

# THE A.I.D. PROGRAM IN VIETNAM

**Bureau for Vietnam  
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## THE A.I.D. PROGRAM IN VIETNAM

The Vietnam program of the Agency for International Development, largest and most intensive undertaking in the history of A.I.D., is an unprecedented effort to relieve human suffering and achieve "nation building" goals in the midst of war.

A.I.D. representatives are working with the people and the government of Vietnam at all levels in efforts to maintain a stable economy, introduce progress to the rural areas, improve public services, expand economic opportunity, accelerate the achievement of social justice and relieve wartime dislocations. The success of these efforts may determine the outcome of the struggle for peace and freedom in that emerging nation.

The A.I.D. program in Vietnam may be divided into four principal tasks:

1. Maintaining economic stability and controlling inflation.
2. Assisting the Revolutionary Development program to provide security and development in the rural areas and win the support of the people for their government.
3. Alleviating the economic and social consequences of military operations.
4. Expanding the economy in secure areas and preparing for long-term social and economic development.

### 1. ECONOMIC STABILIZATION

Strong inflationary pressures which developed in mid-1965 and persist today have been held in check by a joint Vietnamese-United States stabilization program.

These inflationary pressures result from the large-scale spending accompanying the buildup of Vietnamese, U.S. and other Free World military forces; major military and civilian construction programs; the wartime disruption of agricultural production, transportation and distribution; and a sharp increase in the demand for skilled labor.

A.I.D. and the International Monetary Fund have worked closely with the government of Vietnam to develop economic policies that will counterbalance those factors. Some of these stabilization measures have been: increased taxes, currency devaluation, spending ceilings, improved rice price policy, coordinated wage policies, etc. A.I.D.'s major tool in this effort has been the financing of imports for sale through commercial channels to meet the demand for essential commodities, to stabilize prices and to absorb excess local currency which results from government wartime spending. The rapid increase of commercial imports, in response to increased Vietnamese buying power, has spared Vietnam from runaway inflation and has served to strengthen the private sector.

During fiscal year 1966, A.I.D.'s commercial import program provided almost \$400 million of foreign exchange to be used for importing such items as food, fertilizer, iron and steel products, machinery, chemicals, pharmaceuticals and industrial raw materials. The cost to the United States will be considerably less this year, because the Vietnamese government's improved financial position now allows it to provide more of its own foreign exchange funds for certain commercial imports previously financed by A.I.D.

The "Food for Peace" (Title I) program, which amounted to almost \$160 million in fiscal year 1967, also contributes to the stabilization program by furnishing needed food and cotton supplies from surplus stocks of U.S. agricultural produce. These supplies, like the commercial imports, help to stabilize prices and to absorb excess local currency.

As a result of these and other measures, the cost-of-living index for Saigon working-class families (which had risen 73 percent between June 1965 and June 1966) leveled off after the currency devaluation in June 1966 and rose only four percent between July and December 1966. While economic imbalance remains consistent and dangerous, and prices have risen again since January 1967 (but leveled off in recent months), the threat of runaway inflation has been averted.

#### Port Facilities

The vast imports of commercial cargo required to absorb inflationary pressures and of commodities needed to support A.I.D. projects have placed unprecedented demands upon Vietnamese ports, particularly the port of Saigon.

These demands have been met by an extensive port improvement program. Advisory services have been furnished, improved management techniques introduced, modern cargo-handling equipment

provided, and facilities enlarged. In the first six months of 1966, approximately 1,126,000 tons of A.I.D. and commercial cargo was discharged at Saigon; during the first six months of 1967, more than 1,534,000 tons was unloaded, an increase of 36.2 percent over 1966. At the same time there was a comparable increase in the discharge of U.S. military cargo.

Despite the considerable increase in tonnages handled, the congestion which once plagued the port of Saigon has been relieved. In August 1966, the average ship turn-around time was 89 days. By May 1967, this had been reduced to an average of only seven days.

The number of barges awaiting unloading was once a significant problem. At the end of 1966, there were 563 barges in the port of Saigon which had been waiting to be unloaded for more than 30 days. On June 30, 1967 there were only nine barges awaiting unloading.

## 2. REVOLUTIONARY DEVELOPMENT

Revolutionary Development is the name given to the joint Vietnamese-United States effort to provide village and hamlet residents with security against Viet Cong attacks; to restore effective government authority; to initiate political, economic and social development; and to gain the willing support of the people toward these goals. In summary, "RD" is designed to create a bridge of understanding and mutual commitment between the people and the government of Vietnam.

The RD program is being implemented by teams of Vietnamese, trained in a variety of skills, who live with the villagers and help them to organize for security, self-government and economic progress. More than 30,000 Vietnamese RD workers are now involved in this program. At the end of 1966, more than 4,400 hamlets containing almost 7,000,000 persons were secured.

