Rural Organizations (Agricultural Credit & Cooperatives)

Agricultural Credit

A total of 7,371 farmers received short-term production loans totalling 7,8 million piasters under the one Mission project in this field. Those farmers planted over 18,000 hectares of rice land in six provinces in South Vietnam. As of June 30, 1954, 2,122 farmers had repaid loans amounting to 2,444,600 piasters. Insecurity conditions in most rural areas of South Vietnam prevented efficient operation of the collecting agences during the first six months of calendar 1954.

An increase of 5 million piasters over the original 5 million given to the "Office du Crédit Populaire" of Cambodia was approved by the Mission Very satisfactory results have been shown by that organization in its short-term production credit activities, and this additional fund will enable it to widen its activities in that field.

Cooperatives: Insecurity in South Vietnam also interfered with implementation and operation of the three rice mill and storage cooperatives. Rice mills, trucks, quonset storage buildings and other equipment received for these cooperatives have been stored in Saigon pending an improvement in the security situation. The construction of storage warehouses at two locations has been completed and one of the cooperatives has been able to fill these newly constructed warehouses to capacity (880 tons) with members' paddy.

At the storage location the cooperative's 400 members have stored over 700 tons of last year's rice crop in its FOA-financed warehouse. In the area where the second rice mill cooperative is located, the village notables were forced to move to the provincial center because of insecurity and threats upon their lives. Since those notables make up most of the cooperative dictatorship, it has been impossible in their absence to carry

Cambodian canal project for dividing Mekong River flood waters to adjacent croplands for soil improvement. The Mekong carries large amounts of lime from Tibet during flood stage.

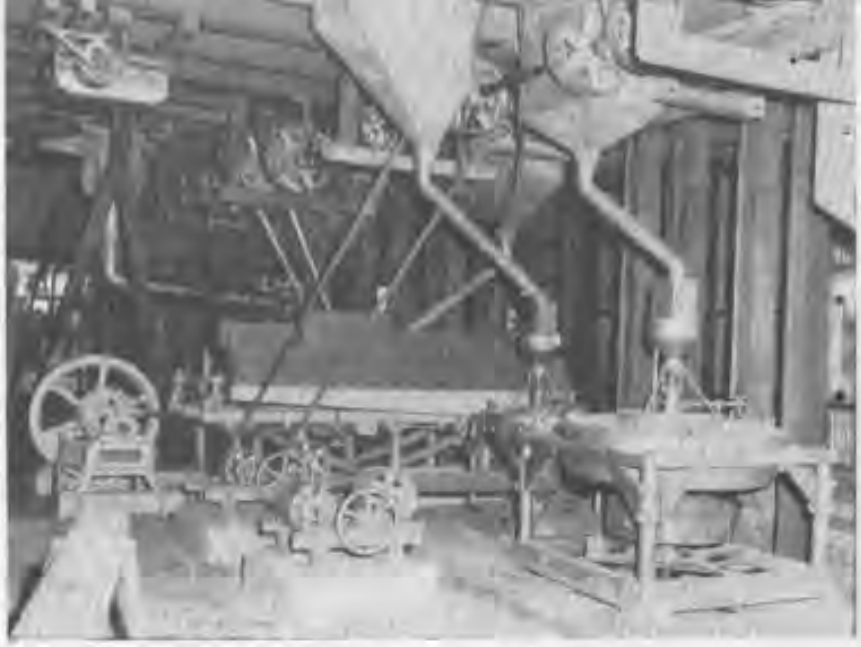
Mrs. Orville Hosner, wife of irrigation specialist at USOM cutting tape at opening of irrigation canal and bridge at Svay Chrum. Chief of Mission Gen. Mc Reynolds watches.

on the routine business of the association in the rural areas.

Some 600 members of the Mission-financed tobacco farmers cooperative produced 210 tons of leaf tobacco which was processed, fermented, classed and stored in the cooperative warehouses. These 210 tons are worth over 4 million piasters at present Saigon prices and the cooperative management is proceeding with sale arrangements with the Indochina tobacco syndicate.

In Cambodia the first of two cooperative rice mills furnished by American Aid began operating in early February 1954 and has been in continious operation since that time. The management of this newly formed FOA-financed cooperative has been successful in fulfilling a large portion of a recent government request for a large rice export order. At the second rice mill cooperative financed for Cambodia all storage and mill buildings are completed. The mill machinery and power unit are erected and milling operations are expected to begin by the end of September.

Farmer receiving loan through American Aid.



Rice Cooperative roll.

3.16 - Agrarian Reform and Resettlement

An increase of 8 million piasters to the original agrarian and resettlement project for South Vietnam was approved by the Mission in December 1953. Up to March 1954 a total of 8,700 farm families had been resettled on 21,200 hectares of abandoned rice lands. However, deteriorating security conditions over most of the area resettled forced suspension of those activities during the spring of this year.

Mechanical equipment ordered for the pilot cultivator center in South Vietnam arrived in Saigon but has not as yet been delivered to the resettlement area pending improvement in security conditions.

3.18 - Agricultural Education & Training

The Governments have been assisted in organizing training courses for agricultural, veterinary and fishery technicians, and for in-service training of technical personnel. Assistance has also been given to the two agricultural schools in Cambodia to improve their facilities. Preliminary plans have been made for the organization of an agricultural school in Vietnam and credits have been made available for this purpose. During FY 1954, groups of technicians visited the Philippines and Thailand for observation and study. Two agricultural technicians were sent to the United States during the past year.

3.20 - Forestry

Previously approved projects providing funds and equipment for forestry exploitation were continued, but additional emphasis was placed on more complete surveys of the forestry production problems with the result that two new projects were developed and implemented covering material and credit assistance to forestry "exploitants". This took the form of tractors and logging equipment to step up log production for sawing, and trucks for the transport of logs and wood for charcoal production. Credit assistance was extended to enable small and inadequately financed forestry "industrialists" to expand and modernize their milling

equipment and provide additional capital resources for log purchase. Substantial improvement is be noted in the modernization and expansion of mechanical sawmilling industries. The heavy demand for lumber for military and rehabilitation purposes served to stimulate the development and expansion of the sawmill industry. Initial steps were taken to develop a program of assistance in bamboo production and marketing.

3.30 - Fisheries

The four patrol boats which were allocated to Cambodia during the past two years are used for enforcing the regulations concerning the taking of fish from the Grand Lac (Tonle Sap), for collecting taxes, and, during the open season, for protecting the fishing fleet from pirates and guerrillas. The patrol boats allocated to Vietnam, by operating on a regular schedule with the fishing fleet, have opened up large new areas for fishing along the Central Vietnam coast which were formerly insecure.

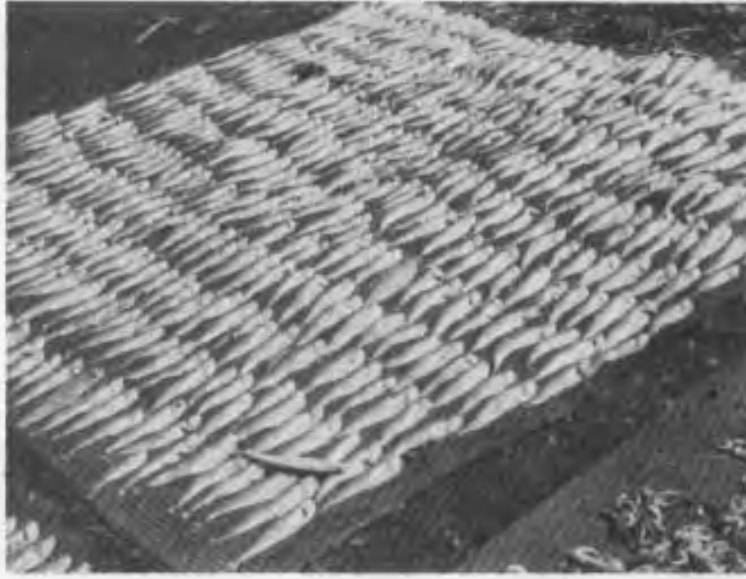
Four of the six drift trawlers allocated to Vietnam have been sold to private fishermen for offshore fishing and are being operated successfully. Negotiations are also under way for the sale of the two remaining trawlers to private operators.

A Japanese training crew, consisting of a supervisor, two captains and two engineers, all under contract, are operating two purse seine boats off the south coast of Vietnam. Twenty-eight Vietnamese fishermen are participating in this training and exploratory activity. In addition to the boats and gear, twenty government technicians and officials have been given an observation course in methods of commercial fishing. Considerable information is also being obtained from the exploration of the fishing grounds by the combined crews working with purse seine gear. While primarily a training and exploratory project, considerable quantities of fish, mostly tuna, have been caught for the local market.

Fifty thousand small tilapia have been produced from the 400 breeders brought from Thailand six months ago. About 15,000 fingerlings have been distributed to local pond owners and cultivators in Cambodia and about 30,000 in Vietnam. Small provincial breeding ponds to be supplied by the Central stations are being planned to facilitate distribution. Initial delivery of breeding stock to isolated points will be made by air.

Road construction at Siem Reap, Cambodia.

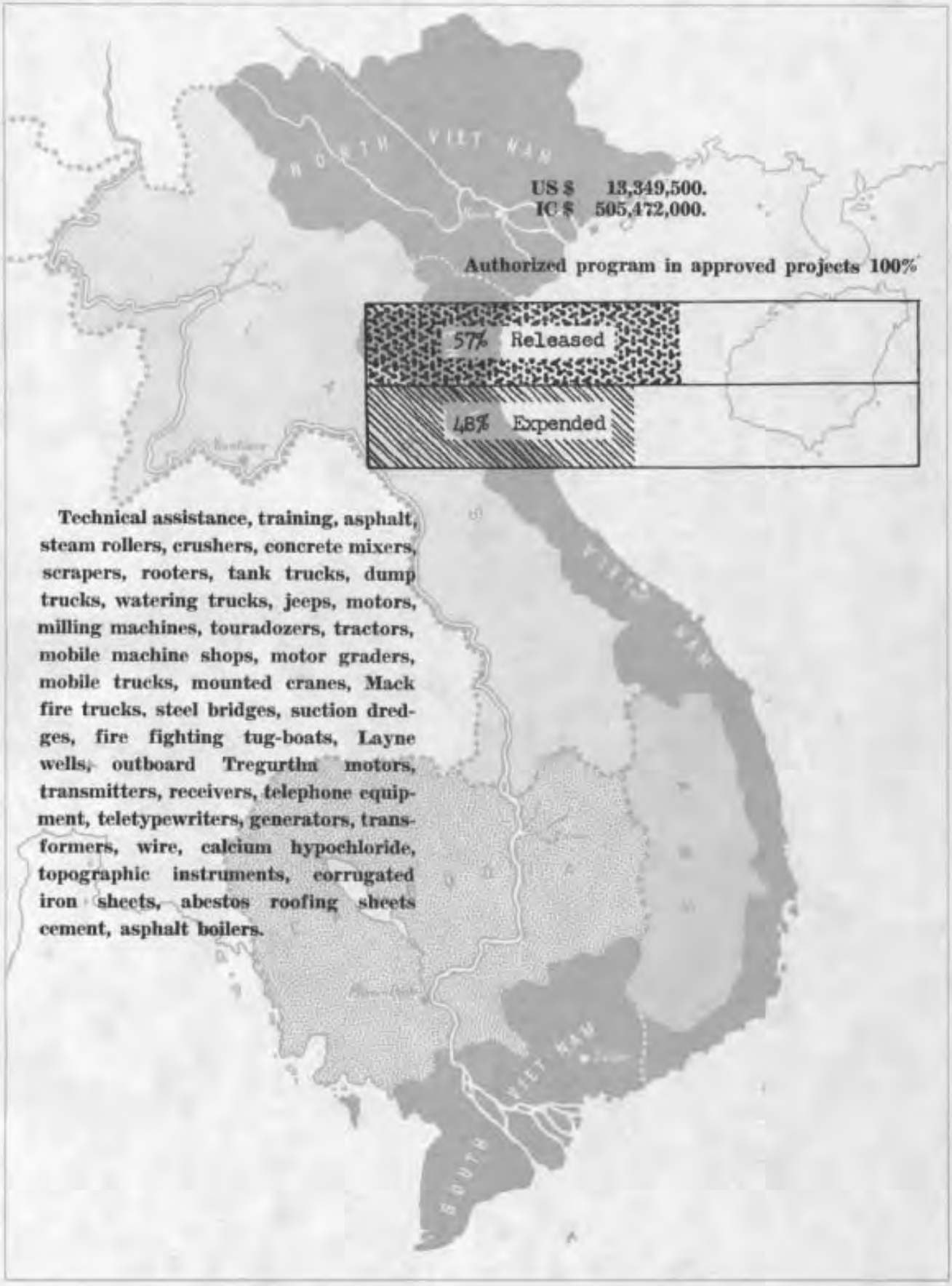
Prek Leap Agriculture School, Cambodia.



Tilapia by the thousands

TILAPIA POND AT THU-DUC FROM START TO FINISH

4.00 TRANSPORTATION - COMMUNICATION - POWER



Technical assistance, training, asphalt, steam rollers, crushers, concrete mixers, scrapers, rooters, tank trucks, dump trucks, watering trucks, jeeps, motors, milling machines, touradozers, tractors, mobile machine shops, motor graders, mobile trucks, mounted cranes, Mack fire trucks, steel bridges, suction dredges, fire fighting tug-boats, Layne wells, outboard Tregurtha motors, transmitters, receivers, telephone equipment, teletypewriters, generators, transformers, wire, calcium hypochloride, topographic instruments, corrugated iron sheets, abestos roofing sheets cement, asphalt boilers.

TRANSPORTATION, COMMUNICATIONS, POWER, INDUSTRY AND MINING

4.00 - TRANSPORTATION, COMMUNICATIONS AND POWER (PUBLIC WORKS)

All phases of public works in the Associated States were affected by the existence of a state of war. Operational military construction in the field of public works is normally planned and budgeted by the Armed Forces. The role of American assistance, therefore, is directed toward two major programs:

1.- Furnishing aid for the construction and rehabilitation of roads, airfields, communication facilities, bridges, railways, power and waterways in non-combat areas to allow expansion of social action efforts, to improve physical security and to permit the re-establishment of normal economic life.

