

PD-ABE-631

Jan 78690

QUARTERLY REPORT - JANUARY/MARCH 1969
(Reflecting Activities for 1st Quarter CY69)

USAID/VIETNAM

PROG/ADPE

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QUARTERLY REPORT - JANUARY/MARCH 1969AGRICULTURAL CREDIT AND AGRICULTURAL ORGANIZATIONS
730-11-140-291I. GOALS

To assist the Agricultural Development Bank and Farm Organizations in providing the training, credit and services required to increase agricultural production.

II. TARGETS AND PROGRESSA. Agricultural Development Bank (ADB)

1. Working through the ADB, assure that credit is available to commercial traders and farmers for agricultural production inputs and for marketing of agricultural products.

ADB continued to expand the amount of credit available to farmers and traders in the 44 provinces. The amount loaned during January and February was up by VN\$16.5 million from the same period in 1968. Collections increased threefold. The following table reflects business activity for January and February of both 1968 and 1969:

<u>ADB LOAN ACTIVITY IN VN\$</u>				
<u>P e r i o d</u>	<u>Amt. Loaned</u>	<u>Amt. Coll.</u>	<u>Outstand. Bal.</u>	<u>Number Loans Made</u>
1/1/68 to 2/28/68	416,255,239	95,261,438	2,979,269,120	3,891
1/1/69 to 2/28/69	432,807,683	329,275,738	3,429,836,071	3,987

A project agreement providing for the continuation of the VN\$1 billion Fertilizer Credit Fund established in 1967 was prepared and signed by the Minister of Land Reform and Agriculture. The 1969 Agreement introduced five major changes from previous agreements: (1) The ADB has agreed to guarantee full repayment to the Fund for all withdrawals. (2) In exchange, the GVN and USAID agreed to eliminate any interest charges on the withdrawals to allow the ADB to establish a reserve for bad debts. Previously, there was a 1% interest charge on withdrawals and all losses, due to uncollectibility, were to the account of the Fund. (3) The use of the Fund was extended to include pesticides in addition to fertilizer.

(4) The interest rate on loans to farm organizations was increased from 2% in 1967 to 6% in 1968. The prime rate to private traders in 1968 was a minimum of 8%. The 1969 Agreement provides for an interest rate not less than the prime rate. (5) The Agreement provides for the establishment of a GVN/USAID study group to review all loan programs currently in force within ADB and to prepare recommendations for more regularized and unified capitalization of the bank giving particularly attention to the credit needs of farm organizations.

ADB made loans totalling VN\$2,095,767,315 for fertilizer import and marketing in 1968 from the VN\$500 million which ADB had withdrawn from the fund. Collections have been approximately 99% at the end of the year and the remaining 1% or so was under litigation for recovery.

2. Through the production credit program, supplement the protein and rice production programs by providing credit to farmers with particular emphasis on assuring availability to small farmers.

a) The ADB has negotiated a loan of VN\$700 million from the GVN. These funds are not earmarked but expected distribution of loans is VN\$150 million for supervised credit to small farmers, VN\$150 million for fish production and VN\$400 million for farm mechanization.

b) The ADB and the Ministry's Agricultural Service held training sessions in each of the provinces on methods of administering the rice production credit program. Training included farm planning, credit counselling, loan-making and servicing. ADB was assisted in developing and training material. In the first training session 600 people were trained. The goal was 400.

c) Rice loans were issued for VN\$14,623,194 to 1965 farmers during the first two months of 1969.

3. Continue to assist the ADB to improve its management and accounting systems.

This was accomplished by:

a) Advising ADB to install a modern data processing system with pilot projects in Saigon, Bien Hoa and Gia Dinh offices. The program will be extended later to all ADB offices. The target date for start of pilot project has been extended to June 1, 1969.

b) Advising ADB on how to reduce paperwork in accounting operations. This activity is now well started.

c) Advising ADB on how to improve internal control and audit procedures. Work has been started and will be a continuing program.

d) Advising ADB on how to prepare operations and policy manuals for staff training. US models of these documents have been furnished the bank. Completion date of this activity is scheduled for December 31, 1969.

B. Central Farmers Association (CFA) and District Farmers Associations.

1. Complete the erection of 31 prefab warehouses, 4 warehouses of local construction and 35 related buildings of local construction in CY69.

a) Construction progress to date:

	<u>Previous Report</u>	<u>This Quarter</u>	<u>Total to Date</u>
Constructed prefab whses.	3	1	4
Local Construction whses.		1	1
Auxiliary buildings	21	0	21

These warehouses are part of CFA's overall construction program to provide warehouses and sales outlets for the supply of inputs for crop and live-stock production.

b) The construction of the Bien Hoa warehouse and feed mill complex has been held up by an investigation of the successful bidder.

c) The PIO/T for the An Giang warehouse and feed mill complex has been completed and signed, plans and specifications have also been completed and this project may be submitted for bids within a very few days.

d) Site locations have been approved for the Duc Tu warehouse and the Hiep Hoa rice mill. It may be possible to start construction on these two projects before May 15.

e) Thirteen (13) other prefab warehouse buildings have been delivered to site locations and Seabees are arranging to erect three of these.

f) Locations have been approved on the balance (4) and these will be moved to locations as soon as transportation can be arranged.

2. Distribution to Farmers Associations of \$2.3 million of grant commodities in direct support of production goals for rice and protein.

a) All commodities with the exception of 250 MT fish meal have been received. All incoming shipments should be complete by May 31.

b) About 40% of the commodities have been distributed to various District Farmers Associations for sale to their farmer members. Distribution and sale of commodities should be completed by the end of CY69.

3. To achieve self-sufficiency in meeting customer requirements of broiler and layer chicks: This is the same as reported in previous report. Progress towards this target is shown below:

a) Plans and specifications have been drawn for the Tan Son Nhut hatchery. This hatchery will have a weekly capacity of 10,000 chicks. Funding of facilities of construction will be by the GVN. Construction has been delayed by the GVN pending specification of available land to two official agencies.

b) A 1,800 egg-capacity incubator is being shipped to Da Nang. Parent layer stock in the Saigon area will provide the eggs.

4. Provide assistance in import program.

Last report showed initial import effort. Expansion of imports will require assistance of USAID Advisors to assist CFA in planning imports, particularly their fertilizer program. Imports of fertilizer in 1969 are expected to exceed 30,000 MT. Sales in 1968 were 10,000 MT. Import commitments for the first quarter of 1969 are more than double the imports for the first six months of 1968.

5. Provide the technical assistance needed in the erection, installation and operation of two 5-MT-Per-Hour feed mills (Bien Hoa and Long Xuyen) and 50 rice mills.

a) A contract let two months ago for the construction of Bien Hoa feed mill complex has been held up pending an investigation of the successful bidder.

b) The PIO/T, plans and specifications for the Long Xuyen feed mill and warehouses have been completed. This project should be submitted for bids before the end of April. Delays are setting both these projects back an estimated 60 days.

6. Advise and assist District Farmers Associations in storage, warehousing and marketing of members' paddy rice and produce.

The present advisors are completely occupied with the above activities and do not have time to assist the FA's in this activity. FA's having sufficient storage capacity and those FA's who are recipients of new warehouses are, however, very interested in marketing programs.

C. Tenant Farmers Union (CVT)

1. To assist and provide technical advise in fertilizer purchases and sales. Encourage expansion of sales area to all major provinces - 1969 sales goal of 70,000 MT.

Fertilizer sales for this quarter although only 11,024 tons is greater than the quarter a year ago. Past history shows the greatest sales of fertilizer occurs during the 3rd and 4th quarters of the year.

Accomplishments - First Quarter 1969 Toward Goals

Fertilizer sales first quarter 1969: 11,024 MT

66 sales agents in 29 provinces

1967 sales	51,628 MT in 14 provinces
1968 sales	53,388 MT in 22 provinces

2. Expansion of import program to include farm commodities in addition to fertilizer imports.

Fertilizer imports were shown in previous report. This is an expansion of their import programs to other commodities.

Import Program Progress during first quarter -

Fertilizer	10,000 MT mixed - due in April
Chicken Feed	400 MT - received
Sprayers	10,000 - application approved to import
Hand tractors	20 - received
Irrigation pump	200 - application made to import
Pesticides	none imported

D. Cooperatives

1. Assist cooperatives to complete the erection of 31 prefab warehouse:

a) The Directorate of Cooperatives has obtained VN\$21,000,000 for the erection of 8 warehouses.

b) An additional VN\$20,000,000 was approved (1969 budget) in March of this quarter for the Directorate to use for the erection of 10 additional warehouses.

c) Six of the 31 warehouses have been released to other agencies for use as the Rice Training Center, Agricultural Information, Irrigation, and the An Giang Rural Electric Cooperative.

d) Erection of the remaining 7 warehouses will depend upon the availability of additional funds.

2. Assist cooperatives in expanding their programs of commodity loans and rice paddy storage for their members.

At present, except for fertilizer and only recently pesticides for which credit is available at ADB, the cooperatives have only limited capital to finance marketing of agricultural inputs. Their limited physical assets also are inadequate for security at commercial banks for the quantity of money required to conduct an expanded program of marketing the many new agricultural inputs which Vietnamese farmers require for increased production and are willing to buy.

The study group mentioned in item 3, page 5 of previous report was set up under the 1969 Fertilizer and Pesticide Credit Fund Project Agreement. This agreement has just been signed and the study group is now being staffed.

The farm organizations will have to depend principally upon new income generated from the sale of fertilizer and pesticide to finance their marketing of additional agri-inputs. The National Coop Federation had net earnings of approximately VN\$20,000,000 on fertilizer sales alone in 1968.

3. Advise in distributing and marketing 93 marine engines to members of Fishery Coops and Fishermens' Unions.

Thirty-nine marine engines were received in late CY68 and an additional 20 were received during this quarter. None of these have been sold pending the processing of a project agreement providing the terms of sale and disposition of proceeds. This project agreement will be completed as soon as the cost and freight figures are available.

4. Organize training programs for directors, managers and bookkeepers at the Cooperative Research and Training Center (CRTC).

Training conducted this quarter included:

Three 3-day seminars for directors and managers. Subject matter

was organization, responsibilities and management. 200 were trained. Two 30-day courses in organization and management of credit and savings coops. 60 were trained.

Goal for 1969 - To train 100 coop and FA managers and bookkeepers; 50 ADB members in bookkeeping and banking service; 50 ADB members in loan supervision; 150 members in consumer and credit cooperative management. In addition, refresher training courses for 50 coop provincial chiefs and representatives and 100 coop and FA managers will be held.

E. Fertilizer Use and Distribution

1. Assist the MLRA to plan and import fertilizer requirements.

This project did not appear on the previous quarterly report in that this function was handled under the Crop Production Division. The fertilizer is now under the Agri-Business section of Agriculture Support Division so is an added project for this division in reporting. In the past, fertilizer imports were handled by AID and sale through ADB. Now, importing of fertilizer is being handled by private sector and assistance is needed.

The 1969 Fertilizer Agreement was signed on March 18. This Agreement provides for imports of up to 450,000 metric tons of fertilizer. This material is to be imported under the commercial import program. A new exchange rate for imports was established in this Agreement, as follows: "VN\$80 to US\$1.00 for Urea, chemical fertilizer mixtures (such as 16-16-8), Ammonium phosphates, ammonium sulfate, Potassium sulfate, potassium chloride and triple superphosphate." All other types of fertilizer are to be imported at the prevailing effective exchange rate. Currently, this is VN\$118 to US\$1.00 and is subject to renegotiation if changed.

2. Assist the GVN to draft fertilizer quality control legislation.

Quality control and legislation is entirely different from the import sector. The project was set up under Crop Production in the 1968 Fertilizer Agreement but was not implemented.

The 1969 Agreement provides that the GVN will appoint a committee by April 18 to establish quality control regulations, standards, testing procedures, marking of sale containers, tolerances and penalties for deviation from these established standards. This quality control will cover all materials blended or rebagged in Vietnam for resale.

3. Assist in the development of a profit-motivated sale system for fertilizer.

a) Approximately 250,000 MT of fertilizer were tendered for

in January. Importer requests March 31 asked for 179,000 MT of fertilizer materials (except urea) for delivery in July, August, and September. However, due to funding problems, it is anticipated that only 65,000 MT can be financed and that importer requests will be reduced accordingly. This tender will be held in May.

b) Importer confidence has made rapid growth during the past twelve months, as evidenced by tonnage import requests and numerical participation of importers. Hamlet, village and provincial dealer numbers are probably two-fold over one year ago and represent a much better availability of fertilizer to farmers. Some problems of supply do exist. These have been brought about by funding problems which delayed procurement and also dockworkers strikes in the United States.

c) The proposed tender in May should adequately cover the requirements for all materials with the possible exception of complete mixed fertilizer. The next tender will be held in July, for October, November, and December deliveries, as soon as funds are made available by CIP.

F. Pesticides

1. Assist the GVN to Farm Organizations develop an efficient importation and distribution system for pesticides.

The fertilizer credit ProAg has been expanded to include pesticides in addition to fertilizer, so this is an added and essential project which is necessary for increase rice production.

a) At the present time, the Plant Protection Service is in the final stages of completing negotiations with the Farm Organizations and the private sector to sell all pesticides and sprayers that are currently in the P/P stocks, except stock which will remain under P/P as security stocks.

b) Since the GVN has taken positive action in removing themselves as a competitive factor at subsidized prices in the pesticide market, there has been a definite trend in the private sector to increase production and distribution.

The four major producers are all taking action toward this goal by the following:

- 1) Undertaking plans to increase formulation capacity
- 2) Attempting to employ sales supervisory personnel

3) Investigating and negotiating for a granular pesticide plant in Vietnam

4) Increasing both local distribution and service to distributors at provincial levels.

Local manufacturing of sprayers has been stopped because of the manufacturers' inability to acquire brass which is necessary for a quality product.

P/P will sell to Farmers Organizations 3,997 sprayers. In addition, CVT has requested an import license for 10,000 sprayers.

1968 ProAg and 13-36 funds:

The 1968 ProAg has been signed by the GVN. It formally provided for the cessation of commercial activities in pesticides by the GVN. The transfer to counterpart of funds in excess of 80,000 piasters which had been generated from the sale of AID-financed pesticide commodities since 1962 and which had been in dispute has been agreed to by the GVN.

QUARTERLY REPORT - JANUARY/MARCH 1969

AGRICULTURAL EXTENSION & INFORMATION
730-11-110-289

I. GOALS

To assist the Ministry of Land Reform and Agriculture (MLRA) to provide the training and education necessary to increase agricultural production and improve the living standards of the rural families of Vietnam. The project directly supports the work of the Agriculture Extension Services (AES) and the Agriculture Information Services (AIS) in their education programs for farmers, rural youth and rural women.

II. TARGETS AND PROGRESS

A. Farmer Education

1. Conduct at least one outstanding and properly organized demonstration in each major rice-growing district.

Farmer Educational Units have been received in country, packed into kits, and shipped, one per province. A reporting sheet has been developed for use in evaluation and improvement of these materials. No reporting was received for this quarter although their use has begun on a limited scale already. Training sessions covering the effective use, care, and operation of these units were held, one in each region, for the cadre responsible for each unit. There were 1,188 demonstrations held with 8,577 farmers viewing these demonstrations.

2. Conduct workshops and field tours for about 1,000 farmers and hamlet leaders.

A total of 1,827 farmers participated in 52 separate tours which were to observe results of improved practices or commodities.

3. Present at least two radio broadcasts per month, using materials prepared by AIS personnel, and make an attempt to get agricultural materials presented on TV.

During the month of January, AIS prepared for radio broadcast several programs on how to grow vegetables, raise fish and covering general agricultural news. These programs were taped and sent to outlying provincial radio stations. The Ministry has issued during the reporting period a letter

to all Directorates specifying the time and the procedures to be used for each Ministry to put on its TV program. AIS was directed to assist the departments concerned and has provided 35 mm slides on growing mushrooms, IR-8 rice, termite treatment and other subjects requested.

4. Conduct at least one training session per hamlet on other crops and/or livestock.

This target has been dropped so that resources needed to support the accelerated Rice Program are available.

B. Technician Training

1. Advise AES in the conducting of pre-service training courses for all Extension Service staff members, and in-service training for others.

Training sessions in various areas were held to help improve the effectiveness of the cadre and give better information to the farmers. A total of 6,082 personnel attended the 512 sessions held during this period.

2. Assist the National Rice Production Training Center (NRPTC) to train personnel in methods of growing IR-8 and IR-5 rice.

The NRPTC under leadership and training by three of the four recent IRRI graduates has begun training sessions for 1969. Two 14-day sessions were held with a total of 49 trainees in attendance. Both sessions were for cadre members with attendance from the major rice-growing areas. All 1/10 hectare plots are being planted on a rotational basis so as to give each training class an opportunity to observe the various stages of growth and to perform the various tasks involved in growing a rice crop.

The classroom/dormitory facility is now under construction with completion scheduled for the latter part of May. This will be used to house and train the rice trainees as it will provide a much more convenient facility than the present location.

C. Rural Youth

1. Increase the number of rice projects being carried out by youth groups by 25 per cent in FY69.

The major rice project for this quarter has been the distribution of 1,500 rice kits which were used to grow IR-8 rice seed under contract. The GVN Extension Office made available to 4-T members 1,500 kits containing IR-8 seed, fertilizer, insecticides and instructions to grow 1/10 ha. of IR-8 rice for seed. These kits were financed through the Agricultural Service Chief and the Agricultural Development Bank.

2. Increase pig, poultry and fish projects in 4-T clubs by 25% in FY69.

<u>4-T Projects</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>Change</u>
Poultry	2,182	3,356	+ 35 %
Pigs	1,027	1,467	+ 30 %
Fish Fingerlings	17,433	23,558	+ 26 %

3. Increase 4-T Club Vegetable projects by 50% in FY69.

<u>4-T Projects</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>Change</u>
Vegetables	2,647	4,902	+ 54 %

4. Implement a Complete 4-T program in each pacified hamlet in FY69.

In Region I a concerted effort was made to reach this goal by training 65 4-T agents with AIK funds.

In Region I 181 4-T clubs were organized in FY69 by these 65 4-T agents.

The goal was not accomplished in the other Regions because the number of hamlets pacified far exceeded expectations and many 4-T agents were drafted into military service.

D. Home Economics

Conduct an active Home Economics Extension Program for rural women and girls in all provinces of South Vietnam.

Emphasis has been given to the methods of cooking TN-8 rice.

1. Poster was developed giving the steps of cooking TN-8 rice.

2. Colored movie was made by CBS, black and white movie for Vietnam radio-TV programs, and black and white pictures for the magazine Qui Huong which included the following:

a. How to cook TN-8 rice.

b. Important steps and cultural practices to follow in growing TN rice.

c. The Home Improvement Club attending the demonstration gave their reaction to three varieties of rice which had been cooked.

d. Interviews concerning the cooking of the TN-8 rice were taped.

E. Agricultural Information

1. Develop teaching and educational materials to carry out training objectives.

The list below showing production for this period at AIS includes three monthly issues of the magazine and the agriculture calendar for a total of 370,000 copies of various publications. The newest poster on cooking IR-8 rice is also included.

Materials Printed in January, February and March

Magazines:

Monthly Popular Agricultural Improvement Magazine..... 90,000

Books:

The First Food Program of 4-T Girls..... 5,000
The Second Food Program of 4-T Girls..... 5,000
Raising Chickens..... 10,000
How to Grow Sorghum..... 4,000
Agricultural Calendar..... 30,000
Irrigation System (Forestry)..... 200

Leaflets:

Pig Salmonellosis..... 50,000
Pig Pest..... 120,000
Pig Cholera..... 50,000
Use Miracle Rice..... 40,000
How to Grow Cauliflower..... 10,000
Growing Eggplant..... 20,000
19 Steps to Succeed in Growing IR-8..... 12,000

Posters:

Growing Sorghum.....	2,000
Cooking IR-8 and IR-5 Rice.....	10,000
Agricultural Fair.....	<u>2,000</u>
Total.....	<u>370,000</u> vvvvvvv

2. Establish an agricultural information distribution center.

A distribution system exists now, and only needs to be brought up to date. A complete inventory of the number of copies and the subject matter for everything stored there now will be made. Samples of these publications will be given to Extension for display. In the future, a certain number of copies of everything printed will be kept on file at Extension and in storage at AIS.

QUARTERLY REPORT - JANUARY/MARCH 1969LAND REFORM
730-11-120-311**I. GOAL**

To transfer land ownership to the actual cultivators of the soil.

II. TARGETS AND PROGRESS**A. Distribution of Government-Owned Land**

At the end of the first quarter President Thieu raised the 1969 target for distribution of government owned land from a conservative 34,000 hectares to 147,000 hectares. This would complete distribution of nearly all cultivated former French and expropriated land still held by the GVN. Distribution in 1967 and 1968 was 2,000 and 24,000 hectares respectively. Achievement of the 1969 goal will require further simplification and decentralization of procedures. The new Ministry of Land Reform and Agriculture has established in his office a Joint Land Reform Study Committee, which has taken this task as its first order of business. Consultants have been hired to work specifically on the simplification of the title issuance procedure, and a new, simplified purchase application form has been developed.

Collection of applications lagged during the quarter ending March 15, partly due to the emphasis on changing procedures and partly due to the Tet holidays and local elections. Applications to purchase 4,947 hectares of former French land were received, and an additional 179 hectares of expropriated land were distributed.

B. Development of Voluntary Purchase Program

General discussions on the program to transfer privately owned land from owners to tenants continued, and a new draft of the decree to implement the voluntary aspects of the program was sent to the Ministry for review. A preliminary Program Evaluation Review Technique (PERT) was developed for the program. The PERT indicated that priority attention must be given to developing new title issuance procedures and training materials and to procuring or producing photomosaics from aerial photography. Three Vietnamese consultants were hired to work on procedures and training materials, and two photography specialists were detailed to USAID for 60 days to work on procuring and producing the needed photographs.

C. Preparation of Moratorium

A circular freezing occupancy and rents for one year in newly pacified areas was issued by the Prime Minister on February 12. It

guarantees that the farmer on the land at the time of pacification will be allowed to become the legal tenant of the owner, and that he will be able to purchase the land when the Voluntary Purchase Program is implemented. The Joint Land Reform Study Committee is considering recommending expansion of the scope of the circular to freeze rents and occupancy in secure areas as well as newly pacified areas.

D. Other Progress

An advisor was added to the staff to deal with Montagnard land tenure problems. Close coordination has been established with the Ministry of Ethnic Minorities and the Directorate General of Land Affairs to develop and implement a program for the Highlands. The location has been selected for a pilot project to distribute land titles to Montagnards based on photographic identification of their land.

A budgeting and accounting method which will allow the DGLA to forward money to the Provinces based on projected expenditures, has been developed and approved by the Ministry of Finance. This method will contribute to decentralization of authority by encouraging Provincial and Village officials to make decisions without prior Saigon approval.

The Ministry has given authority for the DGLA to pay an allowance to the villages for correction and distribution of some 100,000 previously issued titles remaining in provincial offices. Villages officials are now expected to devote their time to collecting new applications for purchase of government-owned land, but they will later be trained to validate and distribute these old titles.

QUARTERLY REPORT - JANUARY/MARCH 1969AGRICULTURAL ECONOMICS AND STATISTICS
730-11-140-362I. OBJECTIVES

The objectives of the Agricultural Economics and Statistics project are two-fold: (1) to increase the capacity of the Agricultural Economics and Statistics Service (AESS) of the Ministry of Land Reform and Agriculture (MLRA) to carry out its economic and statistics analysis and reporting; and (2) to provide GVN policy makers and USAID advisors with current and continuing data and analysis relating to general agricultural policy with special emphasis on swine, rice and poultry.

II. GOALS/TARGETS/PROGRESS

A. Advisory Support to AESS: A Project Agreement for 6.6 million piasters has been approved by GVN/USAID and implemented by AESS as an expanded program of economic and statistical studies. The ProAg includes a time-phased work schedule for carrying out 10 projects during 1969; these projects are in addition to the basic statistical work-load that the Service has historically undertaken; it is anticipated that most of these projects will become permanent AESS activities.

1. Quarterly Rice Stock Survey - The results of the An Giang pilot rice stock survey conducted in the previous quarter were analyzed to provide the basis for implementation of a quarterly rice stock survey in all 44 provinces. A final version of the schedule has been prepared and reproduced for distribution. A work plan for the operation of the survey was developed and all preparation for actual conduct of the survey has been completed. The survey itself, originally scheduled to be made April 1, has been delayed until April 15 due to finding difficulties.

2. Rice Cost of Production Survey - The rice cost of production sample survey was developed and near completion at the province level during the last quarter of CY 69. Pre-testing of the questionnaire for the survey was done by AESS personnel with the advice of Agricultural Economics and Statistics advisors of USAID/ADDP. The survey itself is scheduled to be carried out immediately upon completion of the rice stock survey. Due to the length and relative complexity of the questionnaire, AESS provincial statistical agents will personally conduct the interviews in so far as possible.

3. Farm Management Project - The results of the pilot farm management project conducted in late 1968 were analyzed and substantial changes made in the format of the farm record book. On the basis of the pilot project it was determined that the project would be expanded to 3 other provinces. The 3 provinces were selected and the sample families visited. Funding limitations also had a delaying influence on this expanded program, but the project is now proceeding according to schedule.

4. Livestock Survey - Some preliminary outlining of dimensions for this survey was done. It is anticipated that AESS resources will be shifted to implementation of the livestock survey immediately upon completion of the rice stocks and rice cost of production surveys.

5. Bi-monthly Provincial Price Reporting - An expanded price reporting system was implemented in January/February to broaden and improve the quality of the AESS bi-monthly price report. The report was enlarged from 25 to 44 provinces and the schedule revised to enhance the timeliness and representativeness of the report. CORDS personnel will supplement the current limited AESS field staff where necessary, and CORDS communication facilities are being employed to expedite transmission of data to Saigon. A number of minor difficulties in data continuity and timely transmission have yet to be ironed out. A revised publication format has been developed for dissemination of data.

6. Assist AESS in studying and analyzing the agricultural marketing system in South Vietnam to determine problem areas likely to develop from increased production.

This activity has been dropped from Agricultural Economics and Statistics work plan. (See Crop Production, 130-314, item 4 under Rice Production).

B. Advisory Support to ADDP: The Agricultural Economics and Statistics project has served in the additional capacity of providing policy support to the USAID Office of Domestic Production. The project has continued to carry responsibilities for program and planning, as well as economic analysis.

1. Analysis of Rice Situation - Considerable time was spent keeping GVN and USAID personnel informed on current economic conditions and actions necessary to create a favorable atmosphere for increased agricultural production. Particular attention in the past quarter has been given to GVN rice import requirements and the optimal distribution of in-country stocks. The Agriculture Economics Branch worked with the Joint Economic Office in development of tentative Title I import requirement estimates for CY 69. The Statistics Branch assisted AESS in preparation

of final rice production estimates.

2. Review of Protein Program - The Economics Branch provided data and advisory assistance in the development of the new protein plan. The plan was then reviewed in draft for economic content and viability.

3. Corn Importation - The Economics Branch analyzed available poultry and swine cost of production data to determine the relative potential of corn as a feed grain import commodity, and to provide a basis for the Mission's position regarding the GVN imposition of an import tax on corn.

4. Development & Resources Corporation Papers - The Agriculture Economics Branch joined in the review of the Development Resources Corporation (D&R) papers on the proposed Mekong Development Project. The Branch also prepared a critique of Joint Development Group (JDG) papers, including a draft chapter on agriculture which became part of the final report to be submitted to the GVN in April.

5. Contract Review - The Economics Branch has also been called upon to provide an appraisal of several contract studies, some in process and others under consideration. The Branch is working with the Institute for Defense Analysis (IDA) in formulating a study which the IDA under contract with USAID, will be doing on benefit/cost ratios as they relate to the agriculture sector.

6. Data Retrieval - The Economics Branch developed a data bank to insure the ready availability of current basic data on the agricultural situation. A briefing book containing current indicators was prepared and distributed to key personnel; a method for timely transmission to Washington of current rice situation indicators was devised.

QUARTERLY REPORT - JANUARY/MARCH 1969CROP PRODUCTION
730-11-130-314I. GOALS

To help Vietnam achieve self-sufficiency in the production of rice by the end of 1971, and to support the increase of selected secondary crops.

II. TARGETS AND PROGRESSA. Rice Production

1. Assist in planning and coordinating a campaign to persuade farmers to plant IR-8 and IR-5 rice.

The first quarter of CY69 saw the completion of the 44,000-hectare 1968 rice production program and the beginning of the 200,000-hectare 1969 program. Final figures for the 1968 crop year are 44,731 hectares planted. With one successful year behind the program, considerable time is being spent on evaluation and coordination for the 200,000-hectare goal. Although the 1968 goal was achieved, many of the institution and support mechanisms necessary to reach self-sufficiency have yet to be attained.

Increased emphasis is being given in training sessions and extension materials to the proper use and benefits of granular systemic insecticides. Reports indicate a 50% use of these pesticides in the 1968 program and an increased effort will be made in 1969 to achieve a higher farmer acceptance. The sales and distribution of pesticides have been transferred from government institutions to the private sector. Although temporary shortages can be expected due to a radical distribution change, early reports indicate the distribution system will give better pesticide use countrywide than the 1968 program.

Reports and evaluation continued to be a difficult area throughout the 1968 program. A modified reporting form was initiated in January 1969 to achieve more accurate data. The first two months of this reporting system gave better information but still left room for improvement. A new report is being designed for the second quarter of 1969, to coordinate inputs from the US advisors and the GVN provincial personnel.

Joint USAID/GVN meetings were held in early March at the four regional headquarters with active participation by the Ministry and provincial personnel. Although the program is becoming more difficult to monitor due to the increase in hectareage; experience and cooperation

among all involved agencies make it flexible action-oriented program responding more rapidly than in the past to the farmers needs. Regular regional meetings are being scheduled throughout 1969 with the GVN assuming increasingly greater leadership responsibility.

