

AGENCY FOR INTERNATIONAL DEVELOPMENT

# USOM VIETNAM



**OPERATIONAL REPORT**

**FY 1963-1964**

UNITED STATES OPERATIONS MISSION

OPERATIONAL  
REPORT

1963 - 1964



**AGENCY FOR INTERNATIONAL DEVELOPMENT**

**VIETNAM**

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# FOREWORD

An aid program, like a nation, is a dynamic thing — constantly moving, constantly changing according to circumstances. To capture it in print it is possible only to capture a given moment — a certain period of time — recognizing that nothing stands still and with the hope that the reader will also recognize this fact of life.

So it is with this report. In the period since it has been in preparation for publication, many changes have already come about in Vietnam and in the US assistance program. The political upheavals of late 1963 and their after-effects continue to plague the efforts toward stable government.

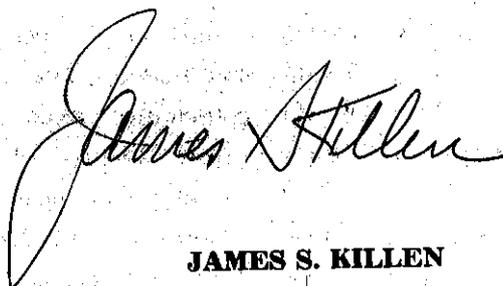
These efforts continue, as the embryonic civilian government of Tran Van Huong is presently struggling to harmonize diverging influences in the body politic. What the outcome of this struggle or its consequences will be with respect to the effectiveness of government in this country is truly an unknown factor at this time.

The effects to date of the economic aid program in Vietnam are, however, readily identifiable. The economy of the nation has been kept afloat by the commodity import program; and aid-generated piasters have carried from 30-40% of the total GVN budget. The economic base of the country has been significantly expanded by new industry, new power generation and distribution, new communications systems, new water supply systems, and improved transport capability. The reservoir of human skills has been both widened and deepened by technical assistance and training programs in public administration, health, education, agriculture, police, information, industry, etc. Lacking in glamour or short-term impact, the effort of the past years is now beginning to have the multiplier effect that comes only with time. And lastly but of great importance, aid commodities have sought to bolster GVN ability to withstand Viet Cong infiltration and subversion throughout

the country. It is in this latter area that much needs yet be done to develop the strengths and the tactics sufficient to counter the insurgency. The task of marshalling a total effort, combining in proper degree physical, psychological and motivational factors, and representing combat capability, intelligence gathering, civic action, effective civil administration, and informational activity, presents the Government of Vietnam with its greatest challenge today. Progress is being made in this all-crucial area, and, with the expected strengthening of Government's cohesion and administration, CY65 should be a year of accomplishment and further steps towards ultimate pacification and politico/economic health.

The period of time captured in this report covers the last two years of the stewardship of Joseph L. Brent as Director of the U.S. Operations Mission in Vietnam. In a major sense it is a testimonial to that stewardship and that of his colleagues in the USOM.

This report is submitted in the hope that it will give the reader a better view of what the United States' economic assistance program has undertaken in Vietnam. Between the lines, the reader will also detect something of the problems, frustrations, and satisfactions that are shared by all who have participated, or are participating, in this multifaceted operation.



**JAMES S. KILLEN**

Director

United States Operations Mission to Vietnam

# INTRODUCTION

American aid to newly independent South Vietnam began in 1954. At that time the economic base built up during decades of French colonial administration had been largely destroyed by seven years of civil war. The government had far too few trained civil servants for Vietnam's population of twelve million. In addition, it had to absorb a million refugees from the North. Vietnam was in such economic and political straits that many expert observers on the scene predicted that after only six months the new regime would succumb to chaos, and then to Communism.

In the eight years following independence, the American people, furnishing \$1,687 million in economic aid, assisted the people of Vietnam in achieving a remarkable degree of economic recovery and progress. From 1954 to 1962 the American aid program emphasized long-range social and economic development. There were two main aspects to the program. First, the US funded over 50% of the commercial imports, to enable the government of Vietnam to maintain basic living standards and governmental services during the period of

economic recovery. Second, the US furnished technical assistance, concentrating on expanding agricultural and industrial production, developing governmental services, assuring public safety, and building a transportation network. The US also trained the personnel who would implement these programs. The results achieved by this massive American investment in the future of Vietnam — together with the energy, initiative and resourcefulness of the Vietnamese people — can be seen from Table 1.

In the late 1950's it was becoming increasingly apparent to the Communist regime in Hanoi that South Vietnam was not going to fall into its hands like a ripe apple. Indeed, the growing contrast between the prosperity of the South and the poverty of the North was becoming a source of embarrassment to the Communist movement. Accordingly, the decision was made to take direct action to bring South Vietnam into the Communist fold. The Viet Cong cadres left behind in the South after the 1954 Partition began to step up terrorist activities in 1959 and 1960.

Table 1

## EXPANSION IN THE VIETNAMESE ECONOMY, 1955-1961

	1955	1961
Rice Production	2,839,000 tons	4,955,000 tons
Rice Yield per Hectare	1.3 »	2.1 »
Rubber Production	66,400 »	76,900 »
Jute Production	382 »	2,441 »
Kenaf Production	0	7,800 »
Hogs	2,295,000	3,620,000
Fertilizer Imports	44,000 tons	124,000 tons
Electricity Production (000 KWH)	203,000	306,000
Railroad Freight (000 Ton Km.)	77,000	142,000
Students — Elementary	602,000	1,300,000
Secondary	53,000	170,000
University	2,500	11,500
Exports (\$000)	69,000	84,000

On December 12, 1960, the Viet Cong campaign was formally opened with the announcement of the establishment of the «National Front for Liberation.» During early 1961, Viet Cong activity was gradually increased. The US was aware of this problem; in his visit to Saigon in May, 1961, Vice-President Johnson promised increased aid to the Government of Vietnam. Then, in the summer of 1961, the Communists took advantage of the deteriorating situation in Laos to infiltrate a number of cadres through Laos into South Vietnam. Increasing Viet Cong military activity created a crisis which resulted in General Taylor's visit to South Vietnam and President Kennedy's decision to increase US military assistance. Intensive planning in Saigon and Washington resulted

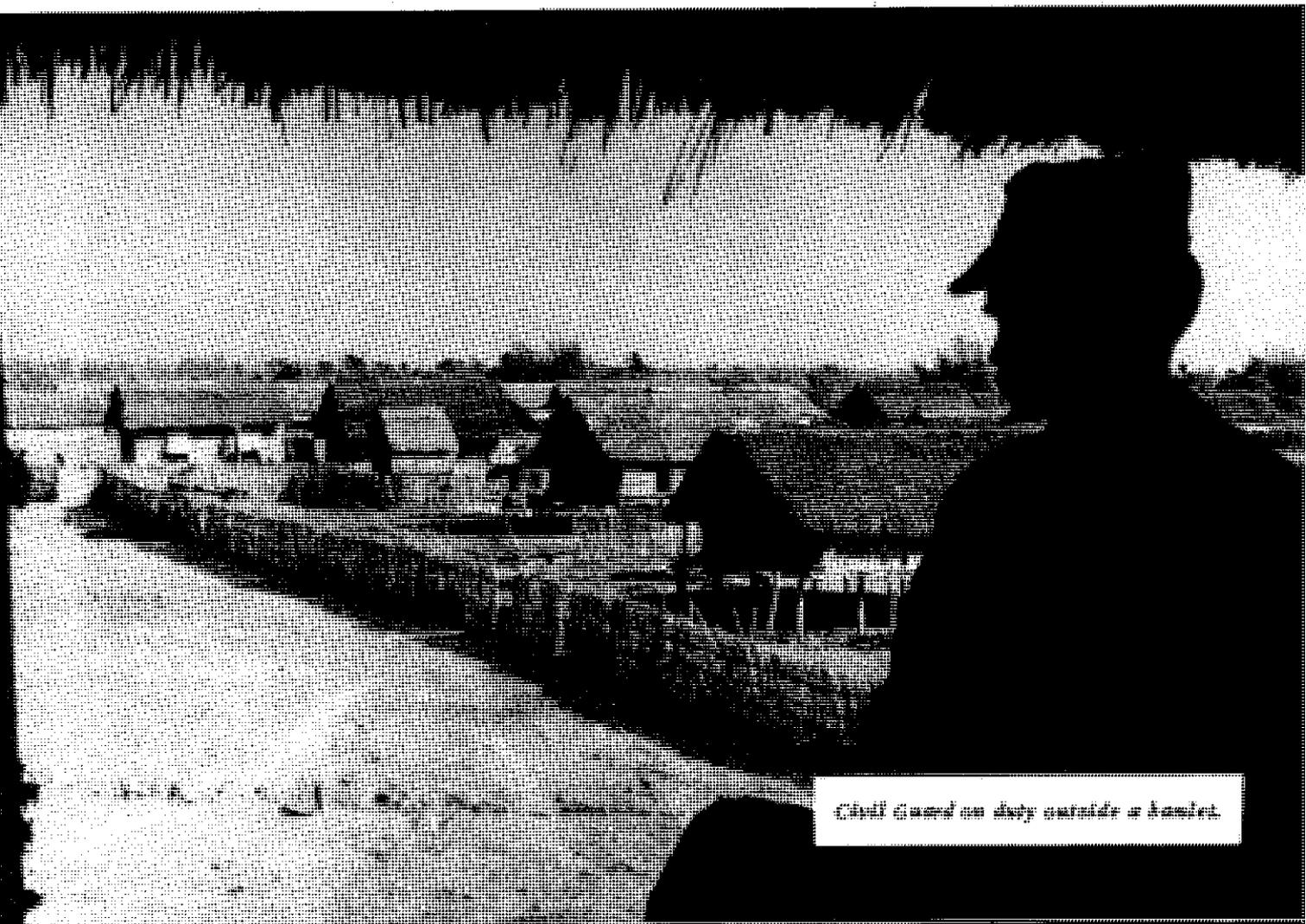
in the formulation of the Hamlet Program, which was formally inaugurated in February, 1962, as a major part of the pacification effort.

Experience has shown that a nation seriously threatened by Communist insurgency can survive only when backed by popular support. Accordingly the new strategy has aimed at establishing a stable administration, economically and politically viable, enjoying and meriting the support of the people. The strategy has three major programs: military action against the armed Communist insurgency forces; economic, political, and social programs directed at the rural population so as to win its support for the government; and long-range efforts to provide an adequate military, economic and social base which will enable Vietnam to achieve future objectives.

A great deal of the US effort is below the surface, or behind the scenes. What is visible is project-type assistance, the concrete results of US aid. What is not so immediately evident is the amount of work and resources that goes into budget support and program planning. USOM has two main offices and several divisions. The Office for Program and Planning works with the Vietnamese Government to help plan programs to accommodate the nation's most pressing needs. It provides the services of expert economists who work with counterparts in the GVN Ministries. This office also programs large-scale general economic or «non-project» assistance to give financial support to Vietnam's military budget, whose requirements are far in excess of the GVN's ability to collect piasters internally

to support necessary expenditures. Piaster-generation programs administered by USOM are the Commercial Import Program and the Food-For-Peace imports. 90% of the piasters thus acquired have gone to support the nation's defense budget.

Counterinsurgency and project assistance is provided through the Office for Rural Affairs (ORA) (now reorganized into an Office of Operations), together with the various technical Divisions. Using the technical knowledge of Vietnamese and American personnel and the supplies of essential materials and equipment being provided by the GVN and the US, this office advises the GVN in a series of specific efforts to solve individual problems. The emphasis is on counterinsurgency and the principal objective is to gain the support of



Civil Guard on duty outside a hamlet.



*"Yellow Golden" melons are harvested for the first time in Vietnam at My Tho.*



*Sweet potato of local variety planted by improved farming method grew more than twice the former yield.*

the rural people of Vietnam. At the field level of operations, the ORA is the principal link between the Divisions; through the ORA the activities of the Agriculture, Public Health, Education, etc., Divisions are fused into an effective economic program.

There has been a recent trend towards increased decentralization of USOM activities. Regional offices are now being established in the four prime regions corresponding to the Military Corps areas of the Republic of Vietnam. These regional offices will be staffed by representatives of all of USOM's substantive

divisions and a Regional Coordinator will be charged with the overall administrative and operational responsibility for all activities and personnel assigned to his region.

In 1964 USOM efforts have continued to be directed toward the general objective of winning the loyalty of the rural population. The major emphasis of USOM activity in FY 1964 has been on the improvement of living conditions in the Mekong Delta region, an area currently of crucial importance in the counterinsurgency effort. Among the programs are the following:



*A hamlet in Phu Bon province.*

- 1) An intensive well-drilling program to increase the supply of potable water;
- 2) Distribution of 50,000 tons of fertilizer over and above normally available quantities;
- 3) Improvement of the rice crop by means of a free distribution of improved seed to farmers in this area;
- 4) The establishment of a total of 25 provincial radio broadcasting stations to sup-

plement the national network.

This report attempts to describe briefly the US economic aid program in Vietnam and its recent accomplishments, as well as the means by which these accomplishments have been effected. Everything cannot be covered in a publication of this nature; it is hoped that the most significant achievements of USOM/Vietnam in the past two years are presented.

## RURAL AFFAIRS\*

The Office for Rural Affairs represents a new approach to technical assistance. Its philosophy is one calling for the provision of psychological as well as material aid. The primary purpose of the ORA is to assist the GVN in securing and sustaining the loyalty of the rural population. This is accomplished by assisting the rural citizen to become secure from Communist-inspired guerrilla activity, and by awakening and developing a sense of village and hamlet solidarity through cooperative community improvement programs aimed at consolidating individual and group, local and national sensibilities.

Material aid is part of the Rural Affairs program insofar as it is instrumental in gaining popular support. Provincial stocks of wheat, cooking oil, cement, roofing, clothing, tools and miscellaneous items have been built up and are distributed to achieve specific purposes. While US Government surplus property lists are checked for items which might be of significant use to the rural population

of Vietnam, the ORA does not merely hand out supplies. It provides needed advice and counsel to people in the provinces and stimulates them to help themselves. Appealing programs of technical assistance such as plant protection, hog improvement and rural water supply, are quickly expanded. ORA assists the GVN in the relocation of families whose homes have been destroyed by VC action or natural disasters. It also provides advice on the « Chieu Hoi » (Open Arms) campaign, which offers amnesty and rehabilitation to Viet Cong who voluntarily surrender.

In order to bring to each village and hamlet the assistance most useful to that particular community, planning and program implementation have been largely decentralized to the province level, and, in some cases, even to the hamlet level. At least one USOM representative is stationed in each of Vietnam's 42 provinces. A committee, headed by the Vietnamese province chief, and including the USOM representative and the US sector

\* This office was reorganized as the Office of Provincial Operations in July, 1964



*Farmers receive US Aid soybean oil as prizes for their work with agricultural extension agents.*

(province) military advisor, decides the specific projects to be initiated in each hamlet. The people of the hamlets also select certain community improvement projects, to be achieved through Self-Help (the people of the hamlet furnishing the labor and US aid and the GVN furnishing the money and/or commodities).

The Strategic Hamlet, or New Life Hamlet, is the smallest administrative unit of the country. A fully operative hamlet is a community whose population is committed to resisting the Viet Cong with every means at its disposal. To this end, a defensive perimeter

is constructed around the hamlet, men are trained and armed to defend it, and a variety of government social and economic services and Self-Help programs are introduced. These measures all have the goal of encouraging the population to adhere to the Government of Viet-Nam and to defend itself against the Viet Cong. The fortification and armament of a hamlet are also for their psychological value: they give the people the feeling that their actions plus those of the regular military forces can bring them security. For this reason the hamlet has best been described as «a state of mind.»

The hamlet program was first put into effect in late 1962, when the Office for Rural Affairs started operations. This was the first time that the US had been engaged in such a large-scale counterinsurgency effort, in which economic and technical assistance was to play such a major role. It was also the first time that US economic aid and technical assistance had been so decentralized. Flexibility was the keynote. To be effective it was necessary to respond quickly to emergencies and to provide immediate assistance for those who had been

left homeless by Viet Cong action and those who had to be quickly relocated for security reasons.