2.- Contribution to the effort of the governments toward improvement of vital but underdeveloped phases of public works which serve both the civilian and military sectors. Such efforts include assistance in improving certain airfields, highways, ports, waterways, power plants, railways and communications installations in all three countries.

Provision is made for reconstruction or maintenance of the main highways, such as the Hanoi-Haiphong road, the North-South artery in Central Vietnam and the Saigon-Vientiane highway. Highway reopening and rehabilitation is to follow into liberated areas, as a means of improving security. In ports and waterways, highest priority work is being undertaken at the Saigon, Haiphong and smaller ports. In conjunction with the dredges which are expected to arrive soon, the improvement of inland

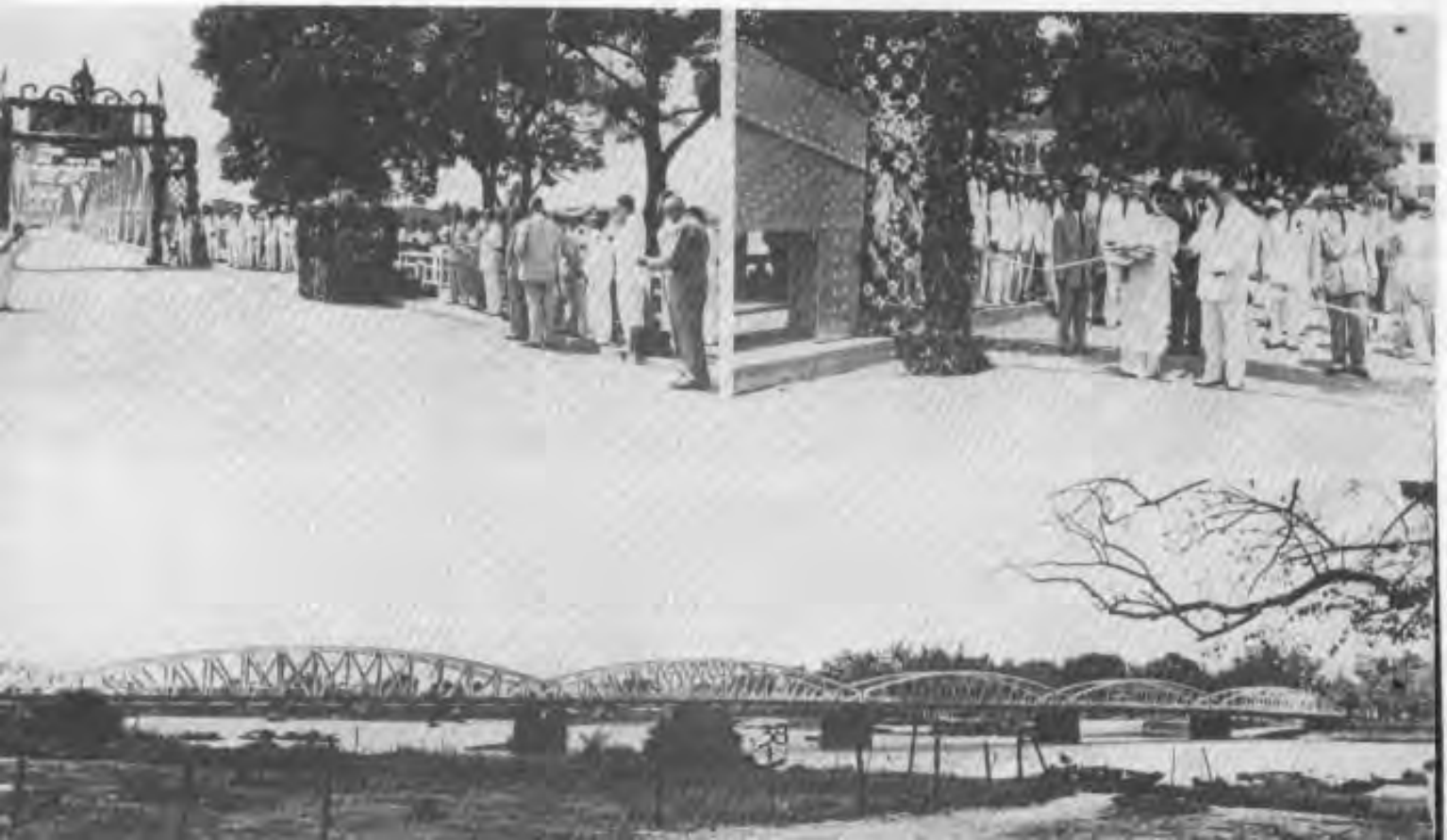
waterways is to be undertaken in South Vietnam and Cambodia, together with the construction of cargo-handling facilities. In some sections of South Vietnam and Cambodia, inland waterways are the principal means of transportation.

In Laos, considerable assistance will be provided for improvement of highway and waterway transportation, power and telecommunications. This plan has been under consideration for some time, in conjunction with a five-year plan developed and recently revised by the Laotian government. Transportation and telecommunications are principal needs of Laos in order to develop the economy.

4.11 - Highway Bridges

More than eight large and 22 smaller structures are underway or completed. Included in this number are two pre-stressed concrete bridges at Prek Te in Cambodia, and Khanh-Hoi in Vietnam. This is the first time that this type of bridge has been used in Indochina.

The newly reconstructed 6 span 400 meter NGUYEN-HOANG bridge, Hue Central Vietnam was dedicated April 13th, 1954. Three new metal spans were added and the whole structure re-enforced to withstand heavy military traffic.



Luang Prabang, Laos. Left : High water floods the bridge. Right : Newly completed span.

4.13 - Highway Improvement and Maintenance

Before the war, Indochina had an excellent system of some 20,000 kilometers of hard-surfaced roads, 5,500 of which were asphalted. Today the picture is quite different as a result of long years of warfare. While efforts have been made to keep roads in repair particularly for military needs, little permanent improvement has been effected because security conditions were unstable.

Asphalt, some 130,000 tons to date, locally purchased material such as crushed rock, and heavy equipment have been provided to help the military and civilian public works engineers maintain a road communication system.

There are more than 3,500 kilometers of paved roads in the controlled areas of the Associated States at the present time. Despite constant sabotage, projects are in continuous operation for the repair of more than 2,000 kilometers of vital highways.

The four metal span 219 meter Lâm-Hà bridge, from Hai-Phong to Kiên-An was recently completely re-built as a joint Franco Vietnamese and American project. Concrete approaches and railway tracks were added.

4.20 - Railroads

Railways

At the present time there are less than 1,412 kilometers of railroad line in operation in the Associated States compared with 2,908 kilometers before the war. Railway operations were conducted under armed guard during the past year because of guerrilla activities. Constant sabotage by communists intent upon destroying this valuable transportation facility practically stopped railroad traffic outside of urban areas. As yet no aid has been given to railways.

4.30 - Telecommunications

Telegraph, telephone and VHF radio equipment, mostly wireless, has been received and installed to provide 24-hour service in some vital cities. VHF equipment has been requested to replace that lost in Phontieu, Thakek, Saravane and Attopeu when Communist rebels invaded Laos.

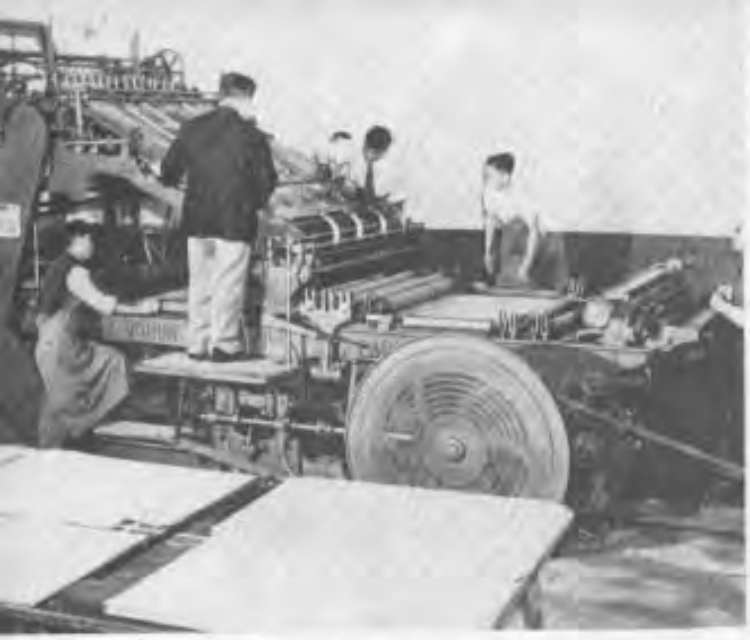
4.40 - Port Facilities and Inland Waterways

4.41 - Harbor Improvement

Improvements have been made at the ports of Haiphong, Tourane, Nhatrang, Saigon and Vientiane. They consist, in general, of wharf extension, additional storage space, strengthened sea walls, channel dredging and channel marking. Seven dredges are under procurement for use in the ports and waterways of Cambodia and Vietnam.

Left to right: Road under repair, North Vietnam; sample of Laotian road; Mechanized road building in Laos.

Friscal year 1954 saw increased war destruction by the Vietminh Bridges and trains were blown up and villages wantonly destroyed. More and more aid had to be given the homeless and sick.



Cadastral survey

Telecommunications in Vientiane.

4.42 - Inland Waterways

Diesel propulsion ferry boats, tugs and fire boats and locally built native pirogues and cargo barges have been furnished to meet the difficult transportation problems of the Associated States.

There existed a very efficient system of inland waterways in pre-war days, but now they are badly in need of dredging, and upon arrival of new dredges a restoration program will be implemented.

4.43 - Cargo Handling and Storage

Technical assistance and some mechanical cargo handling equipment have been provided for installation at the ports. Several prefab storage huts were set up for additional storage space.

Improved wharf at Tourane with extra storage area adjacent.

Port improvement at Vientiane.

4.50 - Power

More than 90 sets of motor generators with ratings from 16 to 225 KVA have been received and installed in priority locations throughout the Associated States.

Two large electrical centers are being rehabilitated in Laos, one is a charcoal gas turbine plant and the other a gas and diesel driven plant. These new facilities have more than doubled the existing power supply in these two centers.

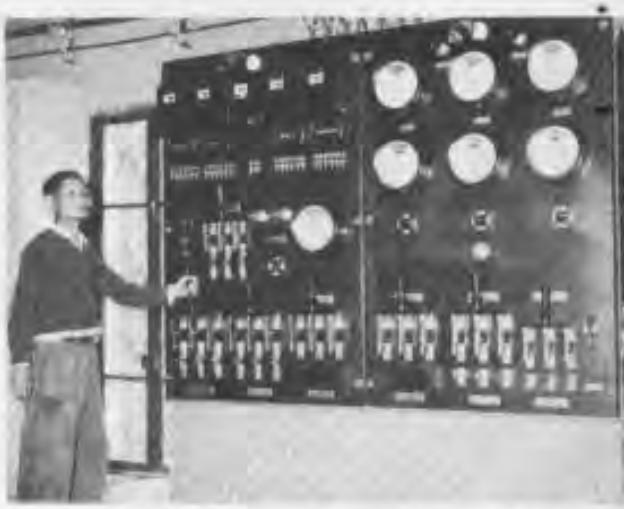
Ferry boat at Vinh Long.

Luang Prabang, Laos. Arrival of a 100 KVA generator for installation in city municipal lighting plant.

4.70 - Other Public Works

The Governments are considering enlarged programs for refugee housing and other public works allied to community development. Studies are now being made of an inexpensive rammed-earth block in which little or no cement binder is required. Two American technical assistants visited Formosa to observe new methods and uses for the low-cost blocks.

Savannakhet, Laos.
Two diesel generator units capacities of 16 and 30 kw operating respectively at 3 phase 220/380 volts AC complete with switchboard.



4.72 - Other Urban Services

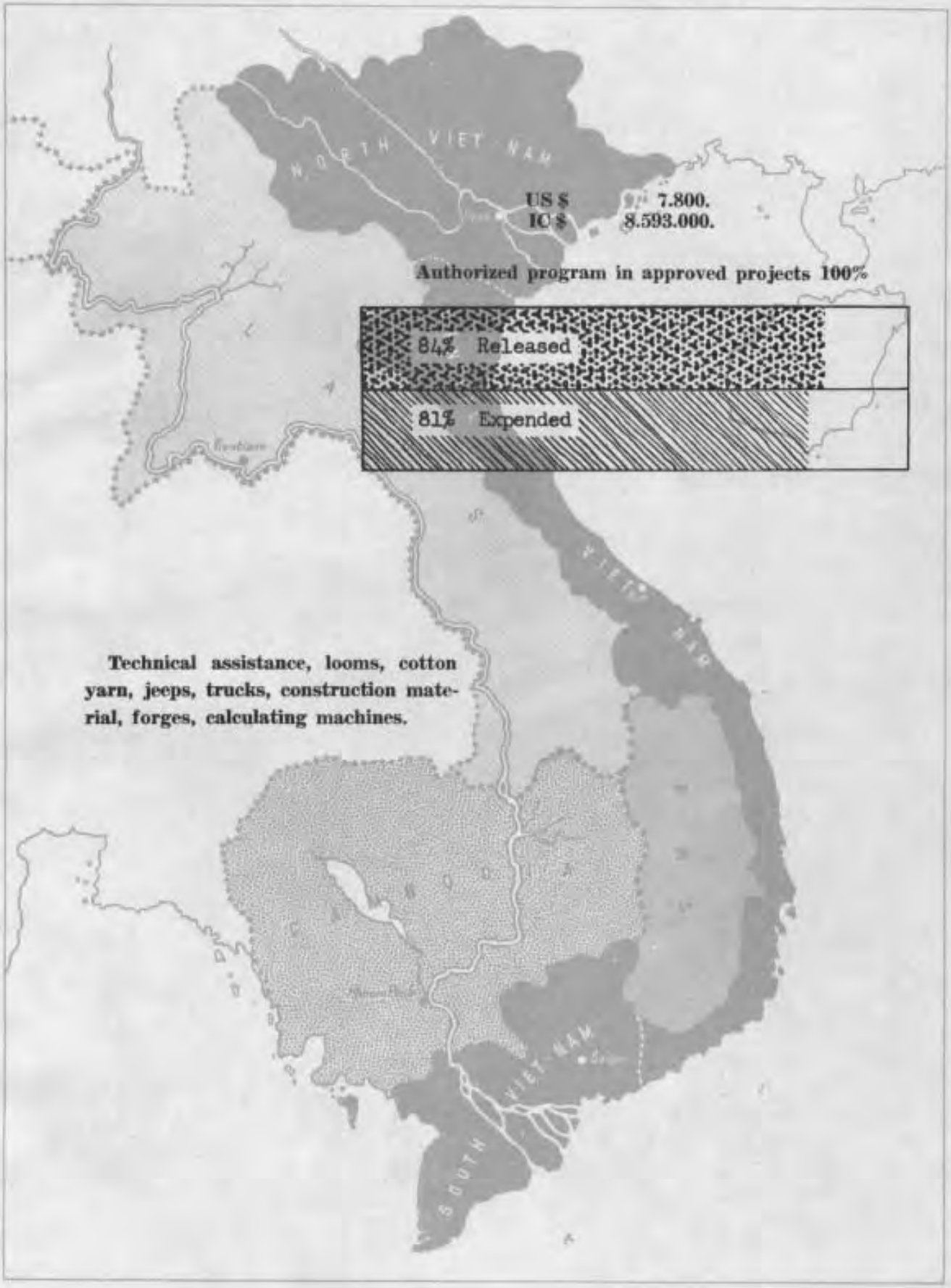
Fire and general service trucks, diesel and electric pumps, jeeps and printing equipment have been procured and distributed to the Associated States Public Works services.