2. Assist in procurement of rice seed for the 1969 planting.

Ten thousand metric tons of seed will be needed to plant 200,000 hectares in 1969. Of the 10,000 tons, funds were programmed to purchase through the Ministry 5,000 MT with the remaining seed expected to be exchanged on a farmer-to-farmer basis. Due to various problems, the funds were not made available to Provincial Agriculture Service Chiefs until late in March which has resulted in less seed actually on hand than anticipated. Presently, 650 MT of seed have been purchased.

In various field reports and at regional meetings, it has been determined that farmer-to-farmer seed sales and exchange has proceeded at a higher rate than anticipated. In addition, there has been a considerable amount of inner province seed movement arranged by the respective Agriculture Service Chiefs. For example, Long An Province has supplied 56 MT of seed to Phuoc Long Province and is planning to move a total of 106 MT.

In late February and early March, four USAID technicians from Saigon collected samples of seed in storage in various provinces throughout the country. Tests indicated that the available seed was of high quality and had very adequate germination.

The seed procurement situation is being monitored closely. If major problems do develop, the necessary quantities of seed may be purchased from several of the provinces which have an IR-8/5 seed surplus.

3. Continue to assist the GVN in the operation of the National Rice Production Training Center.

(Note: Activities for NRPTC are covered in Extension and Info Report 110-289.)

4. Help the GVN to introduce and improve farm machinery and investigate and design a better system for handling, drying, storing and marketing rice.

USAID/Saigon was without a farm machinery technician for most of the reporting quarter. Activity in this area was concentrated on monitoring previously ordered equipment arrivals and attempting to carry on a program designed to head off rice drying and storage problems developed by the introduction of short-maturing varieties. Testing of the

three proto-type experimental rice driers continues. Assistance was given to selected field personnel to manufacture and demonstrate additional equipment in their areas. The arrival of grain marketing specialist in the near future will give additional support to this area.

A project agreement was completed in February to implement a comprehensive grain marketing, handling and storage survey. A team of US specialists is expected in-country in the near future to conduct the survey and lay the foundation for an action program which will modernize Vietnam's rice marketing system and prepare it for the impending radical changes brought about by the introduction of high yielding varieties.

B. Seed Production and Marketing

1. Advise in the establishment of a system of seed storage that will assure seed viability.

The National Seed Storage Warehouse is behind schedule because local firms have not submitted bids on dehumidifiers. An irrevocable Letter of Credit opened by the GVN is expected to initiate active bidding.

Field planning sessions for province warehouses were held with USAID advisors and GVN officials at national and province level. USAID/Engineering has completed original plans. Project is now waiting answer from Dryomatic Company that is checking the plans concerning dehumidification equipment.

The Agriculture Division in Region III has completed and has ready for operation the vegetable seed repackaging and storage facility. This facility now depends on the Refugee Division for activation which would save from 50 to 90% of the seed now being given out in improper size packages.

2. Encourage the development of a commercial seed industry and introduce improved seed varieties, seed packets and containers.

Three and a half tons of certified sorghum seed was imported through local channels to provide seed for the provinces to carry on sorghum demonstrations. In a few cases, this helped to furnish feed for the Protein Program.

Actions by the Crop Production Division of MLRA has assisted in the planting of 1000 hectares of sorghum. Plans now are under consideration for increasing this to 1,300 hectares.

C. Research

Promote the development and expansion of the Vietnamese agricultural economy through recommendations, based on experimental results, concerning crop varieties and cultural practices.

The applied rice research tests on varieties, fertilizers, insecticides and herbicides which were started in the fall of 1968 have been completed and the results released. One research site was utilized in 1968 whereas two locations will be included in the expanded 1969 plan. Preliminary data indicates that some significant modifications in nutrient application recommendations may be necessary for optimum rice production.

Secondary crop research on sorghum and corn is under way at a single location in the Delta. Two US research technicians are advising and assisting at the site on varietal introduction and evaluation, population studies, nutrient levels and irrigation application requirements.

Results of these studies will be compiled and released by July 1969 in support of the feed grain production program.

The banana multiplication block at Nha Ho Station is in production and will return about VN\$6,000 per month per hectare to the Research Institute. The Institute will also sell disease resistant seed pieces to farmers throughout Vietnam.

QUARTERLY REPORT - JANUARY/MARCH 1969ANIMAL PRODUCTION
730-11-130-315**I. GOALS**

To assist the Government of Vietnam, through the Directorate of Animal Husbandry and Veterinary Medicine (DAH), in planning and implementing an accelerated protein production program. Major emphasis in the first three years will be on the establishment within the private sector of a modern poultry and swine industry with the development of vital support activities, such as a livestock feed industry, credit, animal health, training and information services. Overall production goals are to increase poultry produced by 15% per year and swine production by 10% per year.

II. TARGETS AND PROGRESS**A. Poultry Production**

1. Assist in the establishment of hatcheries with the capacity to produce 150,000 additional day-old chicks per week by the end of CY 1971.

Sixteen new hatcheries were initiated during this quarter. Total weekly production of day-old chicks when these 16 hatcheries are in full operation will be 90,200 per week. At present, hatcheries and breeder flocks are being established in at least 16 provinces, with the largest expansion being in the Saigon area. These hatcheries are in various stages of development, from application of loans to the setting up of new equipment.

2. Assist in the establishment of approximately 8,000 new broiler producers with the production of 150,000 additional broilers per week by the end of CY 1971.

During the quarter, 19 provinces were visited. In each province, the program was presented to GVN and U.S. province agricultural leaders. The initial aim has been to set up 200-bird broiler units to demonstrate proper housing, management and vaccination. Support and cooperation of the Refugee Service staffs, U.S. advisors and the military civil affair units has been sought. Assistance was provided in establishing local feed dealers, procuring ADB loans and day-old chicken transportation. Two hundred nineteen (219) new broiler producer demonstration units were established in these provinces. Project is on or ahead of schedule, though there is no reliable estimate of the increase in the number of broilers presently being produced.

3. Assist in the establishment of approximately 4,700 new egg producers with a production of 2.5 million additional eggs per week by the end of CY 1971.

There were 107 new producers of market eggs established during this quarter in the provinces. These operators have 41,300 layer-type pullets which will come into production next quarter. These birds have the potential to produce 160,000 additional eggs per week. Saigon area production changes have not been measured, but at quarter-end the price maintained was near the VN\$14 (12¢) per egg level, down from an average of VN\$17 in the last quarter, which reflects an increase in production.

B. Swine Production

1. Assist in the establishment of 1,000 new swine producers and the expansion of small swine producers to raise the number of sows in production by 20,000 per year for 1969, 1970, 1971.

A swine census is under way to establish bench marks for evaluating the swine production program.

A continuous extension effort has been carried on for swine husbandry.

All known large producers are expanding their breeder herds.

With vaccines now readily available and in use, death losses are decreasing. The swine census will provide an index to the degree of this success.

2. Assist in the establishment of 40 purebred swine demonstration farms in Vietnam for introduction of new genetic blood and training of Vietnamese farmers in modern swine management.

The plans for the establishment of 40 purebred swine demonstration farms throughout Vietnam are being completed. Livestock advisors and Animal Husbandry Chiefs (provincial) in I, II, and IV Corps areas have been visited in order to finalize plans for the importation of approximately 500 sixty-pound pigs from the U.S. The selection of the demonstrator-cooperator farmers will soon be made. PARS for pig and feed purchases have been prepared.

C. Livestock Feed Program

1. Assist in the establishment of a livestock feed industry capable of producing 287,500 MT of formulated feed per year by the end of CY 1972.

a) The large increase in baby chick imports to supply consumers' poultry meat requirements at Tet, plus a lag in imports of U.S. PL 480 Title I corn, made it necessary for the GVN to take emergency action to provide feed stuffs.

b) Imports of 13,200 MT of Thai corn and 2,500 tons of complete feed from Singapore were made. Shipments of U.S. corn have resumed since settlement of labor dispute in the New Orleans area.

c) Adequate supplies of protein supplement and vitamin-mineral premix are on inventory in Vietnam for the remainder of CY 1969.

d) Installation of feed formulating equipment is not progressing as rapidly as predicted. This is due primarily to a wait-and-see attitude adopted by several independent operators. They may proceed according to plan since feed-cost/product-sale ratio has improved since Tet. There are 7 new mills being established. One 100-ton per day mill near Lai Thieu is currently window-high.

e) Central Farmers Association feed mill installations are running behind schedule due to contract problems at the Bien Hoa industrial complex. The An Giang mill is progressing according to schedule.

f) Based on corn use, mills are now producing at a rate of 4,500 MT per month.

2. Support the GVN in its programs to increase in-country production of feed grains and feed supplements with primary emphasis on sorghum production.

A grain sorghum program has been outlined by the GVN for 1969 and expectations are that over 1,000 hectares will be planted in areas adjacent to processing facilities. A guaranteed price for production has been announced and every effort is being made to make seed, fertilizer and insecticides available to farmers at prescribed times for best results in their particular areas.

USAID feels this is the beginning of a production program that will eventually fill feed grain requirements for the protein production program in Vietnam.

D. Animal Health

1. Support the DAH's National Institute of Bacteriology (NIB) in production and quality control of vitally needed vaccines; additionally, to expand the diagnostic services for field support.

a) Production of vaccine -

During this quarter, emphasis was placed on training the Vietnamese laboratory technicians in uniform production schedules. They responded by learning to program delivery of raw materials. They know how to inoculate, harvest, process, fill and package vaccines in an orderly manner. This permitted the laboratory to stockpile a 4-month supply of live poultry vaccines and a 1-month supply of killed livestock vaccines.

The following charts indicate vaccine status.

(1) Production in doses:	Last Quarter	This Quarter
	16 Sept. 68	16 Dec. 68
	<u>15 Dec. 68</u>	<u>15 Mar. 69</u>
Newcastle	3,217,900	4,267,600
Fowl Pox	2,390,000	3,244,600
Hog Cholera	81,780	125,220
Rinderpest	40,500	65,500
Hem. Septicemia	-	-
Swine Pasteurella	116,095	16,960
Swine Salmonella	47,320	1,500
Fowl Cholera	<u>686,590</u>	<u>449,480</u>
Total	<u>6,581,085</u>	<u>8,170,860</u>

(2) Stock on Hand in doses (15 March '69 - including carry-over from previous quarter):

	<u>Final Containers</u>	<u>Bulk</u>
Newcastle disease vaccine	1,110,000	7,600,000
Fowl Pox vaccine	604,200	1,335,000
Rinderpest vaccine	18,000	-
Hog Cholera vaccine	-	-
Fowl Cholera vaccine	50,100	300,000
Swine Salmonella vaccine	-	12,500
Hemorrhagic Septicemia	-	-
Swine Pasteurella vaccine	4,000	141,500

b) Quality control -

The development and documentation of standardized testing procedures consumed a great deal of time but was completed on schedule. Product specifications are 75% completed and will be finished during the next quarter.

Sterility testing has improved considerably. A decrease in the percentage of positive vaccine samples from 28% to 13% indicates increased vigilance on the part of the Vietnamese staff in reducing contamination. Potency and stability testing will be initiated during the next quarter, but it is anticipated that it will be some time before the Vietnamese technicians will be able to understand the theory behind these tests and assume complete responsibility.

c) Diagnostics -

The work load of the diagnostic section has continued at a high level during this quarter. A new serology section was added and has begun to process a large number of samples.

The following figures substantiate the increase.

Diagnostic Laboratory Specimens

	<u>Necropsies</u>	<u>Histopathology</u>	<u>Microbiology</u>	<u>Serology</u>
16 Sept '68-				
15 Dec. '68	18	19	106	0
16 Dec. '68-				
15 Mar. '69	113	76	106	123

Most of the cases were diseased poultry and thirteen distinct diseases were diagnosed. Newcastle disease was by far the most prevalent. In swine, Hog Cholera appeared more times than any other disease.

2. To assist the private sector to increase its share of the production of animal vaccine to approximately 60% of the total by the end of CY 1971.

Two significant advances were made in this area during the past quarter:

a) The standard operating procedures for quality control testing have been completed. These are necessary for testing products from the commercial sector and, for the first time, a solid basis has been furnished which any laboratory can use to produce a safe, effective vaccine.

b) The Ministry of Health and Ministry of Agriculture formed an inter-ministerial committee on veterinary drugs and biologics.

3. To assist the Directorate of Animal Husbandry's Animal Protection Service in the establishment of a national distribution system for animal vaccine and the formation and training of 12 mobile vaccination and training teams by the end of FY 1971.

a) Vaccine distribution system -

The National Vaccine Distribution System functioned smoothly throughout this quarter. Vaccine shipments were well ahead of schedule. Problems of provincial storage, distribution and utilization are being evaluated and first reports indicate utilization is better than expected.

Vaccine shipments to the provinces totaled 1,925,590 doses for the quarter and requests for next quarter of nearly 1 million doses have already been received. The function of packing and shipping and keeping records and receipts of vaccine have been turned over to the Vietnamese in all possible instances.

b) Formation and training of mobile vaccination and training teams -

During this quarter, the first team was recruited. It consists of 5 men who have had field experience in vaccination campaigns. The main work this quarter was in preparation for going to the field in April of 1969. More than \$20,000 worth of commodities, such as syringes, needles, thermoses, drugs and equipment were ordered to support a National Disease Control Program in swine and poultry. Vehicles were repaired and outfitted for field use. Extension information leaflets to support the project have been printed.

E. Directorate Project Support

To provide assistance in the establishment of a new National Livestock Center adjacent to the Agriculture College, including: a swine demonstration, training and research complex; a poultry demonstration, training and research complex, including a demonstration hatchery and a feed analysis laboratory to provide quality control for the livestock feed industry and research and testing of feed formulas.

a) Plans are being formalized for the Center, with building layout in final stages. A formal request has been made to the Minister of Education by the Ministry of Land Reform and Agriculture for the transfer of 20 hectares of University land to the Ministry of Agriculture for the National Livestock Center.

b) Feed trials at the TSN Livestock Station are under way with grain sorghum results being published by mid-April. Tests are being made on use of residues from monosodium glutamate production.

F. Extension Support

1. Assist in the preparation and distribution of information leaflets, pamphlets, charts and other materials necessary to implement an accelerated protein production program.

During this quarter, 8 animal health leaflets of 50,000 copies each were printed. Five of these 8 leaflets have been distributed to the provinces.

2. Support with technical assistance the upgrading and expansion of the DAH's in-service and cadre training program.

Implementation of this phase of our program has been delayed by the absence of a qualified technician. A technician is expected to arrive during the second quarter to support this activity.

Documents were prepared and processed permitting Mr. Sutton to return to Vietnam to conduct a chick-sexing school and a management seminar.

G. Encourage the GVN, through the DAH, in continuing evaluation of production restraints, political or economical and improved guidance or correcting measures, including GVN industry regulating functions.

The announced import tax on PL 480 Title I corn of 30% plus 15% austerity tax for a time, contributed to a slowdown in feed processing. Responsible operators feel that since this tax was reduced to 10%, due to the efforts of several GVN Ministries, livestock and feed producers and USAID, the protein production program in Vietnam will grow to its predicted proportions. The possibility that the GVN will reimburse Vietnamese importers of grain for the differential in freight rates between U.S. and foreign shipping will increase incentive to participate in the program.

H. Provide technical backstopping and support to the CORDS-based field agriculture advisors in their day-to-day activities as they pertain to Protein Production.

a) During this quarter, all four regions have been visited by Protein Production personnel with 28 provinces receiving technical backstopping. These visits consisted of general explanations of the program to providing detailed technical guidance in poultry management and feed mill establishment.

b) Nine production memos have been distributed to the agriculture advisors and interested support people in the field.

QUARTERLY REPORT - JANUARY/MARCH 1969

IRRIGATION AND RURAL ENGINEERING
730-11-120-316

During the January-March quarter the Office of Domestic Production did not carry on an active program in irrigation or rural engineering.

Consequently, there is nothing to submit for Irrigation and Rural Engineering, 730-11-120-316, for this quarter.

As of July 1 the activities formerly carried out under 120-316 will be consolidated with other projects carried on under 130-314.

QUARTERLY REPORT - JANUARY/MARCH 1969INDUSTRIAL DEVELOPMENT730-11-910-170I. GOALS

To assist in developing a viable economy in Vietnam by advising on the use of the US-GVN War Reconstruction Loan Fund, promoting agri-related industry, and fostering industrial, chemical and small industries.

II. TARGETS AND PROGRESSA. Reconstruction Loans

The utilization of the U.S. 10 Million Dollar Grant for Reconstruction appears to have peaked out at 4.6 million and it appears unlikely at the present time that this figure will significantly vary. Barring any unforeseeable industrial destruction and allowing for several small pending and subsequent rural applications, it would be safe to assume that the maximum utilization of this Fund will be 5 million or 50%. It is noted that the 5.5 million figure of the last quarter report has been revised to 4.6 million due to the deletion of selected equipment and raw material requests that either constituted an expansion project or were inadequately documented. The GVN one billion piaster Reconstruction Fund has fared better than ours and is more than 77% obligated. The principal reason for the difference is that the piasters were available for local reconstruction costs and offshore procurement, excluding the U.S. Inevitably, equipment purchases from Japan, Germany, etc. are cheaper and faster. A complete breakdown of the US 10 Million Dollar Fund and the GVN 1 Billion Piaster fund will be forwarded.

A disturbing factor on the progress of 4.4 million dollars that has already been signed and approved is that only \$178,000 worth of licenses have been issued. Assigning guilt for the delay in progress is difficult. There are many extenuating circumstances such as the IDC collateral, capitalization and repayment requirements; GVN and USAID processing time; the normal pro forma delay compounded by the additional requirement of an insurance quotation incorporated within. However, it appears that the major reason for the delay in the submission of license applications was due to the realignment of the applicants' own reconstruction program and equipment desired. Unfortunately, by the time funds were made available many applicants were obliged, in order to stay alive commercially, to commence a partial reconstruction on their own by whatever equipment and credit available.

Some significant developments are the requests for OSB waivers that have recently been processed for over 2 million dollars in equipment purchases under the Grant. As soon as the waivers are granted CIP should receive licenses for equipment. We envision approximately 4 million dollars in licenses by the close of the 3rd quarter 1969.

B. Feasibility Studies

1. Chemical. - The firm of Pope, Evans, and Robbins has been selected by AID/Washington to conduct a feasibility study of the chemical industry and the arrival of the engineering team is imminent. Our own chemical engineer will backstop this project.

2. Cement and Bulk Handling. - Kaiser Cement has been selected and we are awaiting word on their ETA. Two engineers from our staff will assist in backstopping this project.

3. Pulp and Paper. - A selection has yet to be made.

4. Fertilizer. - Supposedly the Girdler Equipment Corp. has been selected and will shortly arrive to begin an investment survey. We have again queried AID/Washington for further developments.

C. Chemical Industry

The starting of COPHATA has been delayed for 60 days due to the late arrival of the Taiwanese installation engineers. This company should round out the in-country capacity and requirements for sulfuric acid, and alum, (including potash and chrome).

Likewise, the start up of the Thien Hung caustic, chlorine plant is about 1 month behind schedule but is expected on stream momentarily.

D. Agri-Related Industries

1. Fisheries. - A cold storage plant has been constructed in the Saigon Fish Market and is awaiting the arrival of the refrigeration equipment. Construction of a VN\$12 million fish market at Ben Do (Vung Tau) is now in process and 15% completed. Representatives of the Fisheries Directorate have been dispatched to Cam Ranh and Phuoc Tinh (Phuoc Tuy) to study and select sites for the construction of fish landing piers. Recent long sought GVN and US Military approval has paved the way for the engineering study of new fishing ports at Danang and Hue.

2. Forestry. - In February the Demonstration Sawmill made its first public appearance and was attended by GVN and US officials. USAID provided the equipment. In March the first "sawmill" clinic (training school) was held in BanMe Thuot to demonstrate new sawmill support equipment, improved plant layout, and other efficiency innovations. Work has already begun by Directorate of Waters and Forests, on evaluating and re-writing forest legislation (25% completed) so as to improve forest administration. Restoration plans for pine in the highlands and eucalyptus in Ninh Thuan has already begun with the assistance of USAID forestry advisors. A forest fire demonstration was conducted near Dalet to show the seriousness of the problem and to demonstrate modern fire fighting and detection techniques to key GVN officials.

A serious problem is developing in Long Khanh which in 1968 exceeded 1/3 of the total timber cut in Vietnam and which is a major supplier of Saigon's 130 sawmills. Due to security reasons the loggers in Long Khanh are confined by Provincial Order to logging with 6 kilometers of major roads. Our Forestry advisors have this matter under study.

E. Military Assistance Program (MAP)

Partial bids for local procurement have been received for 3 million meters of sateen, 1 million meters of mosquito net and 3,000 MT of barbed wire for ARVN forces. In addition, the USAID/IND representative to the MACV Commercial Consumables Transfer Program Committee has recommended the shifting from offshore to local procurement of over 60 different products. It is estimated that the transfer and local procurement of some of these items will begin in CY 1969.

F. Rural and Small Industry Development

A plan for the establishment of a Handicraft and Small Industry Center in Hue was drafted and will be presented to the MNE.

The Industrial Development Center (IDC) has opened a 4-man office in Danang for assisting the local Vietnamese in the industrial development of I Corps.

The small industries advisor has completed a two week packaging course to the six responsible technicians at the Small Industries Development Center.

G. Management Training

The USAID Contract Team assisted by USAID/Industry and the Industrial Development Center, has commenced the first semester 1969 classes. There were 182 applicants, of which 133 were accepted as participants. It is interesting to note that 5 previously trained Vietnamese members of the IDC staff are teaching 3 courses this semester without the aid of an American advisor.

H. Assist CIP in Preparation of 69-70 Market Assessments for Chemicals, Textiles, and Industrial Machinery.

For the first time a joint market assessment for each of the above industries was prepared by members of the Industry and Commercial Import Program Division in order to adequately plan and program the present and future needs of the private sector. The assessment of the Chemical Industry was especially difficult and required a great deal of analytical and research input by our Chemical Engineer.

QUARTERLY REPORT - JANUARY/MARCH 1969FOOD FOR FREEDOMTITLE I

1. During the first quarter of CY 1969 two supplementary PL-480 Title I agreements were signed by the GVN and USG. The Fifth Supplementary Agreement provided for the importation of 100,000 metric tons of rice valued at US\$18,500,000; the Sixth Supplementary Agreement provided imports of wheat flour, sweetened condensed milk, nonfat dry milk, cotton, and tobacco for a total value of US\$21,500,000. Actual Title I purchase authorizations issued by US Department of Agriculture during this quarter totaled US\$20,000,000.

2. Importation of American rice was down due to the increase in locally produced rice and the heavy inventories remaining from 1968 purchases. Sales of sweetened condensed milk were up to an average monthly requirement of 186,000 cases. Consumption of wheat flour in Vietnam continues its steady upward trend to an average monthly rate in excess of 10,000 metric tons. The increase in consumption of sweetened condensed milk and bread probably results from the growing urbanization of the Vietnamese. The market for corn as animal feed is still comparatively small, but interest in this commodity among importers and farmers is growing steadily. This is expected to have a significant plus effect on animal husbandry in the Republic. Imports of tobacco remain constant, and cotton requirements have already returned to the levels of pre-Tat 1968.

TITLE II

1. Arrivals of PL-480, Title II commodities, January through March, 1969 were well below scheduled amounts as a result of the longshoreman's strike of East Coast and Gulf ports which began on December 20. Since arrivals during the fourth quarter of CY 1968 were not up to scheduled amounts, stocks on hand tended to be low and to meet current requirements substitutions among Food for Freedom grains had been instituted. The January/March period saw a worsening of the situation since no commodities were available from the struck ports. Title II commodities shipped from West Coast ports arriving in Vietnam during this quarter were about 38% of total scheduled input. The backlog of commodities not shipped to Vietnam by the end of March exceeded 27,000 metric tons. Most East Coast ports and Gulf ports opened in March, and though stocks on hand are still

low major relief now is in sight. With firm bookings for approximately 49,000 metric tons during the months of April and May normal levels are expected to be achieved during the second quarter of CY 1969.

2. Highlights of the Title II program for the first quarter were:

a. A fact-finding group composed of USAID/CORDS/GVN has been formed to study the effectiveness of the program at the recipient level and submit recommendations.

b. A PIO/T was executed under which USAID will provide certain funds to CARE for additional personnel and equipment to implement a CARE program of Title II food distribution.

QUARTERLY REPORT -- JANUARY/MARCH 1969THE COMMERCIAL IMPORT PROGRAM (CIP)General Situation

CIP licensing for the third quarter of FY69 totalled \$68.9 million. This represents a significant increase over the \$44.8 million licensed the previous quarter. Total licensing for the first three quarters totalled \$157.0 million which is \$68.1 million more than entire FY68.

Major CIP commodities licensed during the quarter were as follows:

	<u>(US \$millions)</u>
Iron and Steel	16.2
Machinery (Electrical and Industrial)	12.5
Fertilizer	16.4
Sugar	3.5
POL	8.0
Chemicals	7.4

Although very low licensing levels were experienced for January (\$14.6 million) and February (\$3.6 million), it was anticipated March licensing would be of considerable magnitude due to barter procurements initiated in the previous quarter for fertilizer and sugar. The licensing level reached \$50.6 million in March. In addition, the first tranche of the FY69 PAGA funds (\$45 million) became available, against which a large backlog of license applications had developed. However, aside from barter commodities, more licenses were issued for other categories than expected. Importers have translated into actual licenses and letters of credit a higher percentage of Office of Small Business (OSB) submissions than in CY68 and the demand for imported commodities appears speculative rather than a normal consumption/stock ratio. Additionally, many items which were favorable for quick profit/turnover under GVN financing are now in long supply. This, with recent GVN tax impositions on luxury type items, make CIP commodity categories more attractive for investment of piaster surpluses. There is every indication this trend will continue through the last quarter of FY69 and will exhaust CIP fund availabilities sooner than originally anticipated. In spite of heavy March licensing, licenses still pending issuance amounted to \$64.2 million at the end of March.

GVN licensing for this quarter totalled \$99.8 million as compared to \$175.8 million for the previous quarter. A licensing decrease for this quarter is normally expected, as the previous quarter reflects purchases made for the Tet holidays. The major categories licensed this quarter were:

	<u>(US \$millions)</u>
Motorbikes, triporteurs, Scooters and parts	13.5
Industrial Machinery and parts (excluding radios, TV, ref. and air-conditioners)	16.3
Pharmaceuticals	9.2
Textile Products	7.5

Significant Developments

Control and management of the Import Credit Data System (ICDS) was transferred to USAID/ADCCA/CIP from ECON in January 1969. On January 2, the National Bank of Vietnam (NBVN) agreed to use the ICDS File A (record of letter of credit opening) as the official Vietnamese Government Exchange Contract. This agreement now forces commercial banks to submit File A to the NBVN within 48 hours, copies of which are transmitted to USAID. This cooperation on the part of the NBVN is a major breakthrough to ensure 100% presentation of ICDS by banks for the Automatic Data Processing system. Monthly reports for January by License/LC Activity both CIP and GVN financing, by country of origin, by Brussels Trade Number (BTN) and by bank were given to the NBVN and each commercial bank received reports regarding their own activity. This measure was absolutely necessary towards the implementation of the USAID/ADP commodity imports system.

New Financing Requests issued under the FY69 Program Assistance Agreement during this quarter are as follows:

<u>FR Number</u>	<u>Commodity</u>	<u>Value</u>	<u>Code</u>
730-K-60201	Sugar (Barter)	7,000,000	061
730-K-60202	Fertilizer	5,100,000	271 561
730-K-60203	Chemicals	3,900,000	512 512-531-554 581 599
730-K-60204	Lubricating Oils, Greases, Wax and Asphalts (1,400,000)		332

Subsequently the Director of Commercial Aid requested FR No. 730-K-60204 be cancelled and the funds be used to establish FR 730-K-60210.

730-K-60205	Iron and Steel		679 691 693
730-K-60206	Machinery	13,000,000	711-719 722-729
730-K-60206	Transportation Equipment	700,000	731-735
730-K-60208	Rubber Manufactures	2,000,000	621-629
730-K-6020 C	Pesticides	900,000	512
730-K-60210	Yarns and Threads	1,400,000	651
	<u>TOTAL</u>	<u>45,000,000</u>	

On March 31, the Minister of Economy issued a notice stating that importers and end-users who have commodities pledged to banks for over 90 days must remove them from bank warehouses and put them on sale (also implied, if raw materials, use them in production within one month).

On February 26, a new Perequation Tax rate on VN \$40 to US \$1 was established on Galvanized Steel Sheets (AID financed) in order to protect local products.

On February 26, the GVN issued a decree changing customs duties and austerity tax rates on imported and exported commodities. This change results in a heavy increase for the so-called GVN luxury imports such as tourist cars, glass and crystal products, table beverages, precious jewels, etc., and a slight decrease for certain essential imported commodities such as rice, cement, iron and steel, tractors, etc.

Worldwide sugar price increases made it necessary for the Commodity Credit Corporation (USDA) to reduce the sugar barter procurement from 80,000 MT to 60,000 MT to keep within fund availabilities. After GVN approval of the awards, the first shipment of raw sugar had to be delayed; fortunately this will permit the importer to remedy temporary warehousing problems.

Financing of fishnet imports from certain PD-31 countries (Taiwan and Korea) was authorized once more on March 4. Such financing had been suspended last year when it was determined that certain producers were in violation of AID componentry requirements. An agreement has been

reached with the Taiwan government to ensure future compliance with componentry regulations. To date, no similar agreement has been reached with the Korean Government.

The major occurrence in the machinery area was discontinuance of AID financing of treadle sewing machines and electrical fixtures. The decision was made because the items in question are not produced in the US. Annual CIP funding for the two items has been about US \$5 million.

Fertilizers were the most active commodity category during the reporting quarter. Fund availabilities for various fertilizers (primarily urea and mixed), amounted to \$21.0 million and only \$4.4 million remained to be licensed on March 31. Importer requests for additional fertilizer have been very heavy and substantial funding may be necessary at the onset of FY70 to satiate this demand.