The whole concept of Rural Affairs operations received its acid test in the northern province of Quang Ngai. This was an area of extreme poverty which had a tradition of rebellion and was generally considered to be one of the principal Viet Cong strongholds in Vietnam. It was therefore singled out for a particularly rapid implementation of a com-

*Ben Tuong hamlet shows the careful planning that goes into relocation projects.*





*Children of refugees play in their new home town of Khe Sanh, in Quang Tri province.*

bined civil and military counterinsurgency program. About 268 hamlets, comprising much of the area's population, were organized. Commodities, including fertilizer, cement, food and miscellaneous material, were distributed. Rats were largely eradicated in an intensive campaign just before the harvest. The ORA together with the Agriculture Division furnished the pesticides, equipment, and technical guidance.

The payoff came early in 1963. As large numbers of government troops moved into the province for a major clearing operation, the Viet Cong decided to make an all-out assault on the hamlets. In a six-day period they struck at over fifty hamlets; all of the attacks but one were repulsed. It was basically a people's victory. The people informed government forces well in advance of VC moves, ambushed small groups of VC scouts, and fought in every

way they could. Because of the resistance of the people, which was apparently a result of major changes in attitude brought about by the counterinsurgency program, Viet Cong influence in the province was greatly reduced.

Millions of people have felt the impact of the program. By the end of 1963 about 8,000 hamlets had been launched, bringing about 9,000,000 people into the program. By the end of the year some 7,000 Self-Help projects had been undertaken or planned, involving most of the hamlets in the country. The Office for Rural Affairs had delivered about 145,000 tons of commodities. These commodities were moved by truck, barge, coastal steamer, LST, airplane, helicopter, and Tri-Lambretta.

About 50,000 Montagnard tribespeople were resettled. These people often had to be relocated substantial distances from their ancestral areas so as to be kept out of Viet Cong control. Rural Affairs advised and assisted provincial administrations in planning new settlements for them, and special cadres were sent in to organize them and train them for settled living. At first many were unwilling to give up their semi-nomadic way of life, but as they saw the results of the first new settlements of Montagnards, more and more came voluntarily out of the hills and asked for assistance in resettlement. The life of large areas of the plateau provinces was transformed as these tribes began to receive education, medical attention, and economic improvements.

*Returnees read or study at a provincial Chieu Hoi center.*





*Entrance to Truong Son hamlet, in Binh Dinh province.*

The greatest impact of the program, however, was on the Central Coastal provinces. The pattern of habitation of these areas was best adapted to defense by the hamlet technique, and in this area the government made strenuous efforts to consolidate its position against the Viet Cong. The Office for Rural Affairs, with the USOM Agriculture Division, made a major assault on the poverty of this area.

The November 1, 1963, military coup in Vietnam slowed efforts in the countryside considerably. The Vietnam Government's bureaucracy was paralyzed by the coup, and as a result, communication between Central Government and provincial administrators was at a standstill for several months. The decentralized organization and methods of the ORA was a major factor in preventing provincial governments from being totally immobilized by the

inactivity of the central government. Gradually, however, the GVN resumed its functioning and coordination with Rural Affairs personnel was strengthened. The frankness of the new administration in dealing with Americans in Vietnam was one of the main factors in this improved cooperation.

In 1964, increased emphasis has been placed on activities in the «Critical Provinces» of the Greater Delta area. The maximum

feasible input is being made in these provinces. This does not, however, mean that other areas are being neglected. Generally speaking, they are provided with adequate resources and technical advice to carry out necessary programs; Rural Affairs is thus concentrating on reaching as many individuals as possible in the attempt to demonstrate through tangible evidence that their support for the Central Government is justified.

# AGRICULTURE

One of the primary objectives of the aid program in Vietnam is to provide the village population with the means and the know-how to raise agricultural incomes as quickly as possible. During 1963 and 1964 the Agriculture Division, assisting the Ministry of Rural Affairs and other GVN agencies, continued its assault on the worst poverty problem of

quality. The Agriculture Division attacked the poverty of these 700,000 families, using as ammunition fertilizer, pesticides, new livestock and new crop varieties.

A massive fertilizer campaign was launched in 1963 with the goals of achieving an immediate yield increase and of achieving a  
ment in farming techniques.  
of chemical fertilizer were  
rst year and 50,000 tons  
d summer of 1964. This  
every farmer to apply  
of his rice-lands. Dis-  
handled through provincial  
als and hamlet committees.  
e distribution of fertilizer  
campaign in which supervised  
onstrations were conducted,  
n. leaders from each hamlet  
ne provincial centers for  
ing sessions. These sessions  
the use of fertilizer, but also  
hog raising and new crop  
ucation campaign also included



*Rice planting at My Tho.*

*The newly introduced wheel cultivator  
from the US has been accepted with great enthusiasm by farmers in Long Khanh province.*



distribution of posters and leaflets. Many farmers reported 30% increases in yields due to application of fertilizer, and it is estimated that the fertilizer program resulted in an overall yield increase of 8 to 10 percent.

In 1964 the results of a pest-control campaign that began in 1961 were tabulated. That year a nationwide organization of plant protection services was built up. A plant protection agent was trained and established in each province, equipped with a special Tri-Lambretta mobile unit and

*This farmer's comment  
on the new cultivator is: "Number one!"*



*Farmer using a primitive insecticide spray gun.*

enough sprayers for his whole province. Beginning in mid-1962, a rat-eradication campaign killed a rat population many times the region's human population; in 1963, further rat control drives finally eliminated rats as a major cause of crop damage in Central Vietnam. During 1964 USOM built up sufficient stocks of rat poisons to supply 75% of the farmers of all of Vietnam, and thus keep rats under control in all areas.

In addition, spraying brought the second major pest of the Central Lowlands, rice-hoppers, under control. Sprayers were loaned out by the government's provincial plant protection agent. In Central Vietnam insecticides were distributed without charge; in other areas they were sold at low prices. Outbreaks





*Farmer using a primitive insecticide spray gun.*



of several other pests of secondary importance in various regions were also brought under control. By the end of 1963 the Ministry of Rural Affairs' Plant Protection Service was ready to control pest outbreaks in any secure area of Vietnam and in many insecure areas. During 1964 the Service began a campaign for selling sprayers to individual farmers. Twenty-one thousand will be sold this year.

One of the most successful activities of the Agriculture Division is its hog raising program. Successful hog raising, which can provide a relatively decent income for a family with very little land, requires adequate credit facilities, decent feed, breeding stock, know-how, and adequate veterinary treatment.

*The Plant Protection Service  
not only sells insecticides and sprayers  
at low cost but also provides training in their use.*





*The bog raising program includes corn, bogs, improved pigsties and farmers' cooperatives.*



The basis of the program is three 100-pound sacks of surplus corn, three pigs, and eight sacks of cement per family. The distribution is handled by cooperatives and farmers' associations throughout Central Vietnam on low-cost loans. Feed corn is also distributed by the cooperatives on loans. The farmers purchase a limited supply of the American corn and the materials to complete the concrete pigsties on a credit basis from the cooperatives.

Some 5,000 families are participating in the program, and 16,000 high-quality hogs have been distributed. Each hog is treated for hog cholera. Extension agents visit areas of hog distribution to explain proper techniques to the farmers. The introduction of this program on a nationwide scale has already had a considerable impact on the economy, and preparations have been made for its expansion.

To provide a source of feed for hog raising in Central Vietnam, and also to provide an export crop, various varieties of corn were tested. Guatemala Golden Flint Corn was selected as the most suitable for this region,



*Field agents show farmers how to plant corn an improved way.*

since it is 50% more productive than local varieties. During 1963 about six tons of this seed were distributed, largely in the Central Lowlands. This program will not only raise the yield of the land now devoted to corn, but it will provide for expansion of corn acreage. In many areas of Central Vietnam, corn can yield a higher income per hectare than rice.

In 1963 about 3,000,000 sweet potato cuttings and 200 tons of roots were distributed in Central Vietnam, including varieties which can yield 100 to 200 percent more than varieties previously planted. Progress was also made with several truck crops in the Central Highlands: Vietnam no longer has to import potatoes, onions and garlic, as production of these vegetables is now sufficient for domestic needs.

Pond culture of fish, a traditional source of income in rural areas of many parts of Vietnam, has continued to expand. Distribution

*New and improved poultry breeds are imported to Vietnam.*





*Harvest of sweet potato in Dinh Tuong province has attracted widespread attention and interest.*

of fingerlings from state hatcheries increased from 6,000,000 in 1962 to 24,525,000 in 1963. Many of the moats dug around new hamlets were stocked with fish. Motorization of coastal fishing boats continued during 1963-64, substantially increasing the coastal fishing yield.

Three Chinese agricultural teams, now in their fourth year of operation, continue to provide technical assistance to Vietnam. Sponsored by the Joint Commission on Rural Reconstruction in Taiwan, these teams work in the provinces with Vietnamese and American counterparts.

One of these teams, the Farmers' Cooperative Association Mission, is assisting the

government in establishing and improving the multi-service farm cooperative associations. With FCAM assistance, the government has established 48 pilot associations with facilities to perform extension, credit and other necessary services to their members. Another team, the Crop and Livestock Improvement Mission, is emphasizing the establishment of a system of agricultural research and experiments covering sugar cane, rice, field crops, vegetables, plant protection, animal breeding and extension information. The third team, the Irrigation Development Mission, has concentrated on planning and reviewing designs for irrigation projects including basic studies for better utilization of land and water and implementation of hydraulic constructions.

*A farmer in Gia Dinh province shows the difference in size between sweet potatoes grown by local and improved methods.*





*Mr. C.Y. Lin, Chinese specialist, demonstrates seed treatment and the preparation of rice seedling beds.*

*The 3kg. local water melon looks midget compared with the 14kg. "Dixie Queen" planted in Dinh Tuong province.*

Some 25 International Voluntary Services team members work with the Agriculture Division in provinces where they are assigned upon GVN request. They work closely with local agriculture and animal husbandry personnel in the field. During the past year the work of IVS team members has centered less on experiment stations and more on extension activities.



# PUBLIC WORKS

The Public Works Division is involved in a wide range of both short- and long-term projects undertaken in cooperation with the Government of Vietnam. It is active in dealing with all of the nation's major utilities, such as water supply, public communications and electric power development. Technical assistance is also necessary to back up Vietnam's main transportation arteries — the national highways, the railroad and the waterway systems. These are subject to almost daily Viet Cong sabotage and require large quantities of USOM-supplied materials, equipment and replacement parts to remain in operation.

The diverse programs of the Public Works Division went on a wartime footing in 1963. Waterways, telecommunications, and electric power assistance programs were geared as closely as possible to the counterinsurgency effort. The rural water program has become an important weapon of this effort. The rail and air traffic systems have withstood major tests of war with US assistance. Following

are the major accomplishments in each field of Public Works activity.

## Roads

The mounting traffic load on Vietnam's highways, both commercial and military, demands an adequate maintenance program. Maintenance of the existing basic highway network, with special emphasis on the three principal roads reconstructed over the past few years, is therefore receiving increased attention. The economic value of this program is illustrated by the rapid industrial development along the Saigon-Bien Hoa Highway.

The Rural Roads program, of vital importance to commerce and security, continues as a major program of road construction and improvement. Assistance is being rendered in the construction of approximately 400 kilometers of new roads and the rehabilitation of 1,100 kilometers of certain existing roads. Work is in progress on twenty of the forty projects. The scope of work under this pro-

gram has been expanded to include repair or replacement of bridges damaged or destroyed by sabotage.

National Route 14, the vital north-south artery connecting Saigon with the Highland Plateau, is being converted into an all-weather highway by means of widening and strengthening the base and applying an asphalt surface treatment over 190 kilometers of its length. National Route 19, a major east-west route, is also being converted to an all-weather road by an application of a bituminous surface treatment. Both of these routes provide the means of communication necessary for the logistical support of the counterinsurgency

program, as well as the means of access for settlement and economic development of the large areas of sparsely populated, fertile highlands. To support such large-scale surfacing operations and future maintenance activities, bulk asphalt storage, heating and pumping facilities are being erected at six locations in Vietnam.

A major bridge construction program, implemented in 1961, continues to progress. Thirteen bridges have been completed on National Routes 1, 13 and 14. The program is now concentrating mainly on National Route 1, where seven large bridges, up to 600 meters in length, are under construction by local contractors.

*Bridge under construction on National Route 1.*



To bolster the highway construction and maintenance programs, additional construction equipment and the repair parts, tools and shop machinery required to support such equipment are being introduced. Improvement of equipment maintenance and repair facilities at the district and provincial levels and increased coordination between these shops and the central equipment repair facilities at Suoi Lo O are continually stressed.

The Highway Training School at Suoi Lo O continues to employ its excellent facilities in the training of construction equipment supervisors and operators for the Ministry of Public Works. USOM provides support to this school in the form of materials and guidance in curriculum planning and overall operation.

### **Railroad**

Every day or two, along the 835 miles of main track of the Vietnam Railway System, a train encounters a mine or some other act of sabotage occurs. The Vietnam Railway System, linking Saigon with the major population centers to the north, is the main traffic artery of the economy of Vietnam. The Viet

Cong have made an all-out effort to sever this artery. Figure 1 shows the records of three years of Viet Cong sabotage. As a result of the joint efforts of railroad employees and US personnel, the Viet Cong attempts to halt railroad transportation have not succeeded. The US has contributed \$1,500,000 a year in replacement parts, such as rail, ties and fittings, repairs for rolling stock, equipment and materials, including about 20 miles a year of track and thousands of different types of parts. During 1963 it furnished two new railroad wrecker cranes to supplement the single one the railroad previously owned. The employees of the railroad, very often at the risk of their lives, have cleared the tracks and gotten traffic moving as quickly as two hours after an act of sabotage, and rarely more than thirty-six hours afterwards. They have set records in rapid repair of track and equipment. Volume has, in general, held up. Freight volume was 457,882 metric tons and freight revenues were 207.1 million VN\$ in 1963, as compared to 415,423 metric tons and 178 million VN\$ in revenues in 1962. In spite of an all-out Viet Cong effort to stop them, the trains have kept moving.