4.90 - Air Transport

Airfield extension and drainage projects have helped military and civil traffic in Laos and Vietnam. The outlook is toward an enlarged program for runway construction and drainage and other facilities in FY 1955.

Recent Communist attacks on civil airfield facilities have prompted requests for replacements under the commercial import program.

5.00 INDUSTRY AND MINING



Technical assistance, looms, cotton yarn, jeeps, trucks, construction material, forges, calculating machines.

5.00 - Industry and Mining

The handicraft center at Hadong, North Vietnam, was operating at capacity as fiscal '54 ended. Hundreds of artisans were finding gainful employment there and apprentices were being trained in new skills. The success of this center had led to many demands for further assistance in this field.

A substantial development of small industries was limited by the war conditions which obtained generally throughout the Associated States. Furthermore, local capital finds returns from investment in commercial and residential construction more attractive. Until the situation becomes stabilized there will be considerable difficulty in encouraging small industry. Imagination and forcefulness, together perhaps with government sponsorship of long-term, low-cost loans and other forms of guaranties will be needed to develop this phase of economic life.

The Armed Forces of the Associated States have expressed interest in small defense-support industries but present indications point to state ownership rather than private ownership of these undertakings. The whole field of development of small industry will require increasingly serious study as conditions of security and stability improve.

Improved airstrip at Haiphong.

Improvements have started on airfield at Luang Prabang.

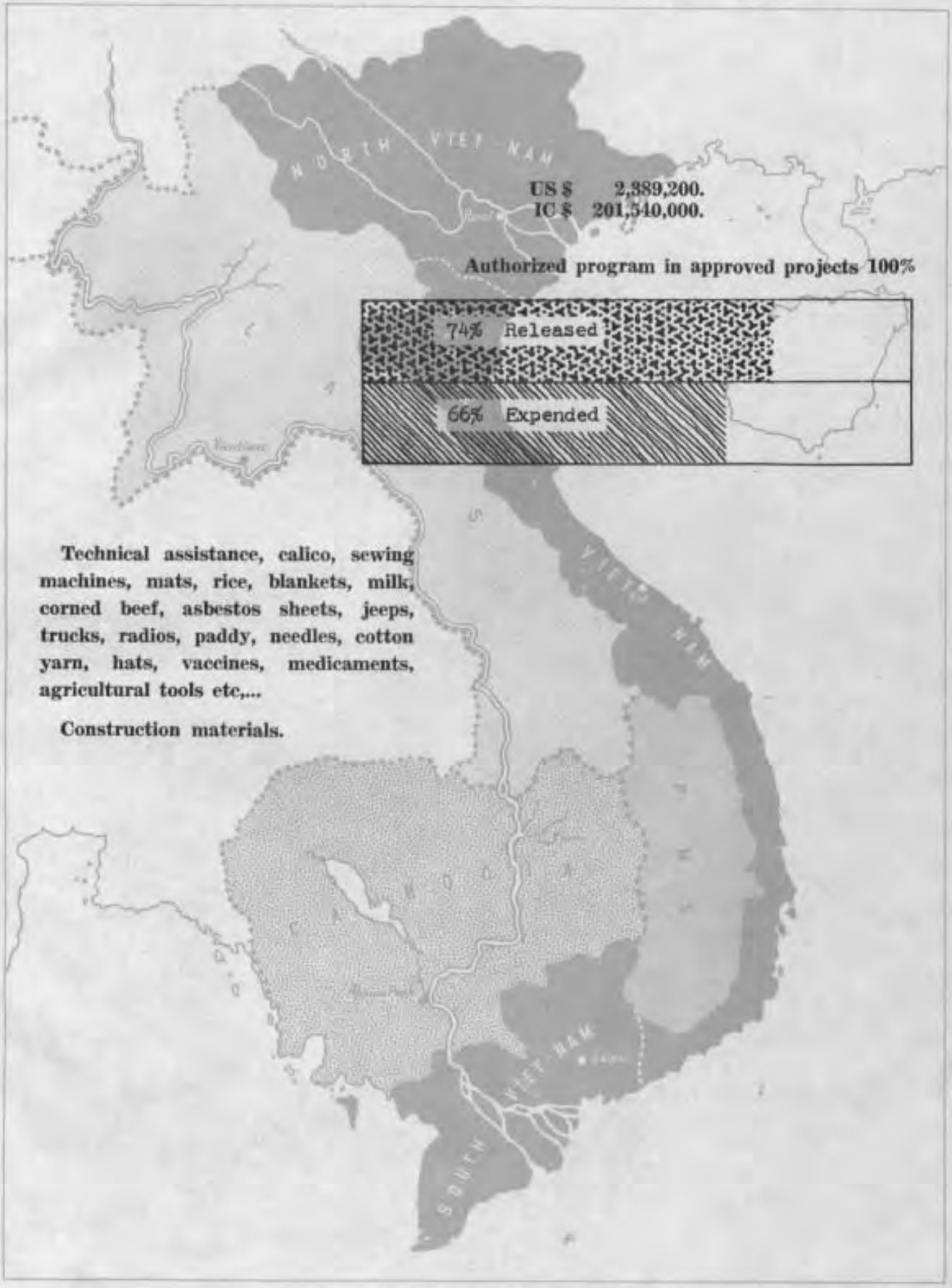
6.00 - GENERAL AND COMMUNITY DEVELOPMENT

The main purpose of the Community Development Program is to reintegrate men and women, displaced by the war, into a life of productive effort and to permit a growth of civic responsibility through community cooperation. Every effort is being made to have these programs embrace the basic social services in health, education, agriculture, and other fields essential to community life.

To-date there have been 42 projects approved in General and Community Development for a total of US$ 1,430,034.44 and 156,515,105.39 piasters, divided up as follows :

	REGIONAL PROJECTS		
Central Vietnam	US$ 198,736.25	5,575,340.00	piasters
South Vietnam	145,046.03	222,884.68	"
North Vietnam	535,592.16	17,341,598.71	"
	NATIONAL PROJECTS		
Vietnam	479,147.00	123,508,257.00	"
Cambodia	.....	5,900,000.00	"
Laos	71,513.00	3,967,025.00	"

6.00 GENERAL AND COMMUNITY DEVELOPMENT



Technical assistance, calico, sewing machines, mats, rice, blankets, milk, corned beef, asbestos sheets, jeeps, trucks, radios, paddy, needles, cotton yarn, hats, vaccines, medicaments, agricultural tools etc,...

Construction materials.

Old woman refugee. They came by the thousands, old and young alike, fleeing from the terror of he Reds.

All but four of these have been completed.

About 2,500,000 disaster victims have been reached through the Community Development Programs to date.

6.20 - Low-Cost Housing

This experimental program has been carried on in Vietnam only , where 1998 living units for low income people have been furnished in Saigon and 700 units divided between the centers of BACNINH, HANOI, HAIPHONG, and HADONG. There were no Low Cost Housing Projects during FY '54.

A total of 49 villages consisting of from 100 to 500 paillotes each and sheltering from 500 to 2000 people, have been constructed under the Relief and Rehabilitation and General Community Development Projects to date. Fifteen of these were completed in FY '54.

In addition to the above, some housing has been furnished under a project in the Agricultural chapter for the resettlement of refugee farmers on abandoned land.

6.30 - Relief and Rehabilitation

Designed to provide emergency relief to refugees, this program has furnished rice, cloth, milk, etc,... distributed by special teams.

These Relief & Rehabilitation Teams (formerly called shock teams)

Tuy-Hoa village in Central Vietnam after destruction by the Minhs.

go to villages in areas which have been subjected to Viet Minh attacks. After the refugees and displaced persons have been screened and cleared by the military, the teams issue "ration" cards. Refugees and displaced persons then receive cholera inoculations and trachoma and smallpox preventives, after which, according to need, they receive rice, blankets, sleeping mats, clothing etc. Team members also screen these people for skills in order to return them to useful endeavor and make them self-supporting. In many cases, newly liberated villages, and villages which have been destroyed by military action, are subject to being re-attacked by the Viet Minh or by the Franco-Vietnamese forces. This insecurity, plus the loss of territory by the Franco-Vietnamese forces in recent months, makes the work of the teams very difficult.

Approximately 36,000 sheets of fibro-cement corrugated roofing were received; 12,342 of which were trans-shipped immediately to NVN for use in resettling families displaced because of their proximity to military and air bases.

These Vietnamese are busy in a prefab paillot factory. This work greatly expedited the task of rehabilitation.

Because of the unavailability of thatch roofing, and the urgent need for material to provide shelter, it was decided to purchase 50,000 sheets of fire resistant pressed paper roofing on the local market.

It was also agreed to purchase 250,000 meters of cotton calico cloth and 50,000 straw mats from the local economy.

A REFUGEE VILLAGE IN NORTH VIETNAM

Khoai Lac, just about twenty miles northeast of Haiphong in Quang-Yen Province, North Vietnam, is a new village which came into being through the physical and economic support of the Vietnamese Government and the American Economic Aid Mission under its Relief and Rehabilitation Program.

Over a hundred families who had to flee from the homes of their ancestors because of the Communist-led Viet Minh, are now living in a well planned village in well spaced houses which they built themselves and now own.

In March 1952, the American Economic Aid Mission signed a project making available the sum of 500,000 piasters (about the cost of a first-class house in America) to buy the materials to construct Khoai Lac, and supplied two sanitary wells with pumps, and adequate pit privies. The French and Vietnamese army evacuated the beleaguered families to their new homes. Khoai Lac is one of nine villages which will be built in North Vietnam where the need for security is greatest. In all, twenty million piasters are available within a National Vietnamese Government program for projects such as Khoai Lac.

With the plans for the village, the houses, a school and a dispensary supplied by the Department of Public Works, the villagers built their own houses under the supervision of social workers.

In such villages, refugees and displaced persons throughout Vietnam will be protected from the enemy, and their whole standard of living and health will be raised considerably.

Local militia protecting refugees during distribution of cloth.

Emergency relief supplies being unloaded for refugees.

Vice President Nixon distributes relief goods to refugees while Ambassador Heath looks on approvingly.

This is Assembly in a Vietnamese School. Since most schools have no auditorium general meetings are held in the yard.

7.00 - EDUCATION

The perpetuation and improvement of its cultural heritage is a major responsibility of any society. For nations and states in transition, the problems of education become increasingly complex. The perpetuation of their pasts, glorious as they may be, is not enough.

In this modern day diverse peoples are thrown more and more into competition, conflict and necessary adjustment. Thus, it is plain that any nation not vigorously training its populace to perform tasks of citizenship and economic development, becomes a fertile field for the enemies of freedom.

The kind of education, its efficacy in piloting peoples toward higher levels of living, or the manner in which the required new knowledge of skills and citizenship is used, may finally determine whether

Cambodian Educators' on Study Tour of educational programs in Thailand, Malaya and the Philippines are interviewed at Tan-Son-Nhut Airport, Saigon enroute Singapore to Manila by D. C. Lavergne, Chief of Education Division STEM.

Left to Right: Chhuk Meng Mao, Nop Chhom, Yim Dith, Ho Tong Ho, Provincial Inspectors of Education, Mr. Chef Chhem, Chief Inspector of Primary Education, Mr. Lavergne, Prince Sisowath Essaro, Under-Secretary of State for Basic Education, and Mr. Phlek Phoeun, Asst. Director of Plan. Since the date of the tour Prince Essaro has been named Minister of Education and Information, and Mr. Phlek Phoeun is now President of the American Aid Committee and National Director of Plan.

