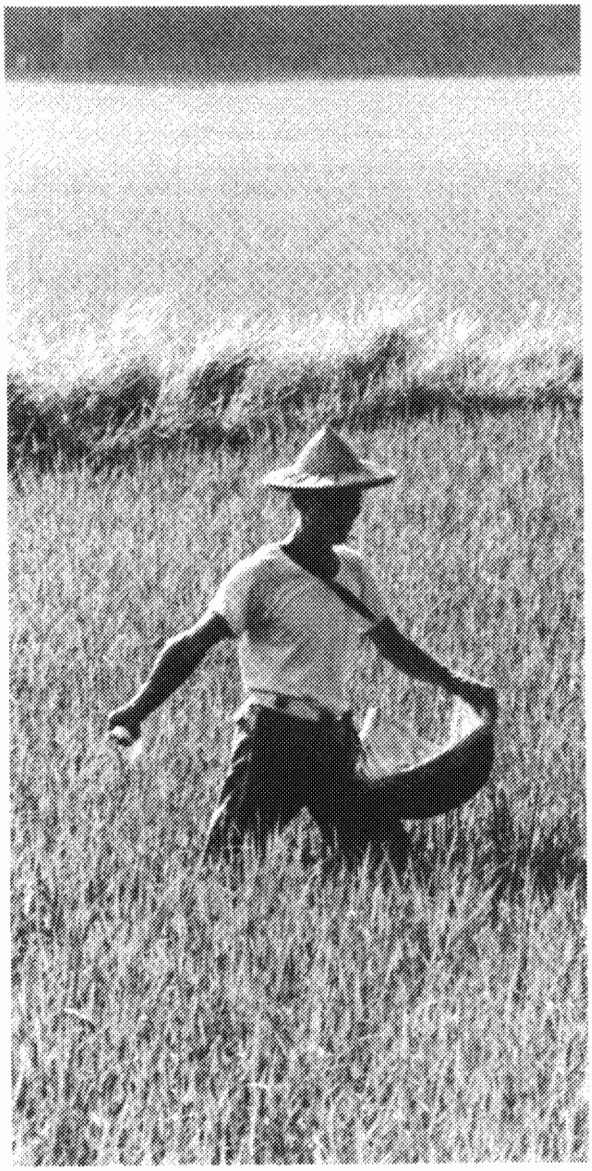
PN-AAD-937

AGENCY FOR INTERNATIONAL DEVELOPMENT

SPRING REVIEW

COUNTRY PAPER

LAND REFORM IN SOUTH VIETNAM



JUNE 1970

AGENCY FOR INTERNATIONAL DEVELOPMENT

SPRING REVIEW

LAND REFORM

in

SOUTH VIETNAM

by

MacDonald Salter
Land Reform Office
VN/AID/Washington

June, 1970

Country Papers represent the views of their authors and are not generally intended as statements of policy of either A.I.D. of the author's parent institution.

SR/LR/C-28

TABLE OF CONTENTS

SECTIONS		PAGES
I.	SUMMARY	1
II.	PRE-REFORM PERIOD	21
	A. Introduction: Economic and Political Background	22
	B. Land Tenure Structure	26
	1. Characteristics	26
	2. Changes	29
	C. Land Resource Information	32
	1. Land Availability	32
	2. Classification	33
	3. Identification and Titling	36
	D. Rural Production and Productivity	39
	E. Rural Population, Employment and Underemployment	41
	F. Income Distribution	43
	G. Supplementary Services and Supplies	44
	1. Information	44
	2. Credit	45
	3. Supplies	47
	4. Infrastructure	49
	5. Crop Procurement and Marketing	51
	H. Peasant Association and Power	54
	1. Coops and other Associations	54
	2. Political Power	
III.	LAND REFORM PROGRAM	57
	A. Legislation	71
	B. Institutional Arrangements	76
	C. Program Objectives	78
	1. Economic	
	2. Social and Political	
	D. Program Implementation and Enforcement	79
	1. Redistribution of Land Ownership	79
	2. Changes in Tenancy Systems	80
	3. Colonization	81
	4. Consolidation and Enclosure	82
	5. Classification, Identification and Titling	83
	E. Financial Aspects	85
	1. Valuation Procedures	85
	2. Program Financing	86
	a. Landowner Compensation	86
	b. Peasant Repayment	87
	c. Government Expenditures	87

F. Supplementary Measures 88
1. Information
2. Credit
3. Supplies
4. Infrastructure
5. Crop Procurement and Marketing
G. Mobilization of the Peasantry 89
1. Economic Aspects 89
2. Political Aspects 90
H. The Politics of Implementation 91

IV. EFFECTS OF THE LAND REFORM 92

A. On Land Tenure Structure 93
B. On Production and Productivity 96
C. On Rural Employment and Underemployment 97
D. On Income Distribution 98
E. On Services and Supplies 99
F. On Peasant Participation in Decisions 100
G. On Character of Rural Society 101
H. Broader Effects on the Economy, Society and Polity 102

I. SUMMARY

SUMMARY

In an agricultural economy such as South Vietnam, no single factor has a greater bearing on political and economic development than the pattern of land tenure. In South Vietnam where 80% of the cultivable land is in rice, this means the pattern of land tenure of ricelands. Farmers who own their own land control their means of production, and have an incentive to invest in and to protect their land. As owners, their status and dignity in their community is raised and they seek greater participation and control of the institutions of their community. They have, in fact, a stake in their society and tend to support the government that recognizes and supports that stake.

In Vietnam, today, roughly 60 percent of the riceland is farmed by tenants. The prevailing practice is a tenant-farmer who, in the South, cultivates 2.0 hectares (5 acres and paying a rent in secure areas that averages about 35 percent of his crop), and, in the Central Lowlands, cultivates 1 hectare (2.5 acres and practicing metayage sharecropping). The farmer, whether he owns or rents land, is a manager. The landlord does not normally participate in the production process, furnishing neither seed, credit, farm implements, nor marketing outlets. Out of approximately 2.2 million hectares (5.5 million acres) of riceland, as much as 1.3 million hectares (3.2 million acres) are estimated tenanted by over 600,000 farm families.

Historically, the prevalence of tenancy and the accompanying exploitive practices of landlords, has inhibited development, and has

been cited as a major cause of unrest and insurgency in rural Vietnam. The Viet Minh and later the Viet Cong certainly have recognized the potential of the situation, redistributing lands in areas under their control and characterizing the Government of Vietnam as a government run by and for landlords.

In recent years, the Government has increasingly recognized the political necessity for and the justice of land reform. In the 1950's, the government initiated a land reform program which sought to correct some of the social injustices inherent to tenancy and to seriously limit the economic and political power of the landowner. Recently, this has been extended by action of the Vietnamese National Assembly to eliminate tenancy and create a nation of small owner-operator farmers.

Changes in the class structure of village governments make this a particularly propitious time for Vietnam to concentrate on land reform. Ten to fifteen years ago landowners were extremely influential in rural areas and tended to fill most of the positions in village governments. They could have thwarted or discredited any attempts at land reform. Today, however, the impact of the early land reform efforts, and insecurity and changing economic opportunities have caused many landowners to move to the cities and towns; only about 10 percent of village officials are landlords. Many of the new officials in rural villages and hamlets represent precisely the type of people who will benefit from land reform; in fact, an estimated 30 percent of village officials will be eligible to receive land under the proposed new program and will thereby have their stature and independence increased.

Current Government land reform efforts are concentrated on three activities: (1) the distribution of the remaining lands acquired by the Government from large landowners and French citizens in the 1950s, (2) the Land-to-the-Tiller Program which will transfer all tenanted privately and communally owned riceland free of charge to the farmer who is actually cultivating the soil, and (3), a Montagnard land tenure project, which is underway, is designed to identify and issue titles to lands farmed by the tribal people living in the Highlands of Vietnam.

During the period of French administration of Vietnam land administration was regularized. This included the villages' role in handling many of the details and records for land administration. Furthermore, the French shifted the emphasis of land tax to the private lands and relieved such pressures on the communal lands. At the same time they opened up, in a period of 35 years, vast areas in the Mekong Delta so that by 1937 there were some 2,200,000 hectares of cultivable land, four times what it had been in 1880. Much was owned by large private estates and some 250,000 hectares by Frenchmen. All of these areas were cultivated in plots of two-three hectares by tenant-farmers. Only a handful of mechanically cultivated enterprises developed.

During the post-war period and up to 1954, the time of the Geneva Agreements, insurgency was rampant in the rural areas. Canals and water control structures were destroyed. Insecurity became common; normal agricultural practices were disrupted; and the rural populations became apathetic and confused. Many migrated to urban security. The net effect was some 600,000 to 800,000 hectares of riceland went out of

cultivation. The Viet Minh in the meantime was seeking to maintain production on lands they controlled, and to obtain the support of the poor farmer. Accordingly, they undertook a land reform program in which farmers' rents were materially reduced and lands were confiscated and assigned to poor farmers.

When President Diem assumed office in 1954, he immediately set about initiating a land reform program designed a) to bring abandoned lands back into cultivation; b) to regularize landlord-tenant relationships and particularly to reduce rents and provide tenure; and c) to expropriate large landholding and redistribute these lands to tenant-farmers. President Diem recognized this program as a means of regularizing landlord-tenant relationships and a first step toward a more profound agrarian reform effort that would restructure rural society, but which was not within reach at this time.

This program got off to a slow start though it brought back into production a substantial part of the cultivable land that had been abandoned. By 1961, it succeeded in placing some 800,000 of the tenant-farmers under written contract relationships with their landlords; in expropriating some 453,000 hectares (1,118,000 acres) of rice lands and purchasing some 230,000 hectares (557,000 acres) of former French lands from 2,000 large landowners and some 450 Frenchment; and in redistributing approximately 1/3 of these lands to small farmers. The undistributed cultivable lands were farmed in small plots under rental agreements with villages. Former French lands were not distributed and were managed by Province level officials. Other public domain lands were distributed to relieve population pressure in the central lowlands and to accommodate, in part, the vast influx of refugees from the north. (See Chart I for land distribution figures.) The U.S. supported these efforts and provided over four million dollars worth of technical

assistance to the government for the administration of these programs, as well as nearly ten million dollars in local currency. (See Chart II.)

1962-1967 was a period of political instability beginning with the demise of President Diem, of growing insecurity, and with the administrative machinery of government virtually at a halt. The massive response of the United States for assistance to Vietnam in late 1965 included a renewal of assistance for land reform. This was directed toward reviving and finishing the earlier program, and in encouraging the government to move forward on the second step of seeking to create a country of small owner-operator farmers.

The new Constitution of Vietnam promulgated on April 1, 1967 advocated in Article 2, "raising the standards of living of the rural citizens, and especially helping farmers to have farmland." This marked the beginning of a new period in the history of land reform. President Thieu in his inaugural address set his priority for agrarian reform as being second only to security. So it is not surprising that in January 1968, President Thieu convened a National Congress on Land Reform as a means of publicly demonstrating his sincerity to move ahead with land reform, to carry these efforts forward in consonance with the principle of administrative decentralization also set forth in the Constitution, and to set the stage for the next step and perhaps ultimate step in land reform--"a revolutionary new program."

Progress was made in reviving the redistribution of lands (see Chart III), though the distribution of titles for the lands (see Chart IV) lagged. Many ideas were put forward for a new and expanded program seeming to focus about the concept of granting the land to the tiller. This was evident as early as the fall of 1968 but it was not until the summer of 1969 that a new program was identified, approved by the Cabinet and introduced to the National Assembly. On March 16, 1970, the bill was approved by both houses of the National Assembly and promulgated by the President on March 26, 1970 (see Chart V). This bill differed somewhat from that originally submitted. Compensation for the former landowners included bonds with a maintenance of value provision. However, this was deleted and the interest rate of the bonds was increased from 5% to 10%. The amount of land that one may cultivate was reduced from 30 hectares to 15 hectares and the amount of worship land* from 15 hectares to 5 hectares that a family may retain.

This land-to-the-tiller bill seeks to eliminate tenancy and establish a nation of small owner-operator farmers. Opposition to this program has been minimal and little if any from the landowner class. Recognition of the inevitable by landowners and the experiences of the past 15 to 20 years have virtually eliminated the large landowner and his political power. In fact, the present program will essentially draw land from small and medium-sized landowners who have not been farming the land themselves.

*Reserved for burial, and for crops whose sale resuls in income devoted to religious and charitable ends.

It is estimated that as many as 50,000 landowners who are not themselves cultivating their land will lose all or part of their land to tenant farmers. It is a program more far-reaching than any other similar program that has been undertaken by any democracy in any other part of the world. It will broaden the basis of landownership, will contribute significantly to social stability in the countryside, and it will greatly strengthen the government's base of political support.

The Vietnamese government will bear the whole cost of the program estimated variously from VN$ 40-90 billion piasters, dependent upon the valuation of lands, and spread over a minimum of nine years. It could benefit as many as 500,000 tenant farmers by transferring to them some 900,000 hectares of privately owned lands (see Chart VII).

The United States strongly supports this new initiative of the Vietnamese government and has already provided over three million dollars of technical assistance in this period to help advance the program. The U.S. has also responded to requests for financial assistance by agreeing, at this time, to help offset the inflationary impact on the economy of the large piaster expenditures by the government when making the cash down payments to the former landowners. This will be done by helping the government meet the foreign exchange requirements arising from these expenditures (estimated at about forty million dollars).

The prospects for a successful program are good. Planning for implementation has been undertaken and experimentation has proven the feasibility of decentralized administration to the village level. The major efforts will be focused on the rapid transfer of land ownership, so the tiller has control of the land and ceases to pay rent, followed by payment of compensation to the former landowner. Administrative simplicity has been a major objective in the past months. For example, the government uses its authority to expropriate but does not take possession of land. This time the land will be transferred directly to the tiller or other eligible farmer. Because land records are seriously deficient, aerial photography has been accepted as the prime basis for land identification. Title issuance will be expedited by application of computer technology.

While this new and revolutionary land reform program was taking form, a major effort was being carried out in the countryside, both to secure the areas from insurgency forces and influences, and to advance economic conditions among the rural population. This has been highly successful so that the small farmer now has the prospect of owning and controlling his own land, and of being provided with institutional supports essential to his well being as a farmer. Land redistribution, at this time, thus provides a key factor in the very complex institutional requirements for successful agrarian reform sought by President Thieu.