*A diesel locomotive on the Vietnam Railroad after having been mined by the Viet Cong.*



**FIGURE 1 - SABOTAGE, VIETNAM RAILROAD, 1961-1964 (1ST HALF)**

*(EACH FIGURE REPRESENTS TEN UNITS)*

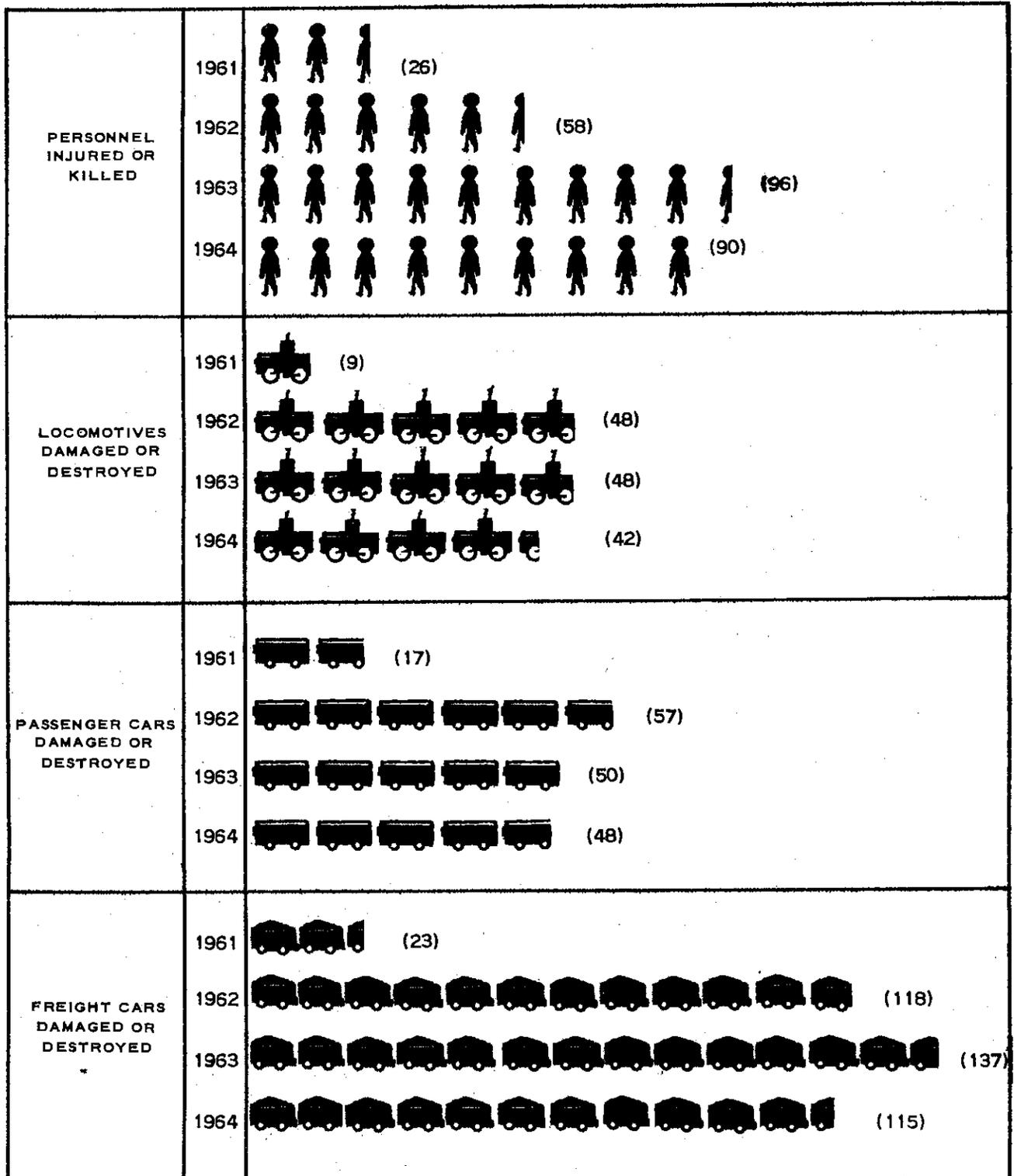


Chart by USOM/ComMedia

The performance of the Vietnam Railway System personnel, despite Viet Cong attacks resulting in the killing and wounding of many employees, has been outstanding. It is a shining example of patriotic dedication and courage for the entire nation and the nations of the Free World.

Under the Development Loan Fund (now a part of AID), a loan of \$9,700,000 was granted to the Vietnam Railway System in order to modernize the railway through dieselization, replacement of antiquated rolling stock and acquisition of machine tools to establish necessary repair and maintenance facilities. A contract was made with an engineering firm to assist the VRS in planning and designing. Between August and November, 1963, 23 General Electric U8-B diesel electric engines were received and placed in service. 21 freight cars were delivered in September 1963 from the Magor Car Company. A purchase was made through Whitehead and Kales of 200 knocked down (or disassembled) freight cars which will be completely assembled by the railroad personnel in the car shops at Chi Hoa. The cars will be received and construction started in the third quarter of 1964.

### **Air Traffic Control**

During the last three years air traffic in Saigon increased from, roughly, the volume of Cedar Rapids, Iowa, to that of Cleveland, Ohio, or Kansas City, Missouri. In spite of this rapid 300% traffic increase, largely military, an excellent safety record was maintained and bottlenecks and delays, which would have seriously hampered the military effort, were not encountered.

Fortunately, the groundwork had previously been laid to handle this rapid expansion. In the past seven years, \$4,200,000 had been programmed for Tan Son Nhut Airport. Air traffic control and meteorology technicians had been sent for advanced training to the US and were on the job by the end of 1963.

Certain emergency work was required, however, to handle the increased traffic. The Saigon Air Traffic Control tower was completely rehabilitated by USOM technicians so as to increase its capacity. In addition, the military established a domestic flight following system, a communications network which reports flight information from 17 domestic airports. This network handles both civil and military flights. Radioteletype and facsimile reproduction equipment was installed, in order to speed up the reception of weather information from other parts of the Far East.

Equipment was ordered for two systems which will greatly improve air traffic control over Vietnam. An extended range VHF system will increase the range of air-to-ground voice communication from 70 to 250 miles. A Southeast Asia regional communications system will inform Saigon of departures for Vietnam from other major airports of the region and vice versa. With these two systems, the Tan Son Nhut (Saigon) air traffic control complex should be able to maintain full air traffic control over the Saigon Flight Information Region.

### **Airports**

Construction of a new east west jet runway, taxiways and ramp were completed by



*The Air Traffic Control tower at Tan Son Nhut Airport, Saigon.*

USOM at Tan Son Nhut airport in November 1963. This project included installation of high intensity runway and taxiway lighting and an approach lighting system. Equipment is in the country for an instrument landing system. This system will be commissioned and flight checked by December 1964. Additional installations of airport beacon lights and runway, threshold, and taxiway lights were completed at seven provincial airports.

All of these activities are in direct support of the counterinsurgency effort. They are jointly used by all segments of the US Military and the Vietnamese Air Force.

#### **Ports and Waterways**

Vietnam has the largest system of man-made inland waterways in the world. Maintaining them and dredging canals so as to open new lands in the Delta area is the continuing job of the Office of Navigation.

The Office of Navigation is composed of two major sections: the Inland Waterways Service and the Maritime and Merchant Marine Service. US aid has assisted in their development and growth by supplying equipment, spare parts, and training of personnel.

The Inland Waterways Service is currently operating a fleet of 9 hydraulic suction dredges. During 1962, with 9 dredges operating, the fleet dredged a total of 3.7 million cubic meters. During 1963, with 9 dredges operating, the fleet dredged a total of 4.1 million cubic meters. This increase is due to the utilization of equipment on planned projects and coordination of effort.

As a result of the increased autonomy of the Office of Navigation, the Inland Waterways Service will be able to considerably increase its efficiency of operations. The Service is undertaking the planning, surveying, and implementation of projects that necessitate the utilization of its equipment and

personnel: dredging, hydrographic surveys, and ship maintenance and repair. The IWS has increased its usefulness to the counter-insurgency program in spite of the many acts of sabotage to its equipment. To date, two employees have been killed and a number injured, but the morale of the personnel is high.

The Maritime and Merchant Marine Service has continued to maintain and service all necessary navigational aids, and to control the limited operations at the sea ports of Qui Nhon, Nha Trang, Kien Giang, and Da Nang.

### **Rural Urban Water Supply**

The Rural Urban Water Supply Program was initiated in 1961 in cooperation with the Ministry of Public Works and Communications. The purpose of the project is to establish adequate potable water supplies of safe bacteriological quality and acceptable mineral content in rural towns and cities throughout Vietnam. The project includes the planning, design and construction of new water supply facilities and the rehabilitation and enlargement of existing ones. Those areas where the demand for potable water is critical because of population resettlement, military force build-up, or other counterinsurgency efforts are receiving first priority.

The construction of new water supply facilities and the improvement of existing facilities was accelerated considerably during fiscal years 1963 and 1964 as a result of the AID commodity import program. With the arrival of cast iron pipe, valves, fittings, water meters, pumps and water treatment units, accomplishment of the recommendations made as a result of the rural urban water supply survey of 50 cities in 1959 began in earnest.



*Dredging in progress at Can Tho.*

Table 2

## WATER SUPPLY FACILITIES CONSTRUCTED DURING FY 1963-1964

Location	Population	Water Dist. Systems		Water Storage Tanks	Water Treatment Plants	Wells
		New	Ext.			
		Meters	Meters	Capacity	Capacity	Capacity
1. An Loc	19,200	2,000				
2. Banmethuot	32,000		11,010		200m <sup>3</sup> /hr.	
3. Bao Loc	7,100	5,600		150m <sup>3</sup>		200 GPM
4. Bien Hoa	57,200		1,800			
5. Cai Lay	8,500		700			
6. Cao Lanh	5,300		3,400		22m <sup>3</sup> /hr.	
7. Da Nang	100,000		1,210			150 GPM
8. Gia Nghia	3,000	3,003		100m <sup>3</sup>	30m <sup>3</sup> /hr.	
9. Ham Tan	12,000	*1,843				
10. Hue	104,500		2,541			
11. Kontum	23,600					* Well
12. Long Xuyen	40,000		5,600	300m <sup>3</sup>	300m <sup>3</sup> /hr.	
13. Moc Hoa	12,000	2,600		*50m <sup>3</sup>	30m <sup>3</sup> /hr.	
14. Phu Cuong	27,800					* Well
15. Phu Vinh	20,000					* Well
16. Phuoc Binh	10,000	3,223		150m <sup>3</sup>	30m <sup>3</sup> /hr.	
17. Phuoc Vinh	5,000	* 2,110		50m <sup>3</sup>	30m <sup>3</sup> /hr.	
18. Pleiku	20,000		5,200			200 GPM
19. Quan Long	21,600					* Well
20. Quang Ngai	9,600	4,158				200 GPM
21. Qui Nhon	41,000					150 GPM
22. Quoc Gia (Nat. Orphange)	2,000		446	50m <sup>3</sup>		
23. Rach Gia	53,500	13,529		300m <sup>3</sup>	200m <sup>3</sup> /hr.	
24. Truc Giang	15,500		1,111			
25. Vinh Long	31,200		9,705		100m <sup>3</sup> /hr.	
26. Xuan Loc	15,000	2,833		150m <sup>3</sup>		200 GPM
TOTAL	696,600	40,899	42,723			
No. of Facilities	—	10	11	9	9	10

\* Under construction.

Table 2 shows by location the type and capacity of water supply facilities built during fiscal years 1963 and 1964. The 49 facilities constructed are in rural urban areas with an estimated total population of about 700,000 people. By the end of June, 1964, 31 of the 145 facilities recommended for accomplishment in the 1959 survey were either partially or totally implemented. Another 18 facilities, including water distribution systems, storage tanks, water treatment plants and/or wells, have been constructed in towns or cities not included in the original survey.

### Rural Wells

The Rural Wells Program was first undertaken in 1957 to provide potable water to individuals living in small groups and hamlets in the rural areas. The program has advanced steadily and is presently being accelerated vigorously in the provinces most critical to the counterinsurgency effort. During fiscal years 1963 and 1964, 394 wells were drilled throughout 32 provinces in Vietnam. Figure 2 shows the number of wells drilled in each province since the initiation of the program.

On April 10, 1964, the search for water in rural Vietnam was intensified by the creation of RUWSTAF, the Rural Water Supply Task Force, a joint US-GVN group whose objective is to provide potable water for as many individuals as possible in critical rural areas. The Task Force is committed to exploration for water in the Delta area, where salt-water encroachment from the sea has penetrated as much as 70 kilometers inland during the dry season. Residual salts have accumulated in the vast, almost barren, Plain of Reeds, a lowland only a meter above sea level. Development of ground water in these difficult areas

depends upon exploration for deep aquifers, 100 to 200 meters or more in depth. Prior to 1964, 23 of the 37 wells drilled in the Delta area were failures, chiefly because of salty water.

The Task Force will use all means at its disposal to obtain and distribute water including the improvement and enlargement of water treatment plants, the construction of rain water cisterns, shallow dug wells, and ground storage reservoirs, the extension of municipal water distribution systems to serve adjacent hamlets, and the emergency hauling of water by tank truck and barge. If people are to be brought together in the New Life Hamlets for security and mutual defense, they must have adequate and suitable sources of water for

*US Seabees assist in well-drilling operations.*

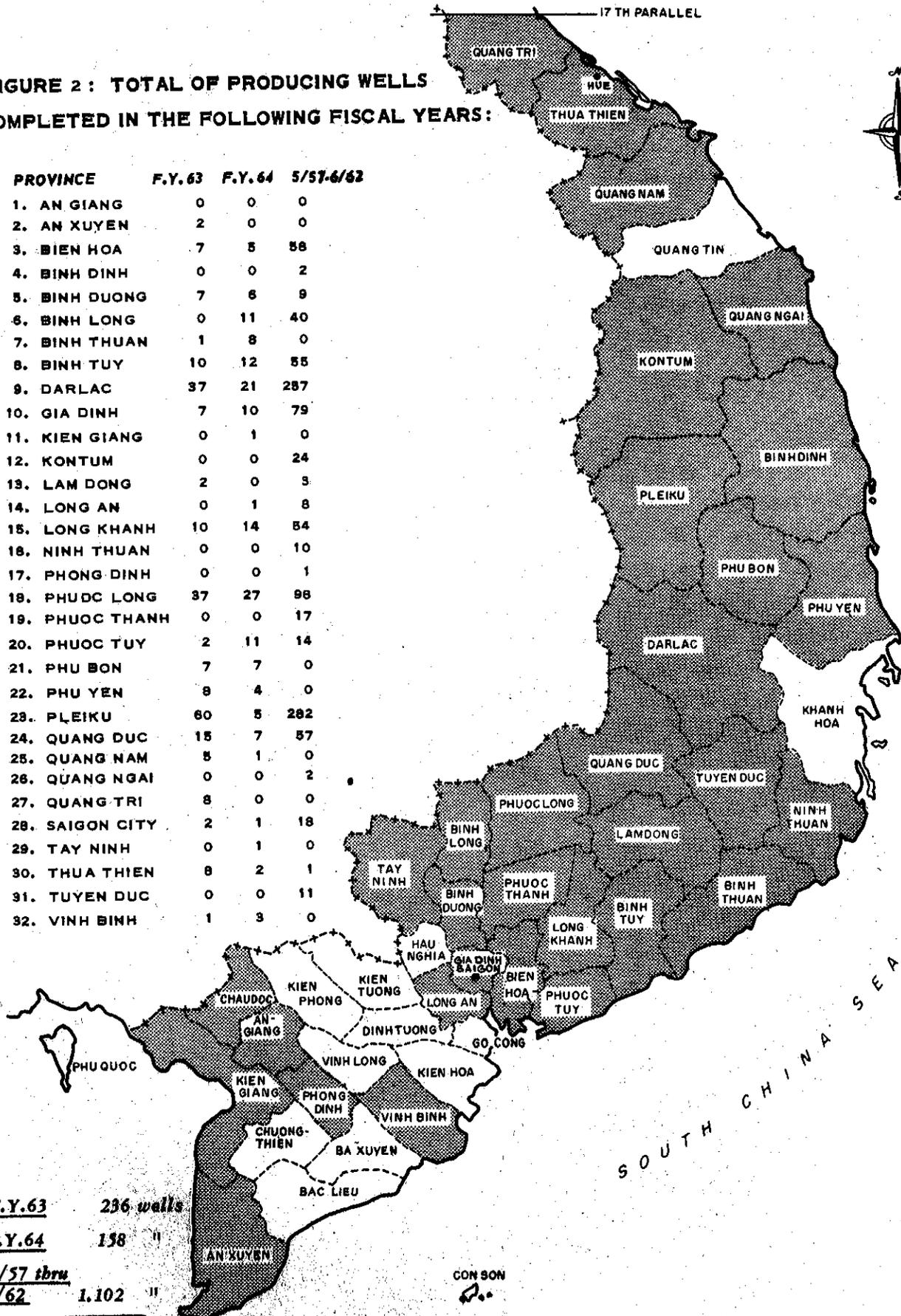


17 TH PARALLEL

**FIGURE 2 : TOTAL OF PRODUCING WELLS COMPLETED IN THE FOLLOWING FISCAL YEARS:**



PROVINCE	F.Y. 63	F.Y. 64	5/57-6/62
1. AN GIANG	0	0	0
2. AN XUYEN	2	0	0
3. BIEN HOA	7	5	58
4. BINH DINH	0	0	2
5. BINH DUONG	7	6	9
6. BINH LONG	0	11	40
7. BINH THUAN	1	8	0
8. BINH TUY	10	12	55
9. DARLAC	37	21	287
10. GIA DINH	7	10	79
11. KIEN GIANG	0	1	0
12. KONTUM	0	0	24
13. LAM DONG	2	0	3
14. LONG AN	0	1	8
15. LONG KHANH	10	14	54
16. NINH THUAN	0	0	10
17. PHONG DINH	0	0	1
18. PHUOC LONG	37	27	98
19. PHUOC THANH	0	0	17
20. PHUOC TUY	2	11	14
21. PHU BON	7	7	0
22. PHU YEN	8	4	0
23. PLEIKU	60	5	282
24. QUANG DUC	15	7	57
25. QUANG NAM	5	1	0
26. QUANG NGAI	0	0	2
27. QUANG TRI	8	0	0
28. SAIGON CITY	2	1	18
29. TAY NINH	0	1	0
30. THUA THIEN	8	2	1
31. TUYEN DUC	0	0	11
32. VINH BINH	1	3	0



F.Y. 63 236 wells

F.Y. 64 138 "

(5/57 thru 6/62) 1.102 "

**1.496 wells : grand total from May 57 through June 64.**

Chart by USOM/ComMedia

domestic purposes. It is the ultimate goal of RUWSTAF to provide the population in rural areas and provincial urban centers of Vietnam, where lack of an adequate water supply presents urgent problems, with a minimum of 40 liters of potable water per person per day.