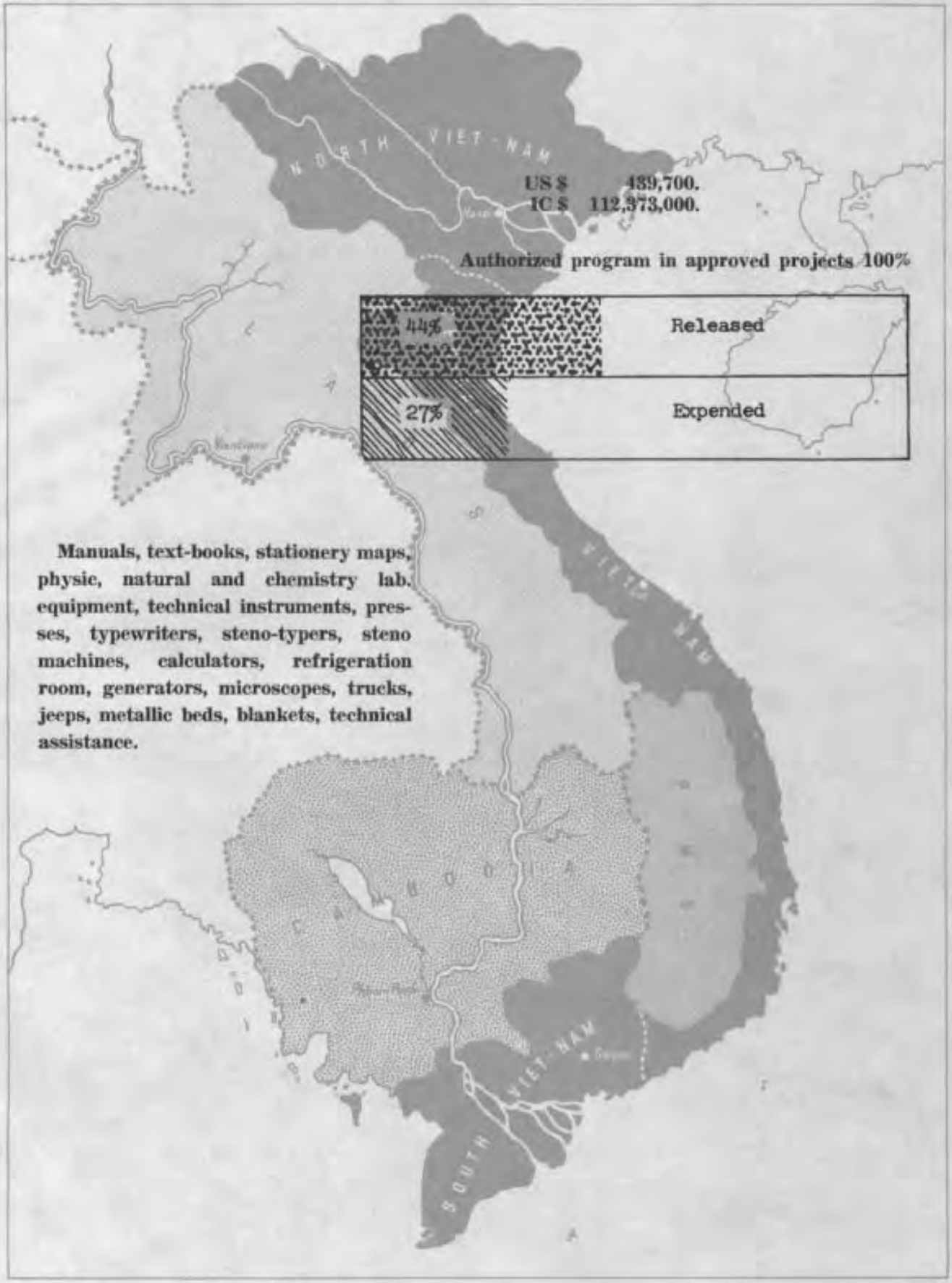
free men can survive. The Associated States and their problems of education have to be viewed in this framework. In the Associated States, one of the greatest needs is for trained and educated men and women to help develop a population able to govern themselves.

The Education Programs consist of :

(1) vocational education,
(2) professional education,
(3) technical education,
(4) adult education,
(5) community schools, and
(6) school construction (repair and reconstruction of war damaged or destroyed schools).

These projects, primarily investments in the capacities of people, the underdeveloped human resources, give priority to that type of education necessary for increased productivity and political cohesion.

7.00 EDUCATION



Educational publications printed by American Aid.

Recitation time in a Laotian primary school. STEM has provided chart in the background.

Physical education is stressed in all schools in the Associated States.

Homemaking education is being promoted in the school of Laos. Here a group of girls using STEM provided sewing machines.

Students in the School for the Blind in Hanoi weave wire baskets. This school aims at making the blind self-supporting as well as providing acedemic training by the Braille system through STEM provided equipment.

7.20 - Professional Education

These projects are focused on training in specialities. For example, the development of the National Normal School in Vietnam, the Public Works and Maritime School, Radio Electricity School and assistance to the Cambodian government's accelerated training for placement of 1,200 elementary school teachers, are projects sponsored under the category of professional education. Thus there has been an increase in the training of teachers and specialists needed to maintain services required of governments in these specialities.

Art student in class at the National School of Applied Arts, Hanoi. STEM has provided some instructional equipment for this school which makes a vital contribution to the activation of national culture and provides training for arts and cottage industries.

Students at the Hai-Phong Industry School studying an automobile ignition system. Technical education is a field receiving considerable attention because of its possible contribution in industrialization of many enterprises in the Associated States. STEM is providing instructional equipment and technical assistance in the expansion of the program.

7.30 - Technical Education

The economy of the Associated States is basically agricultural, yet they were fighting a mechanized war and accordingly had to acquire hurriedly the machinery and advanced technology of the industrialized world. The role of assistance to the Hanoi Technical Industrial School, the Haiphong Industrial School, the Apprenticeship Center and College Technique at Saigon, shop schools in the PMS region is obvious. Not only have these established schools been better equipped and expanded but it is particularly noteworthy that additional training facilities -- two in Laos and one in Central Vietnam are being developed. The College Technique at Phnompenh in Cambodia is also in process of being reorganized.

7.40 - Adult Education

A national center for the training of basic education leaders is developing in Cambodia. A rural village program around Phnom Penh has already begun. In Vietnam, projects in popular education have increased by one million the number of persons able to do simple reading, writing, calculation while acquiring practical notions of health, citizenship, agriculture. Currently in spite of insecurity and the requirements of the war situation, 3,375 classes enrolling 90,000 to 100,000 people are operating : 2,457 classes in North Vietnam; 358 in Central Vietnam and 560 classes in South Vietnam. Not included in the above is the program of the Popular Franco-Vietnamese University, an adult education effort providing night classes for the upgrading of 1,600 lower-level government and business workers at Saigon.

The project for opening 105 rural education centers in Laos is nearing realization, with 30 basic educators already having been trained and placed in outlying laotian rural villages. Seventy-five additional persons are following a course in general principles of community teaching, including a one-month period in a hospital where they learn first aid, health education and related subjects, followed by training in youth acti-

Vietnamese participants in the Industrial Management study project to further productivity and an understanding of the human engineering methods in U.S. call upon the Director of Mission prior to departure. Left to Right: Mr. Pham van Hai, Administrator of the Bank of Issue and Member Board of Directors of Air Vietnam, General Wilbur R. McReynolds, Director of Mission, Mr. Tran van Thi, General Manager of VIFAT S.A. (Imports-Exports) and Mr. Pham Ta, Ministry of Finance and Plan.

American Aid equipment at the Haiphong Industrial School.

vities and organization. These leaders are being established in areas lacking educational facilities or social services. It is intended that they, working with the people under the concept of rural education centers which the villagers are to construct, will be the forerunners of elementary education, health services and extension services to the rural population.

7.50 - Community Schools

Projects in this category are focused upon assisting the educational system to become a vehicle for improvement of community life. Laboratory equipment in physics, chemistry and natural sciences for secondary schools, projects for vitalizing education through the use of visual aids, along with major projects in Laos and Cambodia putting thousands of books in the hands of elementary school children, have helped toward the realization of this aim. Moreover, projects for the development of three pilot community schools are now being implemented in Vietnam. They seek to demonstrate the possibility of community living through school programs which put education to work on problems of food, clothing and shelter.

7.60 - School Construction

As a recognition of the importance of satisfying the increasing clamor for educational opportunities by the masses, and as a means for the governments to gain and maintain popular support, a project for the reconstruction and replacement of war destroyed and damaged schools was recently undertaken in connection with and in support of the national government's effort at pacification. The project encourages villagers to contribute in labor, or in kind, to the reconstruction of their schools.

Of 772 existing schools, in North Vietnam 83 were destroyed and

Learning to write is a difficult matter when you are only six. It is even more difficult when it must be done with pen and ink as in all schools in the Associated States.

Story telling to create an interest in the lesson is an approved method always. The instructional materials on the desks are STEM provided.

Primary school at Dong Quan.

30 badly damaged. Over 330,000 children are out of school.

There have been allotted to the North, 16,500,000 Indochinese piasters, for the repair of three schools and the reconstruction of 50 others of five classes each. Existing schools already have their staffs and furniture.

Ten million Indochinese piasters have been allotted for reconstruction of school buildings scattered in various provinces of Central Viet-Nam. The Central Vietnam regional budget participation is of about 400,000 Indochinese piasters for furniture and about 5,000,000 Indochinese piasters for school staffs. Labor will be provided by the provinces concerned.

To replace a minimum of 36 village schools out of a total of 689 destroyed schools in South Vietnam. Schools will be built in villages where there is security and where the school age population is sufficient. The villages will provide the labor and will pay for school furniture and teachers' salaries.

National Normal School of Vietnam, Saigon. This school is nearing completion and will be able to graduate 600 teachers a year.

Mobile units gave the people in out-lying districts a chance to see the news and documentaries.

8.00 - PUBLIC ADMINISTRATION

Ninety-five projects, totalling 126,716,000 $IC, have been approved under this field, 19 projects totalling 32,025,000 $IC for Program Support and 76 projects, totalling 94,731,000 $IC for Public Administration other than Program Support.

a) PROGRAM SUPPORT

During the past year, considerable reorganization took place in the Program Support Division. The old Education and Information Division was broken up with Education being separated and the new Program Support Division divided up into three sections, Public Administration, Public Relations, and an Audio-Visual Section. In addition to the above, the film unit section was merged with that of USIS, in keeping with FOA directives.

For the period under review attention was concentrated on the program support needs of the USOM divisions, although considerable work was also done in assisting the Associated States in expanding their own information services.

Because of the continuing need for trained technicians to operate and maintain equipment supplied through USOM, seven technical assistants were sent to the United States and France to study the use of film production equipment, radio equipment, printing equipment, etc. Furthermore, an 18-day study tour covering Bangkok, Singapore, Kuala Lumpur, and Manila was conducted for nine information specialists.

More than fifty briefings and press conferences were conducted during the year.

Numerous publications printed for Public Welfare.

Mobile Units

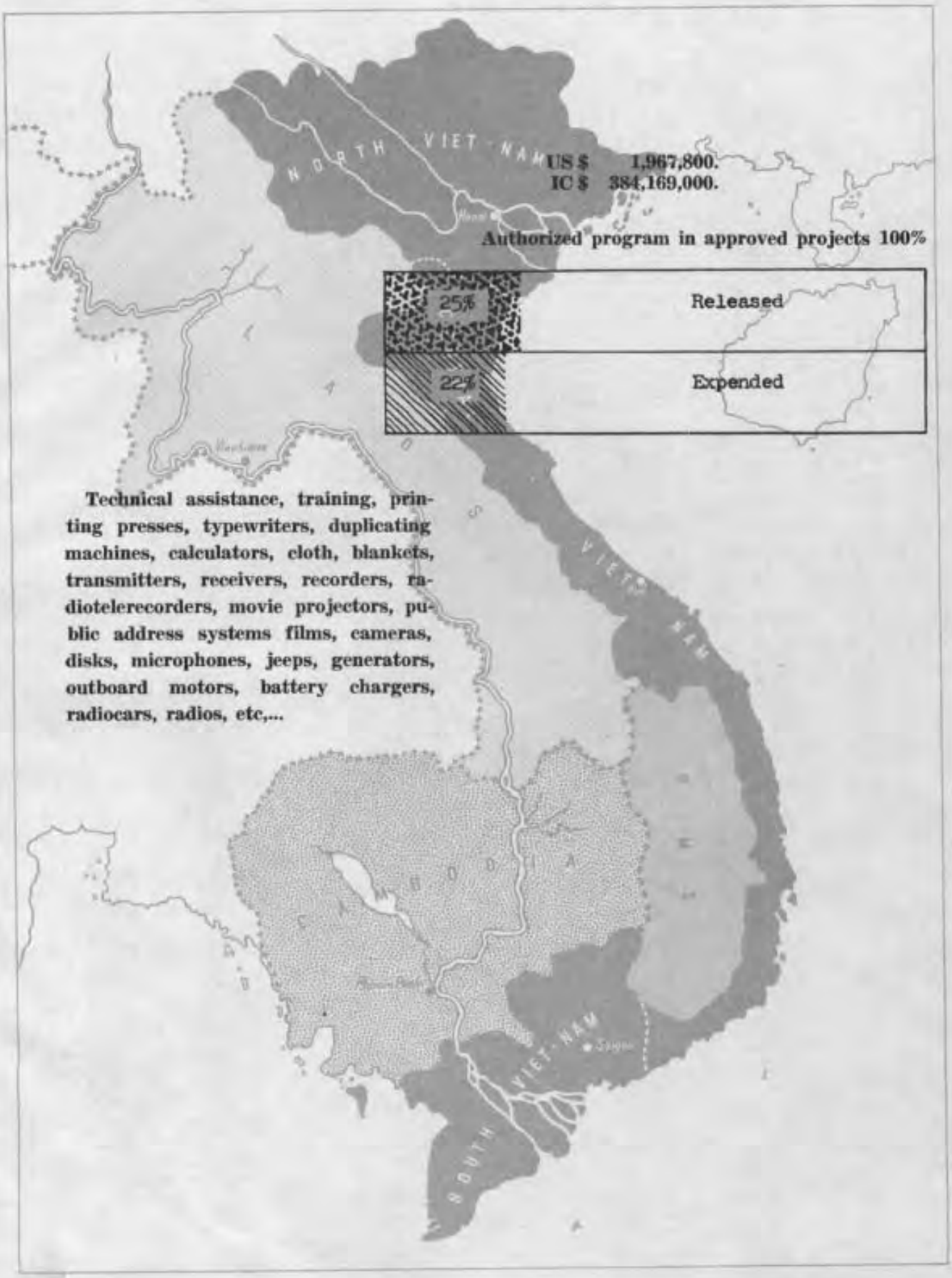
This program consists of 20 mobile units presently in the field for the dissemination of information in the less accessible regions. During the past year, modofication was necessary because 12 of the units were too heavy and bulky to operate in remote provinces. They have been reassigned to cities and other areas with roads that they can negotiate. Jeep station wagon units, jeeps with trailers, and other light vehicles are being substituted in the provinces. Due to war conditions, most of these units have been concentrated in Vietnam where the need has been the greatest. Plans are now complete to use an even smaller unit -- a three-wheeled motor scooter -- to maneuver dykes and paths which are the only means of communication in many cantons. All operating units averaged three trips weekly during the past year.

Graphics

The visual aids section prepares posters, maps, training manuals, brochures, briefing documents, quarterly reports, self-help educational material, etc,. It is also responsible for art preparation and the layouts used in support of USOM divisions and other American units, i.e., USIS, MAAG, etc,. Approximately 24,300,000 pieces of material have been printed and distributed since the beginning of the program, of which 25,000 "Suggestions and Aids to Help in Teaching", 25,000 "Health Manuals" 300,000 booklets "Adventures of Anh Nam" to be used in Popular Education,

General view of USOM Graphics Section.