CHART I

LAND REFORM

STATUS OF GVN LAND DISTRIBUTION, DECEMBER, 1969
IN ACRES (IN HECTARES)

	Total Area	Cultivable Land: Distributed Area	Cultivable Land: Distributed Recipients	Cultivable Land: Undistributed	Abandoned & Uncultivable
REDISTRIBUTION PROGRAMS					
Expropriated Lands (Ordinance 57, 1956)	1,118,379 (452,785)	805,902 (326,276)	148,408	238,698 (96,639)*	640,743 (259,410)
Former French Lands (obtained from GOF '58)	556,964 (229,540)				
LAND DEVELOPMENT PROGRAMS					
Land Development and Resettlement Centers (Refugees and Settlers)	368,018 (148,995)	71,877 (29,100)	21,337	24,441 (9,895)	271,700 (110,000)
State-owned Lands	819,842 (331,920)	13,728 (5,558)	7,270	210,221** (85,110)	595,893 (241,252)
Totals	2,873,203 (1,163,240)	891,507 (360,934)	177,015	473,360 (191,644)	1,508,336 (610,662)

Legend: Figures shown are in acres (or in Hectares) - 1 ha.=2.47 acres

*Determined from Circular No. 7 showing 147,000 has. of distributable Expropriated and Former French Lands as of July 10, 1969.

**Determined on basis SRI "Summary Report" page 79 shows 90,668 ha. cultivable Squatter lands.

Source: GVN, Dir. Gen. of Land Affair "Monthly Statistical Reports"

CHART II

PROJECT ASSISTANCE FOR LAND REFORM

	Dollars (by fiscal year)	Counterpart Funds
Assistance 1955-60		
Administration of agrarian reform project	$ 282,000	$ 3,257,000
Land development project	4,582,000	6,794,285
Subtotal	$4,864,000	$10,051,285
Assistance 1966-68		
Land reform project	2,778,000	550,847
Total	$7,642,000	$10,602,132

Supporting Schedules

Year	Dollar Assistance (by FY)	Counterpart Support (VN$ 000)
Administration of Agrarian Reform Project (#430-11-120-089)		
1955	$ --	100
1956	70,000	23,632
1957	171,000	13,963
1958	16,000	40,170
1959	21,000	25,830
1960	4,000	(est) 10,000
Total	$282,000	VN$113,695
US$ Equivalent		$3,257,428

Remarks: Dollar assistance includes $205,000 of commodities, surveying and drafting equipment, vehicles, etc. Counterpart financed salaries and related costs of 700 field surveyors plus certain related GVN staff.

Land Development Project (#430-11-120-144)		
1957	$3,207,000	VN$ NA
1958	934,000	NA
1959	200,000	NA
1960	241,000	NA
Total	$4,582,000	VN$237,800
US$ Equivalent		$6,794,285

Remarks: $4,421,000 of the dollar assistance was for commodities, primarily construction materials, vehicles, and equipment.

CHART III

Distribution of Expropriated and Former French Land 1958 - 1969

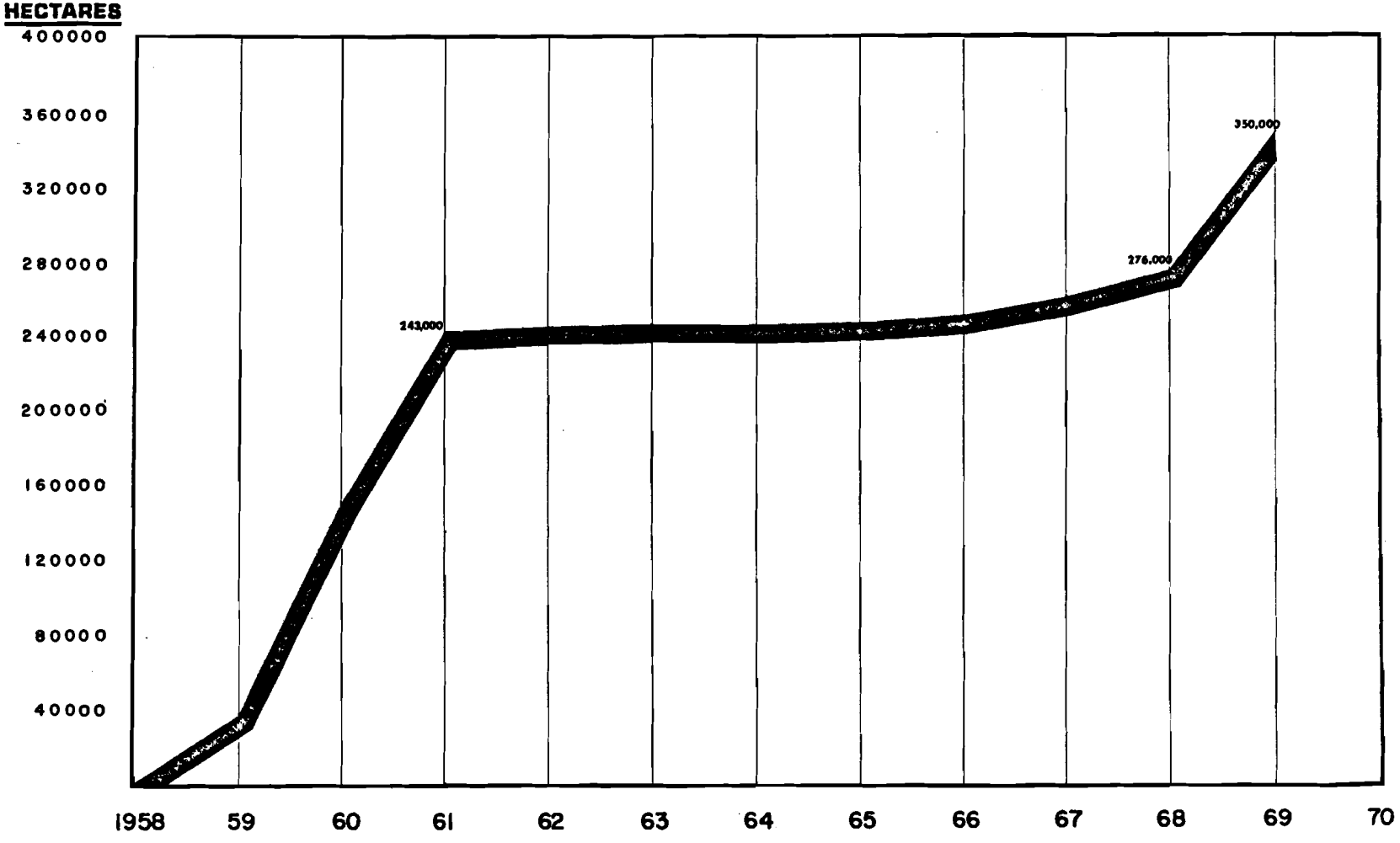


CHART IV

TITLE DISTRIBUTION

Expropriated & Former French, Land

1958 - 1969

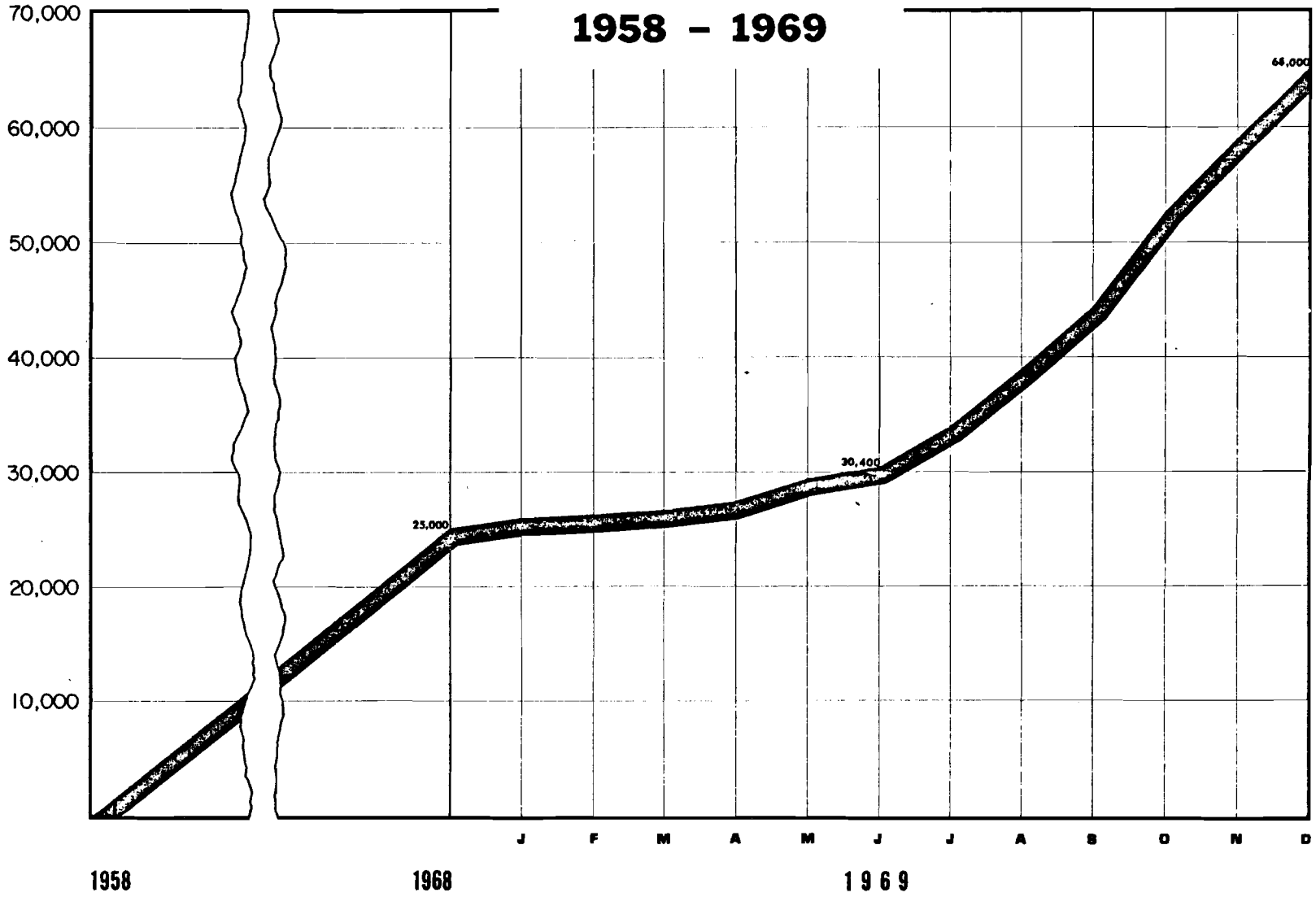


CHART V

REPUBLIC OF VIETNAM LAW NO. 003/70 DATE 26-3-1970

ESTABLISHING THE LAND-TO-THE-TILLER
POLICY OF VIETNAM

In accordance with the Constitution of the Republic of Vietnam promulgated on April, 1967, after debate and vote by the National Assembly,

THE PRESIDENT OF THE REPUBLIC OF VIETNAM

promulgates Law No. 003/70 dated 26-03-1970, stipulating the "Land-to-the-Tiller" Policy, the complete text of which follows:

CHAPTER I

OBJECTIVES - MEASURES TO BE APPLIED

ARTICLE I. The Land-to-the-Tiller policy set forth by this law is aimed at:

- Providing ownership to farmers by making landowners those people actually cultivating and by allowing them to receive all of the benefits from their labor.
- Establishing equal opportunity for advancement among all farmers.

ARTICLE 2. In order to achieve the above-mentioned objectives, the following measures shall be applied:

1. Expropriating with fair compensation lands which are not directly cultivated by landowners for distribution free of charge to farmers.
2. Eliminating farm tenancy, and abuse of land sublease by middlemen.
3. Distributing communal riceland.

CHAPTER II
SCOPE OF APPLICATION

ARTICLE 3. This law applies to riceland and secondary cropland belonging to private persons or legal entities, under public or private jurisdiction.

ARTICLE 4. Lands recorded in the Land Register under the name of one owner shall be considered as a single private property unit. Any transfer not registered prior to the promulgation date of this law is null and void.

Lands registered separately under the names of a man and his wife shall be considered as a single private property unit, except in case of marriage under the separate property system.

ARTICLE 5. This law does not apply to the following categories of land:

1. Land presently directly cultivated by landowners or their spouses or parents or children or legal heirs not exceeding 15 hectares. Landowners directly cultivating have the right to hire laborers to farm.

2. Ancestral worship land (Huong Hoa, Hau Dien, and Ky Dien) and cemetery land not exceeding 5 hectares for each family.

3. Riceland presently owned by religious organizations.

4. Industrial cropland and orchard land (excluding crops having a life of less than one year).

5. Riceland already transformed into industrial building sites.

6. Salt fields, lakes and ponds, and pasture land in livestock farms.

7. Cropland situated in the areas to be reserved for development in the city planning project, residential and garden areas.

8. Cropland in experimental centers and agricultural demonstration stations.

9. Cropland specifically reserved in Montagnard Buons and hamlets in accordance with Decree-Laws 033/67 and 034/67 dated August 29, 1967.

10. Cropland for the use in view of public utility.

11. Land that has never been planted in rice and is cleared under concession after promulgation of this law.

ARTICLE 6. Categories of land indicated in items 2, 3, 4, 5, 6, 8, 10 and 11 of Article 5 shall be governed by separate supplemental laws.

ANy change in land use aimed at evading application of this law shall be considered null and void.

CHAPTER III
LANDOWNERS COMPENSATION

ARTICLE 7. Landowners having land expropriated shall be compensated quickly and reasonably.

The rate of compensation will be determined by a Special Committee. This Committee shall be established by a Decree.

ARTICLE 8. The rate of compensation shall be equivalent to two and one-half times the annual income in paddy from the land. Annual income means the average income during the past five years.

ARTICLE 9. Landowners shall be compensated as follows:

- 20% of the value of the expropriated land shall be paid immediately in cash.
- The remainder shall be paid in bonds guaranteed by the Government over eight years and bear 10% interest.

If the land ownership and usufruct right belong to two different persons, the compensation to each of them shall also be determined by the above mentioned Special Committee.

ARTICLE 10. Bonds may be pledged, transferred, used as payment of hypothecate and payment of land tax, or to buy shares in private or national enterprises.

ARTICLE 11. Rights of privileged creditors, pledgers, hypothecators or debts of heirs shall become the creditors' right with respect to the amount of compensation to landowners based on the legal status of the land in the Land Register.

CHAPTER IV
BENEFICIARIES

ARTICLE 12. Land for redistribution shall be distributed free of charge to each farm family with a maximum area of:

- 3 hectares in southern Vietnam
- 1 hectare in central Vietnam

A farm family is comprised of parents, spouse and children living together in a house and listed on the family declaration.