#### **Saigon Metropolitan Water System**

This self-liquidating project was started in 1963. Estimated total cost is 26.5 million dollars, of which 17.5 million is financed by a Development Loan Fund loan. The system is expected to be completed in the spring of 1965.

Raw water will be drawn from an intake in the Dong Nai River near Bien Hoa, and transmitted through a 72-inch pre-stressed concrete main to a treatment plant near Thu Duc, from which it will be pumped

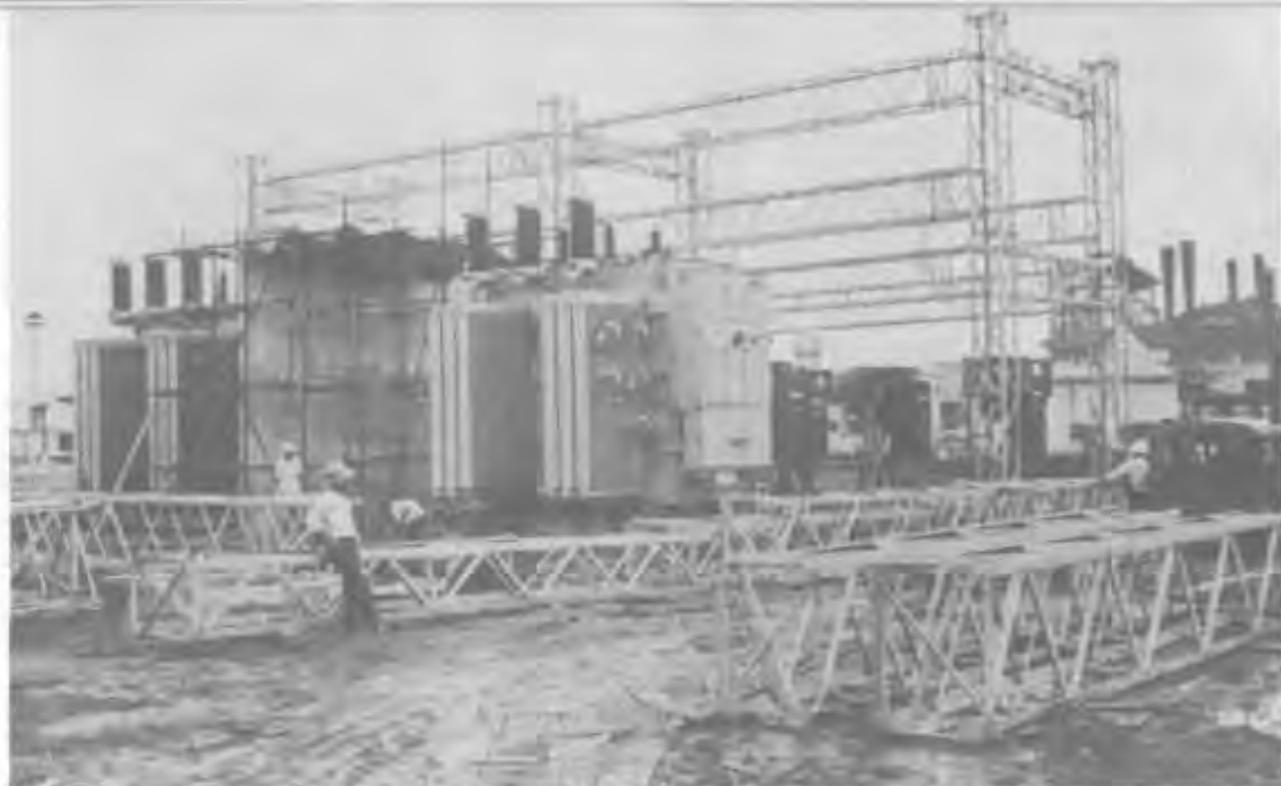
through a 78-inch main to the Saigon distribution system. The system, which will be operated by the Saigon Metropolitan Water Office, will ensure an adequate supply of safe water to the over two million people in the Saigon-Cholon metropolitan area.

#### **Electric Power**

Electrification of provincial cities, towns and hamlets has been intensified in FY 64, particularly in the Delta area. During the past year twenty-three units varying from 15 to 400 KW have been distributed for installation in 14 locations, together with wire/cable, watt-hour meters, distribution transformers, etc. Priorities for hamlet electrification are being established to enable GVN Ministry of Public Works and Communications technicians to expedite rural electrification.

*Saigon water supply pipeline under construction.*





*Cboquan 69/15 KW substation, part of the Saigon metropolitan electric power project.*

Under a Development Loan Fund loan of \$12.7 million, a steam generating station of 33,000 KW and a transmission system including five substations are under construction around the Saigon-Cholon area. Completion of the power plant is expected in July 1965. Work on the transmission system is now progressing well. The transmission line, when completed in early 1965, will hook into the Da-Nhim hydroelectric complex (a Japanese reparations project) with its high tension transmission line. It will thus be capable of bringing an additional 155,000 KW to the metropolitan area.

#### **Telecommunications**

The Public Works Division's telecommunications project in Vietnam is part of a regional project whose objectives are to improve and modernize the telephone and telegraph

systems of the participating countries, and to integrate all local country networks operated by Police, Army, Civil Aviation and other agencies under a single toll system. A backbone communications system for each country is thus being established.

The Vietnam project includes several different programs. Foremost among these, the Southern Toll System (600 channels for long distance communications) was completed, pending acceptance tests, in June 1964. Construction on outside plant telephone cables for Saigon-Cholon and 21 cities of Vietnam is nearing completion.

Other in-process or proposed programs include relocation of the My Tho receiving center, installation of Saigon-Cholon automatic exchanges (4,000 new lines), installation of automatic lines in 21 other cities, and construction of a Northern Toll System.

## PUBLIC SAFETY

The goal of the Public Safety Division is to assist the civil security agencies of Vietnam in the counterinsurgency effort, in maintaining law and order, and in protecting life and property. The Public Safety Division provides advisory services, training and equipment to GVN civil law enforcement agencies. During fiscal years 1963 and 64, the PSD, working with GVN agencies, forged a major link between the rural areas and the central government with nationwide radio and identification programs, and with a network of regional police basic training courses.

Over 70% of the rural population was brought into contact with the district centers through the police radio communications network. The district telecommunication centers were completed and village and hamlet radios were installed. The villages received storage battery-powered transceivers with a range of about 20 miles, and the hamlets received short-range handy-talkies powered by flashlight batteries. The radios were distributed by teams led by US advisors, who

selected the best locations for the radios and trained the operators at the equipment location.

The PSD-supported telecommunications program is a major Viet Cong target since communication is invaluable to hamlet security. Consequently, each radio set has been equipped with a self-destroying switch which, in an emergency, can be used to burn out the set. Installation teams have on occasion been forced to fight their way in and out of rural locations.

The radios have proved their worth in many instances. In several provinces which are now supported by artillery, hamlets receive artillery support within minutes after they have been attacked. Formerly the same hamlets had to wait at least a day to get military support when under attack. This rapid response has reduced the effectiveness of Viet Cong attacks. In addition, the radios are putting the hamlets in contact with other government services. The first village radio installed was used almost immediately to summon a doctor to assist in a complicated

child delivery; the doctor arrived in time to save mother and child. Flood victims who have been completely isolated have been able to summon relief supplies by radio.

In its drive to register every individual over eighteen years of age, the national police issued 6,700,000 identity cards by the end of 1963. US advisors trained and supervised instructors, who in turn trained twelve-man teams in each province to carry out registration in the villages. This involved photographing and fingerprinting each individual and sending photographs, fingerprints and vital statistics to Saigon, where the pocket-sized laminated plastic ID cards were made. This program has resisted a wide variety of Viet Cong countermeasures. The Viet Cong tried to



*Self-Defense telecommunications center at Go Vap District headquarters, Gia Dinh.*

*Saigon municipal police station.*



frighten people into not registering, but a positive PSD-sponsored campaign to gain public support was successful. They have destroyed many cards, but the GVN program includes replacement. The Viet Cong have been unable to forge the cards successfully because they cannot exactly reproduce the «safety paper» card or the special lamination. So far the program has resulted in the arrest of 82 Viet Cong cadres and 600 military deserters.

During 1963 about 750,000 families in Vietnam received family register books, containing a family group photograph, a list of the family's vital statistics, a list of the assets of the family, and a register of visitors from outside the village. A copy of this data was kept by the police. The identification pro-

grams, in addition to facilitating population movement control, have produced some unexpected results. Millions of citizens became aware for the first time of the government's concern for them as individuals. For many of them, it was the first time they had ever been photographed, and they took great pride in their cards and family registers.

Vietnam, with approximately 22,000 police, has less than a third of the force it needs. To enable it to fill the gap over the next four years, the Public Safety Division continued in 1963 and 1964 to establish Basic Training courses at regional police centers. In addition to providing the equipment, US advisors developed the courses, trained the instructors, and supervised them through their first four-week courses.

*USOM-provided continuous laminating machine is used to preserve identification cards and resist forging and deterioration.*





*Firing exercises are part of the program at the Buu Long Police Training School.*

*A PSD advisor gives instruction at the Buu Long School.*





*Saigon traffic policemen display signs to be used in a traffic safety campaign.*

*Saigon traffic policemen were recently interviewed by the Voice of America for a special program on public safety.*



During 1963-64 the PSD finished equipping the current police force with basic weapons. The program is now geared to an authorized increase of approximately 10,000 men per year through FY 69. Each policeman is issued a .38 calibre pistol, and, in addition, about 85% are issued carbines, shotguns, or sub-machine guns. Vehicles have been issued to each province; vehicle repair and maintenance facilities are being established for the first time in each region. Special training programs have been instituted for the Saigon Metropolitan Police. The police manning the defense perimeter of the city have been given special weapons training, and a new metropolitan police training center and indoor firing range have been opened.

By means of the communications, identification, and training programs the Public Safety Division aims to limit the flow of material, personnel and intelligence to the Viet Cong, as well as to help the nation provide the population with a competent public safety force.

# PUBLIC ADMINISTRATION

PAD spearheads a major segment of the Mission's nation building program by assisting the GVN in improving its politico-administrative structure and operation. Thru advisors stationed at key Saigon Ministries and in the Regions, PAD provides advice and assistance in such critical areas as organization and management, personnel, budgeting, taxation, statistics, and the operation of local government.

A major problem in the pacification effort in Vietnam stems from the negative attitude of many Vietnamese toward their government. Under the highly centralized and unitary governmental structure inherited by Vietnam from Chinese and French colonial domination, all initiative flowed from Saigon. Village officials acted only on orders from district officials and had little direct involvement in the affairs of the people.

When the security situation began to deteriorate, during the past several years, experienced civilian district officials were replaced by young military personnel who

lacked training or experience in civil administration. These army officers often tended to be arbitrary and ineffectual. At the same time, the limited services previously offered by the government were further reduced because of the continually deteriorating security climate.

USOM's Public Administration Division seeks to reverse this negative attitude and build a firm commitment of the people to their government by giving them a sense of full participation in public matters, and by expanding and improving the government's rural services.

Responsive and responsible government is being achieved at the lowest governmental administrative level through locally chosen village councils and hamlet officials. In addition, district officials are being trained to be more responsive to the needs and requests of the hamlets.

Other tools employed by the Public Administration Division for building a viable and democratic government include the intro-



*Hamlet cadres arrive in Saigon for training courses sponsored by PAD.*

duction of improved administrative practices. For example, improved personnel and budgetary practices require implementation if the government is to render effective service to the people. In addition, the ballot box is being introduced along with a wide variety of training programs, and a computer.

The basis for the development of a viable rural government has been established by a series of decrees issued by the GVN during the past year. In 1963, most of the hamlets of Vietnam held elections by secret ballot for the first time in their history. The initial procedures for these elections have now been improved through a decree recently issued by the Ministry of Interior with the counsel of the Public Administration Division. Under the procedures of this decree, the elections gene-

rally proved to be honest and democratic. In most cases, the voters had a choice of a wide variety of candidates who campaigned actively. There were a few instances of voting irregularities; these difficulties, however, were satisfactorily resolved through the remedial procedures provided by the decree.

Each province gave a special training course to the newly elected hamlet and village officials. The basic course was developed by the National Institute of Administration (NIA), with USOM assistance, to provide these local officials with the administrative, political and economic knowledge necessary for effective performance of their duties. A training officer from each province was given a special course at the NIA that would enable him to conduct the training of village and hamlet officials in his province.

District government was made more responsive to the villagers by the assignment to district offices of almost the entire graduating class of the three-year NIA basic program. This program, combined with the NIA In-

Service Training Program, was developed over a four-year period with US assistance. In 1963, a special course in civil administration was prepared for district chiefs without any previous training or experience in civil government.



*Flag-raising ceremony at the National Institute of Administration, Saigon.*



*At DGBFA an IBM 1401 computer began serving GVN needs in early 1964  
with Public Administration's help*

US technical assistance in tax administration bore fruit during 1963 in faster and more thorough collection procedures. This progress, together with the substantial growth of the local economy during the year, resulted in a 25% rise in tax collections without the imposi-

tion of any significant new taxes or higher tax rates. This was a remarkable record for a nation at war.

The installation of an IBM 1401 computer promises further improvement in tax and budget procedures in subsequent years.

# EDUCATION

The central objective of USOM's Education Division is to develop a good education system which will produce the trained manpower required for social, agricultural and industrial progress in Vietnam. To this end, USOM material and advisory assistance is being provided in close cooperation with the GVN's Ministry of Education on both immediate and long-range programs. Besides assisting the GVN in constructing and equipping buildings to house the education program, the Education Division aids in curriculum planning, teacher training and the production of educational materials.

Since the initiation of the strategic hamlet program in 1963, emphasis in elementary education has been focussed on the construction of classrooms in rural areas and on the training of new teachers for service in these areas. This program also provides instructional aids for teachers, basic classroom supplies for pupils and salary support for the teachers during the initial stages of hamlet development. By June 30, 1963, a total of 973 classrooms had been completed out of

1,320 planned and another 203 classrooms were under construction. A total of 782 new teachers and 341 teacher-principals of village schools had been trained at 23 Teacher Training Centers. The latter supervised the practice teaching of the new teachers for their one month of internship in village schools.

US aid to the construction phase of the Hamlet School program is primarily in the supply of cement and roofing, with the funds coming from allocations to the program by the GVN. In its assistance to the teacher training phase the Education Division imports commodities which make it possible for the Instructional Materials Center in Saigon to produce a variety of teaching aids. The teaching kit produced for the equivalent of \$8.32 in Vietnam would cost \$70.00 in the US. It includes a flat-bed ditto duplicator, a flat-bed stencil duplicator, a blackboard, a feltboard, arithmetic flash cards, maps of Vietnam, provincial maps, science charts and materials for making a 16" globe. The Materials Center has also distributed about 140,000 textbooks to the new hamlet schools.