8.00 PUBLIC ADMINISTRATION



Technical assistance, training, printing presses, typewriters, duplicating machines, calculators, cloth, blankets, transmitters, receivers, recorders, radiotelerecorders, movie projectors, public address systems films, cameras, disks, microphones, jeeps, generators, outboard motors, battery chargers, radiocars, radios, etc,...

and 1,000,000 copies of the "People's Almanac", among others, were printed during the past year. This material is distributed through schools, popular education classes and information halls. Two hundred thousand Vietnamese Army Manuals were printed and distributed through USIS last year. In addition, on-the-job training was given to military and government employees in silk screen processing. Illustrated dictionaries and textbooks were also compiled and printed.

Le Van Duyen, Technician for Radio Vietnam, working with American equipment.

Radio

Thousand-watt radio transmitters were installed at Dalat, Hanoi, Vientiane, and Saigon, the latter of which will be replaced by 5 KW transmitters which have arrived and are awaiting installation.

Three weekly radio shows are broadcast at Radio Vietnam. They are gradually being shifted from USOM to the Ministry of Information, although USOM continues to secure the information and write the material subject to the approval of the Ministry of Information.

Numerous public address systems have been installed in market places

L. To R. Mr. DUY, (in charge Technical personnel Radio Vietnam), Mr. R. LERUSTE (in charge of Broadcast Transmitters at Phu Tho), Mr. PHAM XUAN THAI (Minister of Information), Mr. HAI (Director General of Radio Vietnam), Mr. MIENG (Chief Technician, Radio Vietnam), Mr. J. K. FOZDAR (Electronic Engineer USOM), Mr. R. MOSSMANN (in charge of Telecommunications Equipment at Phu Tho). In the background on the left is the Collins 5 kw Broadcast Transmitter and on the right is the 1 kw, RCA Transmitter.

information halls, schools, etc,.

Press

Approximately four news releases are issued by USOM through USIS each week. A printing plant is being installed in Phnom Penh under the direction of a printing plant installation engineer. Arrangements have been made for training Cambodians in the operation of this plant.

Photo

The photo section has instituted an on-the-job training program whereby personnel are instructed in the operation and maintenance of modern photo equipment and in the technical aspects of photography. To date, two Cambodians and one Vietnamese have completed this course. The Cambodians will operate the new photo lab now being installed in Phnom Penh.

Approximately 43,000 photos were produced and dispatched during the past year in support of USOM divisions and other American agencies.

Motion Picture

During the year under review, Film Magazines N° 5, 6 and 7 were completed, as well as three animated cartoons on trachoma, dysentery, and silk screen processing a scenario for a film on "Safe drinking Water" was completed and outlines were written for films on war refugees, pit privies and rural dispensaries. Three FOA films are being recorded in Vietnamese.

b) PUBLIC ADMINISTRATION - OTHER THAN PROGRAM SUPPORT

Counterpart funds are used to support the operating budgets of the American Aid Committees in each of the Associated States, as well as

USOM Photo Laboratory

projects to provide for the transport and handling of American Aid materials. There are Aid Committees for four regions in Vietnam, North Vietnam, Central Vietnam, PMS area (Crown Domain) and South Vietnam, as well as National Aid Committees in each of Cambodia, Laos and Vietnam.

They work with Government Ministries and USOM technical assistants, to determine the countries priority needs prior to planning and submitting their annual US$ direct aid and counterpart programs to USOM. The respective participating governments contribute the chief officers and office buildings from non-counterpart funds, and aid committee officers receive small indemnities from counterpart funds. Frequent national committee meetings are held to present, review and approve questions and projects. In Vietnam, the National Aid Committee resides in Saigon. There is a President (Minister of Finance) and an Administrator General. Directly under the Administrator General's control are the Regional Committees of North, Central, PMS (Crown Domain) , and South Vietnam.

There is also a Vietnamese Aid Inspection Service providing control over projects and expenditures. An Inspector General is responsible for reporting directly to the Administrator General for American Aid. There are Regional Inspectors who, in turn, report to the Inspector General in Saigon. This office checks mandates for expenditures, makes end-use checks on materials and projects and exercises general supervision and control over American Aid projects.

Counterpart funds are also made available for the internal transportation, the warehousing, and the reconditioning of American Aid materials.

In addition to the above, some support is given to the Commission Provisoire d'Importation, a quadripartite body (France, Cambodia, Laos and Vietnam) working under the supervision of the Vietnamese National Aid Committee and charged with the allocation of funds available under the Commercial Import Program. An American observer sits on this Commission.

The following amounts were needed to operate the aid committees and the Inspection Service , to pay internal transportation, storage and reconditioning charges, and to support the Provisional Import Committee :

Aid Committee for Vietnam:

	National	North Vietnam	Central Vietnam	South Vietnam	PMS area
FY/53	1,260,000$	4,223,000$	1,525,000$	537,000$	152,000$
FY/54	1,824,000 1/	6,076,000 1/	1,568,300 1/	774,000 1/	256,000 1/

Aid Committee for Cambodia:

FY/53	353,000
FY/54	363,000

Aid Committee for Laos:

FY/53	293,000
FY/54	476,650

Inspection Service for American Aid:

	National	North Vietnam	Central Vietnam	PMS Area
FY/53	247,000$	292,000$	53,000$	154,000$
FY/54	793,000 1/	357,400 1/	266,200 1/	353,200 1/

Transport, Handling, Storage, & Reconditioning of American Aid Supplies:

	National	North Vietnam	Central Vietnam	
FY/53	5,000,000$		600,000$	South and PMS covered
FY/54	14,000,000 1/	1,170,000 1/	900,000 1/	by National Funds

Transport, Handling, Storage, & Reconditioning of American Aid Supplies for Cambodia:

FY/53	2,200,000
FY/54	3,500,000

Transport, Handling, Storage, & Reconditioning of American Aid Supplies for Laos:

FY/53	5,707,000
FY/54	3,680,000

Provisional Import Committee:

FY/53	780,000
FY/54	841,000 1/

In addition, 601,000$ was used in North Vietnam in 1951 and 150,000$ in Central Vietnam in 1953 for warehouse construction.

Approximately 7% of Vietnam's annual counterpart funds are used for the administration of the American Aid programs by the aid committees, about 5% of Cambodia's counterpart funds, and 15% of Laos' funds. The percentage for Laos is higher than in the other two countries because of the proportionately high transportation costs.

1/ Based on rate of expenditures for first six months.

9.00 - COMMERCIAL AID

Commercial aid refers to the program of providing the necessary exchange for the importation through commercial channels of hard currency items. Dollar exchange is furnished to importers against piaster equivalents for the importation of essential supplies. This program serves two purposes. First it provides essential items that would be unavailable without the dollar exchange, and secondly it provides a fund of piasters (the counterpart fund) which is used only with the approval of the USOM for local projects designed to achieve our objectives in the three states.

The following is a list of essential supplies financed by the commercial aid program through June 30, 1954. A special government import committee, on which a member of USOM sits as an observer, decides how the available dollars will be allocated.

COMMODITY BREAKDOWN FY/51-54

MAINTENANCE OF ESSENTIAL SUPPLY PROGRAM

COMMERCIAL IMPORT PROGRAM

As of June 30, 1954

C O M M O D I T Y	Programmed and obligated US$ (Thousands).	Percent
Petroleum Oil & Lubricants	17,460,0	27.50 %
Raw Cotton	12,392,0	19,52 %
Ocean Freight	7,510,0	11.83 %
Vehicles and Spare parts	5,106,5	8.05 %
Industrial Machinery (Rice and Sawmill, Rubber Processing, Shoemaking, Printing Machinery, Sewing Machines, Air Conditioning Equipment for Hospitals and Industrial Plants, etc,.)	4,067,0	6.40 %
Mechanization North Vietnam Coal Mine	1,880,0	2.96 %
Sugar	1,536,0	2.42 %
Tobacco	1,488,0	2.35 %
Agricultural Equipment (Tractors, Bulldozers, Harrows, Hoes, and Component Spare parts	1,902,0	3.00 %
Rubber, Textile and Paper products	1,444,0	2.27 %
Raw Silk	850,0	1.34 %
Chemical products	984,0	1.55 %
Generators, Motors and Electrical apparati	1,251,0	1.97 %

(To be continued...)

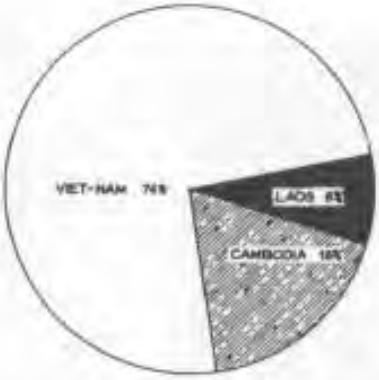
COMMODITY	Programmed and obligated US$ (Thousands)	Percent
...		
Construction and Road Building Equipment	2,564,0	4.04 %
Iron, Steel & Aluminum products	645,0	1.02 %
Air Craft and Air Craft Spare parts	490,0	0.77 %
Miscellaneous Equipment and Food products	486,0	0.77 %
Antibiotics, Pharmaceuticals, Medical and Scientific Equipment	626,0	0.99 %
Coastal and Fishing Vessels	282,0	0.44 %
Bituminous Coal	140,0	0.22 %
Fertilizers	100,0	0.16 %
Miscellaneous	270,0	0.43 %
Grand Total :	63,473,5	100 %

Status of Implementation 30 June 1954

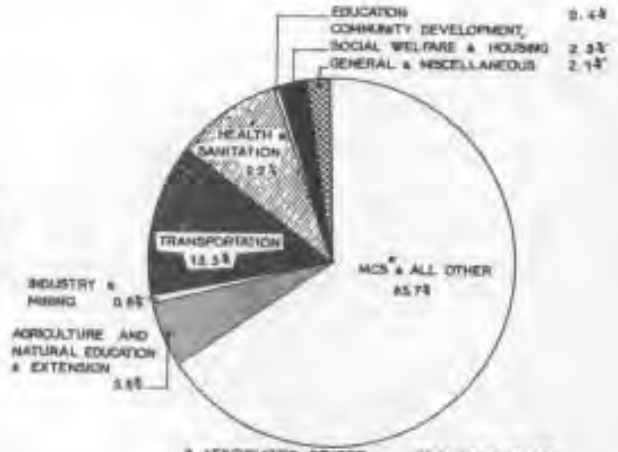
Obligated	63,473,5	100 %
Committed (Licenses Issued)	56,865,4	90 %
Arrivals	43,184,1	68 %

FOA DOLLAR GRANT ECONOMIC ASSISTANCE FOR FY'51/54

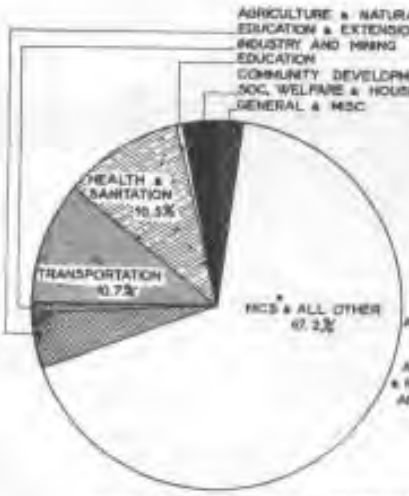
BY MAJOR FIELD OF ACTIVITY
AS OF 30 JUNE 1954
(IN MILLIONS OF US. DOLLARS)

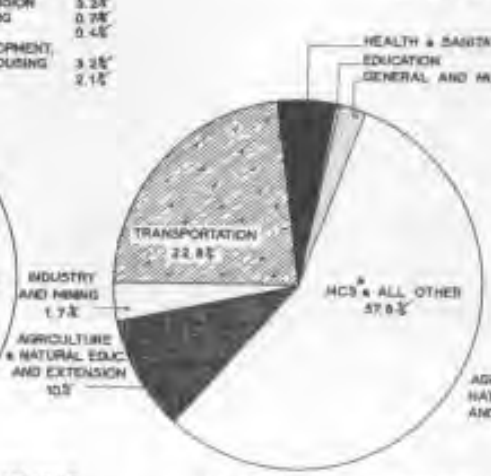


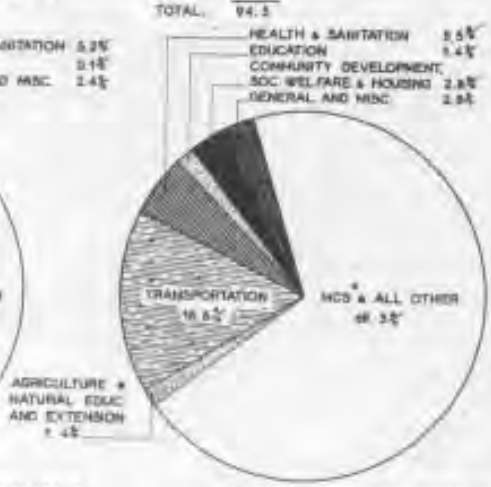
3 ASSOCIATED STATES	
TOTAL PROGRAM	94.3
CAMBODIA	17.1
LAOS	7.2
VIET-NAM	70.0



3 ASSOCIATED STATES	PROGRAM VALUE
10. AGRICULTURE & NATURAL EDUCATION & EXTENSION	3.5
20 INDUSTRY AND MINING	.8
30. TRANSPORTATION	12.4
50. HEALTH AND SANITATION	8.7
60. EDUCATION	.4
70. PUBLIC ADMINISTRATION	
80. COMMUNITY DEVELOPMENT, SOCIAL WELFARE & HOUSING	2.4
90. GENERAL & MISCELLANEOUS	2.
99 ALL OTHER	62.1
TOTAL.	94.3







VIET-NAM	PROGRAM VALUE
10. AGRICULTURE & NATURAL EDUCATION AND EXTENSION	3.7
20 INDUSTRY AND MINING	0.5
30. TRANSPORTATION	7.5
50. HEALTH AND SANITATION	7.4
60. EDUCATION	.3
70. PUBLIC ADMINISTRATION	—
80. COMMUNITY DEVELOPMENT, SOCIAL WELFARE & HOUSING	2.2
90. GENERAL & MISCELLANEOUS	1.4
99 ALL OTHER	47.2
TOTAL.	70.0