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QUARTERLY REPORT - JANUARY/MARCH 1969MISSION-WIDE COMMODITY SUPPORT
730-11-995-330I. GOALS

This project is primarily a service project which provides logistical support to all USAID/CORDS sectors and several ministries of the GVN. Counterpart funds are provided for port clearance, deprocessing and delivery of USAID interest cargo to first destination consignees. USAID provides dollar funds to reimburse commercial carriers from point of pickup and ocean transportation of USAID commodities and further, to reimburse MSTs for movement of outsize cargo in Vietnam via coastal shipping. Dollars are also provided for emergency commodity and contract service support generated by enemy activity or natural causes. Consolidated procurement items such as cement, roofing and rebar in support of all USAID and CORDS projects are also procured under this project.

II. TARGETS AND PROGRESS

A. Increase the management and operating capability of the Central Logistics Agency (CLA) so that at the end of FY70 it will be capable of accepting total administrative and funding responsibility for the receipt, deprocessing and delivery of project cargoes to first destination.

The contract with the Vietnamese Railroad for the deprocessing of vehicles and receipt and delivery of project cargoes to first destination was concluded this quarter and is being extended for six months to carry through October 6, 1969. It is expected that CLA will assume contractual responsibility for these contracts after that date with USAID continuing to give assistance in administering and supervising work performance.

B. Expand and improve the use of Automatic Data Processing (ADP), FEDSTRIP and other management and performance data-gathering techniques to ensure smooth transition of these services from AID Logistics Supply and Control Office (ALSCO) to USAID by the end of FY 1969.

The May 1968 reorganization of USAID's Control Section, Procurement Management Branch, incorporating the single line item requisitioning procedure under FEDSTRIP, continues to be steadily refined for optimum support of USAID/CORDS technical divisions. Benefits from this management improvement and wider application of ADP techniques have added to the Mission's procurement capability sufficiently so as to dispense with most

of the procurement support services now provided by ALSCO. The latter is planning to phase out the Supply Control Operation completely by June 1969, except for Technical Review and Movement Control functions which will continue until December 31, 1969 while gradually being absorbed by GSA 9.

C. Provide the means for rapid response to emergency requests for commodities and services of small dollar value.

This target has been achieved. Emergency requests for commodities and services of small dollar value are charged to this project and are met by using standard Federal Procurement Procedures for small value purchases.

D. Additional Procurement data.

The volume of new procurement actions has diminished proportionately with reduced project dollar allotment, e.g., from \$84 million in FY68 to \$54 million in FY69. However, due to procurement leadtime the pipeline has remained basically the same. In the second and third quarters of FY69 USAID processed a total of 217 PIO/C worksheets involving 1718 line items and a value of US\$33,670,720 plus LPA's in the amount of VN\$117,579,900. During the third quarter of FY69, 20,889 line items were in the CI/Project pipeline. During the same period 4,156 line items were received and 570 new items were added, bringing the gross pipeline items count to 17,303.

QUARTERLY REPORT - JANUARY/MARCH 1969LOGISTICS TECHNICAL SUPPORT
730-11-999-378I. GOALS

To provide personnel to insure that adequate quantities of required commodities and logistical services will be available in country at the proper time and place to support joint USAID/GVN projects and programs at the lowest cost. Concurrently, to develop the organizational and managerial capability necessary for building and maintaining an efficient and economical logistics system within the GVN, and finally, to insure support to all USAID sectors in overall planning, coordination, and execution of the logistics functions of their projects.

II. TARGETS AND PROGRESS

A. Assist in restructuring the Central Logistics Agency/Ministry of Revolutionary Development organizational framework to provide commodity and logistics services to the Ministries of Revolutionary Development, Social Welfare and Refugees; and to the Chieu Hoi and Ethnic Minority programs. As competence is gained, CLA will offer logistics services to all Ministries of the GVN.

Since the establishment by decree of the CLA on October 22, 1968 two more decrees have been released: INTERNAL ORGANIZATION of CLA on January 8, 1969, and INTERNAL REGULATIONS of CLA on January 16, 1969. The most significant results of these decrees have been to place the CLA directly under the Prime Minister's Office for more autonomy, to add a new office -- Director of Plans and Training, and to combine supply and maintenance under one person -- the Director of Supply and Maintenance. Work is continuing with the Director of Plans and Training in the development of the required procedures for a logistics system encompassing policies and procedures for requirements, procurement, storage, distribution, transportation, inventory accounting and disposal of government property.

B. Upgrade the skill-levels and competency of GVN managerial personnel in requirement planning, forecasting, budgeting, systems development, and procurement.

In the areas of planning, programming, budgeting, and requirements forecasting, progress has been excellent. Closer liaison between USAID and the GVN has resulted in a more cooperative and coordinated effort. Monthly joint USAID Logistics/CLA staff conferences have proven successful in on-the-spot problem solving and forward action planning. In addition,

similar monthly commodity forecast meetings are held at which the current and future supply and demand status of selected commodities is reviewed. In the area of systems development, the basic supply system implemented by CLA/MCRD is continuing to be refined and tighter controls of end use consumption of US funded commodities will result as more detailed instructions reach the field.

C. Continue to upgrade GVN's procurement capability by utilizing CLA to a greater extent as a procurement agency for project requirements.

The procurement capability of CLA increased moderately during FY69. Although the total dollar value of project commodity procurement decreased in FY69, CLA's project procurement participation should remain proportionately the same. CLA is now the authorized agent for all USAID project funded vehicle procurement.

Standard Procurement Regulations, adopted from US Federal Procurement Regulations, have been drafted and are currently undergoing review by CLA.

QUARTERLY REPORT - JANUARY/MARCH 1969NATIONAL MAINTENANCE SYSTEM
730-11-990-382I. GOALS

To establish an efficient and effective maintenance management and operations capability for the GVN of a lasting nature, under the management of a single government agency on the national level.

II. TARGETS AND PROGRESS

A. Continue the expansion of the stockage level of the Repair Parts Depot (RPD) to a requisition fill rate of 65 per cent by the end of CY69.

There has been no increase in requisition fill rate over last quarter's 60 per cent reported. The major reason for this lack of progress toward the CY69 goal of 65 per cent is that a considerable amount of initial demands (2500 to 4000 requisitions) were placed on the RPD by new customers during the quarter.

B. Institute an efficient revolving fund for the RPD by the end of CY69.

There has been no reply to the USAID/Maintenance Advisory Branch study which recommended increases in maintenance budgets and the establishment of maintenance credit funds with Central Logistics Agency (CLA) to support GVN agencies. During the same period discussions between USAID and GVN officials were continued to define the current status of RPD funding as a prelude to establishing a workable fund. No significant progress was realized during this quarter despite continuing pressure by USAID.

C. Continue development and expansion of electric accounting machines (EAM) capability in stock accounting and transfer of stock accounting responsibility to GVN by the end of CY69.

During this quarter the first EAM back-order listings were published and the transition from manual processing of out-of-country requisitions and daily transaction register listings was completed.

D. Establish a local currency contract for maintenance management operation of the RPD and province shops in FY69.

An amendment to the existing Philco-Ford contract to provide 98 Vietnamese to be trained by and eventually to replace contract Koreans

presently employed in the RPD was accomplished during the quarter and is now awaiting final signatures. The same amending action will authorize Philco-Ford to recruit and train five VN trainees (1 shop manager, 4 mechanics) for training and subsequent employment in each province shop. This contract is for a one-year period at which time the Vietnamese should be completely trained and operating the Repair Parts Depot. The Korean contractor staff will then have been completely phased out of the operation.

E. Continue for CORDS that portion of the Philco-Ford contract for mobile maintenance team support in the field, plus other activities requiring maintenance assistance.

An amendment and extension of the Philco-Ford contract accomplished during this quarter provides for an increase in Third Country National (TCN) contract instructors -- from 100 to 146 as requested by CORDS. The additional 46 TCNs are expected to be on the job during the quarter April/June to accelerate the training of province shop Vietnamese personnel. This extension is for a one-year period at which time it is planned to have Vietnamese trained and to phase out TCN contract personnel.

F. Complete construction and attain operational status of 47 province maintenance shops.

At the end of this quarter twenty-two shops were 100 per cent complete and twenty shops were under construction. Twenty-four shops are operational (of which two are still under construction), an increase of eleven over the previous quarter.

G. Provide adequate shop equipment and shop vehicles for the province shops.

Equipment for 20 shops has been received and is presently on site, in use, or awaiting completion of construction. A total of 29 wreckers and 15 generators were requisitioned in CY68. Seven of these wreckers have been received and the generators are due approximately June 1, 1969. The wreckers were obtained from Section 608 excess property at a considerable saving compared to new procurement costs.

QUARTERLY REPORT -- JANUARY/MARCH 1969

PORT MANAGEMENT AND OPERATIONS
730-11-340-389

I. GOALS

Assist the Director General of Ports Authority, the Director of Navigation, the Central Logistics Agency and other GVN agencies to improve efficiency in transportation and port operations matters; to phase USAID personnel from operational to advisory roles; and to expedite GVN assumption of total responsibility for all civil transportation operations and related activities.

II. TARGETS AND PROGRESS

A. Improve the managerial capability of GVN port personnel by integrating with USAID personnel in the port operations and clearance areas.

The work of USAID advisors is aimed towards assisting GVN personnel to act upon their own initiative, to gain experience in planning, scheduling, and close supervision of their respective activities.

B. Improve cargo handling and port clearance techniques of all stevedore companies to reduce cargo losses caused by poor stevedoring methods.

The Saigon Port Advisory Unit of Transportation Management Branch (TMB) works closely with GVN Saigon Port Authority (SPA) officials in all phases of port and cargo operations to advise in cargo handling techniques, cargo storage methods, cargo lighterage, clearance procedures and related aspects of cargo handling activities from the time of arrival of the cargo until it has been moved from the port area.

Repair and rehabilitation of USAID funded lighters turned over to the SPA has been scheduled; and the repair contract is expected to be awarded during the next quarter.

USAID has programmed some specialized stevedore gear and equipment for use by CLA and GVN General Supply Agency (GSA) contractors. Stevedoring firms will be required to use this equipment to insure proper handling of commodities.

C. Maintain existing port facilities in a high state of efficiency to meet peak demands for the movement of cargoes to meet civil and wartime needs.

Repairs to the typhoon-damaged Nha Trang pier that occurred in October/November 1968 have been delayed pending resolution of funding difficulties. However, it now appears that work will be initiated during the coming quarter to accomplish the urgently needed repairs before the beginning of the next storm season.

D. Improve the Port of Da Nang to meet an anticipated annual cargo throughput capacity of 400,000 tons versus the current 277,000 tons per year.

Da Nang port improvements have been well planned by Director General of Port Authority (DGPA) personnel with detailed specifications, drawings and accompanying supporting documents; however, due to lack of piasters in the Ministry budget it is possible that there may not be funds available to initiate these projects in 1969. Plans and other engineering documents will be shelved for future utilization.

E. Initiate port construction to handle 3,000 ton ocean-going ships in the Delta area at Can Tho and Vinh Long.

Port construction at Can Tho is progressing well with the concrete pier 65 per cent completed. Work is also starting on the back-up area of the port complex, such as the access roads, hardstand areas, construction of foundations for warehouses and other facilities. USAID and Director of Navigation representatives are working closely on these projects. At Vinh Long the pier is approximately 25 per cent completed with some work also initiated on related facilities of the Vinh Long port complex.

QUARTERLY REPORT - JANUARY/MARCH 1969WAREHOUSING AND DISTRIBUTION730-11-970-390I. GOALS

To provide the GVN with advice and assistance in material, facilities, and advisory personnel required to support the war effort and related programs; and to assist in development of a governmental logistics infrastructure which will have a broad and long-range effect on the maintenance and building of a viable economy.

II. TARGETS AND PROGRESSA. Provide additional and/or rehabilitate existing warehouse facilities to meet regional and provincial storage requirements.

Warehouse construction for 1968 was less than planned due to heavy military actions and delays in acquisition of land and construction contract awards. A total of 8 warehouses were constructed out of 17 planned.

Land has now been acquired by Central Logistics Agency (CLA) for 6 additional warehouses; one each at Danang, Qui Nhon and Ban Me Thuot, and three at Sa Dec. Construction plans and cost estimates for the three warehouses at Sa Dec have been completed and CLA will soon award a construction contract. The plans and cost estimates for warehouses at Qui Nhon and Ban Me Thuot are presently being prepared and construction contracts will be awarded by CLA upon completion. There will be some delay in the construction of the warehouse at Danang because of the necessity to fill approximately 3,000 square meters of low area. When fill is completed, construction plans and cost estimates must then be prepared prior to awarding the construction contract. The site has been selected for 3 warehouses at Can Tho, which would complete the 1968 planned construction. However, land acquisition is delayed because of negotiations with land owners. This is expected to be resolved shortly and CLA can then award a construction contract. There has been no significant progress on the remaining 25 warehouses planned for construction in CY69, since the FY68 program is not as yet completed.

B. Make maximum utilization of commercial warehousing.

The GVN General Supply Agency (GSA) is currently negotiating for two large warehouses for rice storage at the Distilleries Indo-China (DIC) complex which were previously leased by the Central Logistics Agency. The GSA is also

negotiating for another large commercial warehouse previously occupied by the US Army. Efforts are continuing to encourage the GSA and other interested GVN agencies to make maximum use of the information (location, size, ownership, condition, etc.) provided in the 1968 warehouse survey completed by USAID.

C. Establish realistic levels of foodstuffs and construction materials in provinces to circumvent enemy interdiction of transportation routes.

Progress in this objective is contingent upon completion of warehouses. Stocks of commodities have been positioned in 217 warehouses already constructed in regions and provinces, and every province now has at least limited storage facilities of some type, although the quantities of items stocked are not consistent with the established levels due to storage space limitations. Provincial levels are now expected to be more realistic because of recent implementation of the dues-out (back order) system rather than the previous method of "fill or kill."

D. Consolidate CLA national warehousing functions at Thu Duc warehouse complex.

The plan to consolidate CLA warehousing functions now located at Ben Suc and DIC warehouse complexes with those at Thu Duc is now well under way, with an established target date of July 31, 1969 for closing operations at the former locations. Documents obligating for A & E services and construction of an office building and four additional double warehouses have been finalized and are now in CLA for final coordination.

E. Continue emphasis on redistribution of excess vehicular and material handling equipment to meet requirements of CLA and other GVN agencies; to dispose of items which are not required, or which are uneconomically repairable.

During the reporting quarter property disposal actions continued at the record pace set in 1968, although transfers from one GVN agency to another dropped. In this quarter, 5258 items were authorized for disposal by sale, cannibalization or removal from inventory, and 62 items were transferred from one GVN agency to another.

F. Progress has been made in several other important areas relating to the overall goal of assisting in development of a governmental logistics infrastructure. These are:

Basic Supply Regulation Training Program

A formal three day course of instruction pertaining to the revised Basic Supply Regulation for Revolutionary Development Program Commodities was presented to nine newly arrived in-country USAID/CORDS Logistics personnel during the latter part of March 1969. The purpose of the presentation was

to provide information pertaining to logistics procedures as contained in the Basic Supply Regulations. The knowledge thus gained will assure that the advisor would be well qualified to assist the accountable officer in carrying out his assigned mission. The course will be presented to 15 to 20 additional personnel as they arrive in-country.

Storage Manual

The final review of a comprehensive bilingual 350-page Storage Operating Manual was completed during the reporting period. This CLA manual, which was conceived and developed primarily for personnel at the working level as a basis for uniform storage procedures for all GVN Logistics activities, will be printed by JUSPAO Printing Plant in Saigon.

Storage Training Course

A formal course of instruction in storage methods and procedures is being developed to train personnel of USAID/CORDS and GVN Ministries and Agencies. The course is based upon the Storage Manual soon to be published and will be used to train personnel down to and including the working levels. It is estimated that up to 750 individuals within the CLA supply system and 250 individuals in other ministries and agencies will receive this training. The course will be continuous in nature, the first classes to be conducted in July 1969 for Ministry of Revolutionary Development field personnel at District and Province levels. A select group of Vietnamese logistics specialists are undergoing training as primary instructors for the classes to be given to GVN personnel.

Logistics Participant Training Program

Two programs were arranged to provide participant training in the United States for executive level GVN personnel engaged in logistics activities. The first program is for the Director General of the Central Logistics Agency to visit military installations and government agencies within the US for a short training and familiarization course to acquire a better understanding of the overall AID Logistics Program. The second program calls for a middle-management individual of the Central Logistics Agency to take a comprehensive three-month course in management techniques at the US Army Logistics Management School, Ft. Lee, Virginia. In addition to these two programs, an observation tour of the United States Army General Depot Command in Japan has been arranged for a high-level group of nine GVN Logistics personnel from several ministries and GVN agencies. The purpose of this tour is to provide the GVN personnel with an opportunity to observe fellow Asians in application of logistics

principles and techniques, thereby enhancing their effectiveness within the GVN logistics system.

Logistics Technical Assistance

Assistance was provided to the Saigon Civil Assistance Group (SCAG) in establishment of formal property accounting at the central and district levels of the Saigon metropolitan area. The system as prescribed by the Basic Regulation for Revolutionary Development Program Commodities was established. SCAG personnel will be given training in the newly implemented system with the first classes scheduled for April 1969.

QUARTERLY REPORT - JANUARY/MARCH 1969HAMLET AND ELEMENTARY EDUCATION
730-11-640-319I. GOALS

To extend elementary education opportunity to children in hamlets being secured through the rural pacification program by construction and staffing of classrooms; improve the quality of instruction in all elementary schools, with especial emphasis on the community school curriculum; improve the quality of both pre-service and in-service elementary teacher preparation. A specific goal of the Ministry of Education for CY 1969 is to convert 1,000 elementary schools to the use of the community school curriculum.

II. TARGETS AND PROGRESS

A. Classroom construction. Construction of 9,500 classrooms between FY 1968 and FY 1970 is necessary to help meet the MOE goal of enrolling 85 per cent of the elementary school-age population by CY 1970.

Two thousand six hundred eighty-eight classrooms were built in CY 1968. A minimum of 3,100 elementary school classrooms should be constructed in CY 1969. The balance should be completed by FY 1971. All classrooms are to be constructed upon approval of Revolutionary Development councils - central or provincial - with piaster allocations for commodities. The Ministry of Education, Directorate of Research and Planning, has prepared guidelines for construction. These have been submitted to the Prime Minister for approval. To date this approval has not been received by the MOE.

Construction of 100 classrooms in the Saigon - Gia Dinh area are being subsidized with VN\$15,200,000 (AAC). Planning is under way with the Mayor of Saigon and the Superintendent of Elementary Schools for construction sites.

Elementary private school construction through self-help has progressed satisfactorily. Commodities purchased in FY 1968 remain in sufficient quantities to complete a minimum of 750 classrooms in CY 1969 through this method. During the quarter the MOE Committee on Private School Construction approved construction of 214 classrooms.

Ministry of Education funded and self-help construction programmed for FY 1968 (1,100 classrooms) has progressed slowly or not at all in some provinces, because of misunderstandings about release of commodities in

the provinces for Ministry of Education construction, regional decisions to release commodities to repair and reconstruct only war-damaged schools, and the low priority given to school construction. USAID/Elementary Education is making every effort to obtain release of commodities purchased through this project for FY 1968 in order to complete these classrooms.

B. Teacher Training.

To meet the 85 per cent enrollment goal, 11,500 new teachers will be trained between FY 1968 and FY 1970. In CY 1968 4,657 teachers completed their training - 3,207 through the hamlet teacher course and 1,450 through the normal schools. In CY 1969 3,550 additional teachers should complete training - 1,550 graduating from the normal schools and the remaining 2,000 through the hamlet teachers course. The remainder should complete training by FY 1971. Students enrolled in the normal schools are progressing satisfactorily and should graduate in June. In the past, the number of hamlet teachers has been recruited in relation to classrooms programmed. Since no pre-determined number of classrooms has been allocated per province, a fixed number of teachers has not yet been determined for each province. The goal of training 2,000 is too low in relation to needs but may be too high for the number of classrooms actually built in hamlets and villages. The training of teachers usually begins in April and extends through July. During the next quarter a more precise report may be possible.

C. In-Service Education Activities.

Planning for 117 in-service education activities to be conducted during the summer and fall of CY 1969 has been completed. The training activities, which will be held at the In-Service Education Center in Saigon, the five normal schools and in the provincial capitals will involve 7,350 participants. The responsibilities of the Directorate of Pedagogical Affairs and the Directorate of Elementary and Community Education have been outlined, the budget and the procedures in handling the funds has been agreed. The schedule is as follows:

1. July 10-12. Seminar to prepare the course for teaching language arts in the five normal schools. (Saigon, In-Service Education Center).
2. July 14-30. Annual seminar of all education service chiefs and selected inspectors to plan for the 1969-70, school year 100 persons (Saigon, In-Service Education Center).
3. July 28-August 16. Course for 100 elementary teachers at each of the normal schools in teaching the language arts. (500)

4. August 11-August 26. Seminar in each province and autonomous city for elementary school principals to consider problems of administration. (1,600).
5. September 8-September 27. Course for 100 demonstration teachers. Saigon Demonstration School.
6. October 27-November 22. Training course for 42 new elementary inspectors. (Saigon, In-Service Education Center).
7. December 1-December 10. Workshop for 100 Hamlet School Teachers in each province to help improve instruction in language arts (5,000).

A sum of VN\$4,800,000 has been included in the National Budget for the above activities and VN\$16,000,000 in the AAC.

QUARTERLY REPORT - JANUARY/MARCH 1969INSTRUCTIONAL MATERIALS730-11-690-320**I. GOALS**

Support and expand the capability of the Ministry of Education (MOE) Instructional Materials Center (IMC) to provide all forms of instructional materials to the Elementary and Secondary School system of Vietnam. During the quarter emphasis was upon textbook development and improvement, implementing a new contract for development of minority language materials, and strengthening the Classroom Radio Section.

II. TARGETS AND PROGRESS**A. General**

The Director, IMC has been assigned to Bangkok since late February with the Southeast Asia Ministers of Education Secretariat (SEAMES) on the development of a new regional project. The new Deputy Director and Acting Director of IMC is young and has been on the staff for only a short time. This has made additional work for the US advisors and has delayed some of the schedules. However, cooperation is excellent and the situation is improving. The Director may stay in Bangkok through July.

B. Textbooks

1. Elementary: Continue off-shore production of textbooks while attempting to strengthen both GVN and local industry printing and publishing capabilities.

The IMC has no money for textbook procurement, but assists the Elementary Education Project with technical specifications, revisions, and distribution of textbooks procured off-shore. Contracts for 1.6 million Elementary Readers were let in the second quarter of FY69 and books began arriving in March. Received 268,000; requisitioned for distribution 75,000.

2. Secondary: The project supports the Secondary Education Project in the off-shore procurement of textbbok in the same manner as it does the Elementary Project.

Only small quantities of secondary books remain on inventory and distribution has been slowed, pending revisions of the distribution system. New accounting methods are being worked out.

3. Minority Languages: Continue development of instructional materials for the Montagnard groups through contracts for Professional Linguistic Services and in-country printing and distribution of materials.

A second one-year contract for minority language materials development was signed with the Summer Institute of Linguistics, covering four new languages. Administrative difficulties during contract negotiations in 1968 delayed the start of work, therefore, production has been delayed.

An improved method of preparing copy for printing has been worked out which will speed up the process of preparing printing copy. IMC is negotiating local industry contracts for printing the Montagnard materials produced by an earlier contract.

C. Textbook Development

Improve textbook content, quality and annual output.

The US advisor has developed rapport with his counterparts to the point where they have begun to accept his advice on improved techniques for manuscript and copy preparation. He has determined the important weaknesses and is developing a full-scale plan for correcting them. His work with various local printers gives promise of improved bidding, shortened production time and better quality.

D. Participants

Two new starts are programmed and ready for call-forward for specialized training in Photo-Composing.

E. IMC Printing Plant - Capital Assistance

Printing and binding machinery now on hand to provide annual capacity of 2.5 million textbooks or equivalent in other materials by the end of 1970.

Programmed funds for additional A&E, construction, and construction supervision have not been obligated, pending Program Office approval. The Project Manager is developing additional data for Program Office requirements.

F. Classroom Radio Broadcasting

Provide four daily 15-minute Classroom Radio Broadcasts for the first two Elementary grades in five subjects. Begin development of programs for third grade. Complete designs for improved and expanded studio facilities.

The senior of two participant trainees who returned during 1968 developed so rapidly as Bureau Chief that the full-time USAID FSL advisor who had worked with the project from its inception four years ago is no longer needed. The FSL Advisor position has been abolished.

The Radio Bureau Staff has developed plans for Teacher Demonstration in the proper use of Educational Radio and expects to test and refine this idea with the Saigon Normal School. Provincial and Regional training in Teacher Workshops is projected.

Plans for a nation-wide campaign to stimulate additional teacher and student interest in the use of radio education are under development. Prizes will be offered for best letters and proposals from both teachers and pupils. The Advisor is attempting to interest Saigon businessmen's organizations in assisting and/or co-sponsoring.

QUARTERLY REPORT - JANUARY/MARCH 1969VOCATIONAL EDUCATION
730-11-610-322**I. GOALS**

To assist the Directorate of Technical Education (DTE) to establish a sound system of technical vocational schools:

II. TARGETS AND PROGRESS

A. Increase enrollment in technical schools by encouraging the DTE to change the antiquated entrance examination system and establish more liberal entrance requirements.

Students are normally enrolled in the Technical Schools and in the Polytechnic Schools as either full or half scholarship students. A full scholarship pays the student one thousand piasters (about \$10) per month. The DTE has recently allowed a few students, who do well on the entrance examinations but for whom there are no scholarships available, to enroll as non-scholarship students. USAID is now urging the Directorate to cut the number of full scholarships and add more half scholarships, and to further increase the number of non-scholarship students in each school. The number of non-scholarship students has been increased during the second half of the 1968-69 school year.

B. Increase enrollment in the vocational teacher Training Center.

A very substantial increase in the vocational Teacher Training Center enrollment was reflected during the second half of the 1968-69 school year. The first semester enrollment was 152 students. The second semester is 199 students, 179 boys and 20 girls. This represents approximately a 25% increase. However, the total enrollment must continue to increase very substantially if teacher demand is to be met. It is now estimated that 150 new teachers will be required in September of 1969 and this demand will not be met by the projected graduates. Efforts in this area will have to continue.

C. Assist in the organization of special classes and seminars to upgrade teachers already employed part-time or full-time.

All teachers in the Technical Schools of Vietnam will be brought to Saigon in late August and September to participate in Summer workshops

and seminars designed to upgrade their professional competencies. USAID advisors are working closely with the DTE in planning these sessions.

It is now anticipated that the demand for new teachers in the Fall of 1969 will exceed the supply by about 100 teachers. Plans are now being formulated by USAID advisors working with the DTE to provide a concentrated training period during August and September for the special purpose of training the people recruited for these positions in order to make them as effective as possible.

D. Construct five Technical Schools at Can Tho, Long Xuyen, Vinh Long, Phuoc Le, Bien Hoa.

The A&E work has been completed on all five Technical Schools. The contract has been let on the Bien Hoa school and construction is expected to start by 15 April. Contracts are being negotiated on the other four Technical Schools at the present time and it is expected that construction will be under way by 1 June 1969.

E. Make more efficient utilization of staff, equipment and classroom facilities.

The recent ruling of the Director General of Technical Education that all teachers will spend 10 hours per week in their classrooms or laboratories above and beyond their normal classroom teaching load is showing results in greatly improved maintenance and shop organization. USAID advisors are now suggesting the development of teacher made courses of study and training aids, to further increase the efficiency of the teachers.

F. Provide advisory assistance to strengthen planning and management capabilities of the Directorate.

The USAID Vocational Education Branch has now physically moved into offices in the DTE. USAID advisors are now more frequently consulted by their DTE counterparts. In addition to the regularly scheduled meetings and discussions between USAID and DTE, the informal or casual meetings are proving to be very beneficial to the working relationship.

Plans are under way for the establishment of further textbook and curriculum development and teaching standards.

QUARTERLY REPORT - JANUARY/MARCH 1969AGRICULTURAL EDUCATION
730-11-620-323I. GOALS

To provide a secondary education opportunity and a practical and functional type of agricultural education at the vocational agricultural schools and community schools, and short course training at the Ethnic Minority Agricultural Training Centers.

II. TARGET AND PROGRESSA. Continue project construction as provided in 1967, 1968 and 1969

Project Agreement. The status of construction for the project is exhibited below:

CY1967. Appropriations:

1. Bao Loc	1 shop	Completed
2. Can Tho	2 labs 6 offices	Under construction
3. Hue	2 labs	Under construction
4. Binh Duong	4 labs 3 sheds	Completed "
5. Tay Ninh	3 labs 1 shop 2 classrooms (GVN)	Bids approved " " " "
6. Ninh Thuan	3 labs 1 shop 1 Principal's house	Completed " "
7. Ba Xuyen	3 labs (GVN) 1 shop (GVN)	Construction started " "
8. Gia Dinh	3 labs (GVN) 1 shop (GVN)	Awaiting site selection " " "

CY1968 Appropriations

1. Hue	1 Tool shed (GVN) 1 Fish breeding tank (GVN) 1 shop renovation (GVN)	Completed " "
2. Can Tho	1 shop renovation	Completed
3. Binh Duong	4 labs 6 classrooms (GVN)	Preparing for bids " " "
4. Tay Ninh	2 labs 3 sheds	Preparing for bids " " "
5. Dinh Tuong	3 labs 1 shop 3 sheds	Preparing for bids " " " " " "
6. Ba Xuyen	1 warehouse-garage	Under construction
7. Long An	3 labs 1 shop	Preparing for 2nd bids " " " "
8. An Giang	3 labs 1 shop	Preparing for bids " " "
9. Binh Tuy	3 classrooms (RD) 2 other rooms (RD)	Completed "

CY1969; Appropriations

1. Binh Duong	4 classrooms (2-GVN)	Awaiting Project Approved
2. Tay Ninh	5 classrooms (2-GVN)	" " "
3. Dinh Tuong	4 classrooms (2-GVN)	" " "
4. Ninh Thuan	4 classrooms (2-GVN)	" " "
5. Ba Xuyen	2 classrooms (GVN)	" " "
6. Long An	2 classrooms (GVN)	" " "
7. An Giang	2 classrooms (GVN)	" " "

8. Phu Yen	3 labs 1 shop	Awaiting Project Approved
9. Phuoc Tuy	3 labs 1 shop	" " "
10. Vinh Binh	3 labs 1 shop	" " "
11. Binh Tuy	2 classrooms	" " "
12. Binh Duong	1 shop renovation	Planned

B. Continue the training program for first cycle (junior high school)
Vocational Agriculture teachers.

From the first and second classes graduating in last quarter of 1968, seventy four (74) teachers have been assigned to schools, and twenty four (24) to training centers.