*Construction of a hamlet school in Long An province.*

*Teacher Nguyen Thi Phai introduces the new student exercise books to her class.*





*Exhibit of educational materials at USIS.*

*Tan Kim Elementary School principal Mr. Hoan and two teachers review and discuss plans for addition to the present school.*



According to the Ministry of Education approximately 12,000 more classrooms are needed in order to provide a minimum five-year elementary education for all children in Vietnam. The lack of facilities is especially critical in the cities and large towns where schools have had to resort to five or six shifts of pupils per day because of the heavy demand. Public school facilities are also inadequate for the increasing number desiring a secondary education. USOM assisted the Ministry in reducing this classroom shortage by building 326 secondary school classrooms between 1955 and 1963.

Advisory services continue to be provided to the two national universities at Saigon and Hue. The objective of such services has been to improve the administrative practices, organizational pattern, teaching effectiveness, and services of the universities. Assistance has been given in planning the new University of Saigon campus to be located sixteen kilometers from the city. Faculty libraries have been improved by the addition of books, journals, reference books and other research tools. Equipment to improve the teaching of science has been made available, and efforts are continuing to bring about centralization of

*University of Hue Faculty of Pedagogy.*





*Secondary Demonstration School in Hue.*

services such as libraries, personnel accounting, language laboratories, infirmaries and the like.

USOM/Education has attempted to upgrade teacher education through both pre-service and in-service programs, recognizing that the basic key to the improvement of any educational system is teacher improvement. Vietnam's requirements in elementary teacher education are being met largely through a contract with Southern Illinois University. Four normal schools, an In-Service Center and a demonstration school have been built to educate elementary school teachers. A fifth normal school will be under construction during 1964, this latter one being designed especially for the tribal population in the highlands. Qualitative improvements in methods, curriculum, organization, administration, and special services have been made, and approximately 1200 qualified teachers are graduated each year. Since about 60% of the elementary school teachers must be classified as sub-standard, the In-Service Center has been

designed to offer eight one-month sessions for 100 teachers and administrators per session.

The Education Division plans to improve secondary teacher education through the development of two modern colleges of education, each with an attached comprehensive high school for student teaching and for demonstration purposes. Teachers for the practical arts areas of business education, home economics and industrial arts will be trained here. The buildings are now ready, equipment is on hand and an advisory contract team has been assembled to initiate this program in September of 1964. The first phase of the program is being implemented by a contract team from Ohio University.

Specialized services provided by the Education Division to the public school system include improvement of testing methods and assistance in teaching of science and English. The traditional system of testing and evaluation of students uses the cumbersome and time-



*Da Nang Polytechnic School.*

the counterinsurgency program. In order to train people to service and maintain this equipment, the first courses in auto and diesel mechanics have been introduced in the vocational secondary schools located at Da Nang, Qui Nhon and Vinh Long. Three full-time American technicians have been located in these schools to work with and help local staffs in the training program.

At the Phu Tho Polytechnic School, located in Saigon, the Southern Illinois Teacher Training Contract has been extended to a 5-year assistance program. The first phase of the training program, which is a two-year teacher training class consisting of 43 students, has just been completed.

Approximately 5000 students are now being trained in these schools. France, Germany, Australia and New Zealand, as well as the US, are providing assistance.

To keep pace with the technical development at the secondary level, a new course in chemical technology has been added to the curriculum of the National College of Engineering. This demand was brought about by the critical need for technicians in the rubber industry and Vietnam's growing textile, plastics, cement and fertilizer industries. The first class entering a three-year program in this field of training has just begun.

An additional sixty million piasters have

been allocated to the Rural Trade and Agricultural School Program in order to establish a total of twenty such schools in the shortest possible time. Ten steel prefabricated shop buildings have been purchased from the US to supplement this program. These buildings have already arrived in Vietnam and are now being constructed on selected school sites. This program is expected to reach 5 to 6 thousand rural students being trained in the various basic skills of the trade program.

To assist in improving the agricultural economy of Vietnam, the curriculum of the

College of Agriculture has been expanded to a 4-year training course. This move increases enrollment by 20% and brings total enrollment each year to about 420, with approximately 60 graduates each year.

From almost every institution to which USOM gives technical guidance, men and women are sent abroad to the US or to other countries for academic or special advanced training, in order to enable them to replace American technical advisors. The Education Division now has 187 participants studying abroad (see Table 3).

*One of the applied arts schools in ceramics which are assisted by USOM/Education.*





*Smiling participants ready to depart for training in the U.S.*

**Table 3**  
**SUMMARY OF THE FY 1964 PARTICIPANT PROGRAM**

**New Starts**

	US	3rd Country	Extensions	Total
Agriculture	12	77	1	90
Public Safety	9	0	0	9
Public Works	35	34	8	77
Public Health	29	19	42	90
Education	52	14	121	187
Public Administration	29	5	4	38
Communications Media	0	8	0	8
Industry	11	0	0	11
Labor	14	0	0	14
<b>Grand Total</b>	<b>191</b>	<b>157</b>	<b>176</b>	<b>524</b>

# COMMUNICATIONS MEDIA

A heightened awareness has developed at all levels that the socio-political factors are equally as important as the economic and military factors in achieving peace and stability in Vietnam. Within the socio-political area, there lies a compelling requirement for the government to be able to communicate quickly and effectively with its people. Assisting the government of Vietnam to achieve this capability is the role of the USOM Communications Media Division, popularly known as ComMedia.

During the period under review, ComMedia, in collaboration with the Ministry of Information, largely completed the long and difficult task of providing the basic physical structure for such a mass communications capability. In the same period, in concert with other arms of the US Mission in Vietnam, it embarked on a new phase of the effort. This was the effective utilization of this capability at the national, provincial, village and hamlet level.

In addition to its role in providing technical

assistance and material support to the mass communications facilities of the GVN, ComMedia early in 1964 joined with the United States Information Service, and other interested US civil and military advisory elements, in a combined effort with similar agencies of the new Vietnam government, to seek coordinated and improved informational and psychological operations on a national scale. This unique grouping of US advisory services and GVN operational agencies was established at the national level and at the end of the period under review (June 30, 1964), was in the process of being established at the provincial level as well.

It is anticipated that this coordinated and integrated approach to the elusive problem of communications and rapport between a government and its people will, in coming months and years, add considerable significance to the report on the following pages of the progress in the past two years in the field of communications media improvement.

# RADIO STATION COVERAGE NATIONAL RADIO NETWORK

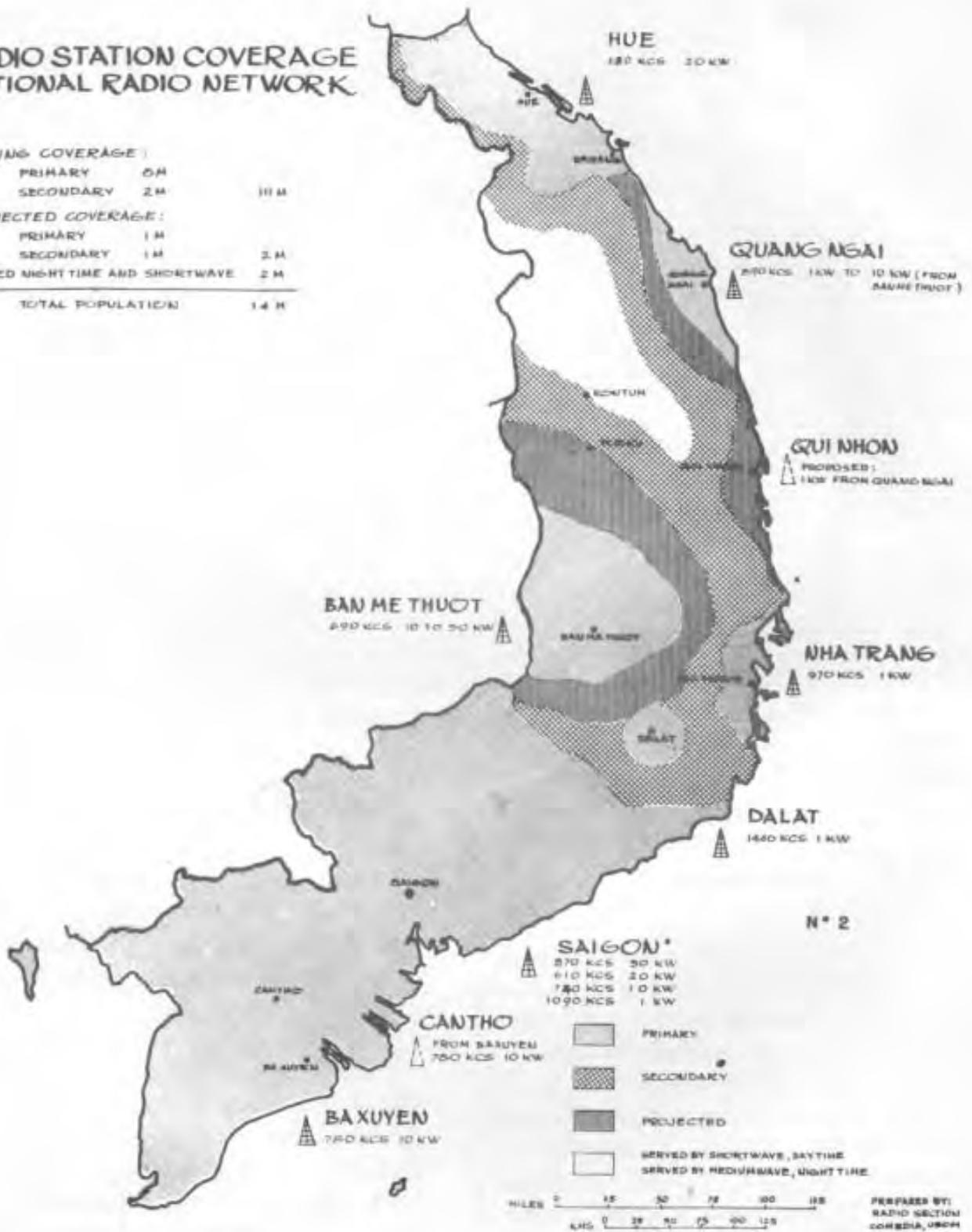
## EXISTING COVERAGE:

PRIMARY	0M	
SECONDARY	2M	11 M

## PROJECTED COVERAGE:

PRIMARY	1M	
SECONDARY	1M	2 M
SERVED NIGHT TIME AND SHORTWAVE		2 M

TOTAL POPULATION	1.4 M
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## Radio Broadcasting

Radio for mass communication is an extremely important medium in Vietnam at both the national and the provincial levels. Considerable GVN/US effort has been directed

toward up-grading all aspects of Radio Vietnam. Daylight coverage is presently effective in over 75% of populated areas and nighttime coverage is estimated at 90% of these areas. USOM advisors are working with Radio Vietnam in the development and coordination of programming

*Main studio building, Radio Saigon, showing FM relay broadcasting tower and antenna.*





*Broadcast studio at Radio Hue under reconstruction.*

between Radio Saigon and other network stations relayed through military systems.

Radio Hue has remained a key broadcasting facility to counter Communist propaganda from the North. The medium-wave transmissions from the 20 KW transmitter, raised to an effective 80 KW through a directional antenna, provide consistent day and night broadcasting coverage along the coastal areas south of Hanoi. A major staff study prepared by ComMedia to determine the most effective utilization of Radio Hue as a propaganda broadcasting station has resulted in the establishment of the Voice of Free Vietnam as a separate programming activity for this purpose.

The National Radio Project, as originally conceived, was completed in December, 1963. The network continues, however, to receive

limited material assistance. In 1964 a marked increase in advisory services was initiated, particularly in the fields of programming and studio operations.

In 1964, USOM sponsored the introduction of 25 provincial radio broadcast units, currently being installed in the Delta and other critical areas. The low-power standard broadcast transmitter is designed to transmit locally originated programs dealing with provincial affairs. The first of these provincial radio sets was installed in Kien Hoa province during June, 1964. In support of this project, one thousand small radio receivers are to be sold in the listening area of each transmitter and the funds used to support operating costs of the station. Another 100,000 low-cost radios were programmed in FY 1964 for sale throughout the countryside by the government's rural cooperatives organization.

*Maxwell hamlet radio receiver.*



### **Audio-Visual Services**

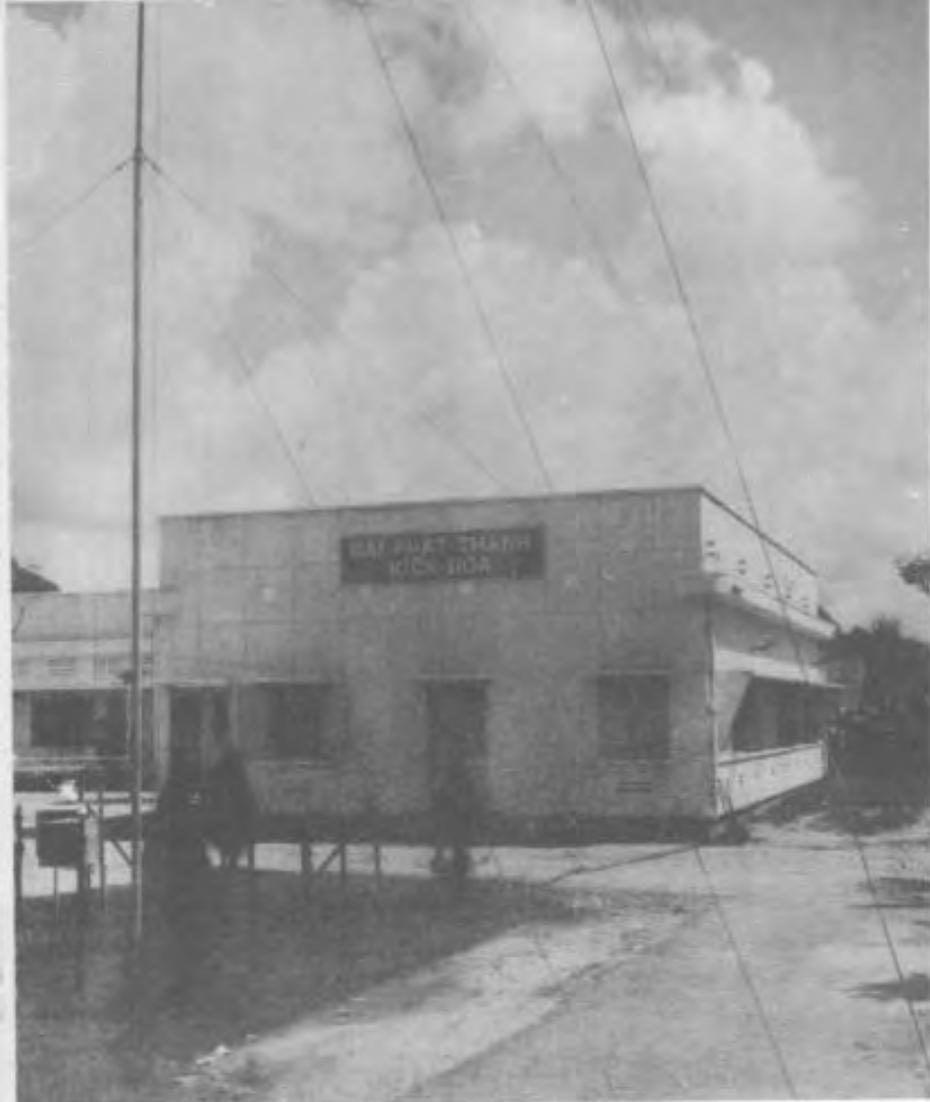
At the end of FY 1964, over 6,000 community listening centers had been installed in province towns, districts, villages and strategic hamlets. Ten thousand small personal radios had been brought in as hamlet receivers, and distributed to all provinces in Vietnam.

Supplementing the radios, the Ministry of Information has procured additional Tri-Lambretta audio-visual units, increasing its mobile fleet to 184 Tri-Lambrettas, 45 Jeep units and 20 audio-visual equipped boats for reaching canal and riverside villages. Each unit is supplied with a movie projector, a portable generator, a tape recorder, a radio receiver, two loudspeakers, a movie screen, films and tapes. Audio-visual units have reached an audience of more than five million in remote villages and hamlets, according to Ministry of Information reports. However, security conditions continue to restrict their effectiveness.