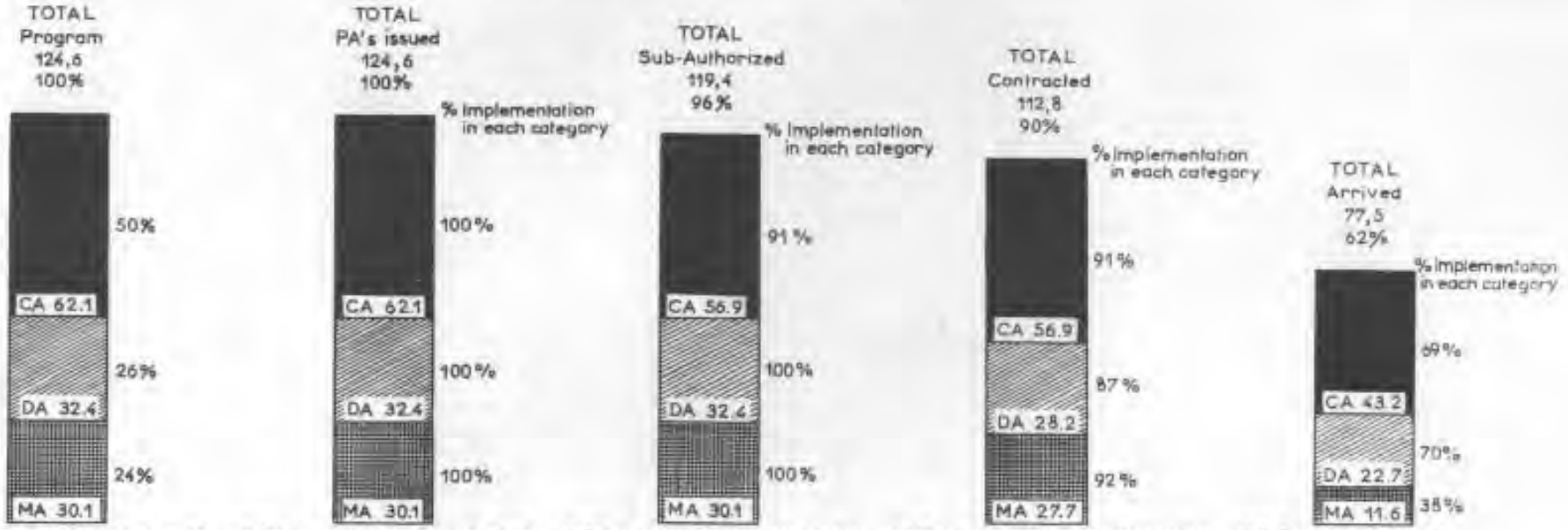
CAMBODIA	PROGRAM VALUE
10. AGRICULTURE & NATURAL EDUCATION AND EXTENSION	1.7
20 INDUSTRY AND MINING	.3
30. TRANSPORTATION	3.9
50. HEALTH AND SANITATION	.9
60. EDUCATION	.02
70. PUBLIC ADMINISTRATION	—
80. COMMUNITY DEVELOPMENT, SOCIAL WELFARE & HOUSING	.007
90. GENERAL & MISCELLANEOUS	.4
99. ALL OTHER	9.9
TOTAL.	17.1

LAOS	PROGRAM VALUE
10. AGRICULTURE & NATURAL EDUCATION AND EXTENSION	.1
20. INDUSTRY AND MINING	0.0002
30 TRANSPORTATION	1.2
50. HEALTH AND SANITATION	.4
60. EDUCATION	.1
70. PUBLIC ADMINISTRATION	-
80. COMMUNITY DEVELOPMENT, SOCIAL WELFARE & HOUSING	.3
90. GENERAL AND MISCELLANEOUS	.2
99. ALL OTHER	5.
TOTAL.	7.2

MCS* MAINTENANCE OF CIVILIAN SUPPLY (COMMERCIAL IMPORT PROGRAM) NOTE: GROUPED UNDER REVISED CODING FOR OPERATION BLUEPRINT

COMBINED FY'S 1951/54 FOA DOLLAR PROGRAM

AS OF 30 JUNE 1954
(In millions of dollars)



TOTAL FUNDS PROGRAMMED 124,6	
MILITARY AID	30,1
COMMERCIAL AID	62,1
CAMBODIA	*(9,9)*
LAOS	*(5,1)*
VIETNAM	*(47,2)*
DIRECT AID	32,4
CAMBODIA	*(7,1)*
LAOS	*(2,2)*
VIETNAM	*(23,1)*

TOTAL FUNDS OBLIGATED 124,6	
MILITARY AID	30,1
COMMERCIAL AID	62,1
CAMBODIA	*(9,9)*
LAOS	*(5,1)*
VIETNAM	*(47,2)*
DIRECT AID	32,4
CAMBODIA	*(7,1)*
LAOS	*(2,2)*
VIETNAM	*(23,1)*

TOTAL FUNDS COMMITTED 119,4	
MILITARY AID	30,1
COMMERCIAL AID	56,9
DIRECT AID	32,4

TOTAL FUNDS CONTRACTED 112,8	
MILITARY AID	27,7
COMMERCIAL AID	56,9
DIRECT AID	28,2

TOTAL ARRIVAL 77,5	
MILITARY AID	11,6
COMMERCIAL AID	43,2
DIRECT AID	22,7

MA : military aid
CA : commercial aid
DA : direct aid

BREAKDOWN OF ECONOMIC ASSISTANCE

FY. 51	*21,8*
FY. 52	*24,5*
FY. 53	*24,*
FY. 54	*25,*
Total	*95,3*

Excludes U.S. 800.000 Undistributed T.A. and FOA/W. operating costs.
Note: CA: Commercial Aid, DA: Direct Aid, MA: Military Aid

UNITED STATES OPERATIONS MISSION
TO
CAMBODIA, LAOS AND VIETNAM

-:-:-:-:-:-

SUMMARY STATEMENT
FISCAL YEARS 1951-54 ASSOCIATED STATES DOLLAR PROCUREMENT FUNDS
As of June 30, 1954
(In Thousands of Dollars)

o----oOo----o

CATEGORY	Program total 1951/1954	PA's issued 1951/1954	Sub-authorized FY - 1951/1954	Arrivals FY - 1951/1954
II.- HEALTH AND SANITATION	8.699.5	8.699.5	8.716.4	6.898.3
% of implementation	100%	100%	100,2%	79%
III.- AGRICULTURE AND NATURAL RESOURCES	5.520.2	5.520.2	5.499.2	4.525.2
% of implementation	100%	100%	99,6%	82%
IV.- TRANSPORTATION, COMMUNICATIONS AND POWER	13.349.5	13.349.5	13.344.4	7.985.3
% of implementation	100%	100%	99,9%	60%
V.- INDUSTRY AND MINING	7.8	7.8	7.8	7.8
% of implementation	100%	100%	100%	100%
VI.- GENERAL AND COMMUNITY DEVELOPMENT	2.389.2	2.389.2	2.388.3	1.757.8
% of implementation	100%	100%	99,9%	73%
VII.- EDUCATION	439.7	439.7	439.8	339.6
% of implementation	100%	100%	100%	77%
VIII.- PUBLIC ADMINISTRATION	1.967.8	1.967.8	1.967.8	1.174.4
% of implementation	100%	100%	100%	60%
TOTAL PROJECTS CATEGORIES I THROUGH VIII	32.373.7	32.373.7	32.363.7	22.688.4
% of implementation	100%	100%	99,9%	70%
IX.- MAINTENANCE OF ESSENTIAL SUPPLY				
% of implementation				
A/ DIRECT MILITARY SUPPORT	30.134.0	30.134.0	30.132.0	11.643.0
% of implementation	100%	100%	99%	38%
B/ MAINTENANCE OF CIVILIAN SUPPLY	62.137.5	62.137.5	56.865.3	43.184.0
% of implementation	100%	100%	91,5%	69,5%
	124.645.2 ■	124.645.2 ■	119.361.0	77.515.4
	100%	100%	95,4%	62%

PLANNED PROGRAMS

FY ' 1951	21.829.6
FY ' 1952	24.500.0
FY ' 1953	54.132.1
FY ' 1954	24.183.5
TOTAL :	124.645.2 ■

■ Excluding :

TAA Allotment	601.
Regional Program Operating Cost	84.5
Regional OS a/c	107.
Total ..:	792.5

PENDING FIRM REQUESTS

(As of June 30, 1954)

o----oOo----o

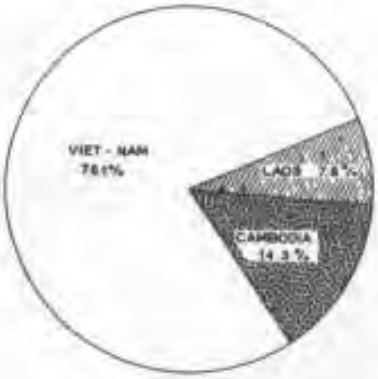
FR N° Old	FR N° New	COMMODITY DESCRIPTION	AMOUNT	PROJECT NUMBER
		DIRECT AID (Categories II through VIII)	914.800	
		II - HEALTH AND SANITATION	152.000	
4-145	5-11	Hospital equipment "Maternity and Child Health"	75.000	II-VP-40
4-119	5-10	Wheel stretcher, compact combination, dry sterilizer, kinetometer, pneumo-thorax, X-Ray century	77.000	II-VP-49
		III - AGRICULTURE AND NATURAL RESOURCES	33.300	
4-165	5-17	Tropical fruits	300	III-VP-17
4-170	5-22	Willys Pick-up Trucks	12.000	III-LP-14
4-172	5-24	Tamping Rollers, Rake, Lubricator	17.500	III-CP-21
4-196	5-29	Messrs. Nguyen-Ba-Luong, Lam-Tung & Vu-Thien-Thai Trainees	3.500	TA-Trainee
		IV - TRANSPORTATION, COMMUNICATIONS AND POWER	622.000	
5- 26 4-176	5-35	Graders, Bucket, Loaders, etc.	165.000	IV-CP-18/c
5- 25 4-173	5-36	2 ea. Pusher Tugs	275.000	IV-LP-24
5- 23 4-171	5-37	2 Cranes 8 ton capacity	42.500	IV-LP-23
4-175	5-27	1 Tug Pusher Type	137.000	IV-CP-8/b
4-177	5-28	Huynh-van-Diem - Observation of Port Administration	2.500	TA-Trainee
		V - INDUSTRY AND MINING	None	
		VI - GENERAL COMMUNITY AND DEVELOPMENT PROJECTS	None	
		VII - E D U C A T I O N	11.000	
4-146	5-12	Trainer Kits	11.000	VII-VP-4
		VIII - PUBLIC ADMINISTRATION	96.500	
4- 78	5- 7	Repairs of cameras and equipment held in FOA/W	1.000	VIII-VP-18
4- 91	5- 8	M. Cheng Prongsavon - Police and Security Methods - Trainee	1.500	TA-Trainee
4-150	5-13	Administrative charges	13.000	TA-
4-154	5-14	Radio equipment and motor generators	31.000	VIII-CP-11
	5-15	Shipment of cotton from Indochina to Formosa	50.000	
		MAINTENANCE OF ESSENTIAL SUPPLY	1.901.000	
		9.92 - MCS related to Health and Sanitation	None	
		9.93 - MCS related to Agriculture and Natural Resources	90.000	
4-99	5-9	Jute Bags	90.000	
		9.94 - MCS related to Transportation, Communications & Power ..	1.500.000	
	5-21	Aircraft and aircraft parts	1.500.000	
		9.95 - MCS related to Industry and Mining	311.000	
4-166	5-18	Industrial machinery	200.000	
4-167	5-19	Iron and steel products	100.000	
4-168	5-20	Miscellaneous commodities for educational & scientific use	11.000	
		9.97 - MCS related to Education	None	
		9.98 - MCS related to Public Administration	None	
		9.99 - MCS not related to Fields of Activity (Tobacco, Foodstuffs etc..)	None	
		GRAND TOTAL	2.815.800	

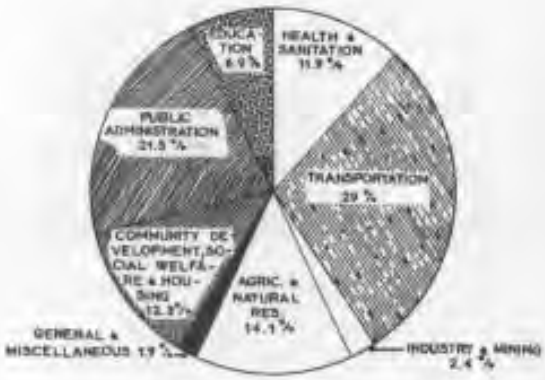
FOA LOCAL CURRENCY ASSISTANCE TO THE ASSOCIATED STATES

FY'S 51/54 COMBINED, ECONOMIC ASSISTANCE ONLY

BY MAJOR CATEGORIES OF ACTIVITY

(IN MILLIONS OF PIASTRES)



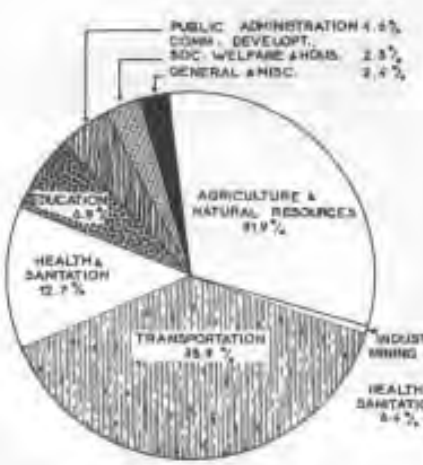


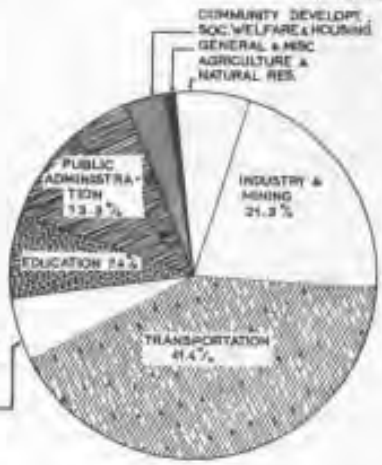
3 ASSOCIATED STATES

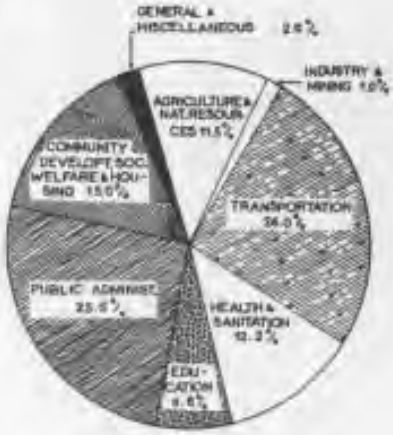
TOTAL PROGRAM	1,688.0
CAMBODIA	235.2
LAOS	123.8
VIET-NAM	1,277.9