A third group of 111 students have begun training from the original 120 applicants. Five major studies are offered: Agronomy (35), Animal Husbandry (24), Fisheries (19), Forestry (15) and Farm Engineering (18). The girls (24) enrolled in these courses are studying vocational rural home making.

C. Officially recognize the twelve Highlander Training Centers.

A decree has been signed to officially recognize and reorganize the twelve Highlander Training Centers. The new name is "Ethnic Minority Agricultural Centers". The decree has set up at each center an administration body and a sponsoring committee. Members of the Sponsoring Committee are: Province Chief, Ethnic Minority Service Chief, Agricultural Service Chiefs and other service chiefs (CORDS, IVS and Notables) who are interested in this activity.

The curriculum prepared by the Administration (Manager, Deputy Manager and Teachers) is submitted to the Sponsoring Committee for consideration and then to the Directorate of Agricultural Education, MOE, for approval.

Action is being prepared to appoint managers and deputy managers by ministerial decree. Such an appointment is usually slow due to the required check-up on the political past of the appointees.

D. Continue training of a minority group of special students at Ba9 Loc.

Only 67 ethnic minority students are being trained. Half of them will complete their junior cycle program at the end of the school year 1968-69. They will be oriented to a practical teacher training class to provide teachers for the ethnic minority training centers.

E. Conduct training of 122 Agents and 110 Technicians in 1969.

One hundred and twenty-two Agents and 110 Technicians are being trained. Three majors are offered in the Agent Training: Agronomy, Animal Husbandry, and Forestry. Five majors are offered in the Technician training: Rice, Fruit Crops, Animal Health, Animal Nutrition and Fisheries.

F. Conduct planning seminars and workshops in 1969 to orient farm shop course, laboratory practices, supervised farming practice, curricula for training centers, and farm school organization.

Seminars and workshops have not been organized this year because the first quarter of CY1969 falls in the 2nd Semester of the school year 1968-69. Teachers went for nine weeks of basic military training. They have had to make up the delay in the teaching program. This will make it difficult to keep seminars on schedule.

The Directorate of Agricultural Education with the cooperation of USAID is organizing an in-service teacher training program. Teachers are to report their progress concerning the supervised farming practice.

The drafting of the curricula of the Ethnic Minority Agricultural Centers is done by the directing board of the centers. The procedure, by letting the Sponsoring Committee discuss and approve the curricula, insures suitability to local needs.

G. Initiate an agricultural student organization in the agricultural schools designed to promote study of improved agricultural practices, more profitable farming and love of rural and farm living.

Preliminary plans have been made for eight chapters at Hue and Bao Loc Agricultural Schools. Several meetings and seminars have been organized to promote this in other schools. By error it was reported in the last quarter of 1968 that organization of these eight chapters was completed. Actually, completion is in suspense pending approval of a national Charter.

H. At the Directorate, begin translation, editing and publishing of basic bulletins required for teachers and students at the agricultural schools.

These publications will deal with methods of teaching and basic technical subjects. This activity has been delayed because of a shortage of technical personnel and funds to pay them. Ground work to set Policy and Procedures for payment of the technical personnel is being worked out.

I. To lay foundation for an expanded vocational agricultural program, the Directorate will provide teachers and assist in teaching general agriculture at community schools.

The total enrollment is now 950 in pre-vocational or general agriculture. None of the seventeen requests for establishment of agricultural departments has been satisfied.

Only at Cho Gao (Dinh Tuong), Long Hoa (Tay Ninh) and Bung (Binh Duong) have the school staffs been strengthened and the 6th grade added.

The Directorate of Primary Education after conversing with the Directorate of Agricultural Education has requested every provincial primary education chief to consider adding the sixth and seventh grade agricultural level of training at their primary schools.

J. Provide a Chief Agricultural Education Advisor in Saigon as a counterpart to the Director of Agricultural Education, MOE, and one vocational agricultural education advisor.

This objective has been fully realized.

K. Assist the Directorate in solving technical problems and attaining stated objectives and goals.

The vast majority of project goals and technical advancements have been realized or are on schedule. Supporting activities such as vehicles for supervised practice, the purchase of two hundred thousand dollars worth of commodities, the training of 200 teachers, and the printing of Project Record Books are typical examples.

L. Short-term training for one team of 3 Vietnamese teachers and officials in the US to observe supervised student projects and vocational agricultural methods.

A PIO/P for one team consisting of 4 members instead of 3 for 1969 has been prepared. Two teams totalling 9 members were sent in 1967.

M. Assistance and advice to the Directorate and schools in installation and use of US\$115,000 in commodities for 1967 and \$50,000 for 1969.

Commodities are in the process of being distributed to agricultural schools and training centers. The work is slow in certain commodities due to the lack of security or trained persons to use the equipment in the area.

US\$50,000 in new orders are being processed out of FY'69 budget.

QUARTERLY REPORT - JANUARY/MARCH 1969SECONDARY EDUCATION730-11-650-365I. GOAL

To substantially increase opportunities for Vietnamese children age 12-18 to attend secondary school (24% by 1970) and at the same time improve the quality of education offered.

II. TARGETS AND PROGRESSA. In-Service Teacher Education Development

1. Develop an organizational framework through which an in-service teacher training program may operate.

This task involves the Directorate of Secondary Education; the Faculties of Pedagogy, Saigon, Hue, Can Tho, Dalat; and USAID/Education. During this quarter the training plan was officially approved by the Minister of Education and Youth. Preliminary planning has been carried on with the Faculty of Pedagogy, Saigon. Planning meetings are scheduled at each of the other Faculties of Pedagogy during the month of April.

2. Hold 16 in-service education workshops as scheduled below:

<u>January-March</u>		<u>July-September</u>	
Workshop	- 1	Workshop	- 5
Participants	- 50	Participants	- 250
<u>April-June</u>		<u>October-December</u>	
Workshop	- 5	Workshop	- 5
Participants	- 250	Participants	- 400

One ten-day workshop for chemistry and physics teachers was held at the Faculty of Pedagogy, Saigon, February 2-12 for 55 participants. Plans are being developed for the five workshops to be held the second quarter.

3. Support the establishment of a National Center for Continuing Studies.

Construction of a four-classroom building on the campus of the University of Saigon, Faculty of Pedagogy, began the first of April. This facility will be used for both the In-Service Teacher Training Program and the Accelerated First Cycle Teacher Training Program. This activity is behind schedule due to delays in funding.

B. Secondary Teacher Education Development

1. To graduate from Faculty of Pedagogy Can Tho and Faculty of Pedagogy Saigon 990 students in 1969 and 1,130 in 1970. This includes 500 students each year who are expected to graduate from the accelerated teacher training program.

Eight classrooms to be used for the Accelerated Secondary Teacher Training Program are nearing completion at the Faculty of Pedagogy, Can Tho. Construction of four classrooms of the 16 on the campus of the University of Saigon to be used by this program began the first of April. These facilities will make it possible to enroll 500 additional students -- 330 at the Faculty of Pedagogy Saigon and 170 at the Faculty of Pedagogy Can Tho.

C. Comprehensive Secondary School Development

1. Provide textbooks and study guides which will support the comprehensive secondary school program.

An Arrete has been signed by the Minister of Culture, Education and Youth establishing a National Science and Mathematics Curriculum Development Committee authorized to develop science and mathematics textbooks and curriculum guides. This is a most significant step in the implementation of the comprehensive secondary school curriculum and in the improvement of secondary education generally. Documents are presently in the process of being approved for the printing of 200,000 textbooks for science and the practical arts in 1969. An additional 200,000 are programmed for 1970. This activity is behind schedule, but it has gained momentum during the last few weeks. It is possible to reach this goal.

2. Provide in-service training workshops for pilot and comprehensive school teachers in organization, method, and techniques of comprehensive secondary education. Workshops have been organized as follows:

<u>January-March</u>		<u>July-September</u>
Workshop	- 1	1 for 30 participants
Participants	- 40	1 for 60 participants
		1 for 28 participants

A workshop on Curriculum and Teaching was held February 24-28 for 40 teachers at Thu Duc Demonstration School. This is the first of a series of workshops scheduled to improve secondary teacher training in the philosophy and teaching procedures of the comprehensive secondary schools.

D. General Secondary Education Development

1. Enroll 24% of the secondary school age population (12-18) by the end of FY 1970 (623,000 students). Increase the number of teachers to 18,700.

Reports this quarter received from three of the four regions indicate that of the 765 classrooms programmed to be constructed from 1967-1969 (470 in 1967-68, and 295 in 1969) 218 are completed and 296 are under construction. This provides classrooms for more than 20,000 students in double sessions. This project has moved slowly, but classrooms are now being built at a more rapid rate than in previous years.

QUARTERLY REPORT - JANUARY/MARCH 1969

HIGHER EDUCATION
730-11-660-367

I. GOALS

To assist in the development of an effective higher education system, with roots in Vietnamese society, that will help meet the present and future manpower needs of the nation. The gaps must be closed between the kinds of education presently offered by the universities and Normal Colleges and the needs of the emergent nation for skilled technicians and leadership.

II. TARGETS AND PROGRESS

A. The University of Florida is under contract to assist in improving university level agricultural education.

A chief-of-party and two professors have established offices in the National Agricultural Center and drawn up a scope of work which will be used as the basis for faculty improvement, curricular upgrading, and extensive planning for qualitative and quantitative growth of the Center. This may become a Faculty of Agriculture of the University of Saigon.

B. University assistance under contract is sought to improve the Engineering section of the National Technical Center at Phu Tho, the only university level engineering school in Vietnam.

A report from a three-man team from the University of Missouri, Rolla (UOM/R) was received. On the basis of this, negotiations are proposed with the UOM/R to send a contract team to Vietnam to strengthen university level engineering education.

C. It is planned to give highly specialized administrative assistance to the MOE and the public and private universities of the country in revising university statutes and in giving concentrated technical assistance in modernizing university organization.

A contract for this purpose is proposed with Wisconsin State University. This institution will organize, direct and coordinate a reservoir of high level university administrative manpower to serve as consultants for limited assignment in Vietnam.

D. Eighteen Deans of Faculties and Secretaries General of the universities were sent to the United States in the fall of 1968 to participate in a study and observation tour. It is the intention of the Higher Education Division to assemble these men in a seminar to make use of their observations in reforming Vietnamese Higher Education.

The men have indicated a desire to hold the seminar and the Higher Education Division will assist them.

E. The Rector of Saigon University asked for help in further revising University Statutes.

Efforts have been made to procure the assistance of Mr. William Vickerstaff, Special Assistant to the President of Wisconsin State University who has assisted the Rector previously, to come to Saigon for a period of 60 days consultation. He is expected to arrive within the next 30 days.

F. The University of Dalat opened a graduate school of Business Administration and Political Science. This is located in Saigon and assistance is being given in constructing classrooms and renovating facilities.

Documentation to accomplish this target was completed during the quarter.

G. 1969 goals include three conferences on problems of higher education. One of these is to be Joint University Seminars and Workshops held for one day at each of the five universities. One is to be a national seminar and the third is to be a national conference summarizing and implementing decisions of the other two.

A Program Agreement for these was completed during the quarter.

H. Assistance in upgrading the faculty of Dalat University and establishing a Faculty of Science in Van Hanh University is to be accomplished by a grant to The Asia Foundation (TAF).

Documentation is presently being processed to provide a \$150,000 grant to TAF.

I. Seven Deans of Faculties and other university leaders will be sent on a study-observation trip to the US. These men were not included in the group of 18 who made the trip last fall.

Plans for this activity await action by the MOE. Through most of the quarter, the Ministry was somewhat unstable due to the assassination of Minister Tri and a replacement was not appointed until late in March.

J. Four selected members of the Senate and House of Representatives of the Republic of Vietnam - those with specific leadership responsibilities in education - will be sent to the US, Korea, and Taiwan to study and discuss implementation problems of educational "systems" on both national and State levels.

This activity will take place in July and documentation has been prepared during the quarter.

K. A total of 31 students have been approved for extensions to study for higher degrees in the United States.

During the quarter, documentation was prepared for these 31 extensions and for two new starts.

L. Goals of secondary teacher education under the contract with Ohio University provide for giving assistance to the MOE and the Faculties of Pedagogy in the Universities of Saigon, Hue, and Can Tho in modification of administrative organization and practices, in developing curricula, course content and instructional materials, in developing and modifying teaching methods, and in helping in the participant training program.

During the quarter, the following has been accomplished:

1. An accelerated program for educating first cycle Secondary School teachers is to be established in the Faculties of Pedagogy in the universities of Saigon and Can Tho.

A fourteen-room classroom building for housing the accelerated program is within 30 days of completion at the University of Can Tho, and construction at the Faculty of Pedagogy in Saigon has been started. The accelerated program has been worked out and accepted by MOE. Students will study for eight months and begin teaching. They will subsequently study in two summer sessions after which time they will be certified with an equivalence to students who have studied the usual two years.

2. An In-Service Seminar for the faculty of Thu Duc Demonstration School was held during the last week of March. The topics focused on the philosophy of the Comprehensive High School and Curriculum Construction.

3. Plans have been completed to construct a model library for the Wards of the Nation High School at Tan Son Nhut. This is one of the Pilot Schools demonstrating the Comprehensive Curriculum.

4. The MOE has issued an arrete which establishes a national research committee in science education and mathematics. This committee

is concerned with updating science teaching methods, curriculum, textbook writing and other elements of science teaching.

5. During the quarter a two-week workshop in science education was held at the Faculty of Pedagogy in Saigon. A laboratory guide was used as the basic instrument of instruction throughout the workshop.

6. During January, the National Wards School initiated its laboratory program in science.

M. Goals of elementary teacher education under the contract with Southern Illinois University provide for assistance in improving and developkng administrative organization of Normal Colleges, upgrading and updating curricula, teaching procedures, and instructional materials, helping establish an In-Service Education program for elementary teachers, and providing advice in the selection of participants who will work in the elementary teacher training program.

During the quarter, the following has been accomplished:

1. Construction of four new dormitories to house 1600 students neared completion at Vinh Long and Qui Nhon Normal Colleges.

2. Construction of the Normal College Complex at Ban Me Thuot neared completion.

3. Twenty new Normal College Professors, graduates of a one year program in the Faculty of Pedagogy of the University of Saigon, were placed in positions in the various Normal Colleges as follows:

Saigon Normal College	3
Vinh Long Normal College	8
Long An Normal College	3
Qui Nhon Normal College	4
Ban Me Thuot Normal College	2

4. Plans were developed for five special workshops to be held at each Normal College in the Republic from July 28, 1969, through August 16, 1969, devoted to the improvement of instruction in Language Arts.

5. A total of 1,500 second year students began their last quarter of studies at the five Normal Colleges prior to graduation and placement as elementary school teachers.

6. A total of 1,900 first year students continued their studies in the five Normal Colleges.

7. The 32nd Session of the National Elementary Teachers In-Service Education Center (Saigon), devoted to the improvement of Social Studies instruction, with emphasis also on Youth Activities and Physical Education, was held from January 13 to February 8. Ninety-eight participants attended.

8. Fifty-three participants are studying in the US for a University degree in Elementary Education. These teachers will be assigned to teach in the Normal Colleges upon their return to Vietnam.

9. In March, the fifth and largest (62 pages) issue of "Tap San," the Elementary School Journal was printed and 3,000 copies distributed to teachers and school libraries throughout Vietnam.

10. In March, an evaluation of the Normal Colleges at Qui Nhon, Vinh Long, Saigon, and Ban Me Thuot was conducted by SIU advisors.

QUARTERLY REPORT -- JANUARY/MARCH 1969EDUCATION TECHNICAL SUPPORT
730-11-690-368

INCLUDES: ADULT EDUCATION
LIBRARY DEVELOPMENT
TEACHING OF ENGLISH

ADULT EDUCATIONI. GOALS

To assist the Directorate of Adult Education and other GVN Ministries in providing immediately useable knowledge and information to the large portion of the Vietnamese adult population who have been denied sufficient education opportunity in the past to permit adequate response to the Nation's overall pacification efforts.

II. TARGETS AND PROGRESS

A. Ministry of Education (MOE): Establish a minimum of five literacy classes per province, a minimum of twenty advanced studies classes, provide thirty vocational and technical classes with materials and equipment, and conduct five regional adult education in-service training workshops.

All of the decrees for this activity have been forwarded by the Adult Directorate to the Ministry of Education for approval. This was not accomplished last year until August. The Adult Directorate has also sent official correspondence to each province requesting that the project organization begin now.

B. SCAG (CORDS/Saigon Civil Assistance Group): Establish and conduct 200 literacy courses, 150 post-literacy courses, and fifty short-term vocational technical courses for the greater Saigon area.

All of the preliminary program drafts have been prepared and are currently in the process of being approved, by the Mayor's Office, CORDS and USAID.

C. Chieu Hoi: Continue to provide teacher training and assistance in setting up classes for illiterate Hoi Chanhs.

During the quarter 951 Hoi Chanhs attended literacy classes as part of their rehabilitation processing.

D. Directorate of Prisons: Conduct in-service training in provincial and national prison systems to upgrade prisoner rehabilitation program.

One three-week training session has been completed at the Danang Prison in Adult Literacy, health education, vocational education, and physical education. Twenty inmates were trained and are now conducting classes for 145 other inmates in the three mentioned above. A similar program is scheduled for Hue Prison during the month of April.

The Director of Prisons has requested that the Adult Directorate coordinate four training sessions of three weeks duration each in adult literacy, health education, and physical education. The program is tentatively scheduled for May and June for Chi Hoa, Thu Duc, Tan Hiep, and Con Son National Prisons. Two hundred inmates will be trained to organize classes for 11,000 other prisoners who are mainly VC or NVA.

E. Revolutionary Development: Continue to train cadre to organize and teach hamlet literacy classes.

During the quarter an additional 341 Revolutionary Development Cadre were given instruction and 13,649 new hamlet residents were given the opportunity to learn to read and write. A total of 1,088 Revolutionary Development Cadre, 161 Truong-Son Revolutionary Development Cadre, and 129 hamlet civilians have been trained, and 55,432 individuals have been enrolled in Ministry of Revolutionary Development sponsored classes.

LIBRARY DEVELOPMENT

I. GOALS

To assist the GVN in developing prototype library programs for schools and public libraries and to implement these programs in selected pilot institutions. Also, to assist the GVN in developing library services and resources in higher education institutions, public research centers, and in the National Library.

II. TARGETS AND PROGRESS

A. Prototype programs: Training

The second basic teacher/librarian training course was held from March 3-22 with nine students. At present, 17 students have been trained in FY69 out of the total of 24 students which will be trained. There will

not be a course in the next quarter because of home leave on the part of the technician-in-charge, but there will be two courses held in the first quarter of FY70 to complete the training program.

B. Centralized Cataloguing

As part of the National Library Services, the first catalogue cards have been produced. This activity represents not only the physical preparation of the cards, but also classification modification, development of Vietnamese subject headings, and the elaboration of the technical vocabulary used in the bibliographical description.

C. Pilot library programs

Can Tho Elementary School Library has opened and commenced service. Binh Long Elementary School Library is nearing completion and will open in the coming quarter. The two pilot units in elementary schools projected for 1969 have been implemented.

Progress in the planning for and the implementation of six new high school libraries (eight new units projected for 1969) and three new public libraries (five new units projected for 1969) has been made.

D. Development of research collections: Training

Of the eight participants for overseas library training, two have departed, four have been processed, and two are in process.

E. Development of collections

PAR's totalling \$83,000 have been completed, representing the total expenditure of FY69 funding, i.e., \$14,000 for secondary education and \$69,000 for higher education.

TEACHING OF ENGLISH

I. GOALS

To assist in bringing English teaching to a professional level in the national educational institutions. To increase the amount of English language training available to students in formal institutions, out of school youth, and to adults.

II. TARGETS, COURSES OF ACTION, AND PROGRESS DATA

A. Establish training centers for in-service and pre-service teachers in which their language skills and teaching skills will be improved.

The Cong Hoa Language Center has been placed under the jurisdiction of the Faculty of Pedagogy in Saigon. The amount of work needed to rehabilitate it has been determined. PIO/C for this work will be forth-coming.

A 25 position language laboratory has been installed for the Faculty of Letters at Can Tho University.

VN\$25,000 was provided for the training of Mr. LE HUU AN of the University of Hue Staff. A three-week course was given to Mr. AN in the simple maintenance of the Hue language laboratory. Mr. AN completed this training on March 16, 1969.

Work was started on March 17, 1969 to repair the electronic components of the language laboratory at the University of Hue. Further work awaits the completion of repairs being made to the building.

A proposal has been submitted to the Minister of Education for a series of three-month summer workshops to be held for English teachers. These workshops will be held by the Faculty of Pedagogy in Saigon.

On February 11, 1969 a fifteen-week seminar held in Bien Hoa for thirty English teachers and fourteen outstanding students ended.

The English Branch is examining the possibility of holding short seminars in several locations for English teachers in the Defense Military Cultural Schools.

Lack of funds has made it impossible to carry out the short seminars for English teachers that were originally scheduled for the spring of 1969.

B. Support a participant training program designed to supply the country with a nucleus of highly trained English training specialists who are trained in the United States.

Twelve participants are currently in training in the United States, two have been cleared and are waiting to be called forward. Three M.A. recipients have returned to Vietnam this quarter.

C. Establish a council of Vietnamese English teachers to (1) serve as liaison between the Ministry, teachers in the field and USAID; (2) develop special instructional materials; (3) develop effective curriculum for English departments; (4) work toward revision of out-dated examination procedures; and (5) maintain up-to-date data on English training requirements in all schools.

The proposal to establish such a council has not yet been acted upon by the Minister.

D. Make a detailed survey of the English enrollment in all schools.

The survey of the secondary schools, national wards schools and military cultural schools has been completed. A survey of the technical schools, normal schools and universities is now under way.

E. Establish liaison with all English teaching activity currently being conducted in the country outside of MOE jurisdiction.

Monthly meetings are being held between members of the USAID Education, English branch and representatives from VAA, USAID Staff Development Center, American Cultural Center, American Medical Association, Defense Language Institute, and military civic action units. A library of source materials and journals, open to all persons interested in English teaching, is being formed.

F. Supply English teachers with instructional materials and train them in seminars to use the materials.

Two thousand copies of "The Proper Use of Hand Tools" have been supplied to the vocational schools. The book is in both English and Vietnamese. A Teachers' guide in English has been developed for Anh Ngu. Copies are being supplied to American teachers who are unable to read Vietnamese. Other books distributed:

English for Today	1,323	copies
Anh Ngu	137,674	"
Reference Books	238	"
Encyclopedias	5	sets

QUARTERLY REPORT - JANUARY/MARCH 1969MANPOWER DEVELOPMENT730-15-460-327I. GOALS

The primary goals are the development of national manpower planning capability in the Ministry of Labor and improving the ability to implement an effective manpower program. This includes improvement in collection and analysis of manpower information, the training of a national employment service, the development of a vocational training program to train workers in needed skills and to train instructors, the introduction of modern concepts of industrial relations and the training of the labor inspectorate in labor law enforcement and mediation.

II. TARGETS AND PROGRESSA. Manpower Planning and Programming1. Develop an Inter-Ministerial Manpower Planning Body.

An Inter-Ministerial Manpower Coordinating Committee with the Minister of Labor as Chairman was established by order of the Prime Minister, March 19th. The six members from other ministries are now being selected.

2. Develop within the MOL an office of Plans and Programs.

The order establishing the Inter-Ministerial Manpower Coordinating Committee provides that a Standing Office be set up in the Ministry of Labor and that the organization shall be determined by order of the Minister of Labor. The Minister is now in the process of developing such an order.

3. Train MOL staff in necessary functions of occupational classification, manpower allocation and utilization, evaluation of the need for foreign workers and utilization of data in manpower planning.

Training of three persons assigned as specialists in occupational analysis continued through the quarter. These persons and others are continuing use and development of a 3-digit occupational classification system for Vietnam.

Training in other functions has been delayed because the MOL has not yet obtained and assigned staff to these functions. One problem in this activity has been the difficulty of obtaining staff with the required qualifications for the remuneration the MOL is able to offer. Another problem has been the failure of the Ministry to date to name one person to head this office; the problem should be solved with the naming of a person to head the "Standing Office" now being established.

B. Research and Analysis

Assist the Ministry of Labor to develop a program of occupational employment surveys of industrial and commercial establishments.

The initial survey in this program is to be of scientific, professional, and technical workers in industrial and commercial establishments in the Saigon-Gia Dinh area. During the January/March quarter the survey questionnaire forms were printed and a sample of establishments was selected. A manual for interviewers was prepared and a training class for 12 interviewers is being organized. The training class is scheduled to be held early in April and collection of data should be completed before the end of June.

A very small GVN staff, which in mid-March was temporarily expanded from 10 to 15 employees, and a lack of a full-time project manager on the GVN side has seriously hampered progress in this activity. As a result of the MOL reorganization, a full-time manager was assigned.

C. Employment Services

Establish a model placement office in Saigon: - train placement personnel from provincial offices and develop a mobile placement team.

The model placement office established in Saigon continued to operate and provide on-the-job training to the staff throughout the quarter as well as serve to develop new methods and procedures. Substantial progress was made in methods of recruitment of workers and employer contacts to obtain job orders. Both job orders and job applicants increased substantially. Progress was made in development of forms, use of occupational classification in placement, and in better methods of matching workers and jobs.

Principal problems were failure of the MOL to provide a more adequate staff for the office and to provide adequate support for the office such as transportation, messenger service, advertising and printing. Failure to recruit personnel who will travel has prevented training of mobile teams. Failure to obtain new forms and obtain approval of new methods and procedures has prevented bringing in staff from the provinces for training.

D. Skill Training

Develop a vocational training program to train and upgrade workers in needed skills.

During this quarter the contract of Education Consultants, Ltd. to do skill training was completed. During the life of this contract, from April 1967 to January 1969, 6,634 trainees were enrolled and 5,785 were graduated from training courses in 18 different skills at 17 different sites in Vietnam.

A training contract with American Asian International, Inc. was signed on January 20th and training operations immediately initiated. During the quarter training was started for 1,275 students in 8 different skills at 7 different sites in Vietnam.

The Ministry of Labor expanded its skills training activity for 1969 in programming 97 courses in 19 provinces. Instruction is provided by 15 technical school instructors and 95 journeymen craftsmen from industry.

This activity has been augmented by USAID with a contract awarded to American Asian International on January 20, 1969 to provide guidance and assistance to the GVN in carrying out this program. The contractor maintained training programs at the Veterans' Training Center at Cat Lai, the GVN Naval Shipyard in Saigon, the Ministry of Labor schools at Gia Dinh and Tuy Hoa, the Chieu Hoi programs at Bien Hoa and Can Tho, and at USAID/GSO shops at Thu Duc.

The Veterans' Training Center at Cat Lai offers, to Category II Veterans, a 90-day training program prior to their discharge. A total of 147 Category II Veterans are enrolled. This program offers automotive mechanics, electricity (housewiring), plumbing, heavy equipment operation, machine shop, and welding.

The Government of Vietnam Naval Shipyard Apprenticeship and OJT program trains Navy shipyard apprentices and shipyard workers in machine shop, electric shop, carpentry, diesel motor repair, sheet metal, plumbing, refrigeration, and welding. A total of 707 apprentices and/or shop workers are enrolled in this program. Classroom and formal shop instruction is given to 219 apprentices on a regular weekly schedule. During periods when no apprentice classroom instruction is in session, our teaching teams supervise on-the-job training in the regular production shops.

The Ministry of Labor School and Annex accomodates students selected by the Ministry of Labor and US Air Force Civilian/VN Personnel; 188 students are enrolled in this program (39 are Air Force employees). All of these courses run for 90 days, with the exception of two 4-hour sections of electric shop, which will run for approximately 140 days.

The Chieu Hoi Training Programs are set up to operate for approximately 90 days. The time the student is available for instruction varies, depending upon the length of time he is in the camp. Individual instruction is emphasized in this program, since students may be added to the classes at any time. A total of 68 Hoi Chanh were enrolled at the centers where automotive mechanics, electricity, and furniture-making courses were offered during this reporting period.

The USAID/GSO In-Service Training Program, offering generator operation to USAID employees, is well established. A class of 16 students, in session when the contract began, was graduated; a new class was started on March 3, 1969. A section of automotive mechanics may be added if necessary.

The contract provides for the training of Vietnamese instructors and the programmed take-over of all present operating programs by Vietnamese instructors during the contract period. In-service training in modern and improved teaching methods is conducted each Saturday afternoon for all AAI employees under this contract, with the intent of continuously upgrading the standards of instructional performance provided by AAI. Arrangements have also been made for AAI to prepare an 80-hour Instructors' Training Course for Vietnamese craftsmen from private industries as well as the GVN who are interested in becoming trade skill teachers.

E. Industrial Relations

Introduce modern concepts of Industrial Relations to labor, management, and Government officials with the establishment of a semi-autonomous Industrial Relations Center.

During this quarter, some disruption occurred as the result of an MOL reorganization which failed to reassign staff for two months. When completed, new Center staff was organized and staff training begun. Planning for the second quarter includes a collective bargaining seminar for union leaders, the first meeting of the newly-appointed Labor Advisory Board, and three participant programs; the long-delayed departure of a dock workers group to the U.S., a trade union leadership group to the Asian Labor Education Center in the Philippines, and a Workers' Education Directors' seminar also at the Asian Labor Education Center.