ARTICLE 13. Land for redistribution shall be distributed in the following order of priority:

1. Present tillers. Present tillers are those who are cultivating the land which belongs to another person.

2. Parents, spouse or children of war dead, if they have submitted an application for land for direct cultivation.

3. Soldiers, civil servants and cadre when discharged or retired, if they have submitted an application for land for direct cultivation.

4. Soldiers, civil servants and cadres having abandoned cultivation because of the war, if they have submitted an application for their family to directly cultivate it.

5. Farm laborers, if they have submitted an application for land for direct cultivation.

In any case, land distributed when added to land already owned cannot exceed the area fixed in Article 12.

ARTICLE 14. Persons receiving land are exempted from registration tax, stamp tax, land fees and all other fees relating to the transfer of land and shall be exempted from any tax related to the distribution in the first year.

ARTICLE 15. Persons receiving land must directly cultivate it themselves.

For a period of 15 years starting from the date they become owners, persons receiving land distributed under this law cannot transfer ownership, or agree to establish real right on the land received except in case of prior authorization given by the Government.

A person who has sold distributed land, or his spouse, shall not be given land a second time.

ARTICLE 16. Any farmer who has received expropriated land under Ordinance 57 or former French-owned land and has not completed purchase payments to the Government shall be exempted from payment of the balance due. Persons who have paid over 50% of the purchase price shall not be subject to Article 15, paragraph 2 of this law.

CHAPTER V
PENALTY MEASURES

ARTICLE 17. Any person who has actions of impeding the implementation of this law shall be liable to an imprisonment term from six months to three years and/or a fine from VN $20,000 to VN $200,000.

ARTICLE 18. Any landowner as determined in Article 5, paragraph 1, who does not directly cultivate his land shall have it expropriated without compensation.

ARTICLE 19. Any farmer violating Article 15 by not directly cultivating the land shall have it expropriated without compensation. The land shall be redistributed to other farmers under the provision of this law.

ARTICLE 20. All lawsuits that occur in the implementation of this law shall be judged by the Land Court, composed of professional judges.

All violations under the provisions of the penal law shall be judged by the Judicial Court.

CHAPTER VI
COMMON PROVISIONS

ARTICLE 21. Formality for implementation of this law shall be prescribed by Decree.

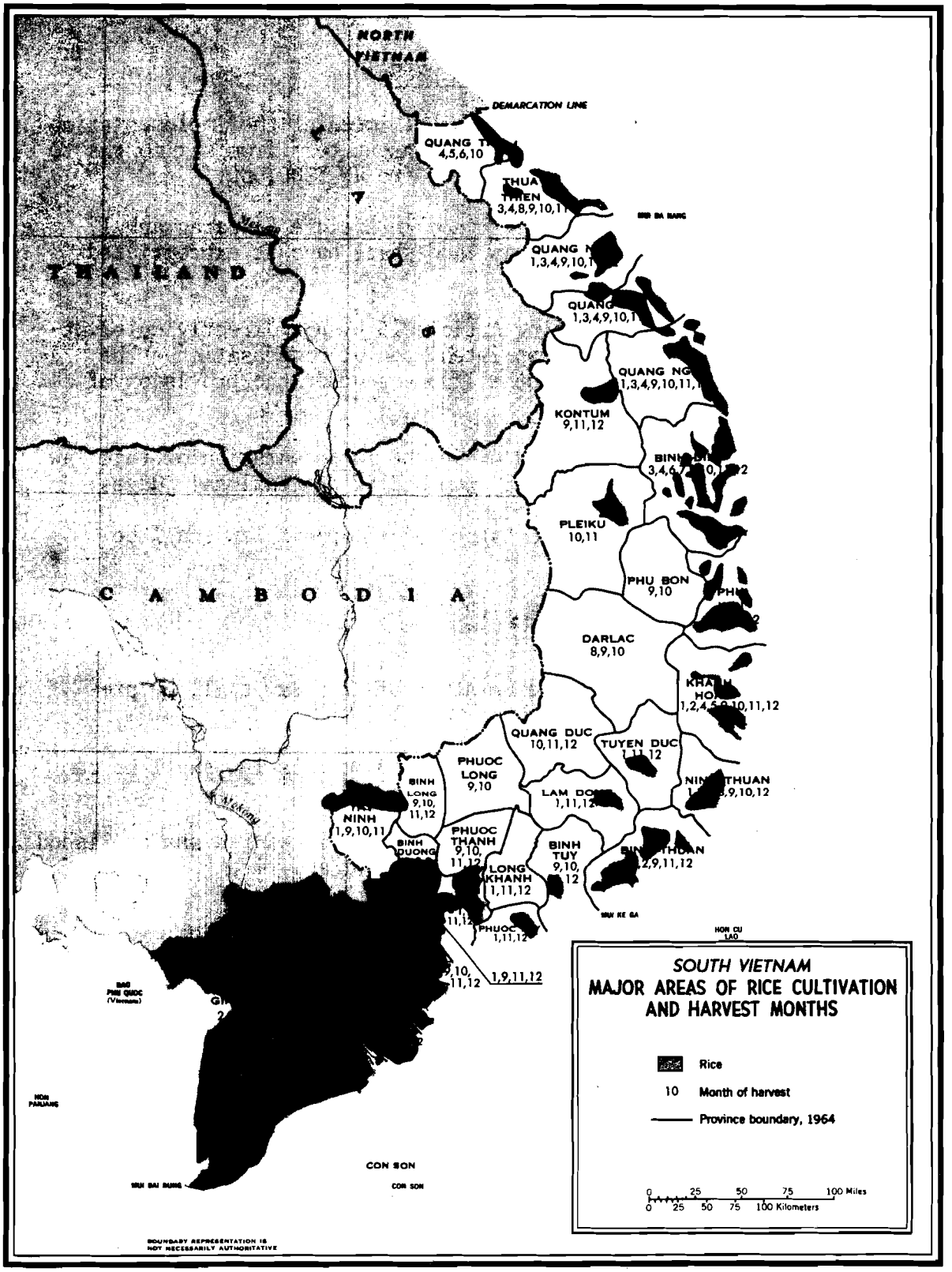
ARTICLE 22. All provisions in contradiction to this law shall be cancelled.

This law shall be promulgated by emergency procedures and published in the Official Journal of the Republic of Vietnam.

Can-Tho, March 26, 1970

Signed: NGUYEN VAN THIEU

CHART VI



BEST AVAILABLE COPY

CHART VII

1970
LAND REFORM PROGRAM OF GVN

LAND-TO-THE-TILLER PROGRAM

NATIONWIDE "FREEZE" OF OCCUPANCY AND RENTS

and

Distributions of Lands Free to the Tiller

Government Acquired Lands	Transfer of Private Lands	Government Owned Lands
Expropriated Lands Former French Lands	Eliminate Tenancy Owner Must Cultivate to retain land Former Owner Compensated by the Government	Development Centers Refugee Resettlement Centers Squatter Lands and * Montagnard Lands

DISTRIBUTION GOALS

76,000 Hectares in 1970	900,000 Hectares 50,000 Owners 500,000 Farmers	40,000 Hectares in 1970 * 40,000 Hectares in 1970

4/7/70

II. PRE-REFORM PERIOD

PRE-REFORM PERIOD

A. Introduction: Economic and Political Background

"The earliest penetration of the Tonkin Delta by the Vietnamese followed first along the waterways and then the inland areas between water courses. (1) Settlement involved tremendous labor of clearing land and establishing dikes for irrigation. To plan and direct such work required a substantial social organization, so that it is not surprising that the earliest known Vietnamese social structure was a form of feudalism where all land belonged to the overload and was distributed to peasants periodically according to family needs and status within the village. As the society developed, however, more and more property came to belong to individuals, and by the beginning of the Christian era, the ownership pattern of dominantly private family holdings with a substantial leavening of communal land had become well established -- a pattern which has persisted to this day.

---

(1) The historical sketch which follows is based largely on VU VAN HIEN, La Propriete Communale au Tonkin (Hanoi: Imprimerie d'Extreme-Orient and Paris: Librairie du Recueil Sirey, 1939), supplemented by information from Pierre HUARD and Maurice DURAND, Connaissance du Viet-Nam (Paris: Imprimerie nationale, 1954), Joseph BUTTINGER, The Smaller Dragon (New York: Fredrick A. Praeger, 1958), and NGUYEN VAN THAI and NGUYEN VAN MUNG, A Short History of Viet Nam (Saigon: The Times Publishing Company, 1958). As cited in Terminal Report: J.P. Gittiner, Dec. 1959.

"As the breakup of the ancient Vietnamese feudal ownership into more and more private holdings progressed, a land tax system was evolved which imposed taxes only upon those peasants cultivating communal land. (Private land was not subject to tax until 1707.) All tax revenue was paid to the village, which kept part for local expenses and used part to meet the collective tax liability of the village to the Emperor. As a result, throughout Vietnamese history, the central government, to protect its tax base, has found itself allied with the tax-paying, poor peasants in the effort to block local administrators wanting to appropriate communal land to private ends. From time to time during the recurrent periods of unrest the villages were able to take over the land of some deposed Chinese or Vietnamese noble, enabling them to extend the area of land under communal control. But, although Vietnamese agricultural techniques benefitted greatly from such Chinese innovations as the metal plough and the water buffalo, the life of the peasant failed to improve in the face of increasing demands from population growth and the ruling classes.

French Administration

"Following the establishment of French rule in Viet Nam during the second half of the 19th century, the colonial administrators soon recognized the importance of communal land in the agricultural economy and for the welfare of the rural

population. Despite pressure from French land speculators on the one side and selfish village officials on the other, the administrators largely confirmed the traditional place of communal land, succeeded in regularizing administration of the land, leaving actual administration to the village councils. The French encouraged the tendency to view communal land primarily as a welfare measure rather than as a source of revenue for the village and the state, preferring to rely on taxation of private land for central government income.

"As late as 1880, the total cultivated area in Cochinchina was estimated at 552,000 hectares, mostly the result of individual Vietnamese settlement. By opening the delta through canals dug largely at the expense of the colonial government, the cultivated area by 1937 had been quadrupled to 2,200,000 hectares. Some of this land, of course, was owned by French landowners, but altogether on the eve of World War II large foreign holdings totaled only about 250,000 hectares. Virtually all these large holdings were cultivated in small two or three hectare plots by Vietnamese tenants; only a handful of mechanically cultivated enterprises developed."(2)

---

(2) Charles ROBEQUAIN, The Economic Development of French Indochina (New York: Oxford University Press, 1944), pp. 192 and 220.

Impact of Insurgency

"During the unsettled period after World War II until the Geneva Agreement of July 1954, the French gradually lost effective control of most of the Vietnamese countryside. As guerrilla warfare against the Communist Viet Minh spread over rural areas, normal market operations were disrupted, water control structures destroyed, canal maintenance activities stopped, and general physical insecurity became common. Thousands of isolated peasants in South Viet Nam left their holdings and moved to the relative security of larger villages or even left agriculture entirely and moved to Saigon, earning their living from the jobs created by the French military effort. As a consequence, between 600,000 and 800,000 hectares of ricefields had been abandoned by 1954.

"When peace was restored in June 1954, one of its first concerns was the rapid recultivation of abandoned lands, with a land tenure policy, and a broad land reform program. Communal land concepts, practiced by the Viet Minh, played an important role in shaping these policy decisions. Three related programs were undertaken in 1955-56: a program for recultivation of abandoned riceland, a program to limit rents and assure security of tenure to tenant farmers, and a land transfer from large owners to operating tenants.

II. - B. Land Tenure Structure

1. Characterization - The peasant awakening in the post-World War II period in Asia was, in part, the realization that the new order of things, economic or political, or both, depended primarily on the solution of the land question, namely, land to the landless. The triumph of the Communists in China was pressed and pushed over not so much by force of arms as by the Communist tactic of promising land to the poverty stricken, landless, hopeless peasantry. In a different setting, the Russian Communists exploited this issue fifty years ago to gain political support of the peasant population. The Communist promise in 1917, that the land would belong to the peasant, exploited the peasants' concept that liberty meant the ownership of the Lord's land. The Communists, however, then, as they do now in Vietnam, misrepresented their objective to the peasants and ultimately sought to communise the land.(1)

---

(1) Throughout this section, extensive use is made of Ladejinsky's writings.

In the period immediately preceding the undertaking of major land reform measures by the government, a condition of landlessness obtained in the midst of abundance of land. The entire landlord-tenant relationship was characterized by exactions, and this in turn bred a heavy burden of indebtedness and usury. Almost everybody in the village was in debt. Interest rates of 5-10 and more per cent a month were common. The net result of this type of tenure system based upon renting, lack of security of tenure and widespread usury, was a large class of landless, impoverished and discontented peasants.

Little wonder that the Vietnamese Communists found fertile ground in the village for their own political ends. When, immediately following the end of World War II, they began, among other things, the attack on the traditional land tenure patterns in the village, the response was not long in coming. As they gained control of the countryside they sought support of the peasants by appealing to a deeply rooted desire to get rid of the landlord and all he stood for, and to offer him the use of land without rent.

It was in this era that the riceland redistribution program under Diem was formed. It concentrated on the Delta area of South Vietnam more than in any other part of the country, since this was the area of large landowners, and greatest tenancy.

Ladejinsky reports that by 1955 Free Vietnam had an estimated million tenants, of which about 600,000 were in South Vietnam and 400,000 in Central Vietnam. The two parts of the country differed sharply from the point of view of the extent of tenancy. Individual owners possessing many thousands of hectares of land were common in South Vietnam--and widespread tenancy the practice. In Central Vietnam peasant proprietorship accounted for approximately three-fourths of the cultivated land. Land holdings were on a small scale. Of the estimated 650,000 landowners no more than about 50 owned more than 50 hectares each, and barely a dozen owned more than 100 hectares. The great mass of landlords fell into the category of 5 to 10 hectares, closely resembling thepetty landlordism once prevalent in Japan, Korea and Taiwan and in a number of South East Asian countries.

Conditions in the south were entirely different. Figures available for 1955 indicate a total rice area of 2.3 million hectares. The concentration of land ownership was one of the highest in the Far East or Southeast Asia. Approximately 2.5 per cent of the owners, with more than 50 hectares each, possessed roughly one-half of the cultivated land. On the opposite side of the scale, more than 70 per cent of the proprietors owned less than 5 hectares each, possession an estimated total of 12.5 per cent of the cultivated land.