3 ASSOCIATED STATES

TOTAL PROGRAM	1,636.9
10. AGRIC. & NATURAL RESOURCES	230.6
20. INDUSTRY & MINING	39.7
30. TRANSPORTATION	474.4
50. HEALTH and SANITATION	194.2
60. EDUCATION	112.6
70. PUBLIC ADMINISTRATION	353.4
80. COMMUNITY DEVELOPMENT, SOC. WELFARE & HOUSING	291.5
90. GENERAL & MISCELLANEOUS	31.7







CAMBODIA

TOTAL PROGRAM	235.2
10. AGRICULTURE & NAT. RESOURCES	75.2
20. INDUSTRY & MINING	0.4
30. TRANSPORTATION	91.4
50. HEALTH & SANITATION	29.7
60. EDUCATION	14.3
70. PUBLIC ADMINISTRATION	10.8
80. COMMUNITY DEVELOPMENT, SOCIAL WELFARE & HOUSING	5.9
90. GENERAL & MISCELLANEOUS	5.8

LAOS

TOTAL PROGRAM	123.8
10. AGRICULTURE & NAT. RESOURCES	8.2
20. INDUSTRY & MINING	26.3
30. TRANSPORTATION	51.2
50. HEALTH & SANITATION	8.0
60. EDUCATION	9.2
70. PUBLIC ADMINISTRATION	16.4
80. COMMUNITY DEVELOPMENT SOC. WELFARE & HOUSING	4.2
90. GENERAL & MISCELLANEOUS	0.3

VIET-NAM

TOTAL PROGRAM	1,277.9
10. AGRICULTURE & NAT. RESOURCES	147.3
20. INDUSTRY & MINING	13.0
30. TRANSPORTATION	331.7
50. HEALTH & SANITATION	156.5
60. EDUCATION	87.0
70. PUBLIC ADMINISTRATION	323.4
80. COMMUNITY DEVELOPMENT SOC. WELFARE & HOUSING	191.5
90. GENERAL & MISCELLANEOUS	25.5

EXCLUDES 132 MILLION PIASTRES TRANSFERRED TO THE TECHNICAL ASSISTANCE TRUST FUND

NOTE: GROUPED UNDER REVISED CODING FOR "OPERATION BLUEPRINT"

TOTAL CONSOLIDATED FISCAL YEARS 1951/54 COUNTERPART PROGRAM

FOR THE THREE ASSOCIATED STATES

AS OF 30 JUNE 1954

(in Thousands of Piasters)

--==oooOooo==--

C A T E G O R Y	PROGRAM AUTHORIZED IN APPROVED PROJECTS				
	FY-51	FY-52	FY-53	FY-54	Total
2.00 HEALTH AND SANITATION	12.671	57.900	58.269	65.367	194.207
3.00 AGRICULTURE AND NATURAL RESOURCES	26.581	45.696	70.485	87.819	230.581
4.00 TRANSPORTATION, COMMUNICATIONS AND POWER	36.559	97.686	92.365	278.862*	505.472*
5.00 INDUSTRY AND MINING	5.010	323	260	3.000	8.593
6.00 GENERAL AND COMMUNITY DEVELOPMENT	46.208	26.799	28.234	100.299	201.540
7.00 EDUCATION	8.133	9.232	13.344	81.664	112.373
8.00 PUBLIC ADMINISTRATION	12.791	29.204	28.885	313.289*	384.169*
T O T A L	147.953	266.840	291.842	930.300*	1.636.935*

Program and Requirements Division
USOM Saigon

* Some FY'55 projects have been approved before the begining of the fiscal year so as to get their continuation without break :

Category 4.00 - IC$ 2.000.-

Category 8.00 - IC$ 863.-

VIET - NAM

CONSOLIDATED FISCAL YEARS 1951/54 COUNTERPART PROGRAM

AS OF 30 JUNE 1954

(in Thousands of Piasters)

---oooOooo---

C A T E G O R Y	PROGRAM AUTHORIZED IN APPROVED PROJECTS				
	FY-51	FY-52	FY-53	FY-54	Total
2.00 HEALTH AND SANITATION	12.671	48.763	48.782	46.268	156.484
3.00 AGRICULTURE AND NATURAL RESOURCES	21.068	16.901	48.027	61.259	147.255
4.00 TRANSPORTATION, COMMUNICATIONS AND POWER	36.559	68.120	56.537	175.199	336.415
5.00 INDUSTRY AND MINING	5.010	133	120	3.000	8.263
6.00 GENERAL AND COMMUNITY DEVELOPMENT	46.208	26.799	26.386	92.200	191.593
7.00 EDUCATION	8.133	6.285	7.585	65.074	87.077
8.00 PUBLIC ADMINISTRATION	12.365	23.262	19.922	295.269	350.818
T O T A L	142.014	190.263	207.359	738.269	1.277.905

Program and Requirements Division
USOM Saigon

C A M B O D I A

CONSOLIDATED FISCAL YEARS 1951/54 COUNTERPART PROGRAM

AS OF 30 JUNE 1954

(in Thousands of Piasters)

--==oooOooo==--

C A T E G O R Y	PROGRAM AUTHORIZED IN APPROVED PROJECTS				
	FY-51	FY-52	FY-53	FY-54	Total
2.00 HEALTH AND SANITATION	- o -	7.750	6.050	15.898	29.698
3.00 AGRICULTURE AND NATURAL RESOURCES	5.513	27.547	20.770	21.344	75.174
4.00 TRANSPORTATION, COMMUNICATIONS AND POWER	- o -	15.900	13.810	62.100	91.810
5.00 INDUSTRY AND MINING	- o -	- o -	- o -	- o -	- o -
6.00 GENERAL AND COMMUNITY DEVELOPMENT	- o -	- o -	930	5.000	5.930
7.00 EDUCATION	- o -	1.465	3.781	10.897	16.143
8.00 PUBLIC ADMINISTRATION	426	2.803	2.553	10.649	16.431
TOTAL	5.939	55.465	47.894	125.888	235.186

Program and Requirements Division
USOM Saigon

L A O S

CONSOLIDATED FISCAL YEARS 1951/54 COUNTERPART PROGRAM

AS OF 30 JUNE 1954

(in Thousands of Piasters)

--==oooOooo==--

C A T E G O R Y	PROGRAM AUTHORIZED IN APPROVED PROJECTS				
	FY-51	FY-52	FY-53	FY-54	Total
2.00 HEALTH AND SANITATION	- o -	1.387	3.437	3.201	8.025
3.00 AGRICULTURE AND NATURAL RESOURCES	- o -	1.248	1.688	5.216	8.152
4.00 TRANSPORTATION, COMMUNICATIONS AND POWER	- o -	13.666	22.018	41.563*	77.247*
5.00 INDUSTRY AND MINING	- o -	190	140	- o -	330
6.00 GENERAL AND COMMUNITY DEVELOPMENT	- o -	- o -	918	3.099	4.017
7.00 EDUCATION	- o -	1.302	2.158	5.693	9.153
8.00 PUBLIC ADMINISTRATION	- o -	3.139	6.410	7.371*	16.920*
T O T A L	- o -	20.932	36.769	66.143*	123.844*

Program and Requirements Division
USOM Saigon

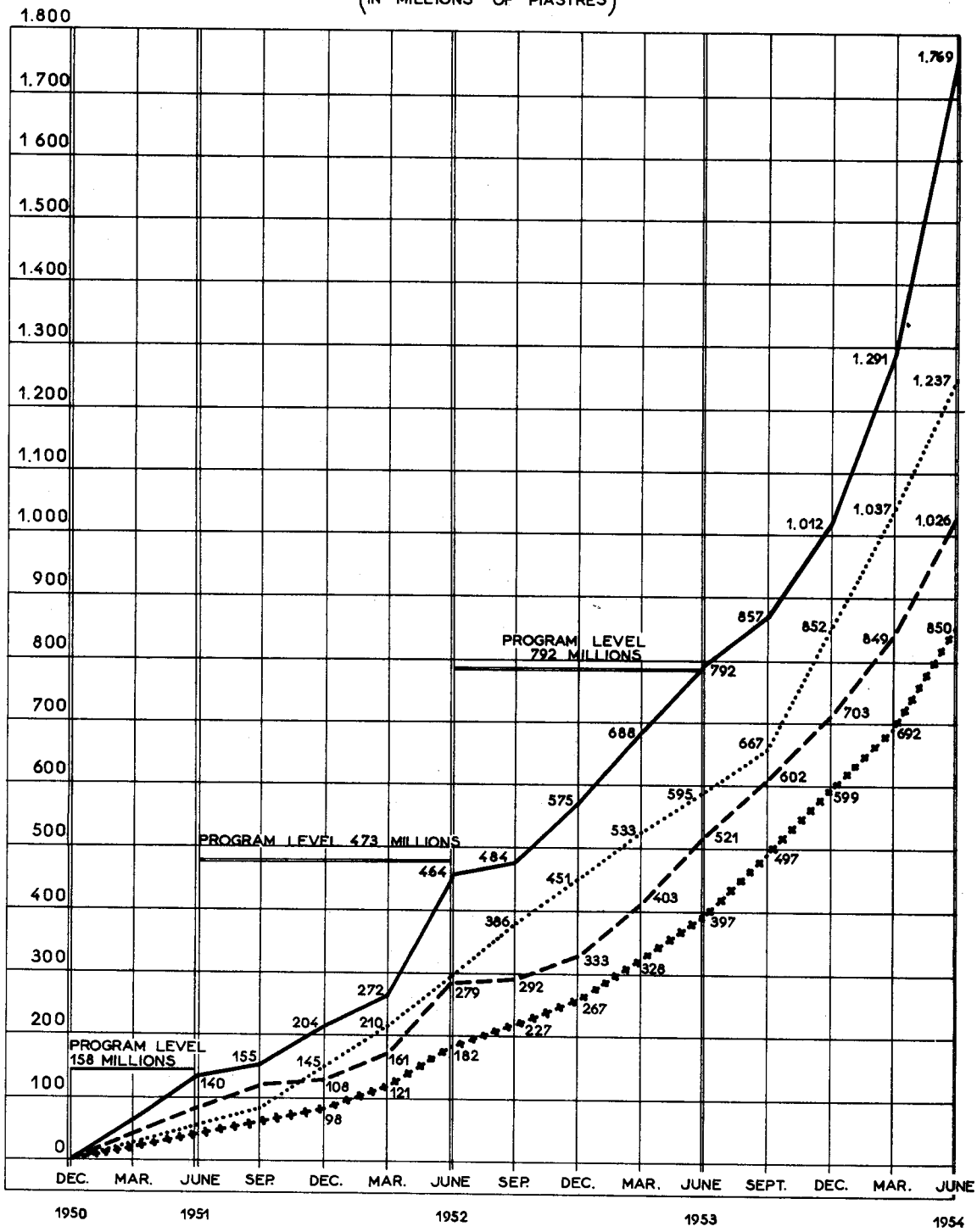
* Some FY'55 projects have been approved before the begining of the fiscal year so as to get their continuation without break :

Category 4.00 - IC$ 2.000.-

Category 8.00 - IC$ 863.-

CUMULATIVE LOCAL CURRENCY ASSISTANCE TO THE ASSOCIATED STATES

AS OF JUNE 30 1954
(IN MILLIONS OF PIASTRES)

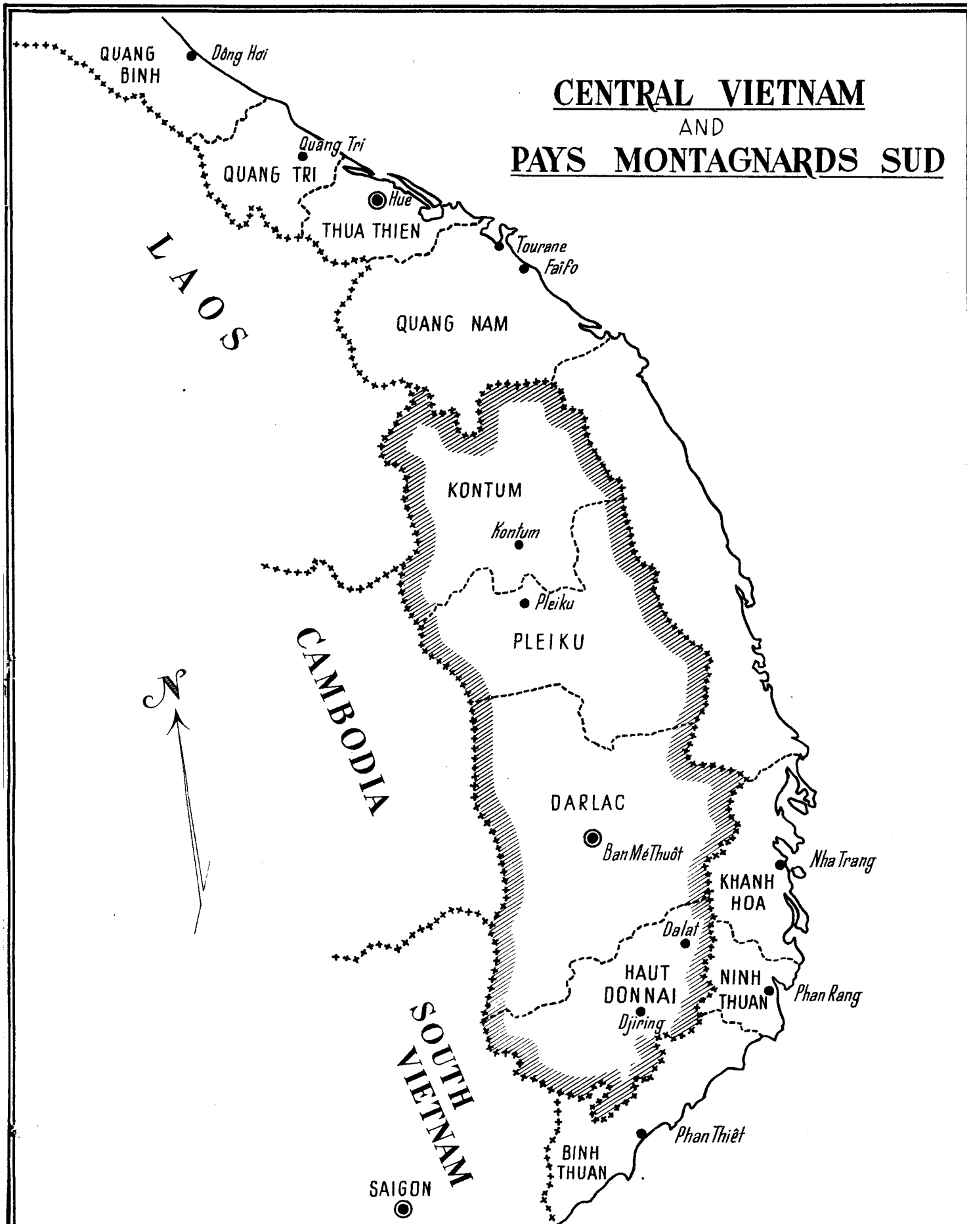


——— VALUE OF PIASTERS IN APPROVED PROJECTS AGREEMENTS (INCLUDES 132,000,000 FOR T. A.)