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The assistant director of the Center continues to study at the University of Michigan-Wayne University Industrial Relations Institute where he is expected to prepare recommendations on how to establish such a semi-autonomous institute in Vietnam. Although this activity is behind schedule, completion of its CY69 goals is anticipated since the staff now assigned is considered permanent.

F. Training Ministry of Labor Inspectorate to enforce laws and mediate low level labor disputes and to recommend improvements in the present disputes procedures.

No activity was planned for this quarter. However, the Labor Law and Mediation consultant has arrived and the following targets are set for the second quarter: 1) Study and recommend changes in the draft Labor Disputes Law; 2) Set up two regional seminars for training provincial labor personnel in improved mediation methods; (In the FY69 CAP, four such seminars were proposed; however, due to MOL budget limitations it will be possible to hold only two in CY69); 3) Prepare a report for the MOL recommending such changes in training of mediators and in the disputes law developed during the expert's TDY.

QUARTERLY REPORT - JANUARY/MARCH 1969TRADE UNION DEVELOPMENT
730-15-410-328 (Regional)I. GOALS

The goals of the Trade Union Development project are to strengthen and expand the trade union movement of Vietnam; to strengthen the economy of Vietnam by increasing worker productivity through unions, especially in the agricultural and fisheries fields; and to maintain trade union support of and identification with the GVN/USG position. To do this, the Asian-American Free Labor Institute, created by the AFL-CIO, assists and advises the Confederation of Vietnamese Labor (CVT). The primary role of AAFLI is to train, both under academic conditions and through on-the-job training, CVT cadre in the fields of cooperative development, trade union leadership and press and information techniques. AAFLI is also supplying commodities to be used in the establishment of cooperatives among various local trade union groups. Overall training goals include: 1) 150 cadre to be trained in co-op organizing and management; 2) 60 cadre trained in press and information techniques; 3) 150 cadre trained in advanced leadership; 4) 600 cadre trained in intermediate leadership; and 5) 1,800 cadre trained in elementary leadership.)

II. TARGETS AND PROGRESSA. Training

Training of CVT cadre by AAFLI under the above-listed programs during the first quarter of 1969 totaled 243 cadre, including: 1) 198 in elementary leadership; 2) 20 in press and information; and 3) 25 in co-op organizing.

Seven separate training seminars in these three fields were held during the quarter. Total cadre trained to date by AAFLI is 423 cadre, including: 1) 150 co-op organizers and managers (this portion of the project is now completed); 2) 41 press and information cadre; and 3) 232 trade union leaders of various levels. AAFLI's training program continues to be about four months ahead of schedule. However, the tractor distribution activity has been somewhat delayed with the target date now set for June 30, 1969.

B. CVT Fertilizer Distribution

Fertilizer sales by the CVT through its provincial dealers (either provincial trade union organizations or contracted commercial dealers) exceeded 54,000 metric tons in 1968. Sales continue to run well in 1969, according to CVT officials, but totals have not been computed since the peak buying period for fertilizer has not yet been reached. Unless difficulties arise with the GVN over import licenses, the CVT expects to import and sell approximately the same volume in 1969, with a possible 10 to 15 per cent increase. CVT has obtained a private import license, having incorporated itself commercially as the Farmer-Worker Supply Co., Inc., for the purpose of importing fertilizer, insecticide and agricultural machinery and supplies. However, it has had difficulty with both the Ministries of Economy and Agriculture in obtaining specific licenses for commodity import. USAID is attempting to assist the CVT overcome these obstacles.

C. Political Development

The CVT has continued to be heavily involved in the nation-building process through its involvement in national politics as a participant in the People's Alliance for Social Revolution (Lien Minh). This is in keeping with our objectives of having the trade union movement assume a leading role in developing strong popular support for the GVN. Towards the end of March, it was announced that Lien Minh, which now includes more than 30 political parties in addition to the CVT, will hold a national convention in April and that the alliance will extend to President Thieu an invitation to assume its leadership. Lien Minh cadre continued to operate throughout the country in building an infrastructure of organizational stability.

D. Social Welfare

The Social Welfare and Women's Affairs Committee of the CVT continued to expand its activities during the first quarter of 1969. A proposal is currently being developed to provide public bathing facilities at the CVT's 20 social welfare centers in an effort to combat abnormalities of the skin among children in working class neighborhoods. This is planned as a self-help project with non-USAID funding.

E. Waterfront Hiring Hall

The dock workers' waterfront hiring hall is still non-operational. However, a team of eight dock workers is scheduled to go to the United States before June 15 to observe operation of hiring halls at American waterfronts.

QUARTERLY REPORT - JANUARY/MARCH 1969

LABOR TECHNICAL SUPPORT
730-11-499-377

GENERAL SUPPORT ACTIVITIES

Labor Division staff continued to serve on the Joint Executive Group providing the Director with advice and guidance in dealing with the USAID Local Employees Union as well as on the Civilian Manpower Committee which was principally occupied this quarter in working on matters pertaining to TCNs. Discussions were held with the Economic Counselor as to the methods for coordinating the Mission advisors who are counterparts to the members of the Inter-Ministerial Manpower Planning Committee discussed in Project 327.

The Ministry of Labor was assisted during this quarter in its efforts at reorganizing the Ministry's structure. Labor continued to provide in-service training in the English language for participants, upper-level staff and interpreters. One technician was assigned to serve as part-time liaison with the administrative section of the Ministry.

No action was taken during this quarter on the Social Security activity. However, a Social Security technician is expected to arrive here in the second quarter to conduct a survey upon which planning may be based.

QUARTERLY REPORT - JANUARY/MARCH 1969SUPPORT OF LOCAL GOVERNMENT730-11-720-339

(Includes URBAN DEVELOPMENT)

LOCAL GOVERNMENTI. GOALS

To develop viable local governments with expanded popular participation to support pacification efforts, and to facilitate the extension of government services and administration to the people.

II. TARGETS AND PROGRESSA. Help to increase village revenue collections and improve local government budgeting practices.

Work is continuing at the Ministry of Interior (MOI) on the development of training courses in Budget/Finance and Taxation. Lesson plans and related materials for these courses are scheduled for completion by 1 May and courses are to begin at all the province training centers by the end of the same month.

This ambitious program, however, may be delayed because of the new decree that has just been issued reorganizing village/hamlet governments, which, among other reforms, created the new positions of Village Commissioner for Finance and Village Commissioner for Taxation. This change will necessitate revision of some of the lesson plans. In addition, the change in duties will result in different types of village officials taking the courses than was originally planned, with the new emphasis on training the new Commissioners for Finance and Taxation. A major obstacle in improving local tax collection rates was removed during this reporting period, when as a result of field studies referred to in the last Quarterly Report, the GVN revised the formula for computing the subsidy for the salaries of village/hamlet officials. The old formula discouraged the village from increasing taxes because villages with higher levels of revenue collection were obligated to absorb an increased proportion of salary costs. (See TOAID A-411 and A-1756 for complete details). The new formula was effective 1 April 1969.

B. Help MOI strengthen its relations with local governments by providing more efficient and constructive services.

In the area of basic administrative improvements, the MOI was able to accomplish little beyond revision of the salary subsidy during the quarter because of higher priority efforts needed to implement the Accelerated Pacification Campaign and the new MOI/MORD village and hamlet officials training course at the National Training Center, Vung Tau. However, the new pacification and self-help program guidelines delegated greatly increased powers and autonomy to village governments. Village governments are to have direct control over local security forces and RD cadre, and self-help funds will be channeled directly to the village governments to implement the smaller projects which do not require national ministry technical expertise.

The MOI has established a Directorate of Local Administration which will focus on problems of Local Government. Although this organization has been in existence for less than a month, it does show promise of becoming an agency through which MOI can provide technical assistance to local governments in the field.

This Directorate will be deeply involved in the next quarter with implementation of a decree to reorganize the village/hamlet governments. Technical assistance for this Directorate is being carefully coordinated with CORDS Community Development Division.

C. Work with the Ministry of Interior and USAID and CORDS training advisors, and any other available resource, to provide the most useful training programs possible for local government officials.

The conventional village/hamlet officials training course was superseded during this quarter by a shorter course on village/hamlet government prepared for officials who were newly elected or appointed during the Accelerated Pacification Campaign. Special seminars on village self-development in connection with the 1969 Pacification Program were also held for these officials.

The major GVN training emphasis during the quarter was on the Vung Tau course for Village/Hamlet officials. The first course in leadership and administration for 1,200 village officials began on 24 March. It is too early to evaluate the program but all indications are that it is a substantial improvement over the prior training courses which village/hamlet officials attended during CY67 and CY68.

Preparation of materials for In-Province training courses was limited to the Budget/Finance and Taxation course (see A above). However, much of the material that was prepared for the Vung Tau course can be readily adapted and/or expanded for use at the province training center. It is anticipated

that with the Vung Tau program under way, the emphasis in the second quarter will shift to preparation of materials for in-province training.

D. Establishing training centers in each province by the end of FY69.

No change. It appears the goals established for FY69 will not be achieved until the end of CY69 (see last report).

E. Serve as resource backstop for Corps Area public administration problems.

Regional Public Administration Advisors are continuing to conduct training sessions for U.S. Province and District Advisors. In IV Corps, these sessions are conducted on a monthly basis. In the other three corps, the P.A. Advisors conduct sessions at the CORDS Province Headquarters and in a few cases at the District.

Because of staffing vacancies, two members of the Local Government Staff assigned to work with MOI were temporarily detailed to CORDS III Corps and II Corps to serve as the Regional Senior P.A. Advisors. Hopefully these vacancies will be filled during the second quarter of CY69.

URBAN DEVELOPMENT

I. GOALS

Strengthen the growing awareness of the GVN of the importance of urban planning and assist in creating an appropriate GVN administrative framework for dealing with urban development problems.

II. TARGETS AND PROGRESS

A. Strengthen the capability of the Directorate General of Reconstruction and Urban Planning (DGRUP) to respond to requests for technical assistance from urban centers throughout the country.

USAID staff advisors have been working closely with DGRUP on land use/ street plans and programs of easement and construction (city plans) for the major urban centers in Vietnam.

The status of all 51 city plans have been determined and charted and 16 of these have been scheduled for completion during CY69. During this reporting period, staff advisors accompanied DGRUP officials on field trips

to review the status and content of the plans with local officials. Locations visited included Hue, Da Nang, Nha Trang, Vung Tau, Cam Ranh, Chau Doc and Ban Me Thuot.

In order to promote greater local involvement in urban planning, PA advisors in IV Corps distributed and discussed materials on the Vietnamese urban planning system and the status of all city plans completed or under preparation with CORDS PSA's and the Regional Engineer's Office (counterpart to urban planning offices in the field). This process will be extended soon to the other three corps.

Assistance also has been provided for DGRUP's urban planning efforts in Saigon for which a preliminary land use/street plan is expected to be available for review about June. Commencement of the land use survey of the Saigon-Gia Ninh urban area was delayed pending review of scope of work and contractor qualifications, but it is expected that a contract will be signed in the next quarter and work completed one year thereafter.

B. Find a solution to administrative problems of moderate-sized rapidly growing urban areas.

Urban planning boards have now been established in all major urban centers in I Corps. Advisors are now urging DGRUP to issue directives and instructions to utilize these groups in a meaningful manner.

Because of priority commitments to the Accelerated Pacification Program (APC) and the 1969 Pacification and Development Program, MOI was unable to establish a task force to work on the Nha Trang Charter. Nevertheless, it is anticipated that work on this activity will begin in earnest during the next quarter.

C. Develop an urban development strategy that may be used as a guide to both GVN and USAID.

Responsibility for finalizing this paper was shifted from USAID/ADLD to USAID/PROGRAM. The paper is scheduled for completion during the next quarter.

D. Assist USAID and GVN officials with planning and administrative problems entailed in housing projects and other urban development programs.

Arrangements were completed during the first quarter of CY69 for two consultants to provide the Director General of Housing with assistance in the management and financing aspects of housing. They will be in Vietnam for

approximately 60 days during the second quarter of CY69.

Construction of the Minh Mang housing project has started. Since USAID/Engineering has the counterpart responsibility for this project, no future reports on Minh Mang will be included under this heading.

The management of the Cam Ranh Housing Project was transferred to the City of Cam Ranh on 9 January 1969. Responsibility for providing advisory assistance has been assigned to CORDS II Corps, with USAID technical support being furnished upon request.

QUARTERLY REPORT - JANUARY/MARCH 1969

IMPROVEMENT OF FISCAL ADMINISTRATION

730-11-750-340

Including: Tax Administration
Customs Administration

TAX ADMINISTRATION

I. GOALS

- A. Maximize domestic tax collections on both a long-term and a short-term basis;
- B. Institutional and manpower development; and,
- C. Assistance to local government units to enable development of sufficient tax administrative capabilities to support their public service needs.

II. TARGETS AND PROGRESS

A. Increase Revenue Collection

The target for collections for this quarter was VN\$ 6.3 billion and was almost exactly achieved with a total of VN\$ 6.27 billion actually collected through March. When adjustments are made (as a result of late reporting by some Provincial Tax Offices) the total is expected to be slightly increased. If the first quarter pace is maintained during the ensuing nine months, Mission's estimate of VN\$ 24.3 billion for 1969 will be exceeded. However, this pace will not achieve the revised estimate of the Ministry of Finance which has set a goal of VN\$ 30 billion for 1969 for internal taxes.

B. Upgrade the internal operations of the Directorate General of Taxation (DGT) through organization improvements.

The target of elimination of the four separate directorates and the complete functionalization of the tax service by the end of FY 71 does not appear unreasonable. When completed, all directorates (Indirect-Excise, Direct and Registration) will be merged and administration of all internal taxes will be vested in one service; this service will include functions of (a) administration, (b) audit, (c) appellate, (d) collection, (e) inspection, (f) documents and statistics and (g) legislation and technical. Some progress has been made inasmuch as the Excise and Indirect Directorates were merged effective from 1 February 1969. One function of the Registration Directorate (Dividends Tax) has been

transferred to the Corporate Income Tax Section of Direct Taxes; the previously mentioned Special Audit Group, the Delinquent accounting for Corporation Income Taxes, all represent steps toward eventual functionalization of the service.

The Public Information/Taxpayer Education Division of DGT was scheduled to move into extensive operation in early 1968, but this was delayed by the TET offensive. A short-term advisor (90-day) has been recruited and is scheduled to arrive in June 1969. Meanwhile the DGT has intensified issuances of informational documents to taxpayers, directly and through news articles and press interviews. Three specific issuances through Mission and military disbursing offices have been instrumental in the increased filing of salary tax declarations (more than 80,000 in the first quarter). Attractively designed covers for taxpayer information pamphlets (a total of four so far) have been drafted; these pamphlets explain in simple terms requirements for filing certain types of tax returns, location of tax offices, information service telephone numbers, tax rates, etc. Twenty (20) of these booklets will eventually be issued.

C. Develop a strong in-service training program designed to upgrade DGT personnel and provide professionalization of the Service Officers.

Because of year-end reports, TET holidays and the extra workload caused by filing of income tax returns, little in-service training was scheduled during the reporting quarter. Projected training hours for the entire year are 4,860 more than double 1968's 2,170 training hours.

Twenty-four (24) graduates of the National Institute of Administration, who have been assigned to the Tax Directorate, completed a course in Audit Techniques conducted by the team's audit advisor. On-the-job training for some thirty auditors, assigned to the special audit group, continued. Lack of dynamic leadership in the audit area is handicapping this operation.

English language training (some 80 students) continued throughout the quarter for four classes conducted by the tax team's advisors. Training in IBM operations is being carried on by the Data Processing Advisor.

D. Improve those physical facilities and equipment that will contribute directly to efficiency of operations.

Practically all outstanding commodity orders were completed during the quarter (except for accounting and bookkeeping equipment), including projectors and other training equipment, calculators, typewriters, etc. The Minister of Finance has granted some special funds

to the DGT to acquire additional cashier-receipting machines and other needed equipment. Piaster funding has been approved for filing cabinets and storage cabinets.

To tighten up management control, cut overhead and conserve manpower, authority was granted to merge tax offices in the capital area. One office in Saigon and one in Cholon have been closed and operations merged with other districts. Plans have been submitted by an architect for a new 7-story Tax Headquarters (Pro-Ag of 12/67 for VN\$ 6 million underwrote this), but construction is being delayed by a dispute over the method of payment of architect's fees.

E. Improve Procedures and Methods

1. Audit. The Special Audit Group completed 91 audits in the quarter against a target of 80; total additional assessments recommended were VN\$30,441,876 (an average of approximately VN\$335,000 per case) slightly exceeding the monetary goal of VN\$30 million for the quarter.

However, the audit operation is not satisfactory; USAID is greatly concerned that only 16 of the audits were in the Direct (income) Taxes area, the remainder being Production Tax audits. The production per audit is unsatisfactory for a group of this size due in part to great timidity on the part of auditors to utilize their authority to obtain records and to make outside inquiries in developing evidence of income understatements.

District Office Chiefs have, in some cases, reduced auditors' proposed assessments without valid justification and, together with inadequately trained audit supervisory personnel, have handicapped auditors who attempt to use "indirect" (net-worth, expenditures, bank-deposits, gross markup, etc.) methods of proving taxable income. Some of our proposed training courses are aimed specifically at the supervisory personnel to correct these problems. In addition, the Director General is aware of weaknesses in the audit function and is personally taking an active part in attempts to solve the identified problems.

2. Collection. A total of VN\$204 + million in delinquent direct tax accounts was collected during the quarter against a targeted goal of VN\$ 150 million. While the delinquent taxes collection program continues about on schedule in the Direct Taxes Directorate, we still have been unable to obtain an inventory of these accounts which is sufficiently detailed to develop programs for most efficient utilization of collection personnel. This problem will be compounded shortly by the issuance of a Ministerial Decree transferring between VN\$800 million and VN\$1 billion of unscreened delinquent direct tax accounts for the

years prior to 1966 from the Treasury to the DGT.

In other areas of collections, more than 80,000 individual income tax declarations have been filed. The refund program is current with few outstanding claims unsettled; 1,437 refund checks (against a target of 2,000 for the quarter) have been issued in the amount of VN\$ 2,777,891.

The target of having all income taxes under the centralized accounting system by the end of March was not achieved due to a lack of suitable accounting machines and insufficient counterpart time needed for the development of necessary procedures. However, approximately 25,000 business income tax accounts are now scheduled for transfer to the central accounting system during the second quarter and a more realistic "timetable" is now set to centralize all salary and general income tax accounts by the end of 1969.

3. Data Processing. During this quarter, a feasibility study on the Tax Directorate's data processing facilities was conducted by a TDY advisor (former Deputy Fiscal Assistant Secretary of the U.S. Treasury in charge of data processing). His report has not yet been received; indications are that he may recommend the assignment of a data processing advisor (experienced in tax work) to the tax team to supplement the present advisor from the Data Processing/Statistics group, who is available only part-time to the Tax Directorate.

F. Improve General Administration and Personnel Management at DGT.

Authority to exceed the manpower ceiling of the DGT (set at 1,938 last April) was granted by the Minister of Finance. In March, there was a reversal of the downtrend in DGT manpower with a net gain of 62 employees; authority has been granted to hire an additional 150 but recruiting qualified personnel remains a problem. However, on-board strength of 1,969 at 3/31 exceeds our target of 1,920 as well as our 6/30/69 target of 1,950.

With the assistance of the Civil Service Advisor, the tax team is working to draft representative "job descriptions" for selected positions in the DGT; while the main purpose is to eventually establish a comprehensive personnel system embodying the necessary job standards, position descriptions, performance evaluation standards, etc., the immediate purpose is to attempt some gradations within the present "fiscal clerk" position which will recognize the different types of jobs actually performed by "fiscal clerks" and permit the DGT to have some flexibility in setting salaries recognizing the varying degrees of difficulty in the jobs.

G. Reform Saigon property tax administration.

On the last day of the quarter, a 90-day TDY advisor on property taxation reported and we are encouraged by activity since that date.

Present plans call for training of appraisers during the coming quarter, completion of necessary cadastral maps by the Cadastral Service by May 1st and reappraisal of property in Saigon's District 2 beginning in the 3rd quarter. Request has been made to IRS to arrange for a second TDY advisor on property taxation to arrive in late June or early July to develop a cost-factor book. The entire project to "reform" Saigon's property tax was delayed by 1968's TET offensive and is currently about 15 months behind schedule.

(For assistance to local governments, other than Saigon, see comments in the Local Government Branch's report regarding training of village officials, changes in Central Government subsidies, etc.)

CUSTOMS ADMINISTRATION

I. GOALS

To improve collections, increase operational efficiency in the Directorate General of Customs and reduce incidence of law violation.

II. TARGETS AND PROGRESS

A. Increasing the Revenues

The following is a comparison of imports and revenues between 1968 and 1969, first quarter:

	<u>Customs Revenue (Billions of Piasters)</u>		
	<u>1968</u>	<u>1969</u>	<u>Percent Change</u>
January	0.59	2.48	+ 320%
February	0.84	2.34	+ 179%
March*	1.24	3.15	+ 155%
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*Saigon Port Only	2.67	7.97	+ 200%

	<u>Imports (Billions of Piasters)</u>		
	<u>1968</u>	<u>1969</u>	<u>Percent Change</u>
January	3.11	7.97	+ 156%
February	1.34	4.47	+ 233%
March*	3.43	6.05	+ 76%
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*Saigon Only	7.88	18.49	134%

Effective March 1, 1969, a new customs tariff was adopted by Ministerial Law Decree. This is expected to generate approximately three billion piasters in additional revenue, principally by the reduction in the number of commodity breakouts (from 1900 to 1400) but also by selected rate increases (such as automobiles).

B. Introduce training as an integral part of efficient customs operations.

During the first quarter of 1968, USAID had expected to conduct orientation courses for approximately 200 students with a 1500 total man hours. Due to holiday and other unpredictable factors, training classes were given to 153 students, with total man hours of 1148. This drop does not seriously hamper overall plans. The course now being presented is designed to reach the most important segment of Customs personnel. Additional classes for the remaining DGC employees are planned but have not been developed and presented at this time primarily because of the lack of an adequate training staff and instructors in Customs.

C. Establish a strong law enforcement program with good esprit de corps, integrity of purpose and improved enforcement techniques.

The DGC approved and implemented a plan to create a Special Squad to work with U.S. Law Enforcement Agencies. This squad was also given nation-wide authority. The man appointed by the Director General to head this group meets with the high approval of the Advisory team. This man was given authority to choose his own men, sign warrants, and under the legal limits, set his own fines and penalties.

By introducing a system of seizure and examination of importers' books, Customs has been able to determine that a great many importers have not been paying the full amount of duties due on their shipments. Correction of this shortcoming means not only increased revenues (for example, over 100 million additional piasters were collected from importers of vehicles), but a law enforcement capability has been introduced to an area of activity not previously covered.

	<u>Jan/Mar 1968</u>	<u>Jan/Mar 1969</u>	<u>Change</u>
Fraud Convictions	4	37	+ 825%
Fines and Penalties	22,488,000\$	40,142,000\$	+ 79%
Evaded Taxes Recovered	2,007,000\$	6,655,000\$	+ 231%
Value of Seizures	232,634,000\$	160,263,000\$	- 32%

D. Strengthen systems and procedures to increase operational efficiency at DGC.

1. During this quarter, Customs officials have instituted the revised plan for the flow of entry documents (reported in the last quarterly report). The primary objective is to reduce the time involved from filing the entry through appraisement, liquidation and final receipt. As the effective date for this new procedure was March 1, 1969, it is too early to determine its effectiveness.

2. During March, the GVN announced its intention to eliminate the "Complementary Collection" period used by Customs to collect revenues incurred under the previous fiscal year but the payment of which has been deferred. This will result in more efficient accounting systems, thereby contributing to increasing the revenue. It will also permit better predictions to be made of revenue intake.

3. An agreement was reached with the Director General of Customs to undertake a study of Customs' accounting procedures with the view to installing modern methods. A U.S. customs/accounting specialist has been requested on a temporary duty basis. It is hoped that after completion of his study a recommendation can be made and adopted to install the proper machines and system in order to eliminate present inefficient characteristics such as hand-kept ledgers.

4. During the first quarter of 1969, Customs improved considerably its procedures for collecting, printing and disseminating statistical data on imports. Statistics for the calendar year 1967 were not completed until the end of May 1968; whereas statistics for 1968 have been completed and published during March 1969.

5. By decree, a Valuation Committee was recently established and will soon be functioning. This Committee will have an extremely far-reaching effect not only on Customs, but on the economy of Vietnam as a whole, inasmuch as it will undoubtedly be the means by which a great amount of additional revenue will accrue to the treasury.

The Committee will consist of members from the Ministry of Finance (Customs), Ministry of Economy (Commerce), the National Bank, the Chamber of Commerce, an Association of Importers, and the Importer Concerned. The primary purpose of the Committee will be to review

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importers' declared values and make adjustments where necessary. The advisory team hopes to take advantage of this opportunity to make many suggestions that have been pending for some time, awaiting the creation of a committee of this sort. The committee places Customs in a more dominant role in the appraisal of imported merchandise, which by proper development can be made more dominant still.

6. By a recent decree, effective April 1, 1969, Customs has been directed and has taken steps to set up a procedure to assist in the collection of Production Taxes on certain imported commodities that have heretofore been administered by the Director General of Taxation. This will put an additional burden upon Customs' already straining manpower and administrative capabilities, but not an unmanageable one. This step is deemed necessary due to the inability to collect these taxes adequately by other means and will assure collection or obligation before possession of imported goods is passed to the importer.

Approximately 300 commodities are affected. It is estimated that Customs can be expected to assist in administering a volume of approximately two to three billion piasters in Production Taxes.

7. The DGC has agreed to the principle of reassignment of Customs personnel who are detailed to work with the MOE in order to better utilize their services. This would result in increased revenues. The DGC has transmitted this to the MOF for approval and discussions between Ministries.

E. Monitor the U.S. Commodity Inspection Program

Activity under this program declined slightly from the final quarter of 1968 to the following levels:

Entries Reviewed	:	1153
Total Dollar Value	:	\$27,666,267
Entries Inspected	:	657
Marking Violations	:	15

Four advisors continue to monitor this program.

F. Improve those facilities and equipment that will contribute directly to efficiency of operations.

Four pre-fabricated buildings have been supplied to Customs by USAID for use as Customs facilities in regions outside Saigon.

46,480 pounds of chainlink fencing have been received and transferred to Customs for use around Customs' stations for security purposes. This was a dollar procurement from a prior FY.

All preliminary activities necessary to the commencement of construction of a building for use by Customs in warehousing imported merchandise and baggage at the airport was completed the end of March. This will help in the alleviation of congestion at the terminal at Tan Son Nhut.

QUARTERLY REPORT - JANUARY/MARCH, 1969STATISTICAL SERVICES730-11-780-341I. OVERALL GOALS

Increase the proficiency of key GVN agencies in the fields of statistical reporting, machine accounting, and electronic data processing.

II. TARGETS AND PROGRESSA. Statistics1. Improve the capabilities of the National Institute of Statistics (NIS) to carry out consumer income and expenditure surveys.

The 12-month consumer income and expenditure surveys were one-third completed in Saigon-Cholon, and one-sixth completed in Can Tho and Dalat. The preliminary tabulations of work for the quarter will be completed within the second quarter of CY69. Initiation of field work in Nha Trang and Da Nang has been delayed until the second quarter.

2. Broaden the scope of data collection and survey administration of the NIS to large cities of South Vietnam by increasing the number of NIS regional offices from three to eight.

In addition to establishing a new Regional office at Nha Trang, staffing is proceeding for the new regional offices in Hue and Ban Me Thuot and two new staff members are in training for the office in Da Nang. Additionally, an interagency agreement has been reached between the Agricultural Economics and Statistics Service and NIS to begin an experimental series of monthly pricings at four province capitals by NIS.

3. Improve the statistical data capability of the NIS in the provinces.

Thirty-five students were trained in elementary statistics; NIS will assign 20 of these students in 20 province centers to collect statistics--thus strengthening the field operation.

4. Provide statistical and data processing training facilities at the NIS at elementary and intermediate levels for employees of NIS, employees of other government agencies, and other students.

Thirty-five students of the primary statistical Training Institute successfully completed their course and received certificates in

February. About forty-five students are continuing their studies in the nine-month intermediate statistical class.

5. Improve the quality and completeness of reporting of vital events in Vietnam by NIS.

A revised monthly village reporting form for vital statistics was successfully pre-tested in three villages. A three-month supply of the revised form has been mailed to Province Chiefs, who in turn will mail them to Districts and Villages. It is anticipated that all 2,500 villages in the country will begin using the revised form by the end of April.

6. Assist NIS to conduct Demographic Surveys in fourteen cities of Vietnam.

Publication of the demographic sample survey for Saigon-Cholon has been delayed and is now scheduled for release in published form by the end of April.

Approval for funding for demographic surveys in seven cities was obtained from USAID this quarter, and the ProAg is now in process. The seven cities to be completed in 1969 are Can Tho, Nha Trang, Da Nang, Dalat, Hue, Rach-Gia and Bac-Lieu. The questionnaire has been prepared in two parts; demographic and fertility, and has been approved by NIS and Ministry of Health officials.

7. Publication of Statistical Data.

The NIS 1968 Vietnam Statistical Yearbook was completed and published at the end of February.

B. Data Processing

1. Assist the Directorate of Customs to upgrade its data processing facility. Specific target is to improve collection and publication of Import-Export statistics.

We are still encountering problems in obtaining qualified personnel and a signed maintenance contract for the new IBM equipment.

2. Establish a fully mechanized inventory control system at the Spare Parts Depot.

This system has been implemented; training of personnel continued this quarter (see previous report).

3. Improvement of data processing facilities at Directorate of Taxation.

A six-weeks course in Basic IBM equipment operations and wiring was started in March. Thirty-five students were enrolled and the class is proceeding very satisfactorily.