Two principal developments were responsible for this concentration. The French colonial administration sold huge tracts of virgin land at nominal prices or gave them away to selected individuals -- French and Vietnamese. The few truly big rice holdings were in the hands of the French companies, of which the single largest, "Domaino Agricole de l'Quest," accumulated a total of 20,000 hectares. The other important reason for the land concentration was the loss of the land by small proprietors due to their inability to meet the burden of indebtedness other than through foreclosure and eviction from the land. With so much land in few hands and the loss of land by the small proprietors, tenancy was inevitable. Two out of three families had no land at all; they worked somebody else's land either as tenants or as agricultural laborers. At least 80 percent was cultivated by peasants who owned virtually no land whatever.

2. Changes - World War II and the almost continuous war conditions since have set in motion political forces that have drastically changed the relationships between landlords and tenants. Land reform efforts begun by the Viet Minh in 1946 and taken up by the Viet Cong in recent years have essentially eliminated landlordship in those areas controlled by the Viet Cong.

Similarly, the Government of Vietnam initiated land reform efforts in the early 1950's designed both a) to improve the condition of the tenant-farmer by formally regulating rents and tenure conditions through written contracts between landlord and tenant, and, b) to reduce the economic and political power and status of landlords by expropriating all land owned in excess of 100 hectares and redistributing the land

to tenant farmers.

The landlord-tenant relationships in the Central Lowlands, where the Metayage system of tenure (share cropping) tends to maintain older practices, continued somewhat as in the past, but still the landlord's power is much reduced from what it once was.

The attempt to control tenure conditions was intiated in 1955, and included the enforcement of a rent ceiling of 25 percent of the crop. This was only moderately successful, although some 800,000 written contracts were eventually registered covering most of the tenanted land. The administrative ability of the government to enforce these contracts was weak. However, it is evident that rents were reduced and for the first time, the tenant had a sense of security during the period of the contract (originally a three-year term, later extended to five years with a provision permitting "a tacit understanding" of renewal of the contract). Some tenants objected to this program who had, at one time, been provided land by the Viet Minh rent free for several years.

The other element of the program was initiated one year later, in 1956, under Ordinance 57. This ordinance limited the size of individual holdings (excluding commercial crop lands) to 100 hectares plus 15 hectares for ancesteral worship. The excess was expropriated (a total 452,000 hectares) with compensation paid to the landlords, and made available for sale to the tenant farmers in units not exceeding 5 hectares per family. In a separate acquisition, the government with French financial assistance purchased 230,000 hectares from French citizens. Transfer of these lands did not begin until 1966. This was a more successful element in that it did remove the economic

and power of the large landowner from the rural scene. However, in the redistribution of these lands, the detailed process of landlord declaration of holdings, land surveys, and applications for distribution delayed actual land transfers until 1958, but by 1961, over 240,000 hectares had been transferred. Even then, the tenant-farmer only received a conditional title to the land pending his completion of payment for the land over a twelve-year period. The net effect of this element of the land reform program was to reduce and clearly limit the economic and political power of the old landlords. Some redistribution did occur but of a limited nature, and, as a result the government, became the largest landowner of formerly private lands.

At the turn of the decade, deteriorating security conditions and government instability began to restrict land distribution. Transfers of government-owned lands diminished to a trickle in the period from 1962-67.

These elements of a land reform program have constituted a first-phase in what has turned out to be an era of land reform. The second phase occurred in 1969. Because of the close relationships of these two phases, they have been treated together in detail in Section III.

II. C. Land Resource Information

1. Land availability. Among the conditions favoring a need for land reform are (1) a relative shortage of cultivable land, as evidenced by heavy population pressure on the land, and (2) restrictions on land ownership imposed by the land tenure structure.

The Indo-Chinese Peninsula is generally considered to include Burma, Cambodia, Laos, Malaysia, Thailand, and the two governments of Vietnam. Burma is the largest country, with a total area of 678,030 square kilometers followed by Thailand with 514,000 square kilometers. Third is Malaysia with 332,630 square kilometers, fourth is Laos with 236,800 square kilometers, fifth is Cambodia with 181,040 square kilometers, and sixth is the Republic of Vietnam with 170,810 square kilometers. The Democratic Republic of Vietnam (North Vietnam) is the smallest, with 158,750 square kilometers.(1)

The Republic of Vietnam is second only to the Democratic Republic of Vietnam of all countries of the Indo-Chinese Peninsula in terms of population density related to the total land area. These gross density figures pertain to all the land and do not attempt to reflect the agriculture area available.

In terms of developed agricultural land, Burma has the largest agricultural area with 162,300 square kilometers, followed by Thailand with 112,670 square kilometers. Malaysia is third with 34,070 Cambodia is fourth with 29,380, the Republic of Vietnam is a close fifth with 29,350, and the Democratic Republic of

(1) SRI Report - Chap. 5

Vietnam is sixth with 20,180 square kilometers of agricultural land.

In considering the pressure of the agricultural population on cultivable land, the Republic of Vietnam ranks second among the Indo-Chinese Peninsula countries with 467 persons per square kilometer. The Democratic Republic of Vietnam is the most densely populated with a population of 729 persons per square kilometer. The most sparsely populated is Burma with 94 persons per square kilometer.(2)

2. Classification. A reconnaissance soil survey was carried out by Dr. F. R. Moorman for a major part of southern Vietnam in the period from April 1956 to July 1960 under the auspices of the Directorate of Studies and Research in Agromony, Forestry and Animal Husbandry, Ministry of Agriculture (later, the Ministry of Land Reform, Agriculture and Fisheries Development) with the cooperation of the International Cooperation Administration of the United States Government. At this time a general soil map was produced together with a description of the major soils in relation with their agricultural use and potential.(3)

The author, Mr. Moorman, makes no claim to accuracy in particular areas and points out, for example, that the lower Don-Nai region and the interior of the Transbassac area have been visited only superficially by the author. Furthermore,

---

(2) SRI Report - Chap. 5
(3) The Soils of the Republic of Vietnam, F.R.Moorman, 1961

in these and some other areas air photo interpretation was very difficult.

Recognizing those possible difficiencies the work stands, nevertheless, as a most useful tool in the hands of future planners for making determinations on general cropping patterns.

The alluvial soils of the Delta and Central Lowlands are relatively fertile. Most of them are used for rice and play a pre-dominant role in Vietnam's agriculture. Most of them are waterlogged or even inundated during at least part of the year.

There are the Acid and Saline Alluvial soils.

Two categories of acid sulphate soils are recognized:

(1) The acid alluvial soils containing only a limited amount of iron sulfides.

(2) The very acid alluvial soils which have a high potential acidity. The first category of the acid soils is used in general for rice cultivation; yields are rather low (900 to 1500 kg. of paddy per ha.) the very acid soils are mostly not cultivated at all and if they are, give low yields. In certain areas, pineapples are grown on these soils.

Soils with such a high salt content that the growing of rice

is not possible, are mapped as saline soils. By and large these are the soils of the mangrove swamps.

the red and yellow podzolic soils is the most widespread great soil group in Vietnam, occuring under all but the dryest climatic conditions of the country. The majority of these soils are under forest (both broadleaf and pine forests). They are relatively infertile and their main agricultural use is for shifting rice cultivation. In the vicinity of population centers these soils are often used for such crops as manioc, peanuts, sweet potatoes, etc. In central Vietnam, cinnamon is locally grown on these soils as well as grapes (near Nhatrang). Most of the truck crop farming of the Da Lat area is done on these soils. They are also used for tea and for rubber (spots in southern Vietnam) which seem to grow well.

The red and yellow podzolic soils can be used for intensive cultivation if good soil management and conservation practices are followed. The sandy, stoney or strongly sloping red and yellow podzolic soils should not be cultivated and should be used only for grazing and forestry.(4)

The use of water in agricultural production will be a continuing problem in the Delta. Stated in simple terms, the Delta Farmer is unable to control the application of water to his crops. The four needs for water control in the Delta are: protection against floods, improved drainage, control of salinity intrusion, and supply of irrigation water during both wet and dry seasons.

---

(4) For a more detailed study of this subject, see entire report: The Soils of the Republic of Vietnam, Moorman.

Complete water control in the Delta would allow for growing crops throughout the year and would prevent crop damage and loss which frequently occur from drought or flooding.

3. Identification and Titling

In the past there has been a lag between the land surveyed and earmarked for distribution and actual transfer. As demanding in accuracy and time consuming as surveying is, it has been easier to survey the land than to make certain that the titles are clear of any encumbrances. The drawing up of the title, or deed, itself is not difficult; nor was the procedure determining the amount a landlord was to receive for his land, under the government's expropriation and redistribution program, or making out checks for the cash portion of the payment and the bonds. All of this took time but the verification of the titles is very time consuming. It was particularly time consuming when undertaken with inadequate village records, and, in many instances, inexperienced staff. (5)

---

(5) From the writings of Ladejinsky

The basic elements of the registration function at the provincial level are processing, checking, and recording transfer and transaction papers concerning changes in status of land ownership. All transactions in land ownership are recorded in a land register. The land register is also used to make up the land tax books.(6)

The following systems of land registration are being used in one area or another of South Vietnam:

Old Dia Bo. Land registers kept originally under the Vietnamese kings and improved by the French administration. The system was established before 1900.

So Dien Tho. Land registers kept under the Torrens system, which has been in use since 1925. The Torrens system is a very complete system of land registration entailing an adjudication or detailed determination of title to land.

New Dia Bo. Land registers kept under a simplified Torrens system (Kien Dien) established in 1962.

Each of the land registers, are prepared by the village in triplicate - the original remaining as the village record, and one copy each being deposited with the District office, and with the Province tax office.

In addition, there are records of other businesses pertaining to the land:

---

(6) For a more complete study, see SRI Summary Vol. Chap. 4

Lease Contract Register.	Records the contract executed between the landlord-tenants in each village. The village is the only place where this record is kept.
Register for Documents Deposited.	These are documents bearing on the states of land. The original is maintained at the Province land service office with a copy recorded at the Central level.
Land Tax Book.	Is established and maintained by the village. The village makes two copies - one for the District office, and the other for the Provincial tax office.

Even though one of the purposes for maintaining records at different levels is to ensure against complete loss of information, the system has been very vulnerable to the war.

By the beginning of 1968, the government estimated that 65 percent of the village had no land registers. In some cases, all copies have been lost and it will require extensive work to re-establish these records. In other cases, records could be re-established at the village by transcribing from District or Province copies. Other land records are also in a similar condition of inadequacy.

II. D. Rural Production and Productivity

The Southern Region or Delta area is predominantly rice-land except for three provinces in the area north of Saigon. The study by Stanford Research Institute, conducted in the fall of 1966, indicates that rice cultivation in this region accounted for 91.5 percent of the total cultivated area of the farms surveyed.[1] Presumably the balance, 8.5 percent, was taken up in fish ponds and the production of fruits and vegetables produced largely for home consumption, though there are some fairly large areas now devoted to the production of specialized commercial crops.

Farmers who produced rice had an average output of 131.1 gia, equivalent to 2.83 metric tons per producer. This is considered a low yield; 1966 was the lowest rice production year since 1959 essentially because of Mekong River Delta flooding, which caused total or partial crop failure on many farms. This yield compares with 170.0 gia per rice producer recorded in the Rural Income and Expenditure Survey (RIES) of the government made in 1964.[2]

Among the farm cultivators who produced rice in 1966, only 24.9 percent sold rice. This contrasts with the RIES Survey of 1964 which showed 51.4 percent of the rice farmers sold rice into the economy. The total amount sold in 1966 constituted 23.5 percent of total production.

---

(1) SRI Report - Summary Vol. p. 35.
(2) SRI Summary Vol. IV, Part I. p. 35.

SRI of 1966, the average price recorded rose from VN $72.25 per gia to VN $200.75 per gia -- an increase of about 275 percent, representing price inflation.[3] This price inflation was primarily the result of general country-wide phenomena and not necessarily related to supplies and demand for rice.

In terms of 1966 gross farm sales receipts from farm products, 36.9 percent of total value was obtained by farmers from rice, compared with 33.3 percent from other crops and 29.8 percent from animal products.

---

(3) SRI Summary Vol. IV, Part I. p. 35.

II. E. Rural Population, Employment and Underployment

Vietnam is "urbanizing at an explosive rate." In 1960, 18 cities had populations in excess of 20,000; in 1966, there were 35 such cities. In 1960, 2.2 million people (15.6 percent of the national population) lived in cities, while in 1966 more than 3.3 million or 20 percent were counted as city dwellers. Between 1960 and 1966, the national population increased about 2.5 million, but 45 percent of this increase was in cities of more than 20,000.

No doubt the war economy, the presence of a half million allies, and the relative insecurity of rural areas are all factors in the recent and continuing migration to the cities, but there is a proportion of this incremental urban growth that is going to become a part of the permanent migration to the cities. In 1968, a remarkably high proportion, up to 50 percent of the population was estimated to reside in the towns and cities as a result of the insecurity and the economic pressures and pulls occasioned by the war.(1)

Some discussion was made of land population ratios under the land availability section and will not be treated here. For emphasis, however, it should be noted that even though the population pressure on available farmland is great in Vietnam, sizeable shifts in population have taken place in recent years in the form of rural-urban migration. The decreasing desirability of land ownership in the 1968 situation is strongly demonstrated by the decision of many rural people to leave their homes when caught directly between the opposing sides of revolutionary war. A high

---

(1) National Institute of Statistics Yearbook 1962 & 1966; also MACV Population data.

proportion of these refugees are owners. The overwhelming social disruption, together with the general insecurity of the rural areas, had forced many farmers, at that time, to break their traditional ties with the land. Before the Tet Offensive (1968), official estimates placed the number of refugees from the rural areas to the cities at more than 1 million. Perhaps 500,000 crowded into the cities since the Tet Offensive of February, 1968.

II. F. Income Distribution

Data is scarce for indicating income levels between rural and urban residents and classes representing different sizes of land ownership. Conditions are in such a state of rapid change as to render such data as might be available meaningless without making some general assumptions.

According to the SRI survey relative to occupations in rural areas, 65 percent of household heads classified themselves as farmers, including farm workers, and 35 percent were non-farmers. It showed that 26 percent of family heads were owner-tenants. Thus, the farm group consists of about 53 percent farm operators (including landlords who did not farm) and 12 percent farm workers.[1]

Nonfarm occupations were being followed by all categories in some degree, except owner-tenants and tenants who are practically all full-time farmers. Artisan was the major employment category of 37 percent of the non-farmers and 30 percent of the farm workers. Many artisans came from North Vietnam in 1956 and have since retained their trades. Shopkeepers and peddlers were the occupations of 20 percent of the non-farm group. Only 7 percent of the owners and 4 percent of the family heads were in the military and civil service, and these were most important proportionately in the non-farm group (20 percent), and less important among landlords and farm owners.[2]

---

(1) SRI Summary Vol. pp. 46-50.
(2) SRI Summary Vol. pp. 54.