Mimeographed newspapers continue to furnish local news to the villagers. Two hundred newspaper centers have been established, each with its own radio, mimeograph

*ComMedia staff members train provincial radio staff in methods of conducting interviews.*





*The Kien Hoa Radio Station, first of 25 new provincial stations, was inaugurated on June 24, 1964.*

*New equipment is put into use in the control room at the Kien Hoa station.*





*Tri-Lambretta audio-visual unit used in rural areas.*

machine, and motorbike for distribution. Inadequate supply of paper and other materials and their untimely distribution continue to limit the effectiveness of these centers, however.

#### **Motion Pictures**

With the arrival of three 35 mm/16 mm developing machines in mid-1963, and new recording and mixing console late in the year, the majority of previously contemplated procurement for the National Motion Picture Center was completed. Together with the new equipment, a program of classroom and on-the-job training in camera and direction techniques, editing and script writing was carried out. By the year's end the Center had been developed into a viable professional

film organization capable of fulfilling the foreseeable demands for national films to be distributed to theaters in urban centers, through provincial outlets in villages and hamlets, and to Vietnamese embassies and information offices overseas.

One of the most significant achievements at the Motion Picture Center was the production of a weekly newsreel (Thoi Su Viet Nam). Produced during the past eight years by USIS, the newsreel was, beginning in March of 1963, issued by the Center in alternate weeks with USIS. By July, 1963, the Center had taken over full responsibility for the reel. The growing pains to be expected in an undertaking of this magnitude were felt at the outset, but within a few months the newsreel became a routine part of the Center's production schedule.



*Technicians at the National Motion Picture Center prepare to film an address by Mr. Nguyen Xuan Oanh, Vice-Premier of Vietnam.*

With the outbreak of the Buddhist crisis in May, 1963, the Center was confronted with the painful necessity of conforming to arbitrary Government directives. When a Buddhist demonstration story was stricken from the reel on Palace orders, the Center was persuaded by the USOM advisors to continue to film riots, repressions, etc., often at some personal hazard, to ensure that the film archives on the summer of 1963 would be complete. Further, the advisors persistently urged objectivity, fairness and a minimum of propaganda in the reels issued during this crucial period. As a result, the Center escaped unscathed in the widespread destruction of the November 1963 coup (in sharp contrast to the Vietnam Press Agency, for example) and the film archives produced in the preceding months proved an invaluable documentary source.

Films were also produced by the Center on such themes as the role of the strategic hamlet in counterinsurgency, the Chieu Hoi campaign, rural education, environmental sanitation, rehabilitation of wounded war veterans, corrective training of juvenile delinquents, and labor relations in Vietnamese industry. Eight brief how-to-do-it films were made in cooperation with the USOM Education Division for the Educational Materials Center.

The most recent new program of the Center is involved with a series of dramatic films to spread the message of the pacification program. In this connection three scripts have been prepared with considerable advisory assistance, and the first of the films was scheduled for release in July 1964. These films, and others promoting Government programs by

means of similar dramatic techniques, will be shown in theaters all over Vietnam, and simultaneously through Ministry of Information 16mm mobile outlets in the provinces.

The groundwork has thus been laid for the final stage in the Center's development: the creation of a broad-based motion picture service for all Government information needs, and a gradual commercialization leading to economic self-sufficiency.

## Printing and Graphic Arts

Communications Media continues to provide assistance to the National Printing Plant. Delivery of an additional one-color Harris offset press was completed early in 1964, and a similar second unit was in procurement. Because of the greatly increased demand on this facility, full-time advisory services were scheduled in early 1964.



*ComMedia's Graphic Arts Section.*



*The photolab at ComMedia.*

In the field of graphic arts, ComMedia support assistance increased sharply during 1963-64. Art, layout, photographic and reproduction services were provided to various GVN Ministries, MAAG, USIS, the US Embassy and all USOM offices. To meet the greatly increas-

ed demand resulting from an expanded overall USOM operation, as well as the USOM contributions to the US inter-agency Field Services Center, two additional offset reproduction units and related supplies and equipment were programmed in early 1964.

# PUBLIC HEALTH

Protecting the health of the public, preventing the spread of dangerous diseases, and saving lives are among the prime objectives of the USOM Public Health Division.

Some of these objectives are met by civilian American surgical teams working in Vietnam's provincial hospitals. In Can Tho, located deep in Delta land south of Saigon, the surgical team is well known and respected for miles around. Casualties of Viet Cong attacks arrive at the Can Tho Surgical Suite by helicopter, ambulance, three-wheeled Lambretta, donkey cart, or suspended in a hammock carried on the shoulders of two friends.

Each team is composed of two or three surgeons, an anesthesiologist or nurse anesthetist, an operating room nurse, two surgical ward nurses and a medical technician. In Da Nang and Nha Trang the teams report, in addition to their share of battle casualties, many unusual surgical procedures such as resections due to typhoid perforation of the intestine. Many difficult cases are cared for by these teams working with their Vietnam-

ese counterparts. During the last 18 months over 3000 major surgical procedures have been performed by the three American surgical teams. Every sick or wounded villager aided in the provincial hospital by American and Vietnamese medical teams is a source of positive propaganda regarding the concern of the Vietnamese Government for rural folk and the willingness of American people to support them in the present struggle.

Despite the constant struggle with security, visits to over 1,200,000 homes have been made every six months by thousands of malaria workers in a large-scale attempt to interrupt the transmission of malaria. By spraying DDT on the inside of all dwellings every six months this objective can be realized. In fact, after five years of DDT spraying the malaria index for certain areas has dropped from 7.2% to less than 1%. In the coastal areas, containing 25% of the population, spraying operations have now been superseded by the surveillance activities which represent the final phase of the accepted malaria eradication pattern. The surveillance phase requires monthly visits to



*American civilian surgical teams provide a needed and welcomed service for the Vietnamese people during a time of great stress.*

*Helicopters are often used to air evacuate wounded civilians to American surgical team sites.*



each home to search for fever cases and take blood slides to examine for malaria parasites. Blood slides are also taken on all fever cases at village and district health stations and schools. These are sent to a regional laboratory for examination.

Six USOM regional malaria advisors stationed in the provinces give on-the-spot technical consultation and supervision for all aspects of the Malaria Eradication Program. In addition, three International Voluntary Services workers serve as regional health education assistants.

The cholera epidemic in the early months of 1964 presented a public health challenge of the first order. Over 15,000 cases and 700 deaths occurred between January and May, 1964. Only prompt action taken by the Viet-Nam Ministry of Health, with energetic US support, prevented the epidemic from spreading further and from causing more deaths. All previous cholera epidemics in Vietnam had had death rates ranging from 50-85%. A life-saving factor in the 1964 cholera epidemic was the quick US reaction in the importation of over \$1,800,000 worth of intravenous fluids and vaccines.

*Prompt emergency care is given a civilian, wounded in a Viet Cong encounter, by a member of an American surgical team.*





*Spraying of DDT for eradication of malaria reaches 1,200,000 Vietnamese homes every six months.*



*A collector for the malaria program takes a blood slide on this young girl to check for malaria infections.*

The rapid replacement of vital body fluids is now the recognized treatment for cholera. Fluid loss from cholera patients is so massive that death may occur within 12 hours after the onset of the disease, if fluids are not replaced. Captain Robert A. Phillips of the Navy Medical Research Unit, Taiwan, spearheaded the promotion of the new technique in cholera treatment. Working with USOM technicians, Captain Phillips and members of his team established a demonstration treatment center in Saigon. Here thousands of patients were treated and hundreds of Vietnamese medical personnel were instructed in the new cholera treatment method. Emergency treatment kits were assembled by USOM and the Ministry of Health and airlifted to all provinces hit by the epidemic.

*Death strikes swiftly during a cholera epidemic, if immediate care is not provided.*





*Anxious families crowd the entry of the cholera wards awaiting news of their loved ones.*

*Demonstration emergency cholera treatment center in Saigon.*





*Health education of the public was an important element in controlling the cholera epidemic.*

A national «clean up campaign» was launched by the Ministry of Health with the support of seven other ministries. Heroic efforts were made throughout the country to teach people how to limit the spread of cholera. Since cholera is spread in the fecal matter of infected persons, extreme care was urged in treatment of water and proper handling of food stuffs. Immunization campaigns against cholera in Saigon and many provinces reached as high as 85-95% of the total population of the area.

An outbreak of bubonic plague in Saigon and Nha Trang was promptly attacked by USOM advisors and Ministry of Health technicians. Because plague is spread by infected fleas carried by rats, the involved areas were dusted with DDT powder. Contacts of known cases were treated with a prophylactic dose of sulfa drug. People surrounding the plague areas were immunized and a «Cordon Sanitaire» established. A USOM entomologist helped Vietnamese counterparts demonstrate methods of trapping rats in plague areas for the purpose of examining and typing vectors of the plague. This was important for planning to control the epidemic. As a result of these activities, the outbreak was limited to 119 cases and 17 deaths.

Health care for the villagers has nearly doubled in the past 18 months. The number of village health workers has risen from 5,000 to 8,000 during this period. These dedicated workers, who receive their training at provincial hospitals, give simple first aid and dispense 13 basic medicines. These drugs include such items as aspirin, chloroquine, aureomycin ointment, sulfa and piperazine (see Table 4).

The next level of medical care is the district. Here nurses, district health workers, and sanitary agents provide both medical care and preventive medicine programs. From the district dispensaries patients may be referred to the provincial hospital, where they receive more complete medical and surgical care.

Mobile health clinics have added a new dimension to health services for the people of Vietnam. In a trial program, six completely equipped and staffed medical mobile clinics

Table 4

CONTENTS AND COST OF BASIC KIT USED BY NEARLY 8,000 VILLAGE HEALTH  
WORKERS IN VIETNAM

Amount	Name of Medicine	Purpose	Cost
1,000 pills	Sulfathiazole	Skin, ear, throat and lung infections	3.45
4,000 —	Chlorroquine	Malaria	18.92
2,000 —	Vitamin B and Iron	Anemia and Fatigue	2.00
4,000 —	Aspirin	Aches, pains, fever	3.40
30 tubes	Aureomycin Ointment	Eye infections	4.20
4 pints	Benzyl Benzcate	Scabies	3.36
1,000 pills	Piperazine Tartrate	Intestinal Worms	1.65
2,000 —	Brown's Mixture	Cough	2.32
300 tablets	Potassium Permanganate	Disinfectant	.29
2 pounds	DDT or Lindane dusting powder	Lice or fleas	.50
1,000 pills	Bismuth and morphine tablets	Diarrhea	2.83
2 pounds	Petrolatum	Keep bandage from sticking	.62
2 —	Sulfadiazine ointment	Skin infections	1.38
4 —	Cotton		1.84
12 rolls	Gauze bandages		1.16
4 —	Adhesive plaster		.43
1 pair	Scissors		1.87
2	Thermometers		.76
2 kgs	Gauze sponges		1.06
1	Wooden case with hinges and lock		3.57
Total cost			\$ 55.61

were located in different areas. Here a higher level of modern medical care was introduced to the people, who, after treatment and consultation, were encouraged to seek further care at established government health facilities. The mobile units are thus acting as a catalyst to encourage the people to seek and accept better medical care.

The quality of medical care depends to a great extent on the training of nurses. The USOM nursing advisors, working in two nursing schools (Hue and Saigon), have up-graded training to a three-year program, based on US patterns. Eighty percent of the Vietnamese nursing instructors have received training in the United States. The nursing



*A USOM technician explains the basic idea of disease transmission to a group of sanitary agents in the field.*

*A mobile clinic of the Ministry of Health reaches out a helping hand to remote areas having no regular medical facilities.*



advisors work with the nursing instructors on the job to improve their teaching and nursing methods. The multiplying effects of US education for the nursing instructors is impressive. Many graduates of the Saigon and Hue schools go on to provincial hospitals and instruct in the one-year assistant nurses program.

Regional USOM hospital nursing advisors, living in the provinces, have introduced a personalized provincial hospital advisory service. Working directly with hospital staffs, they assist in establishing acceptable surgical suites and pre- and post-operative facilities. Follow-up training of graduate nurses working in the provinces is given by these nursing advisors.



*A USOM hospital nursing advisor works with a Vietnamese nursing instructor and student as they prepare a surgical dressing table.*

*A Vietnamese nursing instructor carefully changes a dressing as a USOM technician and student observe the technique.*



Development of medical education, although long-term in nature, has had a number of immediate beneficial returns. For example, USOM medical educators working with Vietnamese counterparts have established a number of special clinic services, such as skin, ear, nose and throat clinics. They also advise and provide specialized medical service to the University and Ministry of Health facilities. The staff has reorganized the University of Saigon Dental Faculty and curriculum, established a thoracic surgery service for a major hospital, established an endoscopic clinic

for removal of foreign bodies in the lung, and helped to establish a modern dermatology clinic.

The establishment of evening classes for young Vietnamese physicians and 5th and 6th year medical students interested in taking the Educational Council for Foreign Medical Graduates examination has been an extremely popular and rewarding program. This has been planned and executed by USOM medical educators, utilizing a number of US civilian and military medical personnel available in Vietnam.

*A USOM medical education advisor discusses an unusual skin injection with a Vietnamese physician.*



# INDUSTRIAL DEVELOPMENT

Development of the industrial sector of Vietnam's economy is essential to the achievement of self-sustained growth without foreign aid. It is also necessary in order to provide employment for a nation with a rapidly growing labor force. USOM is therefore rendering financial and technical assistance to Vietnam's industrial development program.

Financed by the Commodity Import Program, capital equipment is provided for new industries. In-plant visits and special courses give guidance and training to Vietnamese management. New opportunities for foreign investment are sought out, and technical and financial feasibility studies are made. In addition, the IDD seeks out foreign investors and foreign marketing outlets. Already Vietnamese, American, French and Italian capital has been attracted to invest in industrial ventures such as petroleum products, textiles and tires.

In spite of political upheaval and the continuing war against the Viet Cong, industry in Vietnam has maintained an impressive

record of growth and increasing diversification. The Industrial Development Division has played a key role in this progress. All requests to the GVN for the use of foreign exchange to purchase industrial equipment are submitted to the IDD for a technical, economic and financial review. The IDD thus reviews all requests for industrial expansion at their very beginning, advises on their feasibility, and guides their further development. It also stimulates industrial growth by suggesting opportunities to potential investors in Vietnam and abroad, and by training entrepreneurial talent.

Investment in the private section is approached primarily through the Commodity Import Program. Under this system local investors are able to convert piasters to dollars to purchase machinery and parts for their factories. The piasters are deposited in a counterpart account which is then used to finance military expenses.

The big news in Vietnamese industry in 1963-64 was textiles. Vietnam became almost



*The Sicovina plant in Da Nang.*

self-sufficient in the production of cotton fabrics and yarn. A factory which will eventually employ 2,000 workers was opened in Da Nang, in a poor area which formerly had almost no industry. The plant has 20,000 spindles and 400 automatic looms, and can produce 2,500 metric of yarn and 12 million yards of fabrics a year. In addition, over 50% of its yarn is sold to handicraft weavers, thereby providing cottage industry jobs. Two factories in Saigon installed additional capacity which is providing jobs for about 3,800 workers (see Table 5).

A smaller-scale but equally dramatic story is that of the silkworm. In 1963 Vietnam shifted from importing to exporting silk. The Handicraft Development Center trained about 50 farmers and extension cadres in sericulture at the Blao Sericulture Station, and through its efforts silk production was doubled. In addition, a silk handicraft industry is being developed. In the next few years, silk should substantially raise the standard of living of over 15,000 of Vietnam's poorest farm families.



*A student at the Blao Sericulture Center collects mulberry leaves.*

**Table 5**  
INCREASES IN THE COTTON TEXTILE INDUSTRY

	1963	1964
Spindles	44,800	110,000
Automatic Looms	1,544	2,924
Capacity:		
Metric tons of yarn/year	5,400	13,430
Yards of fabrics/year	31,130,360	85,620,000



*The "Dainamco" tires and tubes plant.*

Other new factories went into operation during 1963 to produce paper, pulp, starch, glucose, caustic soda, hydrochloric acid, bicycle tires and tubes, asbestos cement roofing sheets and oil drums. Major factories were opened or expanded, creating about 5,000 new jobs and saving Vietnam about US\$8,300,000 in foreign exchange.