Self-government and self-help are key elements of the RD program. During 1966, more than 5,700 self-help projects were undertaken by village and hamlet residents with the assistance of RD workers, local government officials and A.I.D. representatives. These self-help projects include the construction of classrooms, markets, village wells, clinics, village roads and small bridges. Villagers decide what they want most and provide labor and locally available materials; A.I.D. and the Vietnamese government provide other necessary materials and equipment (e.g., cement, roofing, pumps and school books).

In May 1967, U.S. civilian and military programs in support of Revolutionary Development were combined with those of the U.S. armed forces and were placed under the direction of the Military Assistance Command, Vietnam.

Much of the technical assistance provided by A.I.D. in such fields as agriculture, education, public health, public works, public safety and equipment maintenance is in direct support of the RD program. Following are some representative examples:

### Agriculture and Fisheries

Large quantities of improved seed, fertilizer, insecticides and other supplies are distributed to Vietnamese farmers through A.I.D. programs, usually on a loan or sales basis. In 1966, approximately 1,400 tons of insecticide was applied throughout Vietnam. Crop losses from insect damage have been reduced significantly.

More than 31,000 improved-breed pigs were distributed to 12,000 farm families in 1964. As a result of this program and increased veterinary care, Vietnamese farmers are now marketing hogs aged 8 to 10 months which are larger than the 18-month old animals previously marketed.

Some 30 new varieties of field crops and vegetables have been made available to Vietnamese farmers in the past few years. These new varieties are from 25 to 100 percent more productive than the old ones. Between 20,000 and 30,000 tons of improved rice seed is being distributed annually.

In 1966, approximately 220,000 tons of fertilizer was used in Vietnam, compared with 111,000 tons in 1963. To meet increasing demands, fertilizer imports have been increased significantly in fiscal year 1967.

More than 12,000 fishing boats have been motorized, and landing and marketing facilities have been constructed in 15 coastal towns. Fish production in Vietnam has increased from 52,000 metric tons in 1955 to 400,000 metric tons in 1966.

### Land Reform

Land reform -- including the sale of government-owned land to its tillers and the protection of tenants against excessive rents and uncertainty of tenure -- is an important aspect of the Revolutionary Development program. A.I.D. provides continuing

encouragement and assistance to the Vietnamese government in expanding and accelerating its land reform actions.

United States experts, through a contract with A.I.D., are presently advising both the U.S. Mission and the government of Vietnam on the formation of land tenure policy and research programs. In addition to furnishing senior U.S. land tenure advisors, A.I.D. is assisting a pilot project in the accelerated execution of land reform, which involves aerial mapping and the creation of special credit facilities.

Since 1957, almost 270,000 hectares of cultivable land have been distributed to new farmer-owners. To date, over 100,000 provisional titles and over 70,000 permanent titles have been issued, confirming the ownership of land by villagers.

#### Education

Since 1963, more than 8,800 Vietnamese elementary school teachers have been trained under A.I.D.-sponsored programs and more than 9,000 classrooms have been constructed. With A.I.D. assistance, more than 10,000,000 elementary school textbooks have been produced and distributed in Vietnam since 1965.

Classes in literacy and vocational education for approximately 97,000 adults are being held in key areas of Vietnam.

Three secondary agricultural schools have been established with a total 1966 enrollment of almost 1,800. A central polytechnic institute and three provincial technical schools have been established. Six older technical-vocational schools are being reorganized, expanded and modernized.

(Note: In addition to the above-mentioned accomplishments in support of Revolutionary Development, there are also educational programs under the Long-range Development sector of the A.I.D. program.)

#### Public Administration

A.I.D. is assisting the government of Vietnam in its efforts to achieve responsible and responsive government by:

- (1) promoting improved administrative systems in central government agencies; and

- (2) strengthening and encouraging the growth of sound local government in the major cities of Vietnam and at provincial, district, village and hamlet levels.

Since 1964, more than 21,300 village and hamlet officials have received training in public administration. In addition, 19 provincial training centers have been established, and almost 2,000 provincial and district officials have been trained.

(Note: Certain other A.I.D. public administration programs fall under Long-range Development.)

### Public Safety

Through its public safety program, A.I.D. provides advisory, training and commodity support to the civil law enforcement agencies of Vietnam. Security of the villages is strengthened by a telecommunications system including 8,235 village-hamlet radios and 3,617 National Police radios. The strength of the National Police has increased from 19,700 at the end of 1963 to more than 65,700 as of May 1, 1967.