II. G. Supplementary Services and Supplies

1. Information. The Ministry of Land Reform, Agriculture and Fisheries development maintains a very effective Agriculture Information Service which has been influential, together with a fairly good corps of technicians, in creating a well-informed rural population which is quite responsive to change through adopting improved techniques, better seed, varieties, chemicals, etc.

The GVN Agricultural Extension and Agricultural Information Services started in 1954. Since then, their administrative structure, physical plant and personnel have steadily expanded until in CY 1966 over 350,000 farm family contacts were made by 346 technical personnel. During the same period the Agricultural Information Services developed a staff and plant facility capable of publishing 2.6 million pieces of technical materials for country-wide distribution. A good example of the effectiveness of this system is in the accomplishments of the "miracle rice" (IR-8 and IR-5) program in which some 35,000 Vietnamese farmers were introduced to the new high-yielding varieties. The goal to plant 44,000 hectares with the improved varieties was reached. The average yield per hectare was more than five metric tons compared to the national average yield of 2 MT per hectare for local varieties. The 1969-70 crop year planting goal for the improved varieties is 200,000 hectares which will result in a net production increase of some 600,000 M.T. of paddy rice.

The accelerated rice production program was developed cooperatively by the Ministry of Land Reform, Agriculture and Fishery Development and U.S. assistance.

BEST AVAILABLE COPY

An extensive training and information program has been established and continued in support of the rice planting objectives. It is anticipated these same systems can be applied to other segments of agriculture.

For a developing country, the Republic of Vietnam has an unusually high literacy rate. Literacy rates seems to be directly related to economic status. Farm owners, including most landlords, and on-farmers have the highest literacy rates; these rates decline as income and social status decline. Farm workers have the lowest literacy rate. Farm owners and non-farmers also have the highest educational attainment, since as many as 16 percent have more than five years of schooling and about 2 percent have more than 15 percent.(1)

2. Credit. In an interesting study of farmers' needs priorities, the S.R.I. report indicated a credit program to buy farm production supplies such as fertilizer, pumps, tractors, and better seeds was favored by 20 percent of the tenants and 32 percent of the owner-tenants when compared with their desire to use long-term credit for the purchase of land.

The usual service of money borrowed by rural residents in the souther region, 1967 showed 38.4 percent coming from relatives, 36.8 percent from friends. 6.4 percent from money lenders, 5.4

---

(1) S.R.I. Report - Summary Volume - PP. 50-51

BEST AVAILABLE COPY

percent from government sources and the balance from businessmen, landlords, Huis and others. Interest rates paid by farmers in the southern region were reported to be in excess of 60 percent per year, and only 16 percent of those who pay interest pay at a rate of less than 20 percent per year. (2)

The government has recently increased the availability of cheap rural credit to small farmers through the rapid expansion of the rural credit fund of the Agricultural Development Bank (ADB). The Government of Vietnam from its budget authorized a large increase in capital of the bank to VN $3.5 billion during 1969 and to VN $4.6 in 1970. This contrasts with the total authorizations of VN $382 million during each of the three years 1966 through 1968. Further rural credit will be extended through a rural banking system set up in 1969. By the end of 1969, three such rural banks were inaugurated with a total locally subscribed capital of VN 40.5 million. This capital was matched by preferred stock purchased by the Rural Bank System Development Fund, a fund established by the GVN and USAID and managed by the ADB to foster the development of these locally-owned credit and savings institutions. It has a total authorized capital of VN $300 million contributed to on an equal basis from the national budget and counterpart funds. The ADB goal is a rural bank in every District (244) within the next five years. A three-fold increase in use

---

(2) SRI Report Summary Vol. p. 179

of funds for loans to farmers and fishermen and a decrease in the other loan categories which primarily are to larger farm operators and businessmen who can post collateral security, has occurred during 1968 and 1969. Contributing to this shift of increased unsecured loans issued to smaller farm operators on the basis of personal character qualification has been the increased confidence that repayment is reasonably assured when the loans are for production of high-yielding enterprises.(3)

3. Supplies. Production inputs, particularly those required for IR-8 rice, were available in 1969 in substantially larger quantities and at more numerous and convenient retail outlets than in any recent year.

Fertilizer sales and sales of BHC insecticide, a new product introduced in 1968 for improve control of rice insects, have doubled in 1969. Farmers' chronic complaints of shortages have been largely silenced by the substantial improvement in the availability of supplies and competitive prices.

These changes have resulted in large part from the aggressive efforts of private traders who have replaced government agencies as importers and distributors of these commodities, the laste of which - pesticides - was turned over to the private sector by the

---

(3) 1969 USAID Report to Ambassador

Ministry of Land Reform, Agriculture and Fishery Development in 1969.

USAID has encouraged and assisted the GVN in effecting these changes and has financed the increase in imports resulting from the new policies to assure that supply meets demand. The GVN, in turn, has maintained economic policies which enable the commercial trade to realize reasonable but attractive profits as an incentive to stimulate distribution of these commodities extensively throughout the rural areas.

Second generation production support inputs such as tillage, irrigation, harvesting, threshing and drying equipment are available, though not in quantities and in locations adequate to meet demands. A great advance was made during the third quarter of the year, however, when farm equipment importers established large farm machinery repair service and sales promotion centers in Can Tho and Da Nang. All machinery dealers must import not less than 10 percent of their allotment of foreign exchange in spare parts and participate in educational and sales service programs as a qualification for future import approvals.

The increased domestic market for agricultural inputs has had a positive effect on industrial development. Granulated insecticide materials for use on rice were first introduced in 1968 as part of the new technology associated with the IR-8 program. None of the seven insecticide formulators then operating in the country produced granular preparations. In 1969, two new companies were licensed to produce granules and the plants are scheduled to be constructed and in operation in 1970.

4. Infrastructure. Some previous mention has been made of irrigation facilities which exist primarily in the southern region. A fairly elaborate portion of canals and waterways have been constructed over the years which allows for water transport to much of the land area of the Delta. Unfortunately, military activities have rendered many of the existing canal systems inoperable and maintenance of others very difficult. Flooding of ricelands occurs on a seasonal basis as a natural consequence of swollen streams during the Monsoon season. Very few structures exist for controlling or regulating water flows, as a result, most ricelands are subject to either excessive or inadequate water levels at certain times. Much of the lower lands are waterlogged a major part of the year and unsuitable for most crops; other lands may be slightly to highly saline from salt water intrusion and therefore limited in productivity. Much of the land is unproductive because water supplies are undependable.

The canals and river systems of the Delta provide important lanes of transportation which are constantly busy with vessels of all descriptions as they ply the water laden with items purchased for the farm or produce on the way from farms to market. These

waterways provide a very valuable means whereby supplies can be moved as needed. During recent years of heavy military activity these systems have been particularly valuable as they can be travelled all seasons and don't have the same maintenance requirements as do the road systems.

Roads are becoming increasingly important to the economic growth and development of the country. Restoring, upgrading and expanding the highway network will be a prime economic goal in postwar planning.

To date some 1,460 kilometers of highway have been constructed or repaired under the restoration program, with approximately 700 kilometers having been completed in 1969.

The Vietnam Railroad System had a remarkable record of cargo and passenger growth in 1969. With completion of certain segments of railroad presently under construction, 55 percent of the railways' 1,240 kilometers of main line and branch lines will be operational.

Demand for VNRS services and facilities went up sharply in 1969. The net ton-kilometer evaluation increased 60 percent from 1968.

The VNRS diversified its railway operations through new enterprises making good use of its manpower, equipment and facilities. These new ventures included pick up and delivery service to and from railheads, first destination delivery of cargo from the Saigon

ports, either by rail or truck and the contract movement of heavy industrial machinery and equipment. This diversification has proved to be very successful, not only in better use of the railways potential, but also in providing a service that is basic to a developing economy.

The GVN is developing its capability to establish, maintain and operate the nation's airway facilities and systems which serve both civil and military air operators.

South Vietnam has over 5,000 kilometers of navigable waters. Water transportation offers an efficient and economical method for moving commodities but it calls for continuous dredging to keep the water-lanes and ports open. The discharge material usually becomes a valuable asset for land fill or for construction material. (4)

5. Crop Procurement and Marketing. The three national farm organizations, the Central Farmers Association, the National Federation of Agricultural Cooperatives and the Tenant-Farmers' Union, continued to be important segments of the agri-business community. Combined, they import and distribute one-third of all the fertilizer and approximately 30 percent of the feed corn. This share of the total sales in Vietnam was maintained in 1969 through a doubling of sales over the previous year. These organizations additionally handle roto tillers, sprayers, marine engines, irrigation pumps, livestock feeds, baby chicks and other products involved in the new high-yielding agricultural technology.

---

(4) 1969 USAID Report to the Ambassador.

The commercial operations of the farm organizations in 1969 were in sharp contrast to their operations in 1968 when they were deeply concerned with the need to develop sufficient marketing experience to even survive in the GVN/USAID created free trade market. These organizations had previously operated in either officially protected markets or under favored price priveleges and under such conditions inevitably had developed some lethargy. Their more aggressive efforts in 1969 resulted in an increase in net profits of three to five times above earnings in any previous years. The accomplishments of the farm organizations have been exclusively by the Vietnamese.(5)

In spite of some progress in recent years in this area, the farmer continues to be served by a very inadequate marketing system. Survey information shows clearly that there is a large unsatisfied demand for farm supplies varying considerably from one type of input to another. The demand for rental of tractors and insecticide sprayers is only 16 percent satisfied, while the demand for better pig breeds and water pumps is only 21 percent satisfied. Only a third of the farmers, in 1968, were getting all the improved rice seed they want. Insecticide needs are met only in 42 percent of the cases, but 57 percent of the farmers are having their fertilizer requirements met.

The data show that almost 90 percent of the farmers use fertilizer on rice fields and almost 25 percent use fertilizer on vegetables. There is, however, much work to be done in encouraging

---

(5) From the 1969 USAID Report to the Ambassador.

farmers to use new techniques. About 17 percent of the farmers do not use improved pig breeds or fertilizer, 25 percent do not use insecticides, and sprayers, 33 percent do not use improved rice seeds, and more than 40 percent do not rent tractors. Nevertheless, the results show that the Vietnamese farmer would use a much higher proportion of modern farm inputs if they were available in the market and he is very receptive to the adoption of new techniques and new types of farm inputs if he can be convinced of their efficacy.(6)

Insufficient information is available on the marketing system but such as is presented would indicate that those in the lowest economic group are more likely to be less favored than those higher on the economic scale. The SRI survey indicated that only 24.5 percent of farmers sold rice. Others have very little to sell yet their cash needs may be high, so they cannot wait to receive a more favorable price but most sell immediately.

In Khanh Hau -- described by Hendry(7) -- there is no central market, as is true of most rural Hamlets, although some are close to central markets in some of the larger towns of the Delta. At least three-fourths of those who sold paddy in Khanh Hau sold it to Vietnamese rice merchants from Khanh Hau or nearby villages. This appears to be the typical pattern for the Delta. A few households sell to Chinese merchants in Cholon directly but these tend to be the largest - and richest - producers who also have greater access to up-to-date price information.

---

(6) SRI Report Summary Vol. p. 185.
(7) Jas. B. Hendry, the Small World of Khan Hace, Chap. 6.

II. H. Peasant Associations and Power

1. Co-ops and other associations. The Vietnamese farmer has always had the element of cooperation in his culture as is evidenced through cooperative efforts in rice planting, harvesting, mutual aid and societies for weddings, funerals, etc. Since 1915, when the French introduced western-style cooperatives for the benefit of their citizens, no effort was made to encourage the true development of cooperatives among the Vietnamese until 1954 when U.S. support of cooperatives by USAID began. It is felt that a strong cooperative movement is an important element of the private sector.

While generally the existing organizations are weak, there are a few examples, such as tea, vegetables, fish and tobacco cooperatives and a few farmers associations (mentioned previously), which have shown what can be done when the basic capabilities are present.

The quality of leadership in farm organizations is uneven. More dynamic national leadership is needed. Secondary level leadership is enthusiastic and energetic but with limited experience. Business management needs to be strengthened with relatively high literacy, the training potential of VN farmers, farm organization leaders and other agricultural leaders in public service is high, but training programs are inadequate.

The current activities and trends of cooperatives, Farmers Associations, Tenant Farmers Unions and ADB in rural activities are:

Agricultural Cooperatives. There are a few outstanding

successes in local agricultural cooperatives. The majority, however, do not have a history of successful operation. The National Federation (NFACA) in 1967 suffered from mismanagement problems, but has recovered somewhat since. Management remains rather weak. Eighty-five new cooperatives with 26,000 members, 15 of which are agricultural, were organized during CY 1968. The others are consumer cooperatives and credit unions.

At the start of CY 1968, there were approximately 200 cooperatives with 140,000 members out of 360 registered which were operating.

Farmers Associations. The Farmers Association was established in 1959 under the Ministry of Agriculture. A decree in July, 1966 gave up some control previously exercised by the GVN at the National level and permitted the District Farmers Associations to elect the Board of Directors for the newly organized Central Farmers Association. A previous presentation was made respecting extent of their operations in recent years.

Agricultural Development Bank. An adequate discussion was made in a previous section on the activities of the ADB.

Farmers Organizations must play an even larger role in rural modernization. Particularly, in developing for farmers the capability of self-administered credit, marketing, transportation, distribution and processing through these organizations.

Additional organizations include:

Cooperative Research and Training Center. This was organized in 1959 for the purpose of providing cooperative education and training services.

Tenant-Farmers Unions. This organization has aggressive independent leadership. They demonstrate a certain lack of experience in provision of rural economic services, and no capital mobilization program. Units are not legally authorized to engage in business unless registered under the cooperative law which is administered by the Ministry of Economics. Membership has risen from 1963 low of 40,000 to 125,000 in 1968. The union at that time operated in 23 provinces and had planned expansion throughout the Delta provinces during 1968.

Credit Union. Credit union-type organizations registered under the cooperative law are generally quite successful. The credit union organizations are generally truly independent cooperative-type units, the older, larger ones having strong leadership. Total membership is now 16,000 (1968) - total savings were approximately 55 million piasters at that time.(1)

2. Political Power. Farmers acting through the National Tenant Farmers Union have exerted considerable influence the past few years on national land reform policy. This has been the most active and vocal form of organization and it seems to be growing in numbers and influence.