4. Improvement of data processing utilization at the Ministry of Health in the processing of statistical data.

All detailed punched card processing related to the Ministry of Health 10 per cent Hospital Sample Survey was completed. Summary data is now being processed for percentage factors, and final print-out of usable tables is anticipated in April.

QUARTERLY REPORT - JANUARY/MARCH 1969ADMINISTRATIVE TRAINING INSTITUTIONS
730-11-770-345I. GOALS

Help the GVN improve, expand and institutionalize its training activities. The emphases of this project are various types of in-service training - clerical, technical, professional and administrative; however, some assistance is being provided to pre-service education and training programs of the National Institute of Administration.

II. TARGETS AND PROGRESSA. Strengthen and expand basic management training for GVN supervisors at all levels.

In the field, against a goal of 5500 GVN supervisors to be trained during CY69 (788 were trained in 29 courses in 1968), 490 supervisors completed 26 courses this quarter. In Saigon, against a goal of 20 courses to be conducted by August 1969, six courses were conducted for 150 central government supervisors this quarter. Class size varied from 20 to 30 supervisors.

B. Encourage and assist the Ministries of Interior (MOI) and Revolutionary Development (MORD) in their extensive training programs for local government officials.

The pilot group of 1200 village and hamlet (V/H) officials began the four week course at the National Training Center (NTC) during this quarter (March 24). Results of this course will be applied to succeeding larger groups (about 2500) with a goal of 16,000 V/H officials trained in 1969 as a whole. The contract services of International Training Consultants (ITC) were utilized in the improvement of this training. As the needs of the NTC permit the ITC will shift to development of the training capacity of the 44 provinces for follow-on training for V/H officials.

General developments in training village/hamlet officials will be reported under the Local Government Project, #339.

C. Develop a continuing high-level GVN interest in employee training and encourage the development of an infrastructure to provide leadership, direction and coordination of training programs.

While there is a continuing interest at high levels, concrete evidences of action are few. Given the slowdown of the TET holiday period and the fact that the Directorate General of Civil Service (DGCS) is still in its infancy, the only significant activity was the January DGCS meeting of 25 BAM Coordinators where all Ministries were represented. Much DGCS energy is involved in the rebuilding of the bombed portion of their headquarters with its disruptive effect of lack of space and personnel relocation.

The training of trainers course for central government personnel has been delayed due to the higher priority of providing training assistance to the Accelerated Pacification Campaign and the village/hamlet officials course at NTC.

D. Provide institution building support for the National Institute for Administration (NIA) and the National Defense College (NDC).

During this quarter NIA hosted a reconnaissance study by the University of Tennessee (U of T) whose contract assistance would be aimed at the upgrading of faculty and curriculum of NIA. The U of T report is expected shortly. In the meantime NIA has begun a major in-house curriculum evaluation project, including 17 days of field visits to 7 key locations in Vietnam. Six candidates are being prepared for graduate study in the US and eventual teaching assignments at NIA. Two recent graduates from US institutions have returned to service at NIA and 4 more are scheduled to complete their work and return in the July-September quarter.

In addition, the NIA conducted its first BAM course for faculty of NIA and, in spontaneous expression of interest, a group of faculty began a voluntary course in English in preparation for working with the projected Tennessee development effort. Finally, 2 professors, a political scientist and an economist, are scheduled to attend a 6-week seminar at the University of Tennessee for the purpose of establishing a coordinated approach to U of T's contract effort.

Assistance to the National Defense College was devoted to preparing for the graduation of the first class and planning for the installation of the second class during early March.

QUARTERLY REPORT - JANUARY/MARCH 1969

CENTRAL GOVERNMENT ADMINISTRATION

730-11-729-371

Including: Central Government Management
Civil Service Improvement
Legal Administration and the Supreme Court

I. CENTRAL GOVERNMENT MANAGEMENT

A. GOALS

Assist the GVN to improve its administrative machinery at the Central Government level in order to improve its service and become more responsive to the needs of the people.

B. TARGETS AND PROGRESS

1. Create a Central Policy-Making Unit for Administrative Reform (President's Council for Administrative Reform).

Through continuous urging of the three major principals, several alternative solutions to the problem of activating the Council have been advanced to the President and the Prime Minister. Although no breakthrough has yet been achieved, progress has been made in creating a dialogue among the principals.

2. Strengthen the capacity of the Office of the Prime Minister to implement policy decisions and meet responsibilities of directing, controlling and evaluating government-wide activities.

This represents a deviation from the target outlined in the report for October/December, 1968 for the reasons given below:

During the reporting quarter, USAID P.A. advisors engaged in a series of meetings with the Minister for Executive Affairs at the Office of the Prime Minister, Mr. Huynh Van Dao, which pointed up the need to strengthen the overall capability of the Prime Minister's Office. The Minister is of the opinion, and USAID/PAD agrees, that notwithstanding the ultimate activation of the Councils for National Planning and Administrative Reform, the Prime Minister, as the Chief Administrator for implementing Executive Branch Policy, must have the capability to plan, coordinate, control and evaluate the activities of agencies and ministries under his jurisdiction. In order to achieve this capability, Minister Dao has asked USAID advisors, working in close cooperation with his immediate staff, to review the

activities of the several agencies within the Prime Ministry, from the standpoint of organization and administrative competence, and recommend measures which will render them more useful to the Prime Minister.

During the reporting quarter, USAID advisors have undertaken two projects within the Office of the Prime Minister: (1) A review of the Directorate General for Planning; and (2) a review of the Central Management Office.

1. Directorate General for Planning

The preliminary review resulted in two basic recommendations: (a) establishment of a Ministry Program Reporting System, and (b) establishment of a unit to Coordinate the Planning and Utilization of Foreign Aid Resources.

Minister Dao has accepted the first recommendation and has requested that USAID advisors proceed with the preliminary work in the design and implementation of a reporting system. (Discussions are being held to arrange for formalizing an agreement between USAID and the Prime Ministry to determine the necessary personnel and other resources to complete this project). The system will be designed to take advantage of information related to Ministry activities which is already being generated and to accumulate additional necessary information which can be presented to the Prime Minister in such a manner as to allow him to base his executive decisions on timely, factual data and also to determine if stated GVN goals and objectives are being met, and if not, to take corrective action where needed.

Effective coordination of Foreign Aid is not taking place. The GVN is receiving aid from as many as 40 countries with agreements being made haphazardly and without critical review at a central coordinative level. No overall policy exists nor is there an authority capable of pronouncing on priorities. Bilateral agreements are being negotiated directly by Ministries and in some cases by Directorates. Responsibilities in this area are scattered among the National Planning Council, DGBFA, the Post-war Planning Group, and the several Ministries, as well as the Presidency and the Prime Ministry. Before further progress is made these roles must be defined and clarified, and it is in this area that USAID is continuing its efforts to bring about some rational division of duties and install administrative procedures which will accomplish the required coordination.

2. Central Management Office

Review of the activities of this office is in progress. An obvious need exists for improving the quality and increasing the numbers of personnel. Preliminary steps have already been taken to

establish a training course for management analysts under the auspices of the National Institute of Administration, which has agreed to cooperate in establishing an initial pilot course to accommodate about 15 students. This number would supplement the Central Management Office Staff which now numbers four, and would also staff the Special Commission for Administrative Reform, which at present is without any staff, as well as Management Units within Ministries. (Commencement of this training is anticipated in about 3 - 4 months).

C. DIRECT ASSISTANCE TO MINISTRIES

Because of the needs of the Office of the Prime Minister, direct assistance to ministries has been curtailed. USAID, Office of Public Administration feels it should encourage Ministry assistance by and through the Office of the Prime Minister rather than through bilateral agreement between the Ministries and USAID. In this way, the position of the Prime Ministry will be strengthened, projects will be coordinated at a single central point and the staff at the Prime Ministry will benefit from working in close coordination with advisor counterparts. This will provide an ongoing infrastructure for coordination after U.S. advisory services are terminated.

II. CIVIL SERVICE IMPROVEMENT

A. GOALS

To focus the attention of GVN on needs for substantial improvements in public personnel administration; and to assist the newly established Directorate General for Civil Service (DGCS) with efforts to promote and develop improve GVN personnel management policies and practices.

B. TARGETS AND PROGRESS

1. Assist the GVN to develop a rational and adequately integrated pay structure.

a. The Office of the Prime Minister (OPM) wished to recommend pay rates for GVN top officials which are greater than those of Civil Servants, but also integrated between different branches of the GVN. USAID furnished information on the latest salaries and emoluments of the top-level officials in the U. S. Federal Government and the Philippine Government.

b. On March 27, a 25% increase was granted in certain allowances, including those for Personnel with supervisory responsibilities; this represents a kind of incentive pay for managers. This promulgation by OPM is related to the overall pay reform.

o. DGCS has developed a more rational pay structure which is closer to the provisions of the Civil Service Act of 1950. The plan, if approved, would: (1) simplify the pay formula by dropping temporary salary and rice allowances as separate items and providing corresponding increases in other elements in the formula; (2) reestablish the 1963 ratio between top and bottom salaries in the Civil Service (then 7 to 1, now 4.4 to 1). This arrangement would result in salary increases for about 2,000 top-level managerial employees; (3) reduce the family allowances of the pay formula closer to those paid in the private sector. However, these lower allowances would be applied only to new employees and to added dependents of present employees. The present take-home pay of all employees would not be reduced in any instance. This restructuring will be presented to the Prime Minister's Office during April. Chances of its acceptance in full are not sanguine.

d. DGCS developed a chart which simplifies the presentation of the present pay structure; instead of 184 different pay schedules (1 for each cadre), the chart now shows only 21. DGCS also developed statistics, for the first time since 1964, showing the number of employees in the career service by three categories with each category broken down further into the Administrative Cadres (5) and the Technical Cadres (179).

2. Expand the granting of career status to employees who are efficiently performing the duties of continuing positions.

During this quarter, 300 employees were integrated into the career civil service, giving them an increase of 66% in salaries and 33% in allowances. USAID endorses this selective upgrading process aimed at raising the overly low ratio of career to non-career employees in the GVN and will endeavor to encourage further extension in the future.

3. Encourage and assist the DGCS to research, interpret, codify, and publish regulations and standards governing recruitment, promotion career development, awards, disciplinary actions, and involuntary separations.

DGCS developed budget estimates on the Civil Service Regulations, which will be forwarded to the Minister of Finance during April.

4. Encourage GVN, and especially the Office of the Prime Minister and DGCS, to initiate a more useful system of position classification, more effective employee relations programs, studies that will lead to more effective manpower utilization by government agencies.

Four separate developments evidence the GVN's growing interest in undertaking improvements in the existing systems of position classification.

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a. DGCS completed a report on February 25 recommending to OPM that a position classification survey of GVN Civil Service positions be undertaken. OPM decided to present this proposal to the Cabinet of Ministers; first, however, OPM asked the Minister of Finance whether there was money available in the GVN budget to support such a personnel study and whether USAID will assist and to what extent. On March 14, the Minister of Finance stated that he agreed with the aims of the survey, but requested more specific budget estimates for purposes of discussion. These will be presented during April.

b. CORDS/USAID assisted the Directorate General of National Police (Ministry of the Interior) to draw up a bill strengthening the National Police. They proposed a separate personnel system for the 80,000 employees including a position classification and pay plan.

c. The GVN Navy Yard (Ministry of Defense) was helped to draw up a bill proposing a separate personnel system for 1,400 craftsmen and technicians in the Navy Yard, including a position classification and pay plan. The bill is a sound one.

d. CORDS/USAID is assisting the Ministry of Revolutionary Development (MORD) to provide better pay rates for certain trades and crafts workers, by discussions with the DGCS rather than developing a bill for a separate personnel and pay system.

III. LEGAL ADMINISTRATION AND THE SUPREME COURT

A. GOALS

To assist with GVN efforts to unify, modernize and codify their laws; reorganize their judicial system in conformity with the new Constitution; develop more efficient legal administrative procedures; and develop auxiliary legal and judicial agencies to provide research, training and legal aid services.

B. TARGETS AND PROGRESS

1. Assist in organizing, structuring and administering the Supreme Court and the judiciary as a separate branch of government.

The contract providing for assistance to the Supreme Court and the Ministry was awarded on January 22, 1969 to Louisiana State University (LSU). The on-site project coordinator and his deputy arrived in Vietnam in January.

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An expert in constitutional law under the LSU contract has been recruited and is scheduled to arrive in Vietnam in June 1969.

The LSU group has furnished a number of studies at the request of the Supreme Court:

a. An analysis of the Supreme Court's role in the political life of the country by American standards has been furnished to the Chief Justice and by him, translated for distribution to the other justices.

b. A description of the public defender system.

c. A description of the American system of criminal prosecution - the adversary system.

d. A description of the American States experience with "advisory opinions."

e. Various documents, such as early American constitutional decisions, the early judicial organization statutes, and leading constitutional cases.

f. A description of the American presidential veto powers.

2. Encourage the establishment of an integrated national bar.

A recent election in the Saigon Bar Association has resulted in the selection of a progressive President. An initial attempt by the Asia Foundation (TAF) to influence the organization served as a rallying call for certain groups to resist any attempt to subject the association to American or any other kind of outside influence. Liberal issues are expected to develop within the association through the "young Turk" movement, now evident.

The TAF gesture which engendered this reaction was an offer to fund the loan of a copying machine for a year after which the Bar would assume responsibility. A committee has been formed to resolve the simple issue raised by the TAF offer, but it is felt that the larger issue of whether the Bar should go "public" is apt to be quite involved, and will require the most delicate professional guidance to convince the lawyers that an integrated national Bar will provide the legal profession with an opportunity to participate in the development of the Nation's judicial posture.

3. Assist in the reorganization of the Ministry of Justice, emphasizing its chief role as Attorney General.

A comparative study of worldwide prosecution systems has been undertaken by a Professor of New York University which will make a contribution, inter alia, to the rising debate on the issue of abolishing the function of the examining judge. The report is due in May 1969

4. Assist in the establishment of a coordinated national approach to the implementation of judicial reform on a government-wide basis, specifically through the establishment of a "Hoover-type" commission.

a. A draft bill for establishment of a "Hoover-type" judicial reform commission has been prepared and circulated to concerned agencies of the government, all of whom have expressed varying degrees of positive interest in the suggested approach. Discussion and refinement of the proposal continues.

b. The LSU coordinator summarized and commented on some principal problem areas in judicial reform in a paper addressed to the Supreme Court and the Ministry of Justice dated March 6, 1969. Both recipients expressed general concurrence with the analysis. It is now felt that both sides agree on the dimension and assessment of the impediments to the achievement of a rational system of justice in Vietnam.

c. In an effort to promote a coordinated GVN approach to judicial reform, the contractor has developed a proposal to engage the services of a noted local jurist to serve on a consulting basis in helping to develop and refine contract proposals and to assure adequate follow-up and reporting on the Vietnamese side.

5. Assist in the establishment, organization and administration of a Legal Research Center to be concerned with legal research, bill drafting, recodification, comparative law studies and training.

The FY 68 grant to the Asia Foundation was finalized and a Professor of Virginia Law School arrived in February 1969.

A joint Supreme Court-Ministry of Justice committee has been established to agree on a common recommendation for the establishment of a Legal Research Center and to define the relationship of the Center to its constituents. (Note: This Center has not yet been set up as was mistakenly implied in the last quarterly report). The committee agrees that the Center should be autonomous and organizationally separated from either the Court or the Ministry, but has been unable, to date, to resolve the mechanics for creating it. The Supreme Court position is that the Center should be created by decree of the Court. The Ministry of Justice argues for creation of the Center through a joint decree signed by the Ministry and the Court. The matter will probably be resolved on the basis of a joint decree with different signatories than now proposed.

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6. Assist in the development and refinement of five new codes to replace the dual set of regional codes presently in effect in the several regions of Vietnam.

Recruitment of U.S. consultants to review the Penal Code, the Code of Penal Procedure, and the Code of Civil and Commercial Procedure has begun. At the request of LSU Contract advisors, these codes are being held in the office of the Chief Executive pending stateside review and prior to submission to the National Assembly. The remaining two codes, the Civil Code and the Commercial Code, have been drafted and are now being revised.

7. Assist in upgrading the law schools by introducing concepts to make law schools more responsive to the need for preparing potential attorneys for the practice of law.

Planned programs are the publication of a law journal by the three law schools; a seminar for law graduate students on legal education in Vietnam to commence next fall; publication of law text books in Vietnamese; and the arrival of a library consultant, under the auspices of the Asia Foundation, in the summer of 1969 to advise on book needs and assess training requirements for librarians.

QUARTERLY REPORT - JANUARY/MARCH 1969TELECOMMUNICATIONS730-12-225-029I. GOALS

To improve the organizational and financial structure of the present Posts and Telecommunications Directorate (P&T); to assist in training technicians; and to maintain telecommunications facilities essential to the war effort. To assist in post war development planning that includes both the future use of some presently installed military systems as well as new construction.

II. TARGETS AND PROGRESSA. Repair and Rehabilitate War Damage to Facilities

Hostile acts in the provinces continued to damage aerial telephone cable necessitating repair and replacement.

B. Improve Conditions to Handle Increased International Traffic.

Calls to the US completed in January and February indicate a P&T call rate of 103,000 for 1969 compared to a total of 55,000 for 1968. This accomplishment would reflect the effect of: a new P&T purchased transmitter; repair and renewal of transmitters and receivers by contractor personnel; new ticketing procedures for Call Home traffic; introduction of Lincompex receiver equipment; and better circuit attention by operators. Three voice circuits have been opened to Hong Kong.

Improved leased circuit traffic and Telex services now await only Ministry of Interior approval of requests. The move of the TOR (Teletype Over Radio) Room was completed in January. New patching equipment now allows up to 16 new direct circuits. Provisions have been completed for public Telex services. Direct service has been established to Osaka, Japan. Renewed maintenance effort is being directed towards improving transmitters carrying Manila traffic.

Of the VN\$ 1.2 billion income being produced for the GVN annually from P&T services, over VN\$ 500 million is generated from international operations with over one third in hard currency earnings.

C. Improve In-Country Capabilities1. 23 Dial Central Office System

On March 17 the Federal Electric Corp. completed its one-year contract with USAID to provide a) technical support to test, repair, cutover,

operate and maintain twenty-three automatic dial telephone exchanges; and b) written procedures and train personnel. Logistic support will continue until commodities requested under the contract have arrived in Saigon. A total of seventeen exchanges are in operational order and the six remaining are awaiting final cutover. However, deterrents to expediting cutovers include lack of 24-hour commercial electric power, shortage of replacements for damaged outside plant facilities, inadequate security, delays in arrival of ordered commodities and insufficient Vietnamese technicians to maintain the equipment.

A limited effort for emergency maintenance of inside plant equipment is being handled under an extension of the Page Communications Engineers' Contract.

2. Outside Plant Construction

Since January 1, 966 telephones were installed reflecting a 60 per cent increase over previous quarterly averages. Repair work was completed on war-damaged outside plants in Hue, Pleiku, Ban Me Thuot and Quang Ngai, but continued hostile action prevented the cutovers to dial equipment in Pleiku and Quang Ngai.

Additional cable has been placed in the greater Saigon area in anticipation of an additional 2000 telephone installations before the Page Communications Engineers contract completion date in August 1969. After this date, the responsibility of installing cable and telephones will be turned over to the P&T while a new US contractor will be engaged mainly in on-the-job training for Vietnamese and perform only emergency maintenance and installation support.

3. Southern Toll Microwave System

The present Philco-Ford contractor has continued to supply commodities, make repairs and rehabilitate station equipment. In the 9-station system, upgrading has been achieved in three stations with two more scheduled for completion in April. The extensive deterioration of the sites has caused the contractor to expend more time and effort restoring the system than originally intended under the one-year contract expiring in July 1969. It is estimated the contractor will need about two months additional time to complete the contract objectives.

Additional emphasis will be placed on the system through MACV circuit usage. This effort is intended to achieve better quality and reliability throughout the Southern Toll network while a US firm, familiar with the equipment, is available for maintenance. In addition US military usage will supply a more accurate data flow relative to systems efficiency.

4. P&T Equipment Procurement

About 160,000 pieces of equipment (radio, telephone and teletype) purchased by US International carriers for the account of P&T was received during this period. This equipment was of the type formerly supplied under USAID programs; it will be used in the expansion and modernization of domestic radio, telegraph systems and overseas telephone and Telex Systems. USAID assistance consisted of arranging for receipt and handling.

During the quarter, the first bulk cable stocks procured under CIP began arriving.

5. Reorganization of P&T

The problem of organizing efficient public communications services for the GVN received increased attention at the US Mission level; post war planning is including this element as fundamental to any joint planning and implementation programs. The Communications Electronics Staff Committee of the Mission Council (CESC) generated actions and reports during the quarter to emphasize the need for effort in this area. A separate budget for P&T is now being forecast by the Director by the end of the calendar year. This is considered an initial step in the establishment of an autonomy for telecommunications.

6. Technician Training

In common with other GVN ministries the P&T's most critical problem during the quarter was the lack of skilled manpower. With the exception of the Philco-Ford contract, there has been no on-the-job training completed by either FEC or Page because of a lack of students; repeated requests to P&T for technicians for training were unproductive. However, there was an improvement in skilled manpower availability through the release to P&T of key technicians by the military forces. Technicians completing military service however are almost without exception employed by private industry, because of the more attractive wage scales.

7. Increasing Role by International Carriers, Private Industry, and other Agencies in Support of P&T Operations.

The trend for international carriers to support P&T continued during the period. At times up to four Cable and Wireless Ltd. technicians were in Saigon performing maintenance on transmitter and receivers. Radio Corporation of America (RCA) continued its support of P&T with two engineers and four TCN technicians maintaining rotating watches to insure Telex and press services staying in operation. The USO took over completely the

management of the Call Home customer services and is performing the direct coordination with AT&T for continued support for terminal equipment. This USO effort is a factor in the rapid expansion of Call Home traffic over the past four months. Four full time employees were hired to handle these services. To encourage this type of effort USAID engineers continued to supply the necessary coordination and liaison to make these services possible by defining profitable work areas; arranging for equipment loans, purchases and rentals.

QUARTERLY REPORT - JANUARY/MARCH 1969

HIGHWAY IMPROVEMENT (DOD)
730-11-310-294

I. GOALS

A. Assist in the MACV National and Interprovincial Highway Restoration Program by funding construction and support activities not encompassed in other programs but still necessary to provide a unified system.

B. Provide advisory personnel and commodities to assist the Director General of Highways in his responsibility for maintenance of the National and Interprovincial Highways.

II. TARGETS AND PROGRESS

A. Prestress Facilities

The plant at Chau Thoi reached maximum planned output during this quarter. Production of 27 beams per month is expected to satisfy requirements throughout III and IV CTZ with some excess for I CTZ. In addition the site was selected for a supplementary prestressed-beam facility in Nha Trang. This plant will be expected to produce sufficient standard highway-bridge beams for I and II CTZ when completed next quarter. The combined efforts of the Chau Thoi and Nha Trang plants will eliminate any need for a third plant in Da Nang at this time, although any expanded program or excessive losses of existing bridges could still resurrect a need for a third plant, however.

B. Tan Thuan Bridge, LTL-15 Saigon

In February OICC opened bids for rehabilitation of this key bridge on the south side of the Port Area in Saigon. Work commenced during this quarter and is expected to be completed in June.

C. Thi Nghe Bridge, Hong Thap Tu Street, Saigon

MPWCT continued construction of this bridge by contract. Work should be completed during the next quarter. Traffic has continued utilizing adjacent twin-Eiffels for a bypass.

D. Saigon City Streets

Total paving was 40 km at the end of the quarter out of a 60 km program. This represents a 29 km increase since last quarter's report

and exceeds the 16 km planned for completion during this quarter. During the next quarter approximately 12 km will be completed. The remainder of the project will be completed after rainy season.

E. QL-4

This important highway is under construction by combined troop and contractor forces. A new lime-stabilization process is being used to allow inclusion of more of the local material for this structure. Work will continue through next year with the exception of rainy seasons.

F. Two 100-ton Rock Barges

The second barge was tested and accepted during March. Both barges are being utilized in the Delta Rock Agency scheme for production and distribution of aggregate in III and IV CTZ.

G. Commodities.

During this quarter arrangements were made to obtain several pieces of highway construction and maintenance equipment from excess stocks in Thailand. The items selected were screened for potential use as well as current condition and compatibility with the developing repair parts and maintenance system.

H. Architect and Engineering Services

By the end of the quarter projects had been assigned which fully committed the FY68 funds available for this activity. In addition a master program for FY70 and 71 construction was developed and A&E work on this will be funded beginning with FY69 funds. This will ensure that plans and specifications are ready well in advance of construction needs.

I. FY69 Funding

The ProAg committing all FY69 funds was submitted to USAID/Program during the quarter as scheduled. Accompanying the original ProAg were \$14,383,320 worth of sub-obligating documents and submitted shortly thereafter was an additional PIO/T for \$6,500,000. This brought the sub-obligating documents to \$20,883,320 out of a total of \$22,615,000.

QUARTERLY REPORT - JANUARY/MARCH 1969RAILWAY REHABILITATION (DOD)
730-11-330-296I. GOALS

To continue to provide technical advice and assistance to the Vietnam Railway System (VNRS) and provide the necessary commodities for rehabilitation of those portions of the railway system where security was re-established.

II. TARGET AND PROGRESS

<u>Station to Station</u>	<u>Completion Date</u>	<u>No. Km</u>	<u>Actual Status</u>
Dong Ha (km 620) to Hue (km 688)	1969	68	Construction materials being assembled; work to begin May 1969
Hue (km 688) to Da Nang (km 791)	12/68	103	Completed January 1969
Da Nang (km 791) to Phu Cat (km 1070)	12/70*	279	Planning stage
Phu Cat (km 1070) to Thap Chap (km 1407)	12/68	337	Operational December 1968
Thap Chap (km 1407) to Song Long Song (km 1465)	12/68	58	Completed January 1969
Song Long Song (km 1465) to Xuan Loc (km 1649)	12/68*	184	Work proceeding south from Song Long Song; construction north of Xuan Loc to begin July 1969

Total Main Line (Saigon -Dong Ha) : 1109 km.
Total Main Line Operational : 610 km.

*This restoration schedule is predicated on a quarterly review by MACV/ARVN/VNRS/USAID with changes being made to meet security and logistic requirements.

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II. ACTIVITIES AND PROGRESS

A. The reconstruction of the main line between Hue and Da Nang was completed on January 10, reopening this 103 km of railway to both freight and passenger service.

B. A spur track of 20-car capacity was completed January 20, to the M&M piers of the Saigon Commercial Port.

C. The construction of a 25-car capacity spur track was completed on February 10 to the RMK construction complex at Thu Duc. This spur will allow the direct unloading and rail movement of cargo from the Saigon Port to this complex.

D. A 15-car spur track was completed into the Ru Ry Quarry, north of Nha Trang, on March 25. From this quarry approximately 1,000 tons of rock will move north daily, by train, for the reconstruction of Highway QL-1. Three unloading sites have been constructed on the main line at 25 km intervals from the quarry.

E. Eleven railway flat cars were airlifted by helicopter from Muong Man to Phan Thiet and then barged to Nha Trang to meet the increased demand for this type of car service in Zone II.

F. Twenty wooden upper-frame box cars which did not meet required box-car classification have been converted to flat cars. With mechanized loading equipment and palletization, the demand for flat cars is exceeding the present available resources. Thirty more box cars will be converted.

G. Tonnage transported by rail totaled 76,000 metric tons during the quarter. This tonnage exceeded that of the same quarter of 1968 by 23,000 metric tons. During February and March the railroad was the largest single transporter of US Military cargo in the Qui Nhon section (Phu Cat to Nha Trang).

H. Passengers transported by rail totaled 288,000 this quarter compared with 99,000 passengers during the same quarter of 1968. Passenger service between Hue and Da Nang increased to an average of 1,400 passengers per day during February and March; between Qui Nhon and Phan Rang (Thap Cham) service has been averaging approximately 2,400 passengers per day. Fifteen additional 3rd class passenger cars were moved to Qui Nhon during this quarter.

QUARTERLY REPORT - JANUARY/MARCH 1969

INLAND WATERWAYS IMPROVEMENT

730-11-350-297

I. GOAL

To assist the GVN in improving (1) the inland waterways system and (2) the operation of GVN agencies responsible for inland waterways.

II. TARGETS

Improve the navigability of the waterways

To perform dredge production and on-the-job training through the services of four dredges supplied through contract; and to assist the Directorate of Navigation (DON) through logistic and advisory support.

In December 1967, USAID contracted with the Retired Servicemen's Engineering Agency (RSEA) of Republic of China to perform dredging work in the Mekong Delta and to train 128 dredgers. The Republic of China is contributing one 12-inch dredge and related equipment per year. The implementation of the RSEA contract was delayed by the Tet offensive, but it became operational on June 1, 1968 to run until May 31, 1969 with an option for USAID to renew for two more one-year extensions.

During this quarter 942,900 cu.m. of material was pumped. Fifty-two additional men including 20 ARVN satisfactorily completed training in February for a total to date of 82. A new class of 66 men has started training. The 24-inch and two 12-inch dredges have 24-hour schedules; one 12" is limited to 12 hours daily due to inadequate security. During the quarter there was a 24.6 percent loss of working time due to major repairs and shortage of specialized spare parts.

The DON dredges continued to suffer from loss of personnel despite effects of the training program. Negotiations with the ARVN to reassign drafted personnel to dredging while in uniform continued, resulting in Ministry of Defense assurance that 101 drafted dredge men will be reassigned to dredge operations. If and when this is accomplished it will go a long way to solving the DON shortage of dredging personnel. Seven DON dredges were operational with one more expected to start in April, 1969. Total production for January/March was 388,960 cu.m. compared with 224,600 cu.m. previous quarter.

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Work in Aids-to-Navigation (including charting) suffered delays, and equipment was damaged by enemy action. However, most of the lights and buoys were maintained in operating condition. The US Coast Guard provided considerable logistical support, and installed many buoys required specifically for military purposes. DON personnel started a hydrographic survey of the river mouth at Rach Gia and considerable adjacent areas.