Approximately 650 police checkpoints are being operated throughout Vietnam to prevent the movement of men and material to the Viet Cong. Since its establishment in late 1964, this resources control program has resulted in the arrest of more than 16,000 known or suspected Viet Cong and more than 278,000 deserters, draft evaders, illegal residents, and other offenders. It has also resulted in the confiscation of large quantities of contraband firearms, equipment, explosives, foodstuffs and medicines.

## 3. WAR-RELATED ACTIVITIES

### Refugee Relief and Resettlement

As of May 1, 1967, some 938,000 refugees from Viet Cong-dominated villages were being cared for in camps or other refugee shelters. A.I.D. and voluntary relief agencies provide food, clothing, housing materials, school supplies and vocational and agricultural training to these refugees. Approximately 903,000 refugees have been resettled or returned to their villages, but the flow of new refugees has continued at a faster pace than resettlement. In fiscal year 1967, A.I.D. (with an in-country staff of 47) provided approximately \$8 million for direct assistance to refugees in Vietnam. This does not include the goods and services provided to Vietnamese refugees through other A.I.D. programs, (i.e., health and education) and the "Food for Peace" program.

### Voluntary Agencies

In addition to A.I.D., twenty-six private American, third-country and international voluntary agencies are engaged in relief and rehabilitation programs in Vietnam. Of these agencies, 18 are involved directly in refugee relief.

More than \$6 million in monetary contributions (plus an estimated \$13 million in clothing, medical supplies, school equipment and other materials) has been donated to these voluntary agencies for emergency relief in Vietnam.

A.I.D. pays the ocean transportation costs of the supplies distributed by the voluntary agencies in Vietnam, provides them with surplus agricultural commodities, helps them with distribution in war-disrupted areas of Vietnam, and works closely with them to prevent duplication of effort.

### Civilian Medical Care

Through A.I.D. health programs, the people of Vietnam have received more than 17.5 million preventive inoculations against cholera, plague, smallpox and polio. More than 5.5 million immunizations were given in 1966 alone.

As a result of the increase in hostilities, A.I.D.'s health program in Vietnam has changed from one of emphasis on disease prevention and public health to one of an essentially clinical nature, with priority on direct patient care.

To augment the overburdened medical resources of Vietnam, more than 150,000 patients are being treated each month in provincial hospitals and clinics by 25 U.S. medical teams and 18 teams from other Free World nations. These teams receive administrative and logistical support from A.I.D. More than 1,000,000 patients were treated in 1966.

During the past two years, U.S. aid to the Vietnamese civilian health program has increased from \$5 million to almost \$50 million annually. Most of the supplies and equipment of provincial hospitals, as well as local clinics and aid stations, have been provided by A.I.D.

The United States has completed the reconstruction and renovation of ten provincial hospitals. One additional hospital is now being renovated and nine other sites have been selected for future construction. In 1966, 280 village dispensaries were constructed. Approximately 5,000 hamlet health stations which

were established and supplied by A.I.D. in earlier years are still operating.

It is estimated that some eleven percent of total civilian hospital admissions in Vietnam are war casualties. The United States has made an unprecedented effort both to minimize civilian casualties and to provide medical care for the victims of communist terrorism or military action.

American military authorities, in cooperation with A.I.D., are also making considerable efforts to extend medical assistance to Vietnamese civilians. More than half of the 43 provincial hospital teams in Vietnam are staffed by U.S. armed services personnel. In April 1967, the Department of Defense announced that it would construct two field-type hospitals in areas of greatest need and, if necessary, a third hospital. Meanwhile, wards in two existing U.S. military hospitals have been opened to Vietnamese civilians.

Under an A.I.D. contract with the American Medical Association, a rotating staff of 32 American doctors, are serving voluntary two-month tours in Vietnam. Last year, 149 Vietnamese doctors were graduated from the University of Saigon medical school, which is receiving technical and training assistance from the AMA under a contract with A.I.D.

### Reconciliation

The Chieu Hoi ("open arms") program provides an opportunity for members of the Viet Cong to receive amnesty. This program is operated by the government of Vietnam with assistance from A.I.D. and other United States agencies. A.I.D. provides assistance to the reception centers and in rehabilitation training. In 1966, there were more than 20,000 such returnees -- almost twice as many as in the preceding year -- an encouraging indication of increasing Viet Cong disillusionment. By the end of June 1967, more than 18,000 returnees had entered the Chieu Hoi centers located in every Vietnamese province.

#### 4. LONG-RANGE DEVELOPMENT

The U.S. and Vietnamese governments have each designated teams of economists and technical experts to develop plans and programs for the future and to tie present development activities to future needs. The Vietnamese government is setting aside substantial funds to finance its postwar development plans.

In addition to complex planning for the future, A.I.D. is engaged in institution-building and resource development projects in many fields. These activities, which will be expanded in fiscal year 1968, include various projects in the fields of education, agriculture, public health, labor, public works and public administration.