It is evident from the SRI studies that most rural hamlet residents have an increasing interest in their own government, in their local affairs and toward village officials. With the growing strength of village self-government and of organized farmers group the villager is progressively obtaining a greater voice in the affairs of his community.

---

(1) Statistics obtained from USAID-ADDP-AGR records.

III. LAND REFORM PROGRAM

III. LAND REFORM PROGRAM

Modern efforts by the Vietnamese government on land reform was initiated by Emperor Bao Dai in his New Year's speech to the nation in 1951. In part, this was a response to insurgency pressures of the Viet Minh. As they gained control of lands, the Viet Minh sought political support of the population by deposing ownership and assigning tillers to the land. Emperor Bao Dai announced that henceforth land was not to be taken from peasants who had occupied landlord properties.

In mid-1952, "A National Committee for Agrarian Reform" was organized. In early 1953, President Nguyen van Tam issued Ordinance 21 stating that henceforth rents were in no case to exceed 15 percent of those existing before the war, and this was followed up (June 4, 1953) by a number of ordinances.(1)

Briefly, they called for cancellation of certain land concessions which had remained uncultivated or unleased and for the redistribution of such land among squatters and other specially deserving groups; a drastic rent reduction to a level not exceeding 15 percent, and additional rent agreed upon between landlord and tenant for buildings, tools, and draft animals; land leases for a minimum of five years, and what appeared to be limitations on

---

(1) The information making up most of Section III is a historic summary of past legislation and implementation from an address by Wolf Ladejinsky, Land Reform Expert, Technical Consultant of the Presidency, Republic of Vietnam, Oct. 24, 1959 and contained in unpublished papers in the Vietnam Research and Evaluation Information Center, A.I.D./W.

the size of holdings. However, the provisions of this Ordinance (No. 21) were so watered down as to make it meaningless. In effect, the landlords did not have to sell or otherwise dispose of the land held in excess of these limits: the sole limitation was upon their acquisition of additional land either by purchase or lease.

These provisions went either too far, as in the case of rent reduction, or not far enough, as in the case of limitation of land holdings. They were more an act of desperation than an enforceable set of provisions, and thus were ineffective political tools.

The real difficulty, however, was the Government did not hold sway over the countryside. Only after the Geneva Agreements, which divided the country, were agrarian reform measures effective.

When the Ngo Dinh Diem Government assumed power in 1954, the countryside was in a shambles. Much of the agricultural land was overgrown and irrigation facilities had fallen into disuse; canals needed re-dredging; there was a sharp decline in production and the peasants were a very much bewildered lot.

In order to alleviate the situation in the rural areas immediate action was taken by the Government and reflected in the promulgation of two basic measures embodied in Ordiances 2 of January 8, 1955 and Ordinance 7 of February 5, 1955. The former sought to eliminate the worst features of landlord-tenant relations through rent reduction and provision of security of tenure while

the latter was concerned with putting back into cultivation abandoned land believed to have amounted to as much as 800,000 hectares.

The main provisions of Ordinance 2 were as follows: Rentals ranged from 15 to 25 percent of the principal crop; a loan of seed or fertilizer was repayable at cost price plus interest rate not exceeding 12 percent per year; all contracts had to be in writing; the life of a lease was a minimum of five years, and the traditional right of a landlord to cancel a lease agreement was circumscribed; village, district and provincial committees were to be created to settle landlord-tenant disputes; finally, penalties were provided in case of failure to comply with the provisions of the Ordinance.

The significant provisions of Ordinance 7 were these. Having determined the amount of the abandoned or uncultivated acreage, each owner was obliged to declare his intentions with respect to this land. If he refused to cultivate the land himself, he had to lease the land to tenants of his own choosing. In that event, a three-year lease was to be executed, under which the tenant paid no rent during the first year, half of the prescribed rent of 15 or 25 percent during the second year and three-fourths of the rent during the third year. The landlord, in turn, was exempted from the land tax, and the same applied to the tenant. On the expiration of the special three-year contract, the normal contract for five years became compulsory. In the case of absentee landlords, the village council had the right to

allocate the land to people willing to cultivate the land. The rent, after deduction of taxes, was to be held by the provincial treasury for future payment to the owner. Model contracts were drawn up, printed and distributed by the hundreds of thousands as an aid to implementation.

It is not surprising that the application of these measures got off to a very slow start due in part to the weaknesses of the administrative machinery, and the government's pre-occupation with the Long Xuyen gangsters, the neutralization of the Cao Dai Sect, the war against the Hao Hao Sect, and the pressing refugee problem.

There were other reasons why the program proceeded slowly. For different reasons, both tenants and landlords were reluctant to sign contracts binding them to conditions spelled out in the Ordinance. Many tenants had not paid rent in years, and even the admittedly low rent of 15 to 25 percent appeared to him an imposition. Others who had been assigned land by the Viet Minh believed that their ownership had already been confirmed. Signing a contract now would have invalidated their claim to ownership. There were also the fence sitters, those who believed the Communist propaganda that claimed by July, 1956, the country would be reunited on Communist terms, with all the landlord land falling into their hands. In short, the heritage of Communist village activities did not favor an enthusiastic reception for the rent-reduction program.

The attitude of the landlords was no less negative. They had sustained land losses to the Viet Minh and now were faced with loss of rent. It appeared as if both tenant and landlord, and conditions would frustrate these efforts to change the old land-tenure system of Vietnam.

Fortunately, the Diem Government grew in strength and political stability improved throughout the country, so did the land reform efforts. Landlords were persuaded to pursue the land-tenure relationships. With the assistance of the U.S. Aid program, the administrative part of the program also improved markedly. The Joint Committees came to function as conciliator of landlord-tenant disputes. These Committees consisted of five elected tenants and an equal number of landlords under the chairmanship of the Chief of the Province or his appointee.

The number of contracts under Ordinance 2 and 7, as of the end of June, 1959, was 800,000 or 80 percent of all theoretically possible contracts. The benefits to the tenants of lower rents, security of tenure, duration of lease, freedom from eviction at owners' will, were guaranteed by the written contract. The dependence of tenant upon landlord had undergone a change.

The real significance, however, was in the erosion of the traditional view of landlordism as the basis of wealth, political power and social prestige. Furthermore, these measures lead to the subsequent stage of land reform, the land redistribution program.

The big landlords became interested in selling their land. They recognized the inevitability of change and now sought best ways and means of disposing their land. The price itself was not the main stumbling block. The method of payment was. The consensus among the landlords was 50 percent cash and the remainder in five annual installments. Some tenants on their side spoke of ten annual payments with no cash down, while others spoke of 10 to 20 percent cash and the remainder on an installment basis. The difficulty was that the tenants had no cash whatever, and nobody contested that fact.

The idea of land to the landless in Vietnam, was not only of the Communists' making. In June of 1953, Ordinance 21 set retention limits of 45 hectares in Central Vietnam and 100 hectares in South Vietnam. However, the landlord had the right to a 25 percent increase for the fourth and each succeeding child; since landlords with wives and concubines had large families, the retention limit was almost meaningless. An equally important misrepresentation was the tenant's permission to buy land at the prevailing market price, with the assistance of government credit. Basically, the credit was not available, the tenants had no cash, and with the prevailing market price of land they could not have bought it even had they had some cash.

Mr. Diem repeatedly expressed the view that widespread, individual ownership of land is <u>the</u> condition for economic and political stability in the countryside. It was clear to the President that the Communist threat in the villages was fed by

the tension inherent in the land tenure relationships. He felt a more equitable redistribution of land was required, and that the incentive of land ownership would increase productivity of the rice lands.

On October 22, 1956, Ordinance 57 was promulgated and land redistribution became the policy of the Government of Vietnam. The objectives were stated as equitable distribution among the landless, development of agricultural production and the re-orientation of the big landlords towards investment in industrial activities. Limitations on land ownership were set at no more than 100 hectares, but with an additional 15 hectares permitted worship land; a landlord could cultivate by himself only 30 hectares; the other 70 hectares must be leased or sold. The land affected by the Ordinance was riceland only. The excess holdings were to be purchased by the government and sold in order of priority to tenants and agricultural workers who had cultivated the land for two years; war-veterans, refugees, and the unemployed. The basic intent was for land to go to the tenants already on the land. Tenants acquiring land under the reform could not lease or mortgage it within ten years of the date of acquisition. The tenant was to pay for the land in six annual installments, and he would receive a certificate of ownership prior to his payment and clear title of ownership after completing his payments. The land price to the tenant was determined by the compensation the Government paid to the owner for the land. Compensation for the land was fixed by regional

committees, approved by the National Council of Land Reform, and was favorable to the tenant. It turned out to be three to four times the annual production of the land. Compensation to the landlord took the form of 10 percent of the value of the land in cash and the remainder in non-transferrable government bonds, bearing a 3 percent interest rate and amortized in 12 years. However, the bonds could be used as legal tender for paying off debts contracted with the Agricultural Credit Agency, for land and inheritance taxes or for investment in public enterprises.

The Ordinance provided for the establishment of a National Council on Agrarian Reform, with powers broad enough to deal with all outstanding issues involved in the implementation of the reform. There were also, in addition, provincial and local committees to determine the acreage available for distribution, the fixing of land prices, the issuance of titles to new owners, and related subjects. Agrarian tribunals who prescribed stiff penalties for evading the provisions of the reform law were part of the administrative arrangement.

This program was clearly meant for South Vietnam where there were large single holdings. In Central Vietnam, holdings seldom exceeded 10-15 hectares. It was estimated that approximately 30 percent of the tenants in the South would fall within the scope of the program. The relatively high retention limit was considered by the government as a first step aimed at

the large landlords and not affecting the rural middle class.

The impact of this program revealed that in South Vietnam a total of 2,033 landlords possessed more than 100 hectares each, yielding a surplus of 425,000 hectares. In addition, there were 430 landlords of French citizenship of which 280 were "pure" French. The land of these two groups subject to the reform program was approximately 260,000 hectares, or a grand total of 685,000, or roughly a third of all the tenanted land of South Vietnam.

The setting of land prices was virtually completed by the end of 1957. Productivity of the land was a basic factor, but important also was the consideration that the reform was designed for the benefit of the tenants. In all, prices were fixed for the nineteen provinces of South Vietnam ranging from 12,000 piasters or $170 per hectare in the province of Bin-Duong to 4,000 piasters or $57 per hectare in the province of An-Xuyen. Within the provinces themselves, the respective prices could be as low as 5,000 and 1,000 piasters, and less. On the whole, the price for the greater part of the land in the two mentioned principal price-categories ranged from 5,000 to 1,800 piasters.

The price for the land generally known as French-owned presented a different problem. This land was also subject to Ordinance 57, but the owners had another alternative. According to an agreement concluded between the Government of France and the Government of Vietnam (October 9, 1958) the former allocated

1 billion 490 million francs ($2,900,000) for the purchase of all the French rice lands. This land, when finally acquired, was to be turned over to the Vietnamese Government as a gift. The French owners were given the right to decide whether to accept the provisions of Ordinance 57 or the offer of their Government. The French government fixed the average price at only $11 per hectare. The vast majority chose the French payment.

As of early September 1959, 380,000 hectares, or 90 percent of the total of Ordinance 57 lands had been surveyed. Nearly half of this land (177,000) had been earmarked for redistribution to specific tenants, and of this total 75,000 hectares had actually been turned over to the tenants; the 730 landlords from whom the government purchased this land had received in cash 35 million piasters and 275 million in bonds. This indicated considerable ability on the part of the Government to respond to the demands of a rather massive program.

There was a lag in actual land transfer. The verification of the titles was particularly time-consuming.

There was little landlord opposition. This was probably attributable to a series of factors when the landlords submitted to the rent-reduction program they had, in effect, acknowledged that their position had undergone a radical change. President Diem's well-known statement that the land transfer was a necessary social revolution for the benefit of the tenants served to disarm the landlords still further. The price they received for the land and the method of payment was far less

than they expected, but it was still not confiscation, and sizeable holdings still remained in their hands. Finally, the total number of Vietnamese landlords subject to the reform was only just over 2,000. While small numbers of privileged individuals often exercise great political and economic influence, this is not quite the case in Vietnam. After years of civil war they had become economically weak, while politically they cut a small figure in the councils of Ngo Dinh Diem's government. The combination of these circumstances goes a long way to explain the landlords' acquiescence in a reform which seemed to them to be not in their best interests.

The real opposition to the reform was provided by Radio-Hanoi and the Communist agents in the countryside. The latter exerted no end of pressure, including physical threats and violence, to dissuade the tenants from buying land. The failure of the Communists' own so-called agrarian reform in North Vietnam, culminating in an open peasant rebellion against it was well known to the Vietnamese tenants. This knowledge and the obvious advantages the land transfer offered them was a stumbling block to the Communist anti-reform propaganda. Lacking the power of terror, the tenants were willing to buy land under the terms of Ordinance 57. The inborn desire for land ownership, coupled with economic security and a heightened social status, served to make the land distribution program an event of great importance.

During the period of the Diem reforms it was felt that the complete abolition of tenancy was neither feasible nor desirable if low rentals and real security of tenure prevailed. Some tenants it was felt may prefer this arrangement, but not the majority. With the completion of the programs at this time, upwards of two-thirds of the tenants remained tenants even though under vastly improved circumstances. Those who acquired land would undoubtedly stimulate the desire for ownership among some of the tenants on the land retained by the landlords.

By 1960, more than 60 percent of the abandoned land was back in production. The settlement of the refugees unquestionably played a great role in helping make Ordinance 7 a reality, and the Cai San Resettlement Project was its most dramatic expression.

Cai San is a great rectangle of some 110,000 hectares of land. Bounded by canals to the east and west, the Bassac River (the southernmost branch of the Mekong) defines the northern boundary, while to the South lies the Gulf of Siam. In 1965, the greater part of this land was abandoned land - a weed-growing wilderness - a hideaway for bandits. The refugee-settlers of Cai San, with the simplest of tools, dug the seventeen canals totalling 125 miles in length, and built their huts atop the embankments. The American aid tractors were there with ex-taxi drivers to run them.

In addition, new settlements were established in the highland areas and some 50,000 people moved from the overcrowded coastal strips of Central Vietnam. They exchanged their tenanted half-hectare holdings for three-hectare grants. They cleared much of their land, built their homes, and put in their crops. To the significant economic benefits must also be added the political and military benefits. Many of these settlements sat across infiltration routes and were populated with settlers notoriously anti-Communist. Needless to say, the North Vietnamese Communists reacted to these challenges.