The composition of Vietnam's overall import requirement during 1963 is additional evidence of industrial growth. As indicated in Figure 3, imports of finished manufactured products have been dropping, while imports of components and raw materials for manufacturing have been rising. Since 1954 the US has financed equipment for industry, creating 11,000 new jobs and saving Vietnam over US\$32,000,000 in foreign exchange.

*The "Nam Viet" asbestos cement roofing sheet manufacturing plant.*

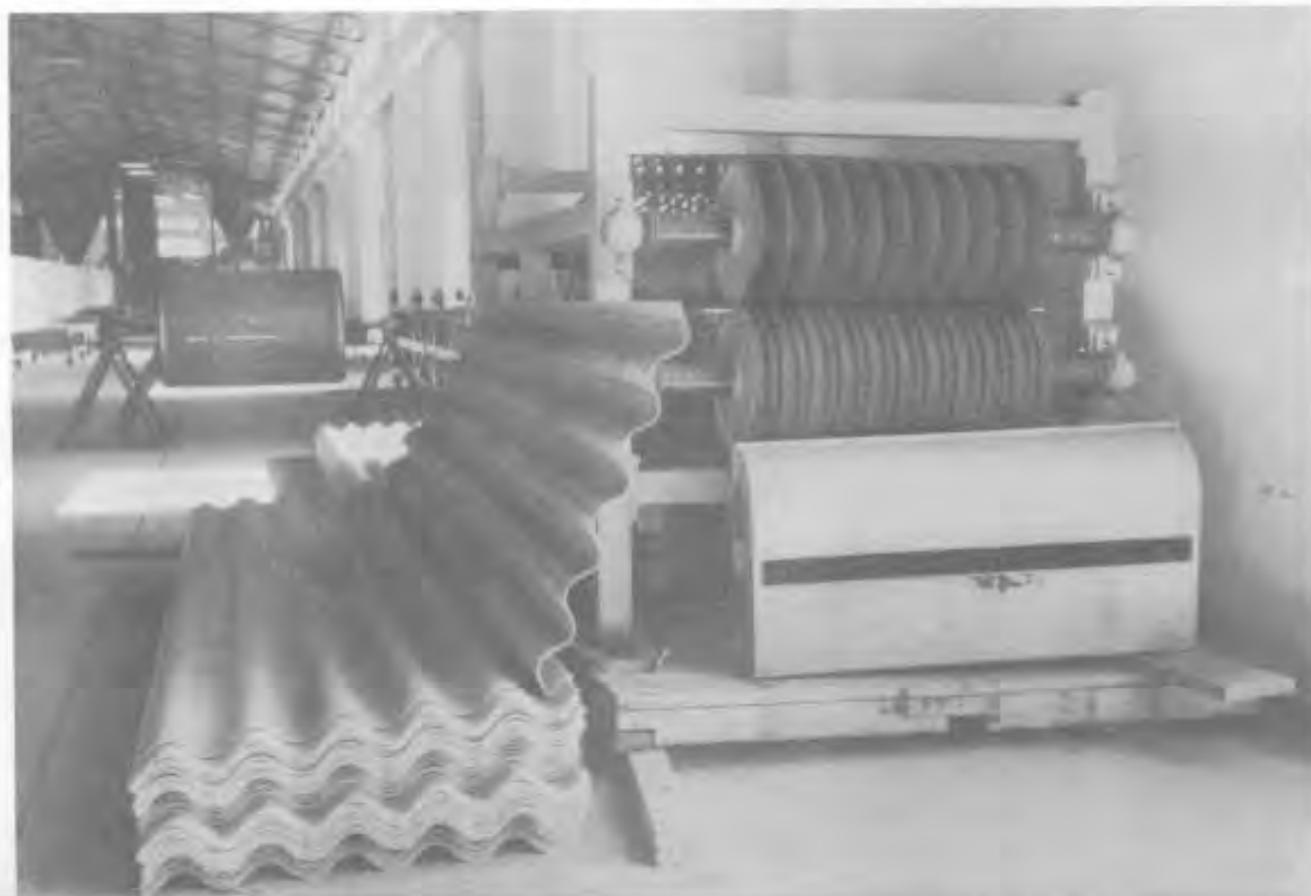
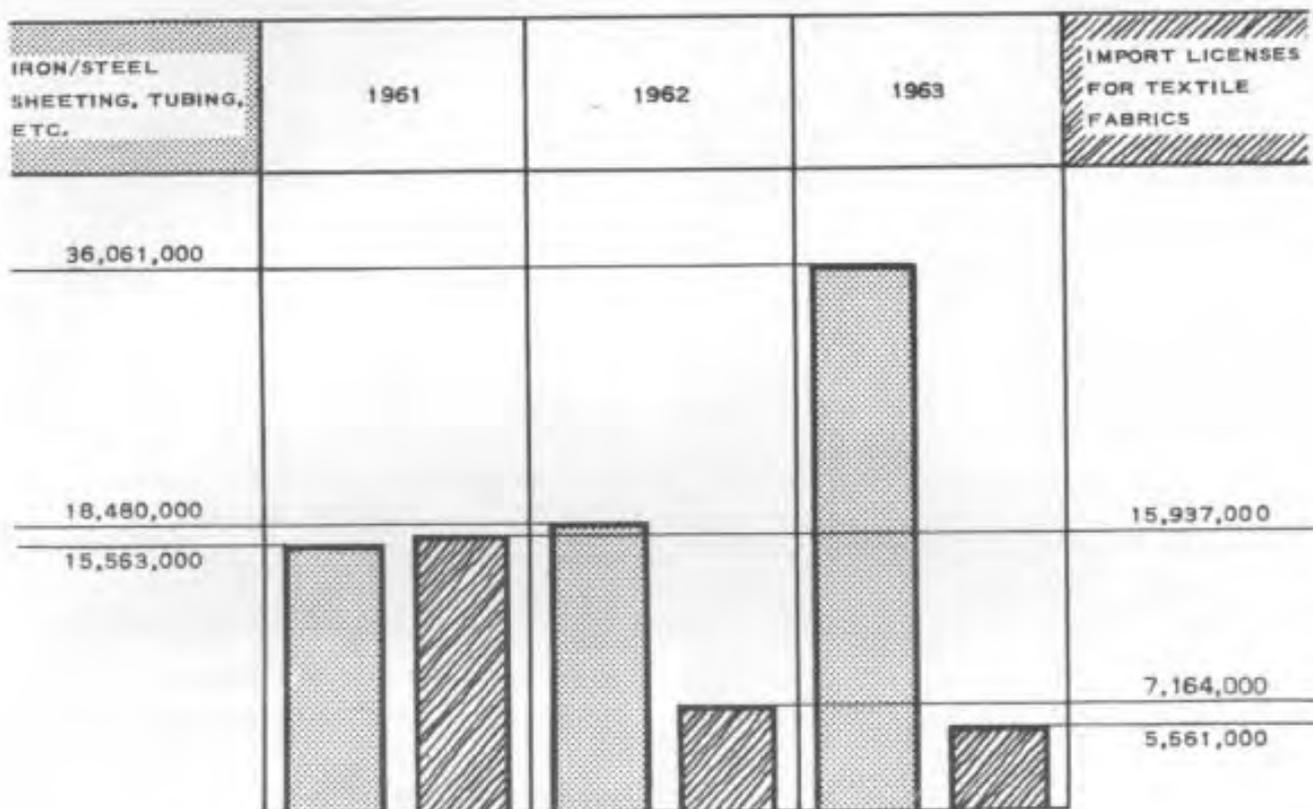


FIGURE 3 - COMPOSITION OF VIETNAM'S OVERALL IMPORT REQUIREMENT (IN US\$)



*Research laboratory at La Thanh pharmaceutical plant.*





*Packaging machine at La Thanh.*

During 1963 the IDD gave favorable action to 155 requests for technical, economic and financial feasibility, valued at US\$3,256,920 of industrial equipment. There were 11 major requests concerning new factories or factory extensions, to produce such products as cotton textiles, nylon textiles, paper, sugar, caustic soda, sulfuric acid, aluminum sulfate, plywood, pulp, steel bars and galvanized wire.

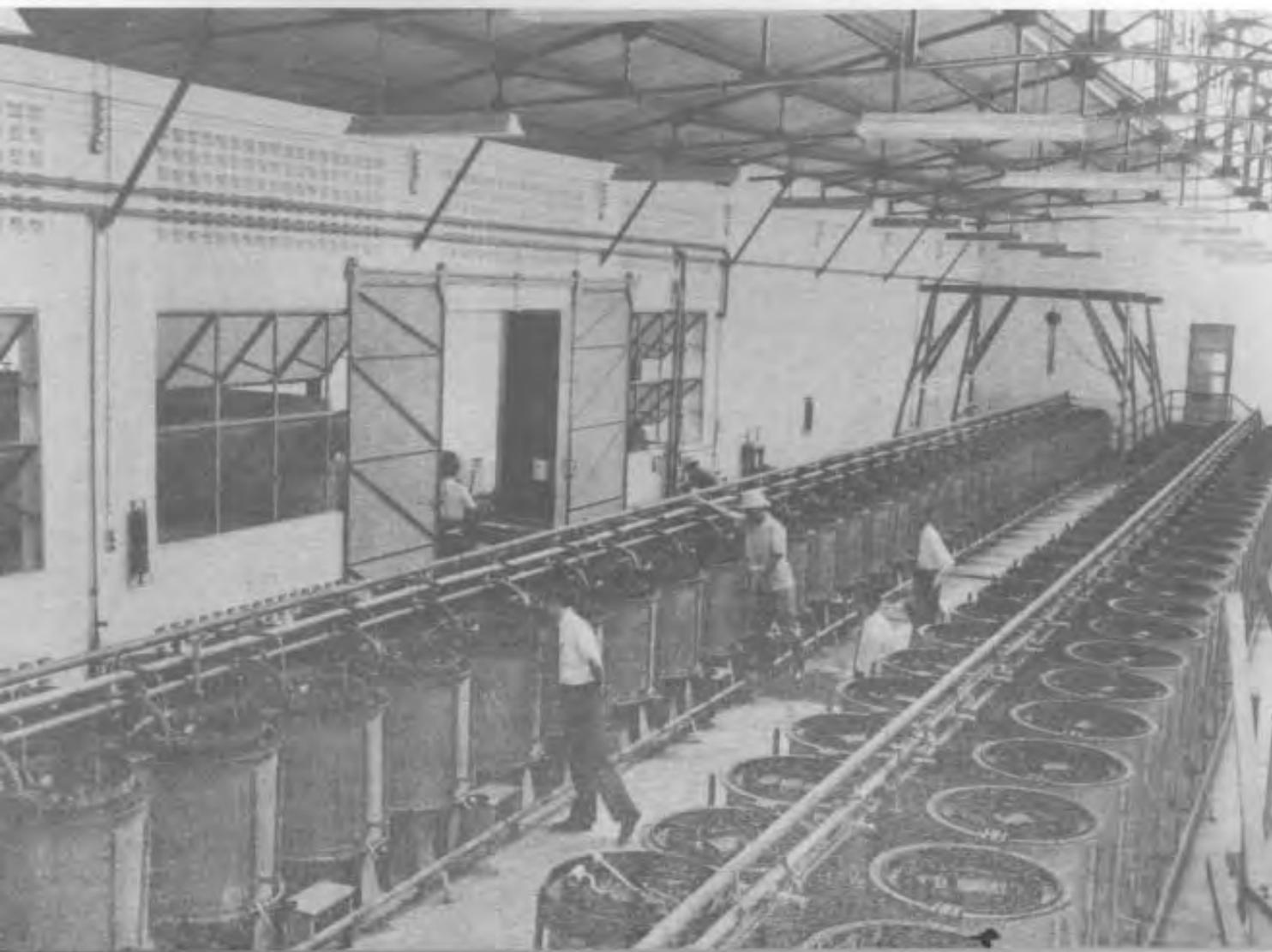
Training of management talent also laid the groundwork for future industrial growth. A six-week textile training course, for supervisors and management, was held at the Industrial Development Center, and a Management Seminar was offered by the Chamber of Commerce. In May, 1964, the Industrial Development Division sponsored an industrial expansion study team to go to the United States for three months. Twelve Vietnamese industrial executives from GVN and private business sectors are studying investment practices and the attraction of foreign capital.

*Beading machine at the Viet Phat steel drum manufacturing plant.*





*Vietnam Chlorine & Alkali Co., Bien Hoa.*



# MEANS AND MAGNITUDES

## America's Economic Investment in Vietnam — 1963 and 1964

During the Fiscal Year which ended on June 30, 1964, the US committed itself to spend a total of \$241,600,000 for economic assistance to Vietnam. Table 6 shows where it is to come from, how it is to be spent, and for what purposes. Since most of this money will be spent over the entire calendar year 1964, the full impact cannot yet be measured. Let us, therefore, take a close look at what the US obligated during the Fiscal Year which ended on June 30, 1963, and the impact that it made on the government and economy of Vietnam during calendar year 1963.

In Fiscal Year 1963 the US committed itself to spend a total of \$203,369,000 for economic assistance to Vietnam. Figure 4 shows where it came from, how it was spent, and for what purposes.

\$142,654,000 came from funds appropriated by the Congress under Public Law 87-872, for purposes authorized under three sections of the act, for which Congress annually makes separate appropriations. Section 401 author-

izes Supporting Assistance, «to support or promote economic or political stability.» Section 211 authorizes Development Grants, «to promote the economic development of less developed friendly countries and areas, with emphasis upon assisting in the development of human resources through such means as programs of technical cooperation.» Finally, Section 451 authorizes a Contingency Fund, for use by the President to cover unforeseen emergency requirements. Generally speaking, Supporting Assistance and Contingency funds are used for military budget support, counter-insurgency, and war infrastructure; Development Grants are used for economic and social development and for technical support.

\$60,715,000 was obligated for food commodities out of funds made available by Public Law 87-128 in 1961, for purposes authorized by PL 480, popularly known as the Food-For-Peace law. These funds likewise fall into three categories: Title I for sales to generate local currency, Title II for US-owned surplus foods to be used by USOM directly on projects, and Title III for US-owned surplus foods to be distributed by voluntary welfare agencies.

**Table 6**  
**TOTAL USOM/VIETNAM OBLIGATIONS, FISCAL YEAR 1964**

<b>By congressional appropriation</b> «Where it came from»	<b>\$000,000</b>	<b>%</b>
Supporting Assistance	121.8	50.6
Contingency Fund	38.0	15.6
Development Grant	5.4	2.2
PL 480 Title I	39.2	16.3
Title II	33.6	13.9
Title III	3.0	1.3
	241.0	100.0
 <b>By type of obligation</b> «How it is to be spent»		
Commercial Imports	113.0	46.8
Commercial Imports of Surplus Foods	38.6	16.3
Project Commodities	39.6	16.4
Project Surplus Foods	33.6	13.9
Participants*	1.9	.8
Contract Services	4.7	2.0
Direct Hire Personnel	6.6	2.6
Food Distributed by Charities	3.0	1.2
	241.0	100.0
 <b>By purpose</b> «Why it is to be spent»		
General Budget Support**	152.2	63.1
Counterinsurgency	69.4	28.8
War Infrastructure	11.1	4.6
Economic and Social Development	3.4	1.4
Technical Support***	1.9	.8
Food Distributed by Charities	3.0	1.3
	241.0	100.0

\* Vietnamese studying abroad.