Four teacher training schools have been established. They graduate approximately 1,100 elementary school teachers annually.

Approximately 1,000 factories have been established or expanded. Projects which are now under consideration include the expansion of power generation and distribution, industrial and urban development projects, housing and warehouse programs, improvement of inland waterways, quarry development and road reconstruction.

With A.I.D. assistance, a National Institute of Administration has been established at Saigon to train future administrators for the Vietnamese government. Last year, there were 253 graduates.

A college of agriculture, opened in 1959, has graduated six classes (approximately 380).

National agricultural and engineering colleges have been established and are graduating approximately 300 specialists each year.

Funding for long-term development (in which electric power development will be given special emphasis) reached about \$50 million in fiscal year 1967.

When the war in Vietnam permits, more emphasis will be placed upon long-term development, the sector in which A.I.D. has traditionally concentrated its efforts in other countries.

#### Public Works

A.I.D. construction projects in Vietnam during fiscal year 1967 totaled almost \$72 million. They included construction and repair of highways, bridges, and railroads, construction and improvement of ports and waterways, urban planning and renewal, water and sewerage development, communication, and transportation. Various public works projects are planned or have been undertaken in support of Revolutionary Development (Chieu Hoi centers, schools, warehouses), war-related activities (hospitals, refugee housing), and long-range development (water resources). Under a rural electrification program, some 60 villages and hamlets are receiving their own diesel generators, and three pilot cooperative areas are

distributing their purchased electricity. Dams and irrigation canals have been constructed or restored and village water supplies established.

## 5. FREE WORLD ASSISTANCE

In addition to the United States, 31 nations have provided economic and humanitarian aid to Vietnam under the Free World Assistance Program. Six other nations have provided independent aid, and several others have offered to help. The United Nations and its specialized agencies are also contributing to the social and economic development of Vietnam.

## 6. MANAGEMENT AND STAFFING

The magnitude and complexity of the A.I.D. program in Vietnam have necessitated several major organizational changes. The Office of Civil Operations was established in Vietnam in December 1966 for the purpose of integrating the civilian programs and personnel of all U.S. agencies in the rural areas of that war-torn nation under single management.

In May 1967, overall responsibility for U.S. field programs in support of Revolutionary Development was assigned to the Military Assistance Command, Vietnam, to integrate under single management both civil and military personnel and resources for pacification work in the provinces. Later that month, a separate Bureau for Vietnam was established in A.I.D.'s Washington headquarters to make possible improved management and support of the complex Vietnam program.

The staff of the A.I.D. Mission to Vietnam, including personnel working under the direction of the Military Assistance Command, Vietnam, has expanded rapidly during the past year. As of June 15, 1967, there were 1,458 full-time A.I.D. employees in Vietnam, in addition to 149 on loan from other U.S. government agencies and 337 under contract with private American contractors and institutions. In addition, there were 2,968 Vietnamese and 1,116 "third-country" nationals employed by A.I.D. in Vietnam, either on a direct-hire or contract basis.

In order to fill these extraordinary personnel requirements, A.I.D. began an intensive recruiting program in October 1965. It has conducted more than 100 campaigns throughout the U.S. More than 1,500 new employees have been hired as a result of these recruiting drives.

7. ESTIMATED VIETNAM FUNDING

By Program Goal

(as compiled for presentation to the Congress in February 1967)  
(millions of dollars)

| <u>Program</u>              | <u>FY 1967<br/>Estimated</u> | <u>FY 1968<br/>Proposed</u> |
|-----------------------------|------------------------------|-----------------------------|
| Economic Stabilization      | 278.5                        | 234.4                       |
| Revolutionary Development   | 88.1                         | 101.1                       |
| Direct War Support & Relief | 64.8                         | 85.7                        |
| Long-range Development      | 32.7                         | 70.2                        |
| Technical Support           | <u>42.0</u>                  | <u>42.8</u>                 |
| Total                       | 506.1                        | 534.2                       |

By Functional Area

(estimated FY 1967 obligations as of June 15, 1967)  
(thousands of dollars)

| <u>Project</u>               | <u>Total</u>      |
|------------------------------|-------------------|
| Agriculture                  | 56,394            |
| Education                    | 9,904             |
| Industry                     | 813               |
| Labor                        | 1,532             |
| Logistics                    | 48,845            |
| New Life Development         | 3,148             |
| Public Administration        | 4,295             |
| Public Health                | 29,743            |
| Public Safety                | 17,600            |
| Public Works                 | 55,342            |
| Refugee Relief               | 7,916             |
| National Information Program | 98                |
| Technical Support            | <u>75,082</u>     |
| Total                        | 310,712 <u>1/</u> |

1/ Excludes the Commercial Import Program: approx. \$200,000,000.