QUARTERLY REPORT - JANUARY/MARCH 1969CIVIL AVIATION (DOD)
730-11-370-298I. GOALS

To assist the Government of Vietnam in the management, development, operation and maintenance of air traffic control, telecommunications, navigation aids and meteorological systems, including airport improvements, to support national and international civil and military requirements. Necessarily give emphasis to activities in direct support of the military effort, but to the extent possible, establish systems that will contribute to the long-range political, social and economic development of the country in a post-hostility environment. Develop competence of Vietnamese personnel through on-the-job, classroom and third country participant training to enable the GVN to plan, manage, operate and maintain its facilities and systems without outside assistance.

II. TARGETS AND PROGRESSA. Directorate of Civil Aviation (DCA)

Procure, install, maintain and operate with FAA personnel the equipment associated with the provision of radar air traffic control service throughout the Vietnam Air Traffic Control Area. Advise and assist counterparts through on-the-job participation, demonstration and training in engineering, installing, maintaining and operating the remaining facilities and systems throughout Vietnam for which the DCA has responsibility.

FAA maintenance technicians and air traffic controllers continued to stand around-the-clock watches at the Saigon Area Traffic Control Center (ACC) to provide the level and quality of area traffic control service required for the operation of civil and military aircraft.

Other FAA operations, installation and maintenance personnel continued to travel throughout the country in company with Vietnamese counterparts and TCNs assisting in installing, maintaining and operating the remaining 25 facilities for which the DCA has responsibility and consulting with military authorities on airspace allocations and utilization.

Some major actions completed during the quarter are as follows:

1. Adjustment of sectors and operating positions in the ACC; establishment of a Coordinator position and the relocation of Assistant Controller positions.

2. Development of new video maps to more accurately display radar presentation.
3. Initiation of a continuing program to familiarize pilots and operations personnel with the ATC system in Vietnam.
4. Improvement of air/ground communication capability of the Saigon ACC through the installation of additional VHF transmitters at Tan Son Nhut and Danang.
5. Installation of additional voice recorders and equipment for automatic change-over to emergency power at the Saigon center.
6. Completion of engineering for new Airport Traffic Control Tower at Tan Son Nhut, and for major modifications and improvements at the Saigon Communications Center.
7. Rebuilding VOR equipment damaged by enemy action at Tan Son Nhut and also the mobile VHF omni-range test equipment for a new VOR installation at Ban Me Thuot.
8. Completing engineering and assisting in the work of modernizing the electronic equipment in Airport Traffic Control Towers at Ban Me Thuot and Dalat.
9. Continuation of on-the-job training of DCA personnel, including a group of 12 air traffic controllers and 38 maintenance technicians.

Because this project involves continuing operating and maintenance responsibilities in direct support of military and allied efforts in Vietnam, it is not susceptible to quantified reporting against specific targets. To the extent that the target is the establishment and maintenance of an acceptable level of air traffic control and related services, the target or objective was fully realized. However, with respect to the ultimate objective of qualifying sufficient DCA personnel to enable them to perform required functions without outside assistance, little progress can be reported. The necessary continued expansion and increasing complexity of facilities and systems employed and being introduced in Vietnam absorb personnel as fast as they can be employed and trained.

Approval was obtained late in the quarter for employment by the DCA of a group of 33 electronic - electro-mechanical maintenance technicians who completed one year of classroom training early in the quarter. After about a year of on-the-job training, they will meet about 40 per cent of DCA's additional staffing needs in this technical area.

Of significance was the completion by the DCA late in the quarter of a study of overall manpower requirements. This study is now being refined and used as a basis for the development of a time-phased, intensive training program which, in turn, will enable the establishment of a schedule for phasing down the number of US personnel assigned to the project.

No participant training was conducted during this quarter as national policy prevented candidates from leaving Vietnam.

B. Directorate of Air Bases (DAB)

Assist the DAB with the construction of new airports and airport structures and the maintenance and improvement of existing airports and airport structures through the development and review of engineering plans and on-the-job inspection and consultation, the provision of construction materials and equipment and the training of personnel in its application and use.

This activity is of a continuing nature and involves the services of a single US engineering advisor. Major developments during this quarter include the following:

1. Reconstruction of the civil terminal apron at Tan Son Nhut, and strengthening of the runway and civil apron at Quang Ngai and 900 m of the runway at Ban Me Thuot/Phung Duc airport.

2. Contract signed for paving the civilian portion of the Tan Son Nhut jet taxiway. Estimated cost: VN\$26,000,000; estimated date of completion: May 30, 1969.

3. Contract signed for design of the Tan Son Nhut Terminal Building Remodeling Project. Contract amount: \$57,449 and VN\$1,993,400. Estimated completion of design: mid-July, 1969. Estimated construction cost of project: \$805,000 and VN\$63,000,000.

4. In-house design of the new Airport Traffic Control Tower shaft at Tan Son Nhut was completed and a call for construction bids issued on March 31. Estimated cost of the shaft: VN\$15,000,000; estimated cost of control tower cab and associated equipment, being procured through the FAA: \$220,000. Estimated date of completion: January 1970.

C. Directorate of Meteorology (DCM)

Assist the DCM in up-grading its system and services through the provision of specialized equipment, advice and assistance to counterparts through on-the-job participation in installing, operating and maintaining new types of equipment, and participant training in the US.

Program was hampered by delays of in-country delivery of specialized equipment and by the effect of the national mobilization policy which cancelled the training of three forecasters and an equipment technician in the US by preventing their leaving Vietnam.

QUARTERLY REPORT - JANUARY/MARCH 1969

SAIGON ELECTRIC POWER
730-12-220-356

I. GOALS

To assist in the creation of a well-managed, self-supporting, electric utility system for Metropolitan Saigon, managed and operated by Vietnamese, sufficiently viable to borrow funds for expansion from international financial institutions.

II. TARGETS AND PROGRESS

A. Continue assistance in increasing installed power capacity to meet growing demand.

Service was satisfactory during the quarter. New highs in demand and energy were established, the peak load increasing from 133,850 kw in the preceding quarter to 142,150 kw, a growth rate of 6.1% for the period.

New diesel-electric generation placed in commercial operation totalled 10,500 kw bringing the total to 172,000 kw. Substantial construction progress was made on an additional 31,500 kw interim power, which is expected to be in commercial operation by the end of the fourth quarter.

B. Expand and renovate the distribution system proportionate to the increase in capacity; and treble the number of registered electric customers by the end of 1972.

Four thousand new customers (meters) were added during the quarter bringing the total number of customers to 114,000.

C. Develop operational and management skills to permit the termination of external support by the end of FY71.

This being done by Commonwealth Associates Inc., under Contract VN-14 with present termination date of August 31, 1970. At the end of this quarter the team consisted of 10 members, or 80 per cent of contemplated staff.

A monitoring group of four engineers under Detroit Edison Contract VN-18 spent one week in Vietnam in March, with extensive discussions with SPC, EO, USAID Divisions, GVN including Luong The Sieu, Minister of Public Works, Communications and Transportation, and Director MacDonald.

A report now being prepared covering the guidelines and recommendations is expected to be submitted during the early part of the next quarter.

D. Provide a good base for long-range system development

Conditions precedent for Grant Agreement 67-356 in the amount of US\$ 32 million were fulfilled last quarter. Efforts continue by Saigon Power Company and USAID on the preparation of material requirements for distribution commodities under the grant agreement; however actual procurement procedures have not been completed as yet. A conference to finalize bidding documents for two 66 MW steam-electric units convened in Washington on March 31, attended by representatives of GVN, SPG and USAID.

QUARTERLY REPORT - JANUARY/MARCH 1969

RURAL ELECTRIC COOPERATIVES
730-11-220-357

I GOALS

A. To introduce electric power cooperatives to Vietnam to help supply the demand for power in the provinces, develop the economy, and improve the social conditions of the rural population

B. To exploit the abundant supply of raw timber by establishing a PENTA (preservative) wood-treating plant for treating poles used, first, in the construction of the Cooperatives' electric systems and later, to meet market demand for treated wood throughout Vietnam.

II. TARGETS AND PROGRESS

Besides the NRECA and Lyons contracts mentioned in the previous Quarterly Report a two-man advisory team and a short-term consultant under contract with the Pacific Architects and Engineers (PA&E) provides management and operational advisory services for the Pole Treating Plant. Contract is scheduled to terminate by June 1970. Civil construction of the electrical systems is provided by individual cooperatives with local force account labor.

A. Form Cooperatives and Build Facilities at Three Locations

1. Tuyen-Duc (near Dalat). The Cooperative was formed with a membership of 200 now increased to 5,600. These members are located throughout this Cooperative's original service area with a potential of 9,000. Programmed and funded resources will provide power to 5,254 members by mid-1970. At the end of the report quarter, power was being supplied to 381, with an additional 400 ready to be served when adequate power is supplied by EOY.

During the quarter the Cooperative's work force increased to 53 eight more than planned. This practice will be encouraged, in order to increase the rate of construction. Construction crews have installed 12.85 km (8%) of electric line, 6.6 km (10%) of service line, and set 471 (11.5%) poles. Construction at this point is slightly behind schedule, but the anticipated increase in pole plant production and the improving skills of the construction crews should enable the Cooperative

to meet its deadline. Estimated project completion - 11%.

2. Duc Tu (near Bien Hoa). The Cooperative was formed with a membership of 200, now increased to over 5,400. These members are located throughout this Cooperative's original service area with a potential of 10 000. Target is to supply power to 7,400 members by mid-1970. At the end of the report quarter power was being supplied to 2 382 members.

The work force was increased by 18 employees to a total of 58, which is more than projected and is commendable considering the tight labor market in the Saigon/Bien Hoa area. Construction crews have installed 48.4 km (43%) of electric line, 24.8 km (23%) of service line, and set 1,300 (56%) poles. Project is on schedule. Estimated overall project completion - 33%

3. An Giang (near Long Xuyen in the Delta). The Cooperative was formed with a membership of 200, now increased to over 10,500. These members are located throughout this Cooperative's original service area with potential exceeding 24,000. The Cooperative is now supplying power to 3,179 which is 1,100 more than projected.

The Cooperative's personnel staffing is near its projected strength of 95. Construction crews have installed 107.5 km (33%) of electric line, 51.5 km (41%) of service line, and set 4,124 (49%) poles. Project is on schedule. Estimated overall project completion - 45%.

Note: The preceding Quarterly Report erroneously indicated that An Giang Cooperative members would receive power by mid-1970. This is not possible, since the Project Agreement...and 1967 PIO/T's provide authority and resources for power to an estimated 13,121 members. However, the Cooperatives expect to supply power eventually to all of the remaining members through its own revenues.

B. Build a Wood-Pole Treatment Plant, and Organize Forestry Operations

1. Treatment Plant. Construction of the plant was completed in November 1968 and is now in the preliminary stage of training and production. Its design capacity of 3,000 poles per month is expected to be reached about December 1969. The original target date of March 1969 was deferred due to the non-integration of inter-related woodcutting, hauling, shipping, and marketing functions which, along with lack of security, has delayed full production. Production figures are, therefore, considerably less than the monthly rates mentioned in the last quarterly report. The

quantitative effect of these factors on progress may be seen in the following table:

<u>Activity</u>	<u>Number of Poles</u>	
	<u>Initial Estimate</u>	<u>First quarter Operation</u>
Woodcutting	1990	281
Hauling (by road)	1730	739
Quantity treated	1660	325
Treated Poles (Delivered to Coop)	1050	425
(in Stock)	1200	187
Raw Poles in Stock	-	500

Causes contributing to the production shortfall:

(1) A single woodcutting contractor is unable to meet the raw pole demand of the plant. Additional contractors cannot be engaged until the GVN Ministry of Agriculture issues the National Union of Electric Cooperatives (NUEC) rights to 13,500 hectares of pine forest for harvesting of raw poles. NUEC is maintaining an interim woodcutting operation on the basis of a limited quantity of poles in a Forestry Directorate-designed area.

The last Quarterly Report stated that rights to 13,500 hectares of pine forest for harvesting raw poles have been obtained. This was based on verbal information from GVN sources which proved incorrect. The draft of this agreement between GVN and NUEC is now at the Ministry of Agriculture for approval.

(2) The late approval on March 7 of the 30 million piaster Special Fund allocation for the initial 6-month operation of the plant delayed expansion of operations.

(3) Transport of raw poles by road from Dalat to Phan Rang is slow and treacherous. The hauling contractor may be expected to expand this operation ultimately, but only after he has acquired more experience. The railroad between these two points is not operating.

C. Construct a 3,000KW generating plant at Long Xuyen.

The plant to provide additional power to the An Giang Cooperative was completed and placed in operation on February 1, 1969.

D. Construct a 1200KW generating plant at Tuyen Duc.

A plant to provide additional interim power to the Tuyen Duc Cooperative will be completed and placed in operation by mid-1970, utilizing AID-funded equipment procured in FY 1969.

QUARTERLY REPORT - JANUARY/MARCH 1969

SAIGON WATER & SEWERAGE
730-12-521-358

I. GOALS

A. Assist in developing a Saigon Metropolitan area water system that will meet the present area water demands for the improvement of social welfare and promote economic growth.

B. Develop the Saigon Metropolitan Water Office (SMWO) into a viable, self supporting, and effectively managed and operated utility.

II. TARGETS AND PROGRESS

A. Expand the distribution system at an accelerated rate to meet consumer demand and generate revenues from increased sales of water to offset the cost of operations, debt servicing and minor capital improvements.

Although the desired rate of accelerating construction to repair war damaged installations and provide increased and improved water services cannot be obtainable until the 1968 programmed commodities for laterals arrive (July-September 1969) the SMWO has been able to continue installation of mains. Contracts were awarded for installation and construction started of 14.2 km of water piping in the larger sizes, 10" to 18" dia. Contracts are 60 per cent finished overall with total completion scheduled for June 30, 1969.

SMWO also awarded six contracts that will run from two months to one year for installation of 250 service connections per month per contract. A total of 2564 service connections were installed this quarter; next quarter's target is 3500.

The water sales revenue for this quarter increased approximately 50 per cent over the similar 1968 period. This quarter's revenue reflects the increase in residential water rate and number of paying services; the revenue is within the expected limits as projected. Daily water deliveries during the quarter averaged 72 mgd.

Three of the eight (8) elevated water tanks have been structurally completed. Following testing they will be put on line probably during the third quarter of CY69. The remainder are in various stages of completion. All tanks are scheduled to be completed, tested and put on line by Dec. 30, 1969.

Completion of the first of two 20-million gallon clear well reservoirs was postponed due to delayed arrival of top seal coating material. All structural work has been completed on both reservoirs and they should be in service during the third quarter of CY69.

The chlorine security bunker structure at the Thu Duc water treatment plant compound was completed. Backfill and earth cover are now being placed and an access road constructed. Total completion within 30 days.

B. Adoption of acceptable standards for improving the administration, management, fiscal and accounting policy and procedures and field and engineering operations.

The advice and assistance of the contract consultant team and USAID advisors to SMWO continues to improve SMWO operations. SMWO personnel have been assigned to division levels according to the newly accepted organizational plan. Assignments to the sub-division levels should be made during the next quarter. A new accounting system incorporating features of the present GVN and standard US utility accounting systems, was presented to SMWO for approval by the Board of Directors.

The SMWO material handling and warehouse processing and procedure records have greatly improved since the return of capable qualified personnel from the military.

Work on mapping the distribution system continues by the CSI consultants. Due to low salary scale the SMWO has been unable to obtain qualified personnel to fully take over the responsibility for this work; two draftsmen and two 3-man field parties are still required. USAID plans to continue this work for seven months and then terminate contract.

A training schedule has been finalized for SMWO's section chiefs and installation crews and local contractor's personnel for the installation, repair and maintenance of asbestos cement water pipe and related cast iron appurtenances which have arrived in-country, with installation scheduled to begin in June. The SMWO personnel are not familiar with the characteristics of this type of piping as it has not been utilized before in the Saigon distribution system. The six month training program will start in April 1969, and be under the supervision of a member of the SMWO's consultant team.

C. Develop self-sufficiency for management and operations of the production facilities.

The special mobilization considerations given to the SMWO personnel staffing critical positions, as reported in the second FY69 quarterly report, have proven very successful. All but three men who were previously drafted have been returned to their positions, and these three will be returned upon the completion of an advanced military grade training program. Of the draft-eligible personnel, seven have completed their compulsory nine weeks training program and all except one person have returned to their positions. The compulsory training for four others has begun and will be completed in June. The return of qualified personnel enabled USAID to terminate two personal services contracts for providing plant electrical and mechanical maintenance assistance.

QUARTERLY REPORT - JANUARY/MARCH 1969RURAL WATER DEVELOPMENT
730-12-521-359I. GOALS

To assist the Directorate of Water Supply (DWS) to provide potable water to the people of Vietnam. This assistance is in the form of commodity support, on-the-job training of Vietnamese personnel and technical advice on the design, construction, and operation of water supply systems.

II. TARGETS AND PROGRESSA. Planning and expansion of activities of DWS/GVN

There is an ever-increasing flow of requests for DWS assistance to water projects from Province and Regional levels. In order to inform the Regions and Provinces of DWS activities so they can coordinate local support for water projects, "Scheduling Charts" were distributed to Regions II, III and IV during this quarter. These charts list all DWS activities scheduled for the Region, show the progress of under-construction projects, and scheduled start of future projects. These charts will be updated bi-monthly. Since all requested projects in Region I have been completed no schedule was prepared for them.

B. Establish exploratory drilling program in Region III

A pilot test drilling program was established in November as a joint CORDS-USAID-GVN effort to continue for one year. The target was to drill an average of five feet test holes in each of six hamlets and small villages in the non-Delta portion of CTZ III. The objective of this program is twofold. The first and of the most immediate importance is to identify locations where hand dug wells will supply the needs of the residents of the hamlets. The second is to obtain geologic data which adds to the documented knowledge of ground water resources and will be used as a guide to other water supply methods which may be productive in the future. Three of the hamlets have now been tested with a total of 14 test holes drilled.

C. Expand the logistic support capabilities of the DWS

Progress continues to be made by the DWS in improving its logistic support capabilities. The operation of the DWS warehouse at Can Tho is being studied as a model for more satellite warehouses in desirable locations in the future. The probable next site is at Region II headquarters.

D. Water well drilling

The PBS established a target for FY69 of 58 wells completed. Through the end of this quarter completions stood at 36. There has been a drop in production since Tet of 6 wells from the previous production rate. The two new rotary rigs are drilling deep wells in the Delta in an effort to tap a major artesian water bearing formation which was encountered at My Xuyen at a depth of 463 m.

E. Install distribution systems

The PBS established, as a project target, 40 water system completions during FY69. To correct an error in figures and also to identify a more realistic target this figure now is amended to 12 water systems. To date 6 systems have been completed and progress on 3 additional systems now under construction is 58 per cent complete. Of the 12 water systems 2 include new treatment facilities both of which are now completed.

The 513th ECAD (Engineer Control Advisory Detachment) increased from 17 to 19 of the authorized personnel. This is the nearest to full strength the Detachment has been since being organized in May 1967. During the next quarter six men are scheduled to complete tours of duty and prompt replacement is questionable.

Design of modular water treatment plants for Vietnam has recently been assisted by acquisition of detailed construction drawings of plants being successfully operated in Thailand.

III. REPORT OF NON-TARGET ACCOMPLISHMENT

A two-week course in the use of a geophysical well-logging instrument was given by a staff employee on TDY from the US Geological Survey. The course (classroom and field construction) was attended by 15 DWS personnel and about 20 interested university students.

QUARTERLY REPORT - JANUARY/MARCH 1969PROVINCIAL AND RURAL ELECTRIFICATION
730-12-220-379I. GOALS

The current objective of the Provincial Electrification Project is to maximize the power capacity, and thus the service to customers of EOV as presently constituted, until all GVN-owned electric utilities can be merged into one self-reliant organization with standardized accounting, construction, and operating procedures throughout the country.

II. TARGETS AND PROGRESS

EOV/GVN was encouraged to mobilize local resources to fund secondary distribution equipment, hardware, lines, and all construction as concomitant to AID's phase-out decision.

By the end of CY 1969 EOV expects to reach average monthly sales of 82 million kwh. This would represent an increase of almost 59 per cent over 1968 when average monthly sales amounted to 56 million kwh. In addition to expanding and improving the country's system, EOV plans to install and assume operation of an additional 28,200 kw of generation consisting of 23,400 kw AID-funded in FY67 and 4,800 kw of existing provincial power plants. This will augment existing capacity, which at end of CY 68 was estimated by EOV to be 61,000 kw. The monthly energy rates furnished by EOV and published in the last quarterly report were in error.

Currently no generators remain in the pipeline. At this writing only 1,200 kw remain to be installed of the total 23,400 kw originally programmed for 1967.

USAID phase-out of this project at this time is discussed in the FY69 PBS (p. 401). The degree of EOV self-sufficiency is illustrated by:

- a) Increasing responsiveness and ability to resolve operating problems;
- b) Improvement in the operations of the various systems;
- c) Increased continuity of service at several locations;
- d) Additions in generating capacity made possible by system extensions and new construction.

EOV has assumed control of the power systems of five more cities during the quarter and will add at least six more this year. Revenues are increasing at better than 12 per cent per quarter.

QUARTERLY REPORT - JANUARY/MARCH 1969

ENGINEERING TECHNICAL SUPPORT
730-11-995-380

I. BACKGROUND

In addition to normal technical support activities, this project covers: (1) Field Operations and (2) Architecture and Urban Planning (Formerly 730-11-890-355). It provides policy guidance, administrative and technical support to the Engineering sector of Vietnam, as well as guidance to Mission Management and USAID Divisions relative to engineering, construction, and public works matters. Additionally, engineering and technical assistance is provided to the Government of Vietnam through the Ministry of Public Works, Communications and Transportation.

FIELD OPERATIONS

A. GOALS

To provide field engineering advice and assistance to the Government of Vietnam in implementing pacification and development programs, to expedite and to improve the quality of construction; and to assure optimum use of materials.

To provide technical backstop at Corps level for CORDS provincial engineer advisors.

B. TARGETS AND PROGRESS

1. Local Pacification and Development

Working through Province Advisors and Vietnamese authorities at Hamlet, Village, Province and Corps levels, provide engineering advice and assistance required to implement local contract and self-help projects.

Local authorities below Ministry level implement projects which frequently require a relatively sophisticated professional engineering input. Regional Engineering offices, under operational control of CORDS in the four regions and Saigon, provide technical advice, design and construction supervision services, as required. Construction is performed by self-help groups of villagers, by Vietnamese contractors, by Seabee teams, or by provincial public works services.

During the reporting period, regional offices had under design 43 projects with an estimated equivalent value of US\$6,000,000; and 115 projects were completed or under construction with a total value of US \$7,100,000. There is a backlog of 52 design projects. Typical of projects in progress were:

	<u>Construction Cost</u> <u>in \$VN</u>
a. Can Tho University - Two buildings	13,000,000
b. Sa Dec Province - Irrigation self-help	10,000,000
c. Hospital Utilities	20,000,000
d. Renovation of Hue University	15,000,000
e. Repair Nha Trang Commercial Pier	30,000,000

2. Ministry Development Projects

In cooperation with other USAID divisions provide field engineering advice on construction projects of the various Ministries of the Government of Vietnam.

The Regional Engineering offices are charged with monitoring construction progress and rendering assistance of ministry projects such as schools, hospitals, bridges, warehouses, water systems and the like for which USAID funds are used throughout Vietnam. The extent and type of engineering assistance varies widely from project to project. An effort is under way to expand the use of local contractors, and indigenous construction methods and materials, under guidance of USAID engineers, with less reliance on U.S. and third country contractors.

ARCHITECTURE AND ENGINEERING

A. GOALS

To assist the Directorate General of Reconstruction and Urban Planning and the Directorate General of Housing in improving their capabilities in the preparation of construction bid documents and contract administration; and to assist other USAID offices in accomplishing their construction projects.

B. TARGETS AND PROGRESS

1. To upgrade Vietnamese architect-engineer design capabilities and to encourage participation of local contractors in USAID sponsored construction projects.

Vietnamese contractors have been successful bidders on two Farmers Association warehouse complexes and the National Police Training Center at Cam Ranh Bay. The practice of using local construction firms has proven very satisfactory both from the standpoint of cost as well as quality of work.

Vietnamese contractors are giving increased attention to plans, specifications and contract procedures, and as a consequence, progress is being made in upgrading the quality of building construction.

2. To assist the Directorate General of Housing in improving basic housing design and employing new construction techniques.

During this period the contract for the construction of 2,000 units at Ninh Mang was awarded to a US firm. This will serve as a pilot project and an example of sound unit design. The GVN has awarded contracts for an additional 2,000 units using a limited amount of pre-cast components. While there is room for improvement in unit design the Directorate of Housing has been successful at handling a large volume of housing construction.

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QUARTERLY REPORT - JANUARY/MARCH 1969PROVINCIAL CITY WATER SUPPLY
730-12-521-386I. GOALS

To assist the Directorate of Water Supply (DWS) in the development of water resources for domestic and industrial use in the urban areas of Vietnam, excluding Saigon.

To advise in the formation and operation of water agencies so that the water systems become self-supporting utilities.

II. TARGETS AND PROGRESSA. Assist the DWS in updating, restoration, and expansion of existing municipal systems.

Completion of seventeen water systems which were originally planned under the FY69 Provincial Water Project have been reduced by cuts in the GVN budget. Four projects were completed by the end of the 2nd quarter, three more in this quarter; four others are expected to be completed during the next quarter for a total of 11 for the fiscal year.

An installation rate of 300 water service meters per month was planned for FY69. A total of 2380 meters were installed during the first nine months of the fiscal year. The average installation rate for the 3rd quarter was 297 meters/month, and this rate should be able to be sustained during the next quarter.

B. Assist municipal systems to become self-supporting utilities.

Technical assistance to the DWS will be continued for another two years in the operation and maintenance of water utilities. Despite a decrease in personnel in both DWS and USAID, a constant production rate of water facilities (new plants, expanded distribution systems, etc.) has been maintained for nearly two years. The GVN Directorate, on its part, is in the process of establishing eight 3-man teams consisting of a plant operator, a distribution technician and an accountant to assist locally governed water systems to improve operations including generation of revenue. The target for CY69 calls for three teams to be established for rotating assignments throughout Vietnam, starting in the Delta.

C. Cam Ranh Bay Water Resources Study

The Ralph M. Parsons Co. team continued gathering field data. They estimate the report will be submitted on schedule at the end of June. CSD is preparing an amendment to extend this contract and to revise the scope of work to include the installation of two deep well pumps, a booster pump, and a 5 km transmission main from the well sites to the workers housing project in Cam Ranh City.

QUARTERLY REPORT - JANUARY/MARCH 1969

DANANG CITY WATER
730-12-521-387

AID/Washington has indicated that the Danang City Water project will not be included in the Congressional Presentation and suggested the GVN purchase the commodities for the interim project with their funds. USAID requested AID/Washington to reconsider their decision; a final reply is pending.

The GVN has contracted for the installation of the USAID-furnished 12-inch pipeline from the treatment plant site to the city; work is under way and is scheduled to be completed in second quarter FY70. Further GVN action on the project is dependent upon AID/Washington action referred to above.

QUARTERLY REPORT - JANUARY/MARCH 1969

PROVINCIAL ROADS AND QUARRIES
730-11-310-392

I. GOALS

A. Assist in the MACV National and Interprovincial Highway Restoration project by funding supporting activities.

B. Assist the Director General of Highways, GVN, in his mission of maintenance of all National and Interprovincial Highways.

C. Promote the National Highway Training School at Suoi Lo O.

II. TARGETS AND PROGRESS

A. An Giang Quarry

This activity produced and shipped 84,000 short tons of material during the quarter. Projected needs at the beginning for the period had been 78,500 short tons. A review of OICC/RMK accounts during this period indicated that as actual annual costs were running less than estimated, deobligation of some FY68 funds and reprogramming of FY69 funding have been made.

B. Equipment Repair Activity

On the Trans-Asia equipment repair contract operation, an intensive inventory and evaluation has been made to determine the exact extent of the job to be done. Technical inspections were performed, parts were ordered, and salvage reports were made on equipment determined uneconomically repairable. The next quarter will see a continuation of equipment inspection and scheduled maintenance and, more important, increased major repair and rebuild as previously ordered repair parts arrive. Following quarters will show more repetitive reports in the regular maintenance and repair/rebuild areas. Then, as the original 2000 pieces are rebuilt and restored to service, or condemned to the scrap yard, the program will shift into a final stage of principally maintenance, with an increased emphasis on training Vietnamese mechanics.

The duration of the stages outlined above depends on the transportation available to reach each of the scattered equipment parks, the rate of receipt of repair parts, and the percentage of equipment on hand which is determined to be uneconomically repairable. Productive repairs

should have begun early in the mobilization stage, but a lack of repair parts support prevented this, thus putting the entire program one quarter behind schedule. The work reported below is indicative of expectations of the initial inspection and inventory stage; next quarter should show the emergence of more balanced maintenance, repair and rebuilding schedules.

January/March 1969

Contractor Personnel	399
Equipment	
Awaiting Parts:	128
Completed Jobs:	575
Salvaged:	226
Parts	
Requisitioned:	10,126
Received:	3,125
On Order:	7,001

C. National Highway Equipment Training School

Five courses were offered during the quarter. Each of these courses is designed for an enrollment of ten students. Study and practical exercises were combined in the twelve-week curricula. As a by-product of the shop instruction, a tractor and a front-end loader were reclaimed from salvage and restored to service by the students, who are apportioned to the two main categories as follows:

Equipment Maintenance	25	Trainees
Equipment Operation (General) (two classes)	<u>39</u>	"
	64	Trainees

This represents an output of 30 per cent over the goal of 50 graduates for the quarter.