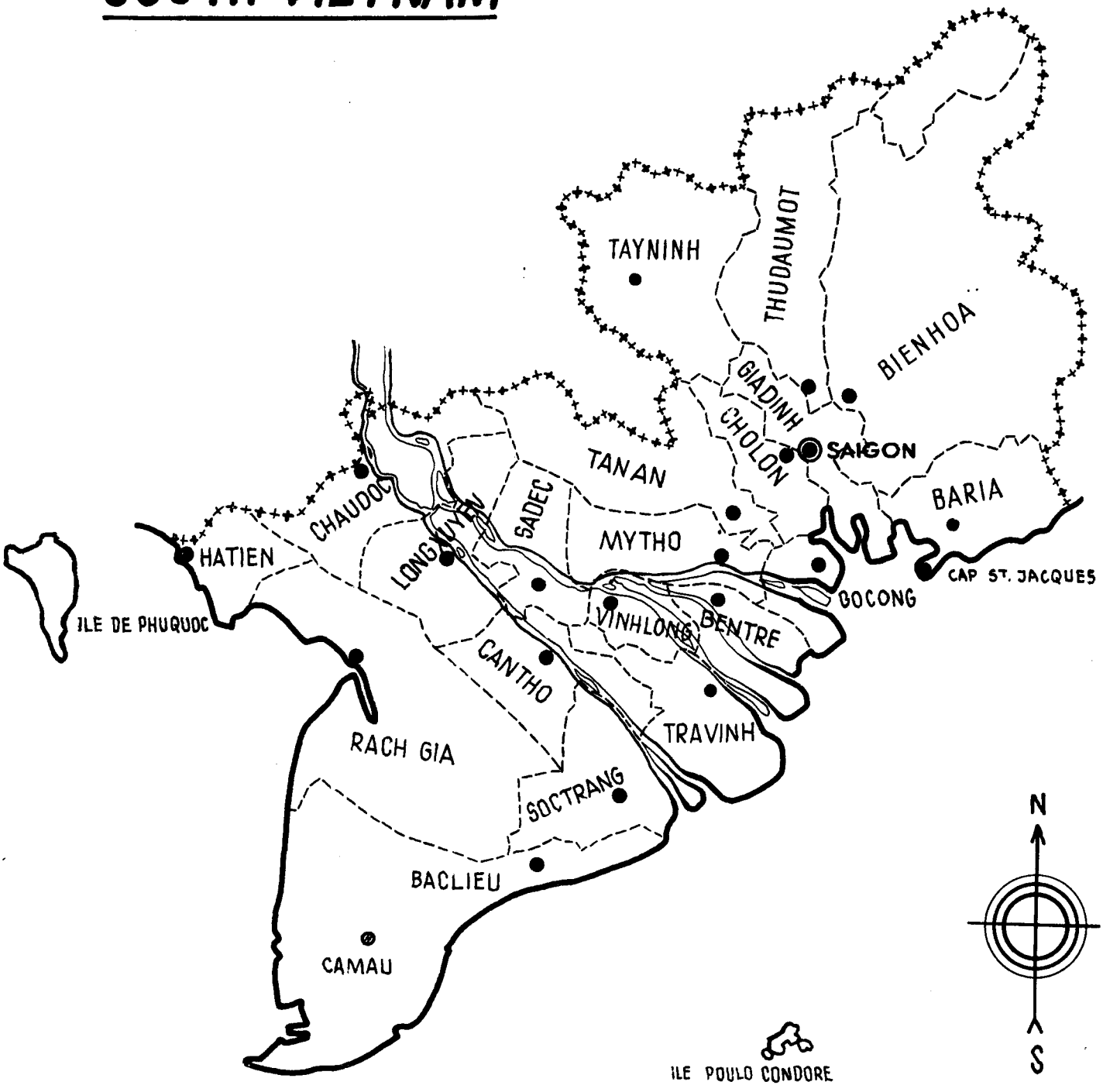
····· PIASTERS GENERATED AVAILABLE FOR PROGRAM (EXCLUDES 63 MILLIONS OF PIASTERS TRANSFERRED TO MISSION ADMINISTRATIVE A/C)

— — — PIASTERS RELEASED FOR COUNTERPART PROJETS (INCLUDES 132 MILLIONS OF PIASTERS TRANSFERRED TO T.A. TRUST FUND)

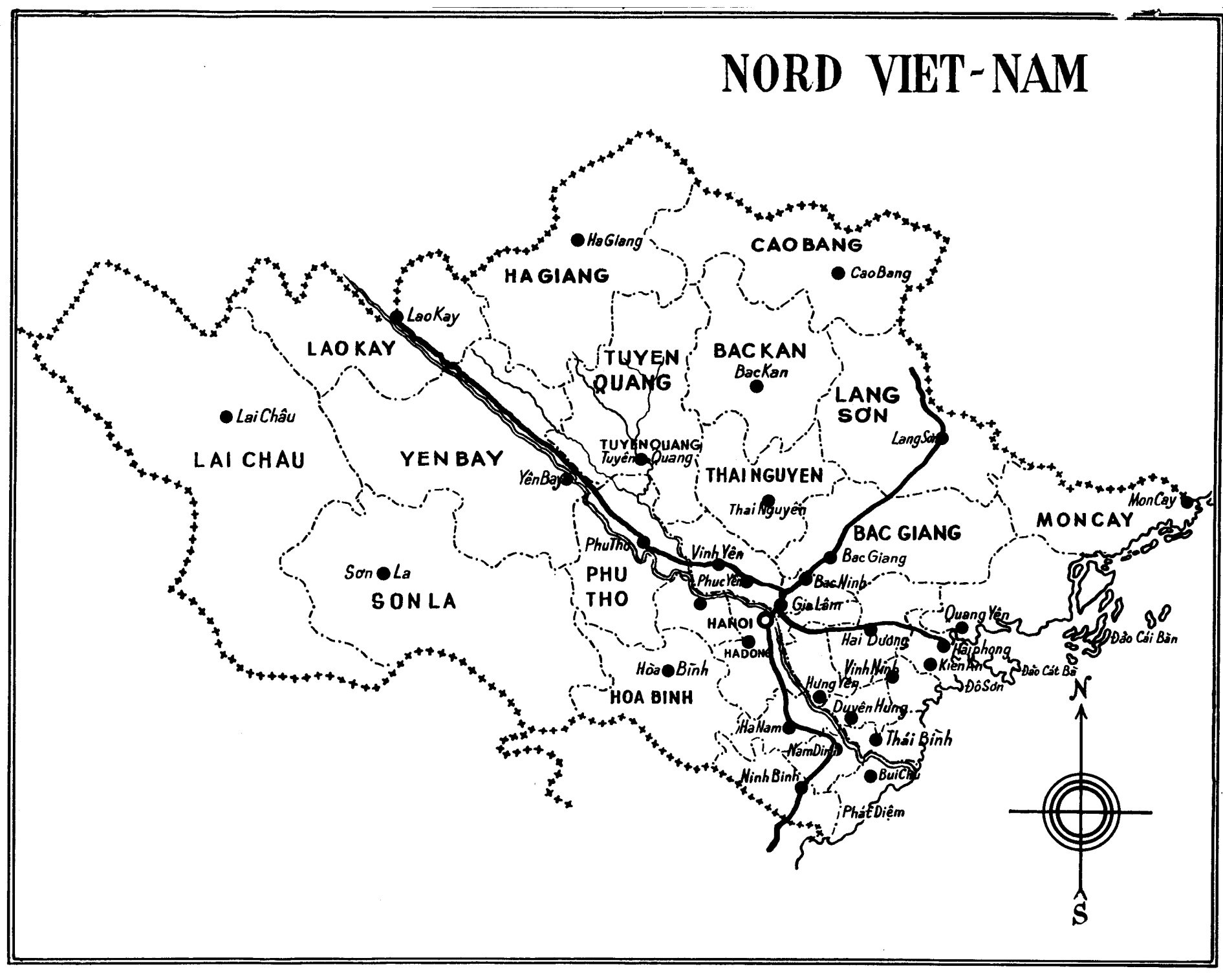
✦✦✦✦ EXPENDITURES REPORTED BY GOVERNMENTS (INCLUDES 116 MILLIONS OF PIASTERS FOR T.A. DISBURSEMENTS)

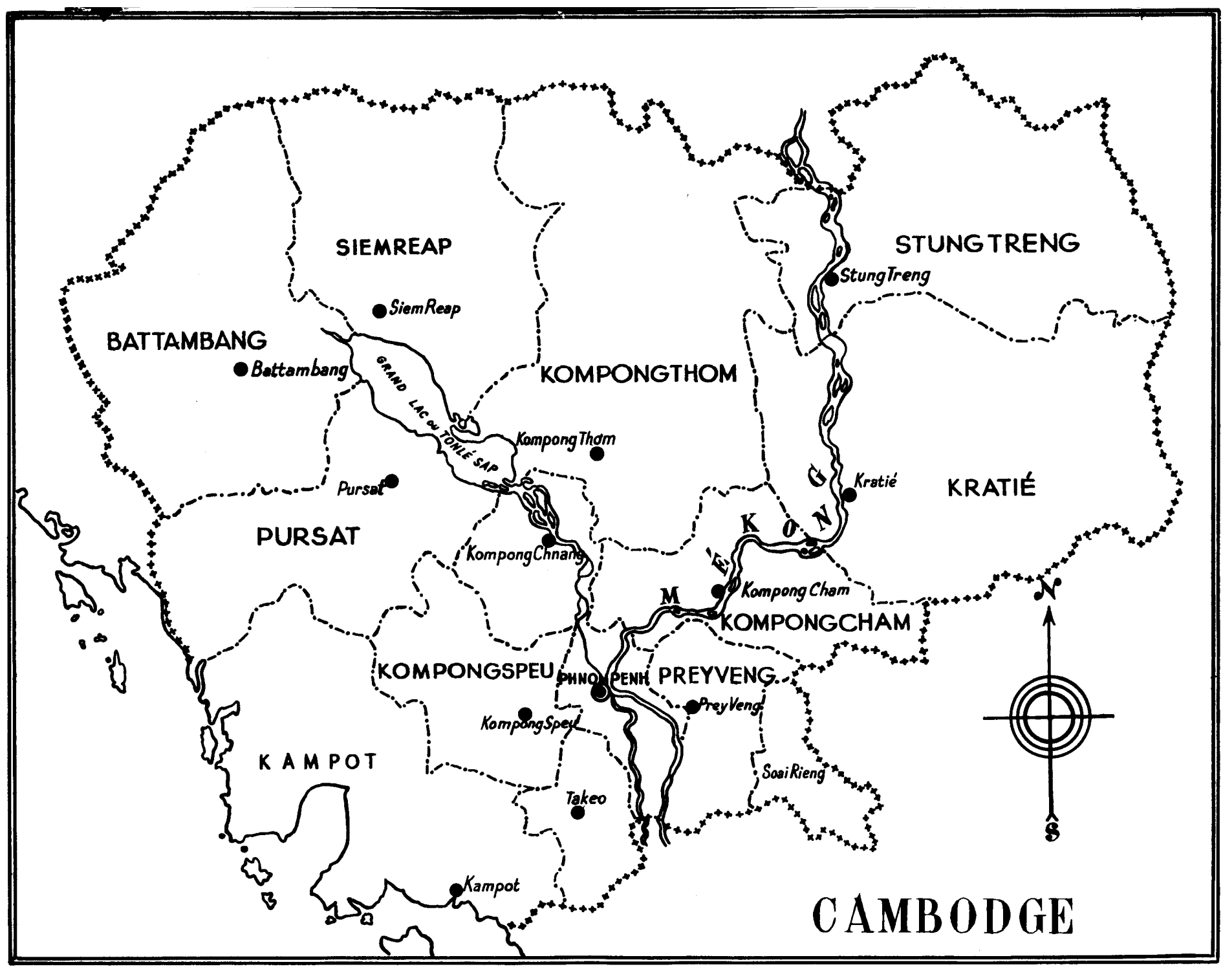

CENTRAL VIETNAM
AND
PAYS MONTAGNARDS SUD
QUANG BINH
Dông Hơi
Quang Tri
QUANG TRI
Hue
THUA THIEN
Tourane
Faifo
LAOS
QUANG NAM
KONTUM
Kontum
Pleiku
PLEIKU
CAMBODIA
DARLAC
Ban Mé Thuôt
Nha Trang
KHANH HOA
Dalat
HAUT DONNAI
Djiring
NINH THUAN
Phan Rang
SOUTH VIETNAM
Phan Thiêt
BINH THUAN
SAIGON

SOUTH VIETNAM



NORD VIET-NAM




SIEMREAP
Siem Reap
BATTAMBANG
Battambang
GRAND LAC ou TONLÉ SAP
KOMPONGTHOM
Kompong Thom
STUNG TRENG
Stung Treng
Pursat
PURSAT
Kratié
KRATIÉ
MEKONG
Kompong Chnang
Kompong Cham
KOMPONGCHAM
KOMPONGSPEU
PHNOM PENH
PREYVENG
Prey Veng
Kompong Speu
KAMPOT
Soai Rieng
Takeo
Kampot
N
S

CAMBODGE