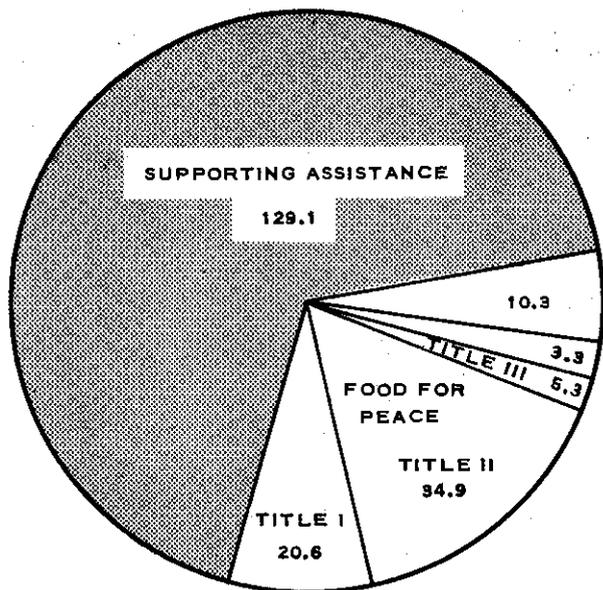
\*\* For military budget support and for local currency requirements of Counterinsurgency, War Infrastructure, Economic & Social Development, and Technical Support.

\*\*\* USOM program operation expenses which cannot be allocated to one specific program or purpose.

**FIGURE 4 : TOTAL USOM/VIETNAM OBLIGATIONS - FISCAL YEAR 1963**

**BY CONGRESSIONAL APPROPRIATION**

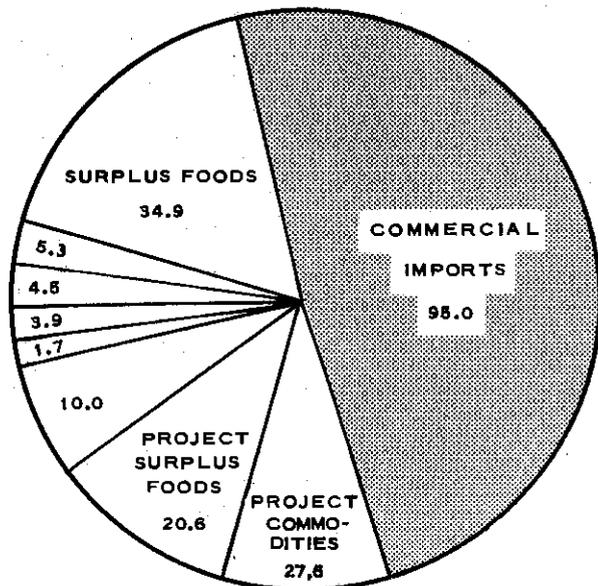
"WHERE IT CAME FROM"



DEVELOPMENT GRANTS  
CONTINGENCY FUND

**BY TYPE OF OBLIGATION**

"HOW IT WAS TO BE SPENT"



FOOD DISTRIBUTED BY CHARITIES

DIRECT HIRE PERSONNEL

CONTRACT SERVICES

PARTICIPANTS \*

SPECIAL DIRECT

PURCHASE OF PIASTERS

TECHNICAL SUPPORT \*\*

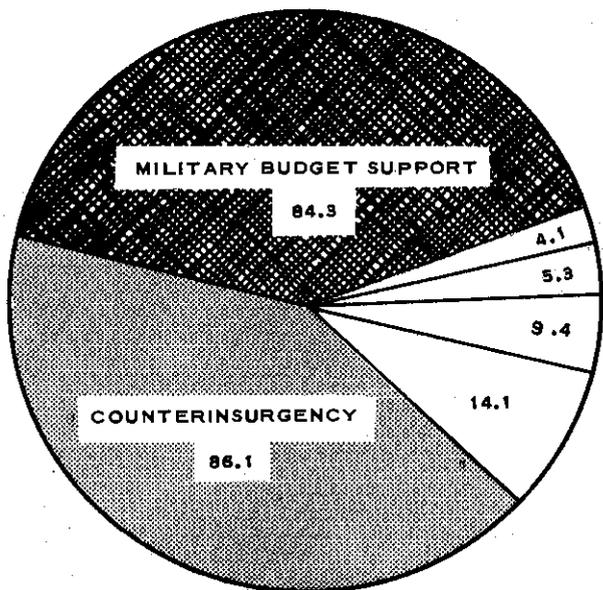
FOOD DISTRIBUTED BY CHARITIES

ECONOMIC - SOCIAL DEVELOPMENT

WAR INFRASTRUCTURE

**BY PURPOSE**

"WHY IT WAS TO BE SPENT"



\* VIETNAMESE STUDYING ABROAD.

\*\* USOM PROGRAM OPERATION EXPENSES WHICH CANNOT BE ALLOCATED TO ONE SPECIFIC PROGRAM OR PURPOSE.

Table 7 shows how funds for commercial imports were obligated for specific categories of commodities. As can be seen, the US undertook to finance almost all the basic foodstuffs, industrial raw materials, and

capital equipment which Vietnam required. US aid thus guaranteed Vietnam its most essential imports. Out of its own foreign exchange earnings were to come Vietnam's imports of consumer goods.

**Table 7**  
**COMMERCIAL IMPORTS TO VIETNAM FINANCED BY AMERICAN AID**  
**FY 1963 Obligations**

Type of Commodity	FY 1963 Obligations	% of Total Vietnam Imports*
PL 480 Title I		
Cotton      \$ 8,700,000		100%
Milk        8,466,000		100%
Tobacco    2,869,000		100%
Wheat      6,988,000		100%
Total PL 480 Title I	\$ 27,023,000	
Sugar	4,939,000	41%
Other Foods & Oils	640,000	14%
Fertilizer	10,590,000	96%
Medicines & Pharmaceuticals	2,876,000	54%
Raw Materials for Plastics	2,156,000	74%
Other Chemicals	4,875,000	69%
Paper and Pulp	3,149,000	55%
Petroleum Fuels	10,221,000	56%
Other Petroleum Products	1,208,000	100%
Cement	6,819,000	100%
Iron & Steel Structural Shapes and Product Components	32,016,000	100%
Miscellaneous Iron & Steel Manufactures	2,083,000	78%
Non Ferrous Metals & Products	2,319,000	71%
Motors, Engines, & Generators	2,965,000	100%
Electrical Apparatus	1,473,000	100%
Vehicles & Parts (excluding passenger vehicles)	3,665,000	65%
Tractors & Parts	650,000	70%
Other Machinery	1,280,000	69%
<b>Total FY 1963 AID-Financed Commercial Imports</b>	<b>\$ 120,947,000</b>	<b>57%</b>

\*as a percentage of total Vietnam 1963 import licenses issued.

## The Impact of US Aid on the Economy of Vietnam

During CY 1963 a total of \$209,502,000 was actually spent on aid to Vietnam (see Table 8), from funds obligated in various fiscal years. Of this, \$198,632,000 was in the form of commodities brought into Vietnam and \$10,870,000 was spent on personnel and services.

One of the primary purposes of the economic aid program is to provide economic stability for a nation at war. Its success can be measured somewhat by the fact that prices in Vietnam rose only 7% during 1963, in spite

of an increase in the money supply of some 14%. This was a very modest rise for a nation engaged in a civil war. Indeed, through the year the price of rice to working class families averaged the same as the year before.

US economic aid achieved this by furnishing \$156,700,000 in additional resources to the Government of Vietnam, as shown by Table 9. This amount covered about 55% of the military budget plus about 80% of the local currency costs of counterinsurgency and other aid projects. The government was thus able to keep its deficit down to US\$ 40,000,000 (by USOM estimate) for 1963.

**Table 8**

### EXPENDITURES ON AMERICAN AID TO VIETNAM DURING FY 1963

<b>USOM Project Expenditures</b>		
Direct Hire Personnel	\$ 4,441,000	
Contract Personnel & Services	4,306,000	
Participants (Vietnamese studying abroad)	1,594,000	
Miscellaneous Expenses	529,000	
Economic Development Project Commodities	8,454,000	
Other Project Commodities*	15,072,000	
PL 480 Title II Foods*	13,140,000	
<b>Total Expenditures on Projects</b>		<b>47,536,000</b>
<b>Counterpart Fund Deposits</b>		
Commodity Import Program	128,333,000	
PL 480 Title I	23,333,000	
Special Piaster Purchase	5,000,000	
<b>Total Deposits of Piasters</b>		<b>156,666,000</b>
Food Distributed by Voluntary Agencies (PL 480 Title III)		<b>5,800,000</b>
<b>Total Expenditures</b>		<b>209,502,000</b>

\* estimated on basis of arrivals.

Table 9

## REPUBLIC OF VIETNAM ESTIMATED CONSOLIDATED CASH BUDGET, CY 1963

	Billions VN\$		Millions US\$
<b>Revenues</b>			
Domestic Taxes & Fees	12.1		201.7
Extrabudgetary Sources	2.6		43.3
US Aid (billions VN\$)			
CIP Deposits	7.7		
PL 480 Deposits	1.4		
Piaster Purchase	.3		
	9.4		156.7
<b>Total Revenues</b>		<b>24.1</b>	<b>401.7</b>
<b>Expenditures</b>			
Civil Budget	9.0		150.0
Defense Budget	13.9		231.7
Development	.8		13.3
USOM Projects	.8		13.3
Extrabudgetary	2.0		33.3
<b>Total Expenditures</b>		<b>26.5</b>	<b>441.6</b>
<b>Deficit</b>		<b>- 2.4</b>	<b>- 40.0</b>

As can be seen from Table 10, US aid brought to Vietnam's economy not only stability but also improvement and growth. Rice production and exports recovered from the low level caused by pests, floods, and insecurity in 1962 and regained their previous highs. Secondary crops moved on to new highs. But the greatest gains were in industrial production, particularly textiles, though some minor industries scored some even more spectacular gains percentagewise.

Most of the capital equipment for industrial expansion has been financed over the past ten years by the US Commodity Import Program. The amount of fertilizer imports

licensed in 1963 was about twice that of 1962, and laid the groundwork for further increases in farm production in 1964.

US aid during 1963 also enabled the government to expand its services, in spite of wartime conditions. The \$47,536,000 in expenditures on projects (see Table 8) was over three times the amount of the development budget outlays of the Republic of Vietnam for the year, and could be considered as an addition of about 11% to the total resources available to the government, over and above those provided for in the regular budget.

**Table 10**  
**ECONOMY OF VIETNAM CY 1963 — SELECTED INDICATORS**

	1962	1963	
<b>Index of Gross National Product</b>	100	103.5	
<b>Industrial Production</b>			
General Index	100	116(a)	
Textiles	100	133	
Food Products	100	116	
Iron & Steel Products	100	115	
Paper & Paper Products	100	132	
Motor Cycle Assembly	100	157	
Plastic Products	100	192	
Beverages	100	121	
<b>Agricultural Production</b> (in millions of tons)			
Rice	4.6	5.2	+13%
Sweet Potatoes	.23	.27	+17%
Manioc	.25	.31	+24%
Sugar Cane	.81	.87	+ 7%
<b>Foreign Trade</b> (in millions of dollars)			
Imports — financed by internal resources	79	83	
— financed by foreign aid	152	148	
<b>Total</b>	231	231	
Exports — total	56	83	
— rice only	9	33	

(a) average for first three quarters of 1963

# THE PEOPLE WHO DO THE JOB

The American personnel of USOM bring to Vietnam over one hundred different technical specialties. They are generally highly experienced in their fields; in a sense, they represent a cross-section of American know-how. This is evidenced by the wide variety of programs and projects implemented by USOM personnel, and by their record of achievement in the face of unusual difficulties. Table 11 shows the personnel of USOM/Vietnam as of the end of FY 1963 and 1964. These figures include American, local and third country personnel, both direct hire and contract.

The conditions of work for USOM/Vietnam personnel are drastically different from those of their colleagues in the United States. In common with employees of the Agency for International Development in many parts of the world, the personnel of USOM battle, with varying degrees of success, against malaria, dengue fever, amoebic dysentery, and hepatitis. In spite of daily precautions and careful daily surveillance of sanitary conditions in their kitchens, they don't always win. Each

year a substantial number of employees and dependents are evacuated for medical reasons.

In addition, Vietnam has the special hazards unique to the Dirty War. Work must be carried on in insecure as well as secure areas, as Rural Affairs, Public Works, Communications Media and other specialized personnel well know. Those who work in the field become accustomed to falling asleep to the sound of mortar and artillery fire. Flying in a helicopter on a field trip to outlying hamlets is a dangerous proposition; vehicles are not much safer. Walter G. Stoneman, Deputy Director of AID's Far East Affairs, narrowly escaped being blown up by a Viet Cong mine while riding in a jeep during a recent visit to Vietnam. Robert Craft, a Public Safety technician working on the police radio communications network, was shot through the shoulder while driving near Ban Me Thuot. Many other similar instances could be noted.

Personnel who live and work in Saigon must also face special occupational hazards. «Security» is a byword, and the activities of

**Table 11**

**PERSONNEL AS OF END OF FY 63 AND FY 64**

Office or Division	US		Local		3rd Country	
	63	64	63	64	63	64
Director	6	5	4	3	0	0
Executive and Gen. Services	14	16	348	371	0	1
Controller	13	12	60	56	0	0
Legal	1	1	1	1	0	0
Program	26	28	45	59	0	0
Rural Affairs	41	104	49	106	20	12
Agriculture	77	78	21	22	31	36
Public Works	31	97	33	55	4	13
Public Safety	54	58	36	41	28	22
Public Administration	5	12	2	5	0	0
Education	34	39	25	27	0	0
Communications Media	8	9	50	55	3	1
Public Health	59	52	56	57	1	3
Industrial Development	5	2	7	6	0	0
Secretaries	25	30	0	0	0	0
<b>TOTALS</b>	<b>399</b>	<b>543</b>	<b>737</b>	<b>864</b>	<b>87</b>	<b>88</b>





USOM personnel and dependents are guided accordingly. They face the constant threat — and reality — of Viet Cong terrorism. Such incidents as the bombings of Pershing Field (during the third inning of a baseball game), and of a military-operated motion picture theater, have placed American official families

in Saigon in the front lines of the struggle against Communism.

Joseph L. Brent, Director of USOM, addressed the graduating eighth grade of the Saigon American Community School in these words:



*In spite of the security situation which necessitates guarding their school . . . .*

"The fact that you and your families are here in Vietnam at all is a first indication of your government's determination to help save this country and its courageous people from Communist domination — for all representatives of the United States, and of other countries friendly to Vietnam, contribute in some way to the counterinsurgency effort. You not

only hear and read of the true nature of the Communist threat every day, but you have seen with your own eyes — since you have been in Saigon — the kind of things the Communists do. You know what they are capable of, and you know what to expect if this danger is not eliminated."



*... dependents of USOM personnel in Saigon have as normal an academic program as possible.*

Perhaps the most outstanding quality of USOM personnel is flexibility. In Vietnam it is often necessary to «play it by ear,» and direct one's work as circumstances require. A Rural Affairs province representative, when asked «What do you do?» is likely to answer with «What don't we do?» Stanley Fistick, representative in Phuoc Tuy province, regards

his work as an attempt to effect coordination between province officials and the people living in the hamlets. He is hampered by tradition, in that many province and district level officials are conditioned to receiving orders. Mr. Fistick thus finds himself working to stimulate initiative and cooperation among province and district officials. On the other hand, a



principal role of a province representative is to encourage rural people to help themselves. Vladimir Lehovich, who works in Vinh Long province, says, «...we're not in the provinces to do the actual work. The idea is to show others how to help themselves. If we do it [ourselves] they don't learn anything.»

USOM's technical personnel are always on call to advise Vietnamese counterparts on specific projects in Saigon and the provinces. Requests come into USOM headquarters from the field, whereupon personnel and equipment are sent out to deal with the problem in question. The cooperation of personnel in Saigon and the provinces is an essential factor in the effectiveness of US aid.





It is hoped that the preceding descriptions and photographs have served not only to portray the accomplishments of USOM, but also to demonstrate the effort that has been made by USOM personnel to work effectively both in Saigon and in the field. USOM/Viet-

nam is perhaps unique in the complex conditions under which it operates, but it shares the goal of other US aid programs: to ensure the independence of young Free World nations, and to generate an atmosphere in which their people and resources can be channeled toward peaceful, unhindered economic development.



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