This progressive development of land reform, while effecting significant changes favorable to the farmer, of greatest importance was the manner in which it was carried out. President Diem and his Government did not resort to force, setting up class against class, or to any of the methods used by the Communists to impose their brand of agrarianism. Social peace was maintained throughout. This was in striking contrast to the somber realities across the 17th parallel, where Communists eventually were forced by a farmers' revolt to rectify the "mistakes" of their "land reform." The Viet Minh's violent opposition to Free Vietnam's reforms was precisely because they were successful.

III. LAND REFORM PROGRAM

A. Legislation

On March 26, 1970, President Thieu promulgated into law (#03 of 1970) the "land-to-the-Tiller" bill passed by the Vietnamese National Assembly 10 days earlier. This is the latest piece of legislation in a 20-year period during which land reform has progressively reduced landlords' holdings and eroded away traditional land ownership patterns. It is now the national policy to take what may be the final step in this area of social reform to eliminate tenancy on ricelands and to rapidly effect a nation of small owner-operator farmers. President Thieu expressed this objective when he wrote "I want every farmer to become a small landowner having equality in their standard of living thereby advancing society and providing good conditions for economic and and cultural development."

In the past twenty years land reform has been an important issue and Vietnam has seen the accumulation of a substantial body of land reform law and regulations. This ranges from the modest efforts of Emperor Bao Dai in 1951 who sought to re-enforce the farmer by reducing his rent and offering him some protection from landlord exploitation, to laws dealing with the expropriation and redistribution of large landholdings and the improvement of tenant-landlord relationships promulgated by President Diem in 1955 and 1956. More recently land reform laws have had to deal with the problems of "confused lands"

arising out of the government's struggle for national sovereignty with the Viet Cong. The National Assembly's approval of a new land reform policy in 1970, making those who actually cultivate the land, landowners, includes in this array of legislation, a law having sweeping impact on the redistribution of lands to the tenant-farmers and marks the end of traditional landownership in Vietnam.

The "Land-to-the-Tiller" law was developed by the Executive over a period of some 18 months. In January 1968, the President of Vietnam convened (as one of his earliest actions upon taking office under the new Constitution) a National Land Reform Congress in Saigon. This was attended by the President and his cabinet members, by officers of the National Assembly, and by all Province Chiefs and members of the bureaucracy concerned with land administration. This Congress sought to focus public attention upon the Government's determination to place high priority upon the completion of the ongoing land reform programs. These programs were set aside in the period of political instability and deteriorating security from 1961 to 1965. It was also the purpose of this Congress to seek new ideas that would facilitate land reform work, and the design for a more revolutionary and far-reaching land reform program. During the ensuing months, there was much accomplished. Several starts and stops occured as ideas were put forward, analyzed, and rejected in part or in whole. Finally, a broad program was identified in May 1969 clearly reflecting

a prime interest in the farmer. This received the full support of the Cabinet. The President then ordered his Minister of Land Reform, Agriculture and Fisheries Development to put this program in the form of legislation for submittal to the National Assembly. This was to become the first major piece of social legislation considered by the National Assembly.

The new law was submitted by the Executive to the National Assembly on July 1, 1970 and it was immediately referred to the Lower House where it was committed to the Agricultural Committee for consideration along with two other land reform bills that had been proposed earlier by members of the Assembly. The Lower House Committee debated the issue and recommended to the Lower House a single bill representing their concensus of the three bills. This bill which was significantly different form that proposed by the Executive was approved by the Lower House. The new bill did not reflect the priority interest in farmers welfare. The Senate, in reviewing this measure saw fit to approve a bill in form and content close to the original form in which it was submitted. This bill was subsequently confirmed by the Lower House and submitted to the President for approval on March 16, 1970.

The "Land-to-the-Tiller" law follows quite closely the basic provision of the old Ordinance 57 issued by President Diem in 1956. The major differences reflect the progress of Vietnam toward a widely-based small-owner operator farming

class. Under this law not only are privately owned lands affected, but also village communal lands are to be redistributed to the tenant-farmers tilling these lands. Land is granted, this time, free of any charge to the tenant-farmer with the government compensating the former owner. Limitations of ownership are substantially curtailed from 100 hectares (250 acres) to 15 hectares (37 acres) of riceland, and then only if the owner directly farms the land himself or with the help of his family. In addition, a person may retain only 5 hectares (12.5 acres) of Worship land, a portion of which, however, he may rent. Furthermore, acquisition of land under this law is limited to 3 hectares (7.5 acres) in the south or Mekong Delta area and 1 hectare (2.5 acres) in the Central Lowlands of Vietnam. All lands in excess are to be redistributed with the following priority established of eligible persons, the tiller; family of war dead; retired or discharged,soldiers, civil servants or government cadre; those civil servants and government cadre who had abandoned land because of war; and farm laborers. This priority listing was more extensive but not unlike that set forth in Ordinance 57, both focused on transferring land that he is cultivating to the tiller. Compensation to the former landowner is more generous than previously provided and includes a 20% cash-down-payment and the remainder in transferrable bonds bearing 10% interest due in equal installments over an 8-year period. Under this law, the concept of decentralization reflected in the Constitution is to be invoked. Decisions on land

transfer will be made by the Village Administrative Committee leaving only the recording and formality of title issuance to the central government. This law does not require the Government to expropriate and take possession of land and subsequently redistribute it, as did Ordinance 57, but seeks to have the government's authority used only to facilitate the direct transfer of lands from owners to tenant-farmers or others eligible for receipt of lands. Persons obtaining lands under this law may not transfer ownership for a period of 15 years in contrast to the earlier law in which the limit was 10 years. Penalites are imposed upon those who fail to cultivate lands, or otherwise obstruct the implementation of the law, by authorizing expropriation of such lands without compensation and their immediate redistribution. A special provision is incorporated in this law exempting from further payment any farmer who has received expropriated lands under Ordinance 57 or former French lands and has not completed purchase payments.

This new program is built upon the programs of the 1950's and it will greatly widen and strengthen the government's base of political support in the rural population. It markedly broadens the base of land ownership, and will contribute significantly to social stability in the countryside.

III. B. Institutional Arrangements

In Vietnam there are three basic levels of government administration: the center government in Saigon, the provincial governments and their district offices, and village governments with their hamlet organization. Traditionally, administration in Vietnam is centralized. In the case of land reform matters, there has been an historic trend toward decentralization to the village level of many key matters concerning land transfer. Under the current land reform program of 1970, substantial decentralization has occurred. The tenant-farmer now makes application to his village government for ownership of the land he is tilling. The village government is responsible for verification of facts concerning the tiller, the land, and the owner. And upon certification of correctness, the tenant-farmer ceases to pay rent and, in fact, is recognized by the village as the owner of the land. The village approved transfer action then moves to the Province Land Service Office for recording and thence to the central government for recording and issuance of title. Contested cases will be held at the village level for discussion with the Province Land Service Office and subsequent approval or rejection by the village.

Since 1955, the Minister for Land Registration and land Reform has been responsible for all matters pertaining to administration of land tenure and land reform programs. The title of the Ministry was changed on October 9, 1967 to the Ministry for Land Reform and Agriculture, and again in 1969 to the Ministry of Land Reform, Agriculture and Fisheries Development. In

the village, the Commissioner for Agriculture was changed to the Commissioner for Land Reform and Agriculture indicating the growing responsibilities for land transfer assigned to the village government. As part of the new and expanded land-to-the-tiller program, the government is now recruiting and training a village Land Registrar who is to handle the detailed responsibilities of the new land reform program at the village level. This Registrar is a member of the village self-government and works directly for the Commissioner of Land Reform and Agriculture.

Within the central government and the Ministry of Land Reform, Agriculture, and Fisheries Development there is a Directorate of Land Affairs having three major technical units. One deals with land legislation systems and the legislation. Another is a Technical Directorate handling land survey matters including aerial photography and map records. The third unit is the Land Reform Directorate handling all matters of land redistribution and distribution of government-owned or acquired properties. The leadership for land reform is essentially provided by the Minister and it is to him that both the Prime Minister and the President turn to for advice and consultation on land reform matters and on whom they depend for effective land reform administration.

Each province (44) has an office of the Provincial Land Service, whose responsibility is for land survey and registration within the province.

III. C. Program Objectives

During the past 15 years, the objectives of land reform have progressively changed. The land reform program of the 1950's sought to improve the lot of the farmer by regularizing the tenant-landlord relationships, and to weaken the political and economic power of the large landowners. It also sought to orientate the large landlords toward industrial activities, and to offset these so-called "land reform" efforts of the Viet Cong.

The new land reform program of 1970 sets forth as its objective the making of landowners of those people actually cultivating the land and thereby assuring them of all of the benefits from their labor. The new law seeks to eliminate farm tenancy and "achieve a middle-class living standard in a country which advocates mass capitalism as an economic policy."(1) The President furthermore looks upon land reform today as a fundamental weapon to the defeat of Communist aggressors in the fields of political warfare and in winning the hearts and minds of the people.

---

(1) President Thieu, news release on "land-to-the-tiller" policy, March 20, 1970.

III. D. Program, Implementation and Enforcement

The early land reform program of the 1950's sought to redistribute large holdings of some 2,000 absentee landlords and nearly 500 French estates. It also sought to improve tenant-landlord relationships and to strengthen the position of the tenant with respect to the level of rent payments and security of tenure. Also included in this program is a series of resettlement efforts ranging from a mass settlement of refugees in a delta area to resettlement of small groups from the central lowlands into the central highlands of Vietnam. The second stage and the more revolutionary land reform program now seeks the direct transfer of land from an owner to a tenant without regard to the owner's size of holdings. This direct transfer of land virtually eliminates tenant-landlord relationships and seeks to establish, in fact, a nation of small owner-operated farmers.

1. Redistribution of land ownership

The early program of land redistribution of the late 1950's involved the government in the purchase of nearly 453,000 hectares of land from large landlords who were permitted to retain 100 hectares of land. In addition, the government reached an agreement with the French government for the purchase of nearly 230,000 hectares of land owned by French citizens. Altogether, some 682,000 hectares of land, approximately one-quarter of the agricultural land in Vietnam, was subject to redistribution by 1958. This program of redistribution moved at a reasonable pace through 1961 by the time approximately a third had been redistributed to small farmers in plots of not more than five hectares. At this point in time, political

instability set in accompanied by growing insecurity in the rural areas and the redistribution activities virtually came to a standstill and were not revived until 1967. Since that time, there has been a growing ability on the part of the Vietnamese government to complete the redistribution of the remaining part of these lands that are cultivable. A substantial portion of the acquired lands are now classed as abandoned or uncultivable and require significant capital input to rehabilitate them for continued use.

The new program seeks to eliminate tenancy by transferring the land from the owner to the tenant. The amount of land contemplated to be redistributed under this program may involve as much as 1,300,000 hectares though it is not contemplated that conditions will permit more than the transfer of 900,000 hectares during the ensuing three years. The number of the farmers involved in this program could be as many as 600,000 farm families.

2. Changes in Tenancy Systems

The early land reform programs sought basically to regularize and improve the existing tenancy system. They sought to breakdown in part traditional land tenure patterns of exploitation. Within three years of the inauguration of this program, as many as 800,000 formal and written landlord-tenant contracts were executed at the village level where this program was administered and recorded. The intention was to reduce land rents to not more than 25 percent of the annual crop. In fact, reports indicate that the average rental probably exceeded 30 percent, but in view of the exorbitant

rents found under traditional landlord relationships this constituted a marked improvement. Furthermore, under the contracts the tenant for the first time obtained tenure security for at least five years, the duration of this contract. The tenant, also, had preemptory rights to purchase should the landowner seek to sell the land. Extensions or renewal of these contracts were undertaken by tacit understandings. This did not seem to require the necessity of executing written understandings into the terms of the original contract. This first phase of the land reform program in Vietnam did not substantially change tenancy ownership but it did substantially change the role of the landlord in relation to the tenant and naturally improved the status of the tenant and his ability and willingness to care for and properly utilize the land which he was renting.

The new program of 1970, and the last phase of the land reform efforts in Vietnam, seeks to virtually eliminate tenancy and the problems of landlord-tenant relationships.

3. Colonization

The major colonization efforts in Vietnam have been known as resettlement centers or development centers instituted by the Government. The migration to south Vietnam of a million refugees from north Vietnam in the mid-1950's brought with it the problem of assimilation of a great percentage of these refugees into the rural areas. This took several forms including the establishment of new hamlets or villages and exploitation of new lands. It also included the establishment of small groups

of farmers of 100 or more in development centers each with a three to five hectare plot and usually in the high land areas. These were primarily designed to relieve the population pressures and land pressures of the central lowlands. A third colonization effort was known as the Cai San development centers in the Delta. One such center involved 50,000 hectares of land including a small proportion of former French land and expropriated land. This was a prime benefit to refugees coming from the north. The land was excellent Delta land and primarily required labor for the purpose of developing canals and drainage lines which was done by the refugees themselves with very little governmental assistance. This array of centers included over 210 localities. Unfortunately, growing insecurity has reduced this number of centers to something less than 70. It is expected, as security permits, that these centers will be revived both by former participants and possibly by the relocation of refugees generated from the current war conditions.

4. Consolidation and Enclosure

Consolidation has really not been a matter of policy or practice in Vietnam during the past two decades. Quite the contrary, the policy has been one of fragmentation of large landholdings and probably some continued fragmentation of small holdings as a result of inheritance. While there is a general move usually associated with arguments against land reform to arrest fragmentation and permit consolidation of land for purposes of increased productivity, these arguments have never seemed

to prevail. The government's objective has been continually directed toward building a nation of small farmer-owners, while at the same time seeking to breakdown traditional land tenure practices that have exploited the Vietnamese farmer in the past. This does not preclude the establishment of industrial lands associated with the production of rubber. This kind of land consolidation is not discouraged and perhaps is occuring on a modest basis at this time in Vietnam primarily to grow industrial crops necessary to protein production in Vietnam.

5. Classification, Identification and Titling

In Vietnam there are a series of three systems of land registration currently being used in different areas of south Vietnam. (These were described under Section II.)

The provincial land survey offices maintain original documents of ownership or land transfer transactions. A copy is maintained by the village, and also by the central government in Saigon, the Directorate General of Land Affairs, Ministry of Land Reform and Agriculture. The reasons for this multiple copy system is to ensure against complete loss of information. While this provides, theoretically, safeguards for land records, apparently the system has been most vulnerable. Surveys made in 1967 showed one-quarter of the provinces and no records of land ownership for more than one-third of the villages in each of the provinces. The records apparently had been destroyed during the past twenty years. 65 percent of the village offices are reported to have no land registers. In numbers, this represented 1,692 villages whose land records either were missing and not yet re-established or never existed.

Only 890 villages apparently have land registers. Faced with this situation, it was not surprising that the government turned to the use of aerial photography as a means of rapidly identifying land plots to facilitate the completion of the early land reform programs and the initiation of the new land reform program.

Titling of the land is a responsibility of the Directorate General of Land Affairs in Saigon. In the past, this document has included a detailed description of the land plot based on land surveys. Because of the destruction of records and the difficulty of undertaking land surveys both for reasons of security and shortage of skilled manpower, plot identification on an aerial photograph is being temporarily substituted, with more detailed and technical land descriptions to be provided at a later time through the use of controlled aerial mozaics. Titling will continue to be a central government responsibility and the issuing of the title will be handled by the Directorate General of Land Affairs utilizing computer technology to facilitate and expedite title issuance.

III. E. Financial Aspects

1. Valuation Procedures. The recently enacted land-to-the-tiller law provides that the government shall fairly compensate the former owner "quickly and reasonably." For purposes of determining compensation, the government is required to establish a "Special Committee" by Decree. This Committee will be concerned with establishing the valuation guidance for properties expropriated under this law. It is presumed that the procedures previously used under Ordinance 57 will be followed. In this situation Special Provincial Committees were set up to determine the prices of crops. Under this law it is assumed that the village administrative committee may be responsible for determining yields on the land. In the past, land was classified into four land qualities and also by one-crop, two-crop, and broadcast riceland. A similar method for classifying land will probably be established. However, the experience under Ordinance 57 was that the average valuations of a hectare of riceland was three to four times the annual income in paddy. Under the new law the value of the land is to be the equivalent of 2 1/2 times the annual income in paddy. The annual income is further defined as the average income during the past five years.

While these guides and administrative arrangements for determining valuation are very similar, the new law clearly reflects the government's attitude toward fore-stalling excessive valuation of land of the former land owner.

2. Program Financing.

a. Landowner Compensation

The provisions of the present law state that the land owner shall be compensated 20 percent of the value of expropriated land in cash and the remainder in bonds guaranteed by the government spread over eight years and with 10 percent interest. It should be noted that the current annual inflation in Vietnam is approximately 30 percent. The Executive draft of the new Land Reform Bill submitted to the National Assembly called for bonds with a maintenance of value provision. The Senate, however, eliminated this anti-inflationary provision and substituted in place thereof twice the interest rate of that originally recommended for the bonds.

An analysis of the reaction of former large landowners whose property had been expropriated in the late 1950's to the compensation offered by the government at that time was that they had not received sufficient cash-down-payment. It was for this reason that the bill called for cash-down-payment twice that paid to the old land owners.

At this point in time, the Vietnamese Government is spending a great deal more than its revenues in order to successfully conduct the war. As part of the U.S. assistance program to Vietnam the U.S. has undertaken to support a program of economic stabilization which is primarily based on funding the inflow of goods to Vietnam. This large cash payment that will be made to former land owners under this new land reform program will have an inflationary impact. Accordingly, the U.S. Government has agreed to fund that

portion of this cash-down-payment that turns up in the form of new import demands. This could involve as much as $40 million over the next few years. In addition, the U.S. provides a form of budgetary support to substantially offset the gap between expenditures and income. Since the redemption of land reform bonds will be an annual expenditure over at least eight years, it is possible that the U.S. will be providing financial assistance that might be attributable to offset a substantial portion of the cost of expropriation to the government of Vietnam.

b. Peasant Repayment

Those farmers who received redistributed land have in the past been paying to the government the full valuation of the land, without interest charge over a period of 12 years. On July 2, 1969, one day after the government introduced the present land reform bill to the National Assembly the government decreed suspension of further indebtedness by farmers for redistributed lands. This was consistent with the provisions of the new law which granted land free of any charge to the new land owners.

c. Government Expenditures

The Government of Vietnam has appropriated for Calendar Year 1970, and will do so for subsequent years, sufficient funds to finance the land-to-the-tiller program. Calendar Year '70 is currently budgeted at 4.5 billion piasters. Whether this will be used or additional funds will be required will be dependent upon the rate of land transfers and the speed with which compensation determinations are made. In addition, the U.S. has made available resources to support the temporary expansion of administrative staffs and to provide technical equipment and supplies.

III. F. Supplemental Measures

(The aspects called for under this section have been previously discussed under Section II. G.)

III. G. Mobilization of the Peasantry

1. Economic Aspects. The farmers of Vietnam are excellent farm managers and have successfully maintained their families whether they rent or own land or both own and rent land. General economic conditions in the rural areas have moved along on a highly satisfactory basis in the past few years to where the farmer is purchasing mechanized equipment and seems to have no great need for cash. This latter factor is evidenced by the failure of farmers during the past season to rapidly move their rice product to market. Quite the contrary the farmer has been withholding the selling of his crop. The evidence therefore is that he is not pressed for resources and is, in fact, economically well off. The introduction of IR-8 rice to Vietnam in the past two years has, of course, been highly beneficial to the point where Vietnam is expected to be self-sustaining in rice production in 1971. The rural area and the farmers in particular have generally been well treated and many supporting institutions are now well advanced in their communities so that the ownership of land can make a significant difference toward economic development. Marketing and warehousing mechanisms are quite adequate. Agricultural credit is being rapidly expanded by the government. Highways and means of transportation are opened and effective. Education and health conditions are vastly improved. Agricultural inputs are generally meeting demands -- fertilizers, pesticides and extensive services. Farmers associations are expanding their services. The village is becoming a self-governing body.

2. Political Aspects. With this general advancement of economy and social conditions, the farmer is beginning to participate more in the affairs of his community and in the various institutional arrangements that are found in the villages of Vietnam. As a landowner, his status and dignity will be raised and with these actions will come greater political independence and the means to exercise power.

III. H. The Politics of Implementation

The long history of land reform in Vietnam indicates clearly the government's interest and role in advancing the welfare of the farmer at the expense of the landowner. The land reform efforts of the 1950's clearly reflected this approach and they found that the landowner really did not carry much political weight of any kind. In fact, he felt seriously set upon by the insurgency forces that took his lands and denied him rent properties, and the central government in its land reform measures was not only doing these things but was further fragmenting his economic power. In the enactment of the recent land reform legislation, there was no significant "landlord opposition" though unquestionably there were individual landlord resistance actions during the course of debates on land reform in the National Assembly. The real issue that arose, and for a while detrementally affected the land reform debates, was the Assembly's attitudinal opposition to the Executive. Land reform for a while got caught between these two forces and suffered. However, when the Executive alerted leadership on behalf of the new land reform bill there was every evidence of support by many classes of citizens, and particularly the rural unions.

IV. EFFECTS OF THE LAND REFORM

IV. EFFECTS OF THE LAND REFORM

A. Land Tenure Structure

The most reliable statistical information on land tenure structure was compiled in 1960-61 in the Sample Agricultural Census, Ministry of Agriculture, Government of Vietnam. This reflected for the 22 southern provinces which contain approximately 80 percent of the cultivable riceland that 23 percent of the farm units were owner-operated at this time. Some 47 percent of the farm units were tenanted on the lands. The remainting 30 percent of the farm units: some of the land was owned and some of it was rented (see chart VIII). An interpollation of these numbers would indicate that some 60 to 65 percent of the land is rented while the remainder is owner-operated. This is confirmed by recent estimates which indicate that 65 percent of the riceland in Vietnam is farmed by tenants. The impact of the early land reform efforts in creating owner-operator farmers probably increased farm ownership by something around 30 percent. The new land-to-the-tiller program should bring the percentage of farms, owner-operated, to somewhere around 90 percent.

Tenancy, under the new law, will be primarily limited to worship lands. The new landlord class, at best, will be a medium-sized landowner. The traditional landlord-tenant relationships and traditional land tenure practices will virtually be eliminated in the rural areas.

CHART VIII

TENURE PATTERN IN 32 PRINCIPAL AGRICULTURAL PROVINCES

1960 - 61 Sample Agriculture Census, Ministry of Agriculture, GVN

A. Portion of agricultural land rented:

1. Twenty-two southern provinces - 64 percent
2. Ten central provinces - 40 percent

B. Tenure of farm unit operators

	22 Southern Provinces	10 Central Provinces
1. Owner Operators only	23 percent	29 percent
2. Operators with only rented land	47 "	11 "
3. Operators with both owned and rented land	30 "	60 "

SIZE OF HOLDINGS

Size (hectares)	Holdings in Southern Provinces	Holdings in Central Lowland Provinces
Under 0.1	15 percent	13 percent
0.1 - 0.5	14 "	39 "
0.5 - 1.0	14 "	27 "
1.0 - 2.0	26 "	16 "
2.0 - 3.0	14 "	3 "
3.0 - 5.0	11 "	1.4 "
5.0 -10.0	6 "	0.5 "
10.0 -50.0	1	0.1
	100 percent	100 percent

production. If this is the case, there will be other economic motivating forces toward change of agricultural structure. To say that these changes are directly attributable to land reform, would be overstating the benefits of land reform. Nevertheless, the mobility of the farmer to shift his crop pattern is unquestionably facilitated by land ownership. Furthermore, as a land owner he controls the use of his land, and as a land owner he retains the full benefit of the product of his labor and resources on the land. Land ownership may well be the critical factor that will cause further change in crop patterns toward more productive crops and toward increased productivity.

IV. B. Production and Productivity

In Vietnam the farmer is a good manager. This is true whether he owns or rents land. The transference of land ownership will not, in Vietnam, change the foci of entrepreneural capability. What it will do is increase the status and dignity of the farmer in his community by becoming a property owner which should contribute significantly to social stability in the countryside and to the farmer's motivation to improve his production and productivity. Needless to say, the introduction of IR-8 and IR-5 miracle rice when combined with land ownership offers a major incentive to the new farm owner to become a better farmer in his own, his family's, and his community's interests.

While there is no major breakthrough toward crop diversification, the beginnings of such changes are already evident. Ownership of land provides a flexibility for the farm manager to use his land based on his own decision and motivations. For example: vegetable farming in certain sections close to urban areas has displaced rice growing because of the favorable economic benefits derived from such agricultural practices. Other economic motivations for change may be recognized by owner-farmers in changing their crop production from riceland to sorghum or to corn for purposes of meeting crop shortage areas the production of which in turn is supporting a growing protein production capacity throughout Vietnam. It is expected that Vietnam in 1971 will reach a point of self-sufficiency in rice

Iv. C. Rural Employment and Underemployment

Vietnam, with the exception of the central lowlands, is a country not subject to serious land pressures. Traditionally, the rural areas have been modestly expanding cultivable land sufficient to absorb a high percentage of new rural farm families. However, Vietnam has in the past been characterized as a country of underemployment. The extraordinary war conditions of the past five years have created vast employment opportunities in urban areas, that also offer security from war conditions, has resulted in a major migration from rural to urban communities. This migration or loss of population in the rural areas has been further aggravated by the draft and the massive buildup of Vietnamese military personnel.

In the late 1950's 85 pecent of the population of Vietnam was located in rural areas, and a correspondingly high percentage of the labor force was rural. This percentage of the population in the rural areas has dropped to 60 percent or lower, while the percentage of the labor force has dropped to 65 percent. In absolute population figures, this means that in the past decade, the rural population has remained at about 10,000,000. On the other hand, urban population has increased at a very high rate.

The farmers of Vietnam still require farm labor during the transplanting and harvest seasons. A substantial part of farm labor continues to remain available in the rural areas seeking supplementary income in the urban areas during the off-season periods.

Vietnam today has a population of 17,500,000 and has full employment.

IV. D. Income Distribution

Estimates of income distribution are not available for the rural areas. However, surveys indicate that higher incomes are closely related to land ownership. The SRI field surveys of farmers shows a high proportion of rice farmers with only small amounts to sell. In fact, those farmers who do sell a significant portion of their crop represent only about 25 percent of the producers. This seems to reflect a subsistance level of income under present tenure conditions. Land ownership could well affect a major change in the economic conditions of the tenant farmer favoring, materially, his ability to sell a portion of his crop for investment in his family and his farm.

IV. E. Services and Supplies

There is no evidence today of the earlier land reform efforts directly affecting the services and supplies available in the rural areas. Recently, it has been the Government's policy, as part of its drive toward Agrarian Reform, to develop through public and private sectors services and supplies supportive to rural development. Fertilizer is now being widely used and marketed through private channels. Similarly, pesticides and new seeds are available to the farmer. Cheap government credit is increasingly available through the Agricultural Development Bank. Credit associations and marketing facilities are being expanded by Farmer's Associations. The new land reform program, which among other actions limits the mortagaging of land transferred under this new program could be interpreted as possibly having a slightly depressing impact upon the use of farm credit. This will probably not be the case since 75% of the fural credit is supplied by relatives and friends. The likelihood now is a greater demand for services and supplies attributable to the impact of this new program.

IV. F. Peasant Participation in Decisions

Historically, the village in the rural areas of Vietnam has experienced a relatively high degree of autonomy. The early programs of land reform in the 1950's disrupted the power structure of the large landowners but did not significantly improve the status of the villager in his community. Unfortunately, the reaction of the Central Government to the impact of insurgency was for the Central Government to seek greater and greater control over the decision-making process of the country down to the village and hamlet levels. This situation, epitomized in the strategic hamlet program, continued until 1965 when the Government recognizing the need for restoration of rural self-government began to relinquish some of its controls.

In 1966, village independence to select its leadership was recognized both for local government and for local institutions. Government economic policies, today, favor the farmer, and rural economic programs are advancing. Security is constantly improving. The new land reform program, thus comes at a time when both governmental practices encourages self-development in the rural areas, and economic policies and conditions are clearly beneficial to the rural areas. Ownership of the land he tills immediately raises the status of the farmer and increases his sense of responsibility within his community. Land reform can well trigger a major movement toward much greater farmer participation in the decisions of his community, in activities beneficial to his community, and in the benefits derived ttherefrom.

IV. G. Character of Rural Society

As noted in several of the above commentaries in this section the rural structure and character of rural society is changing in Vietnam. Traditional land tenure practices are being progressively eliminated. The power of the large landowner is now virtually non-existent. The individual farmer is acquiring status and economic confidence. The villager is beginning to exert his independence and the Central Government is realizing the benefits of its policies for rural development - national strength.

IV. H. Broader Effects on the Economy, Society, and Polity

This has been covered in the previous subsections of this section.