The following courses began during the quarter with an enrollment of:

Equipment Maintenance	9
Equipment Operator (Bulldozer)	9
Equipment Operator (Grader)	17
General Operator	<u>5</u>
	40

QUARTERLY REPORT - JANUARY/MARCH 1969

AIRLINES ADVISORY ASSISTANCE
730-11-370-394

I. GOALS

To assist and advise the Government of Vietnam in developing an efficient and safe airline, which will be economically sound and financially viable, able to improve, expand and modernize its fleet, and service through its own operating revenues. AVN should have the capacity to improve, expand and modernize its fleet and services through its own revenues so that it can (1) keep pace with Vietnam's increasing internal needs for air transport; (2) compete with other airlines for a greater share of the international travel market; and (3) contribute to Vietnam's post-war development by providing both internal and international service to tourists.

II. TARGETS AND PROGRESS

A. Provide the technicians for on-the-job and formal training for the following categories:

1. Flight operations and service;
2. Ground operations;
3. Maintenance and engineering;
4. General management;
5. Sales and reservations (cargo and passengers).

B. Assist the airline in developing a long-range training program, including participant training.

C. Contract was signed January 31 with Pan American World Airways to provide the technicians for this project. The first group of contract staff are scheduled for orientation in the April class. Air Vietnam has nominated 15 of their personnel for participant training.

QUARTERLY REPORT - JANUARY/MARCH 1969

NATIONAL WATER LOAN FUND
730-52-521-398

I. GOALS

A. To establish an independent, self-sustaining revolving fund to finance water systems.

B. To assist the Directorate of Water Supply in attaining technical self-sufficiency in planning, programming and implementing water systems.

C. To assist these water systems to attain self-sufficiency in administration, operation and maintenance.

II. TARGETS AND PROGRESS

The first draft of the Capital Assistance documentation is being reviewed within USAID prior to finalization.

QUARTERLY REPORT - JANUARY/MARCH 1969

YOUTH AFFAIRS
730-11-825-336

I. GOALS

To assist the Directorate of Youth (DOY) to marshal the efforts of youth to contribute positively to GVN's nation-building efforts.

II. TARGETS AND PROGRESS

A. Organize and promote programs which will simultaneously dissolve long-held attitudes of mutual distrust between the GVN and private youth groups and at the same time project both toward goals of unity and national consciousness.

1. A project to promote a President's Conference on Youth was discussed in last August's PBS, but was given little attention in the fall due to pressing problems brought about by several changes in the GVN affecting youth. A basic conclusion from studying the White House Conferences on Youth and on Education was that the President's Conference must focus on actual open discussion, based upon grassroots findings, rather than merely to listen to a week of flowery addresses.

Many of the details of the President's Conference on Youth have been worked out during this quarter and the Conference should come into being next quarter.

2. A Foundation for Vietnamese Youth may be an outcome of the President's Conference on Youth. It would require the establishment of two legal foundations, one in the United States and one in Vietnam. In January, the Chief of USAID/Youth Affairs met with several people in Washington and New York regarding this proposal.

The idea of establishing such a foundation has been broached with Minister Lien who has thus far reacted indifferently to such an organization described in terms of maximum freedom allowed individual youth groups in spending donated funds for self-selected civic action projects.

3. A philanthropic association allegedly has US\$1,000,000 to give to the youth of Vietnam, with the emphasis on those youth most affected by the war. Several projects were turned in for consideration by Youth Affairs, among them: a three-pronged vocational training,

financial assistance, and school reconstruction project for refugee youth in Districts 6, 7, and 8 totaling 6,568,000\$VN, a guidance center, a privately-run technical high school, and the start of the Foundation for Vietnamese youth.

4. USAID advisors reviewed with the Director General's staff his six point program for 1969:

- Youth Activities
- Sports and Gymnastic Activities
- School Military Training
- Remodeling and Reconstructing Facilities
- Training Specialist in Youth Work
- Supporting Youth Organizations

5. Mr. Tran Van Thao, former Director of Youth in the DOY, returned April 13, from a trip across the United States observing varied youth organizations and activities. Included in his itinerary which took him through more than seven states were: the Teacher Corps, the Grange, the Boy Scouts, Boys Town, Boys' Clubs of America, 4-H Clubs, Police Athletic League, Big Brothers of America, and the President's Council on Physical Fitness. Already the author of six publications related to youth groups, Mr. Thao intends to utilize this experience to continue his journalistic efforts and publish more works which will provide valuable guidelines to youth leaders and educators who deal with youth in Vietnam. A special effort was made to expose Mr. Thao to the training and organization of groups and the direction of their activities, as well as new and advanced techniques in communication and education plus an understanding of the role of youth in the general framework of American life.

6. Mr. Nguyen Van Xuyen, the new Director of Youth, has created in Saigon groups of youth to respond to VC terrorism. They are all volunteers, from private youth groups, and organized by district. USAID is supplying them with tin roofing. When a home is rocketed, they will move into the area, help transport the persons affected, administer any first aid that may be helpful, clean up the damage, and repair as much as their means and abilities allow.

7. In early March, one conex and two crates of tools were discovered that had been sent to Vietnam in 1967 but were delivered to the wrong warehouse. Turned over to DOY were 790 shovels, 340 saws, 400 machetes, and 390 pushbrooms with two handles each. DOY will make a provincial distribution to support youth in community projects.

8. Find attached to this report a list of private youth groups strength by provinces in 1968, prepared by DOY on January 31, 1969. Monthly tabulations regarding the number of youth belonging to various

youth groups, and those engaging in different sponsored youth activities are subject to gross errors and are considered to be of quite limited value. However, even the most optimistic totals show that at best one in five youth may be involved in a youth group meeting, game, project, or activity.

QUARTERLY REPORT - JANUARY/MARCH 1969

MEDICAL AND DENTAL EDUCATION

730-11-540-150

MEDICAL EDUCATION

I. GOALS

The overall goals are to provide for the augmentation of the quality and quantity of medical, professional, and technical personnel by furnishing technical, personnel, and material resources to the Ministry of Education, Cultural Affairs, and Youth (MOE), and the Ministry of Health (MOH), to enable them to provide increased support for the Faculty of Medicine, University of Saigon. In order to carry out these objectives, programs have been developed:

A. Planning for construction and staffing of a 500-bed university hospital next to the existing basic science center for the teaching of clinical medical sciences, especially to 4th and 5th year medical students.

B. Augmentation of the teaching staff through professional consultants and advisors working with the present faculty to improve the teaching program and curriculum.

C. Provide improved facilities and teaching support for the study of the English language, including technical vocabulary, by the students at the Faculty of Medicine, and the pre-medical students.

D. Provision for the further expansion of the medical science library by the addition of text and reference books as well as current journals in the health sciences.

E. The provision of support for a book store for the sale of text and reference books to the students of the Faculty of Medicine.

F. The provision for the continued operation and maintenance of the physical plant including renovation repairs, and limited additions. The Medical Education Project is a long-range program designed to improve medical education and medical care in Vietnam.

II. TARGETS AND PROGRESS

A. The target of the medical education activity is to graduate annually 200 well-trained and qualified physicians, and to support the programs of the Ministry of Health which provides for the training of technical personnel required for the support of the professional graduates

of the Faculty of Medicine, University of Saigon. This includes support for training programs in clinical laboratories, X-ray, and other technical personnel, but at present does not include significant support for nursing education. This support extends to about 200 medical personnel annually, exclusive of nurses.

B. The goal of graduating annually 200 well-trained physicians is consistent with the rate of absorption by the economy and the rate of acceptance in the culture. There is a second medical school not presently supported by USAID which is part of the University of Hue and has the capacity of producing 50 qualified physicians per year. These two schools are considered to be adequate for the immediate needs for medical professional manpower during the next ten years.

C. Plan for Construction and Staff of a 500-bed University Hospital.

High priority has been given to the finalization of plans for a modern university hospital to be built adjacent to the Medical Basic Science complex at the Faculty of Medicine, University of Saigon, by both the Government of Vietnam and USAID. The office of the Prime Minister and the Minister of Education, Government of Vietnam, as well as the office of the Director of USAID, the Assistant Director for Program, and the Assistant Director for Public Health have all given attention and priority to this project. During the first quarter of 1969, considerable progress has been made in spite of the untimely assassination of the Minister of Education, who had assumed a position of leadership in this development. Both the Project Agreement and the PIO/T have been prepared and are ready for signature. On March 29 the Ministry of Education officially notified USAID that 19 million piasters had been approved for this project.

D. Augmentation of Teaching Staff

The plan of action for the augmentation of the teaching staff is based on the concept of a broad support program to be implemented through counterpart relationships between the basic and clinical science departments in the Faculty of Medicine, University of Saigon, and those of leading American medical educational institutions. To achieve this plan, a contract was entered into between AID/W and the American Medical Association (AMA) in 1966. Since that time and especially during CY 68, department support has been established for all of the basic sciences, and some of the clinical science departments. During the past year, 28 American professional and technical personnel have participated in the teaching program in the basic and clinical sciences at the Faculty of Medicine, University of Saigon. In addition, nine Vietnamese faculty members and staff have visited the counterpart departments in the American

medical schools with which they have established relationships. As a result of this activity, there has been a significant improvement in the teaching program at the Medical School.

The support of the United States Armed Forces medical personnel have been actively solicited and obtained by the Faculty of Medicine, University of Saigon. As a result, substantial teaching assistance has been added. The participant program has been augmented and accelerated. Prior to 1968, 47 participants had received overseas training in their special fields of competence and returned to the Faculty of Medicine to continue their responsibilities in medical education. During 1968, 12 participants returned and 16 were continued in their training program. Five were selected, programmed, and sent for long or short-term periods of overseas training. These participants were selected by the Faculty of Medicine from members of its teaching staff, and in each instance, a training program was designed to meet the particular requirements of the individual participant and to strengthen the department to which they are assigned. Additional participants are being selected and programmed, especially in the clinical sciences. Periods of long-term overseas training are being reduced, and in all instances, the program is arranged through a counterpart prior to departure of a participant.

E. English Language Teaching Program.

The English language teaching program for medical students from the first to the 4th year which was started in the last quarter of 1968 has been continued. During the first quarter of 1969, the program was extended to include pre-medical and pre-dental students. A total of 649 students are now enrolled in 27 classes which meet three or four hours a week. The classes are taught by both American and Vietnamese teachers. The English language teaching program is supported through the American Medical Association contract, and it is planned to furnish some support through the American Dental Association contract.

F. Expansion of the Medical Science Library.

Expansion of the medical science library which has been under way during the last two years was expanded during the first quarter of 1969. At the beginning of 1968, there were about 400 journal titles comprising 4,200 volumes in all languages. At present, there are about 420 journal titles with about 5,000 volumes. The library holdings are increasing at a satisfactory rate, and the new titles are being classified according to the system established at the National Library of Medicine, Bethesda, Maryland.

G. The Bookstore for the Sale of Textbooks.

The bookstore which was established by the Faculty of Medicine to sell textbooks to medical students has operated in a satisfactory manner through the support of the American Medical Association. During 1968, about 20 titles comprising 3,300 were sold to medical students and this rate of sale has continued during the first quarter of 1969. There is anticipated that this service will be expanded during the next six months. During the first quarter of 1969, advisory and consultative support has been furnished for the operation and maintenance program at the Faculty of Medicine, University of Saigon. Some renovation and repair projects have been necessary, as well as the planning for the installation of an emergency generator to prevent spoilage of valuable cultures and biological materials.

COMMENT: During the first quarter of 1969, there have been two assassinations involving department heads in the Medical School. In spite of this, the decision has been taken to continue the medical education program with the same plan of operation and support which has been utilized during the last two years. Except for the temporary suspension of activities occasioned by these events, the Medical School has continued to operate a full and active teaching program.

DENTAL EDUCATION

I. GOALS

The primary goal of this program is to increase the quality and quantity of professionally trained dentists education in the Faculty of Dentistry, University of Saigon. It is planned to graduate 30 well-trained dentists in the immediate future and to increase this number to 50 after expansion of the existing facilities through addition of space in the existing Saigon Hospitals, and the proposed new teaching hospital.

It is planned to develop training programs which will produce the supporting technical personnel required for the performance of modern dentistry. The exact types of these technical personnel have not been determined because the basic professional program has not been finalized. In order to accomplish these objectives, programs are being developed and supported in the following areas:

A. Participation in planning 500-bed teaching hospital (discussed under Medical Education) for the teaching of clinical dental sciences to the students of the Faculty of Dentistry.

B. Augmentation of the teaching staff through professional consultants and advisors working with the Faculty of Dentistry to improve the teaching program and curriculum.

C. The provision of teaching support for the study of English language, including technical vocabulary, by the students of the Faculty of Dentistry.

D. Provision for further expansion of the medical science library by the addition of text and reference books in the field of dentistry as well as current journals in dental science.

II. TARGETS AND PROGRESS

A Participation in the Planning and Construction of a 500-bed University Hospital.

The status of this project has been discussed under "MEDICAL EDUCATION" in this report. It is planned to expand the facilities of the dental school by the addition of dental chairs in the Out-Patient Department as well as the provision of facilities for clinical work in Oral Surgery.

B. The plan of action for the augmentation of the teaching staff is based on the concept of a support program for the various departments in the Faculty of Dentistry through the use of advisors and consultants. Under a contract with the American Dental Association program is supported. In some cases, this will be done on an individual basis, while in others, the departmental relationship will be with an American dental educational institutions. This program was established in 1968, and has been augmented and continued through the first quarter of 1969. Throughout this period, 6 contract individuals, including staff, have contributed to the support of the dental education program.

C. During the first quarter of 1969, the decision was made to provide English language instruction, on a voluntary basis, to the students of the Faculty of Dentistry. The program of language instruction for the medical students, now supported by the American Medical Association, will be expanded through the use of the teaching personnel furnished by the American Dental Association to make possible the inclusion of the students of the Faculty of Dentistry. In addition, members of the teaching staff of the Faculty of Dentistry have undertaken the study of English language on a voluntary basis and are being given assistance in their endeavors by American Dental Association program.

COMMENT: In spite of the disturbance caused by the assassination of two department heads of the Faculty of Medicine, the Dental School has continued a program of revision and modernization of the curriculum which started with the appointment of a new dean in November 1968. Plans are being developed to increase the basic science education for the dental students through joint utilization of the laboratories and personnel of the Faculty of Medicine. In addition, the teaching staff has been augmented by the employment of part-time clinical instructors. Since the change in administration at the Faculty of Dentistry near the end of 1968, there have been significant improvements in the teaching program in the Dental School. There is clear evidence of increased utilization of the clinic and laboratory facilities as well as an extension of the teaching hours by the staff of the school. This has been accomplished by means of planning and scheduling of class time for both faculty and students. Plans are now under way for both in-service and overseas training of the teaching staff with a view to improving the curriculum and education program.

QUARTERLY REPORT - JANUARY/MARCH 1969MALARIA CONTROL
730-11-510-313I. BACKGROUND

The GVN Malaria Eradication Program, with the assistance of USAID and WHO, was one of the most successful programs in its field in SE Asia during the late 1950's and early 1960's. Malaria rates, as high as 32% in 1935, and over 7% at the initiation of the program in 1958 were brought down to less than eight-tenths of 1% by 1962. During this same period malaria declined from the disease of greatest prevalence and economic importance to fourth place.

However, with the outbreak of hostilities and the deterioration of security, by 1964 total spray and epidemiological coverage of the country could no longer be maintained, and the program was forced to change from an eradication campaign to one of temporary emergency control. Mass movements of refugees and the importation of malaria parasites from Laos and Cambodia by the VC and NVN forces, as well as the loss of trained MP personnel to the VN armed forces, have since aggravated the problem.

II. GOALS

Holding the spread of malaria to its level of incidence at the end of CY68, 3.0%, and the avoidance of epidemics.

III. TARGETS AND PROGRESS

The plan evolved was to DDT spray, beginning in the last half of CY68, all secure villages in Region I, II, and III in which the malaria indices exceeded 1 case per 1000 population per year, as well as all refugee, Chieu Hoi, and other resettlement centers. This was calculated to involve spraying 207,265 houses in the last half of CY68. Actually 225,272 houses were sprayed.

A decree was obtained to stem the manpower drain to the armed forces. This permitted all full-time health workers to fulfill their military obligation by participating in Reserve training during their vacation periods. Further, a list of former key MP personnel now in the armed forces has been submitted to the Minister of Defense with a request that these people be released and allowed to return to their former positions, or kept in the armed forces but assigned to the MP.

The USAID malaria team, originally set at eight technicians, had been reduced to two, of which only one, the Assistant Chief Malaria Advisor, was on board during the first two months of the quarter. A new CMA arrived on March 11, and three regional advisors have been approved by USAID and are being recruited by NCDC. Two additional positions, for an entomologist and an administrator, appear necessary and will be formally requested during the second quarter of CY69.

The general malaria index, as nearly as can be estimated from the incomplete examination of blood slides taken, for the most part, at GVN hospitals and district dispensaries rather than at the village level (because of lack of MP blood sampling personnel) has been maintained at about the 3% level which was the target. However, eleven serious outbreaks of malaria resulting in almost 200 deaths have been reported by the VNMP in scattered locations during the past few months, three of them in Region IV, which because of past low hypo-endemicity was not even included in the planned spray program. The US military reports 2075 cases of malaria among American troops in the last two months of CY68, and 1570 cases in the first two months of this year. The decrease is probably due to the adoption of dapsone prophylaxis in addition to the chroquine-primaquino previously relied upon, and an increased emphasis on personal anti-malaria discipline.

It is obvious that some of the targets set are insufficient to meet the country's current needs. Therefore a new target is here established, for the reorganization of the case finding system and a speed-up of the diagnostic process, so that incipient outbreaks can be detected early. Concurrently, the spray operation will be modified to place immediate priority on the treatment of foci of infection thus discovered, rather than routinely treating areas indicated by the year-old 1 case/1000 inhabitants criterion.

A second new target is established for the preparation, in the coming quarter, of a full-term malaria eradication plan to be put into effect at the termination of hostilities.

QUARTERLY REPORT - JANUARY/MARCH 1969PROVINCIAL HEALTH ASSISTANCE
730-11-530-347I. BACKGROUND

Although the ultimate objective of this project remains the same as stated in the FY70 PBS; to assist the MOH/SWR in the improvement and expansion of its health organization until the capabilities of a fully integrated national health service are available to each citizen, the goals and activity targets have changed substantially since that time. In order to increase the effectiveness of operational assistance in provincial hospitals, an evaluation of assistance was made in the spring of 1968. As a result of that evaluation, it was decided to abandon the concept of a standard configuration for all MILPHAP teams in favor of teams tailored to meet the needs of each provincial health situation. For the most part, this has meant increasing the surgical/medical and public health competence of the teams, and has resulted in an overall reduction of team personnel, mostly in the enlisted ranks. Simultaneously, an effort has been made to increase the emphasis on providing medical care at the district level, specifically in the development of effective public health programs. In all aspects of the program a great effort has been made to increase GVN military/civilian cooperation to maximize joint use of facilities and personnel resources. Redefined targets for these activities are as follows:

II. TARGETS AND PROGRESS

A. Implement revised staffing patterns for all MILPHAP (22) teams by the end of the first quarter of FY70.

The decree implementing the new MACV Joint Table of Distribution goes into effect July 1, 1969. Revised staffing will be effected as required in particular provinces.

B. Increase Vietnamese civilian/military cooperation in the Civil Medical Assistance Program.

On May 23, 1969, the Prime Minister signed a decree making Joint Utilization of Ministry of Health/Ministry of Defense Health facilities effective. In essence, the decree formally implemented a program inaugurated on March 27, 1969 at a ceremony keynoted by a two-day seminar held to give all civilian and military personnel involved in the plan a better understanding of its workings prior to its initiation in

thirteen provinces. These provinces are: Quang Tin, Minh Thuan, Quang Duc, Lam Dong, Phuoc Long, Binh Long, Binh Tuy, Hau Nghia, Long An, Kien Tuong, Kien Hoa, Chau Doc, and Kien Giang. Within one year, it is expected that the system will be extended to 26 provinces. The Civilian and Military Health Coordinating Committee will now proceed to discussion of coordination of the regional logistic system, joint efforts in drug manufacture and in the training of health personnel of various categories.

C. Improve the referral system for treatment of civilian war-wounded in US military hospitals.

The extensive documentation required for these cases originally has now been reduced to a single tag. Moreover, the system of referral has been clarified and is becoming consistently more effective as can be seen from the following data:

CWC Admissions to US Military Hospitals

October	580
November	537
December	679
January	749
February	899
March	1141

D. Increase district level health assistance activity in effort to develop a rural health system.

In contrast with district level health activity one year ago when 75 districts were covered, today teams are in 93 districts on a continuing basis and visit at least a dozen more two or three times a week. Seven districts are covered in I Corps, fifteen in II Corps, 14 in III Corps, and 61 in IV Corps. Within the next three months, further district coverage is expected in II and IV Corps where security permits.

QUARTERLY REPORT - JANUARY/MARCH 1969PUBLIC HEALTH SERVICE
730-11-530-348I. BACKGROUND

To deliver adequate preventive medicine programs to the people of Vietnam. Concomitant with Public Health programs, Preventive Medicine has, in the past, acted as an advisory service to the Ministry of Health (MOH) and USAID Public Health systems.

II. GOALS

Develop strong Public Health/Community Health programs which raise the standards of the community by improving the individual's physical and environmental well-being.

III. TARGETS AND PROGRESSA. Preventive Medicine Section

1. Immunize as many adults as possible against plague, cholera, smallpox, typhoid and tetanus, and the younger age group against diphtheria, whooping cough, poliomyelitis and tuberculosis.

During 1968 approximately 20 million immunizations were given for cholera, plague, and smallpox. If national Preventive Medicine programs continue as they have in the past, we can expect to see at least 20 million immunizations given in 1969.

Expansion of select programs such as the National Plague Control Program will hopefully increase the overall productivity and importance of these campaigns. The National Plague Control Program provided an opportunity to institute new procedures for the distribution of plague vaccine. Those new procedures met with favorable criticism through the 1968 Plague Control Program. However, at the end of the third cycle, the MOH reverted to a formerly used distribution system for plague vaccine. It is hoped that the 1968 updated distribution system can be made available again before Mid-Year 1969.

2. Improve the quality of morbidity data now being reported by GVN, US civilian and military personnel.

A comprehensive report form for the reporting of quantitative data regarding the progress of the National Plague Control Program and

other vital Public Health programs has been devised. The purpose of the form is to consolidate input data into a single form and project commodity requirements for 4 successive quarters.

Bio-statistical data on Vietnam, compiled from a variety of sources and data banks, has been analyzed by the Preventive Medicine Section. A report has been furnished to the Health Planning Committee for their exclusive information and use. Responsibility for reporting on all commodity procurement and project requirements for the National Plague Control Program has been delegated to the Preventive Medicine Section. A system, including new reporting requirements from the regions and agencies has been instituted.

3. Initiate routine surveillance of communicable disease admissions to the ChoQuan and Nhi Dong hospitals in Saigon.

Routine surveillance of communicable diseases in Saigon is an on-going function of USAID health advisors with local hire personnel interviewing new cases and maintaining records.

4. Develop the MOH Public Health Laboratory system beginning with bacteriological diagnostic facilities and routine surveillance for rodents bearing plague in important ports and at the Saigon Airport.

Long term vacancies in key advisory positions negated a real effort in this area. In November, the Laboratory Advisor position was filled and a Communicable Disease Control Advisor was recruited. Significant advances toward the improvement of laboratory procedures are programmed for the remainder of FY 69.

5. Extend the Planned Preventive Medicine Services organization into the regional offices and select provinces.

Increased success in the recruitment of physicians to fill long-standing deputy chief health officer positions at the regional level will allow expanded effort to initiate preventive medicine projects at the province level. The primary responsibility of these personnel will be to supervise such projects.

B. Environmental Sanitation

Preliminary discussion was held with other American public health advisors regarding a training program for Vietnamese students, to be called "polyvalent health workers." The Ministry of Health expressed no interest in the concept, so the idea is temporarily abandoned.

As of the end of the reporting period, there was no immediate prospect for the formal teaching of sanitation to any present or prospective health workers in the Ministry. A fact which has been recognized as a serious defect, and is being addressed.

On-the-job training, as distinguished from formal course work, was provided to 25 health workers in Region III: they spent one week observing and participating in the installation of hand pumps on five existing wells at MOH facilities in the vicinity of Bien Hoa. A similar training course was given to four health workers in Palat, in Region II. Both were conducted by MOH sanitarians with help from the American sanitation advisors.

All of the 41 American refuse collection trucks referred to in our last report are in country. Fifteen are in service in Saigon, 5 in Gia Dinh, and the remainder have been prepared for service in other communities. AID/Public Administration has assumed the lead in allocating the vehicles, with guidance from ADPH/PH/S, and the training of operational and maintenance crews is being done by the Saigon Sanitation Service.

American sanitation advisors at the national and regional level continued significant participation in the National Plague Control Program. Nationally consultative and coordination work was performed, and regionally the actual dusting and entomological work in the field, with the assistance of Korean teams was supervised.

A prototype food handlers course was developed by USAID/Public Health, endorsed by the MOH and presented to 26 Vietnamese food handlers who are employed by GSO in USAID Snack Bars and Saigon Restaurants. The course was well received and is now one of the working tools of the MOH.

C. Public Health Education

1. Complete construction of the National Health Education Center.

An 18-million piaster contract is being negotiated for construction of this building. USAID equipment in the warehouses cannot be placed in the present temporary print shop because of overcrowding, training of pressmen and other shop workers has ceased pending start of construction. No progress is reported in the first quarter of CY69.

2. Enlarge and improve the NHES staff.

a. Provide trained public health educators for each level of operation at which the MOH provides health services.

Current on-board and processing strengths are:

	<u>On-Board</u>	<u>Required</u>	<u>Training in Process</u>
Class A Health Educator Specialist	2	13	2
Class B Health Education Technician	5	80	None
Class C Assistant Health Education Tech.	45**	237	12

** The National Health Education Service is conducting a three-month refresher training course for these personnel which will end April 30, 1969. All have assignments in the provinces, with 12 being assigned to new positions in the Prefecture of Saigon.

Class A specialists will be assigned to the supervisory positions within the National Health Education Service and as regional consultants.

Class B technicians will provide health education support services at the Province level, supervising the district health educators (Class C) who will be trained as multi-purpose health workers.

b. Achieve Civil Service status for health education workers at the technical level.

Legal recognition of health education technician positions has been provided after more than two years of effort. A training curriculum is being reviewed by the Ministry of Health and the first recruits are expected to be nominated in the second half of CY69. Forty are expected to enter training in CY70 to be graduated and assigned at the end of CY72. The second cycle of trainees will begin training in CY71.

c. Recruit and train provincial and district health educators.

The NHES has received assignment of health education workers in all but six provinces in Vietnam. Forty-five workers were brought to Saigon in January for a three-month course in public health education conducted by MOH and USAID officials. Twelve of the 45 are being assigned to newly created posts in Saigon city districts, and the others returned to their provincial posts on April 30.

3. Provide health education support activities for on-going public health and school health programs.

The US advisors are continuing to provide information for the evaluation of the 1968 Plague Control Program. In some areas surveys have been made on the amount of information which was absorbed by the people who received insecticide dusters into their homes or places of business. Other surveys have been taken to ascertain the amount of health information which different classes of working people have, and what they have adopting as their health standards. School health has continued to receive attention with the NHES continuing into its second year with the pilot project at the Saigon Normal School. Materials support to the provinces has resulted in over 437,000 copies of items being distributed during the first quarter of CY69. A breakdown of these items indicates the following:

Sanitation posters and pamphlets	222,250 copies
Nutrition posters	144,000
Dental Health pamphlets	2,020
Tuberculosis posters and pamphlets	5,650
Venereal Disease materials	10,050
Other diseases and parasitism	13,000

Most of these items have been sent to the province medical services to be used in local health campaigns, school health projects, community clean-up campaigns and training projects. Interministerial sharing of material resources and project technicians occurs in nutrition and sanitation activities.

4. Develop and produce educational materials.

Provide educational curricula and materials in health education: The NHES has written or drafted the following health education guides or curriculum outlines:

a. Textbook on Public Health Education (draft only)

b. Textbook in Preventive Medicine and Public Health used in conjunction with the NHES initiated course in preventive medicine at

at the Saigon School of Medicine (drafted and mimeographed).

c. Curriculum guide on teaching school health education (drafted and used in two-year pilot project at the Saigon Normal School. in classes that have reached approximately 1,200 student teachers.)

d. Curriculum outline on elementary school health education (draft copy completed this quarter).

e. Curriculum outline for one-year course to produce multi-purpose public health worker (drafted in cooperation with training center staff of the Directorate of Public Health, MOH).

f. Materials completed during this quarter or still in process of development include:

Completed:

Anatomy workbook for nurses in Vietnamese. 1,100 copies of 65 pages each. Submitted by nursing education section.

Cho Ray School of Nursing received a twenty-five minute film in Vietnamese which their own staff developed for public information and recruitment.

Charts for commercial food handlers' training course in Vietnamese. Included drawings for flipcharts and posters.

Medical examination card and family folder, Vietnamese, 1,000 copies were made for a pilot trial in the City of Saigon.

Sanitation booklet on model latrine for schools. Made in Vietnamese and English to be used for information and training, 100 copies with 23 pages each were produced.

50,000 posters for nurse recruitment were produced for the Nursing Branch and distributed to the schools of nursing.

500,000 eight-page booklets on prenatal care are being published by JUSPAO for the NHES distribution to maternity clinics and hospitals.

50,000 posters featuring Venereal Disease and their prevention were produced by NHES local contract for public information purposes.

20,000 booklets on Leprosy were purchased on contract from local printers.

18,000 of these have been distributed to province medical services.

50,000 posters and pamphlets on tuberculosis detection and immunization were produced in the NHES printing shop.

25,000 pamphlets on Venereal Disease were produced in the NHES.

21,500 posters on Oral Sanitation and Spitting were produced by the NHES printers.

12,000 pamphlets (6,000 each province) were produced to promote the health activities of Ph  Yen and Binh Dinh Provinces.

3,000 pamphlets featuring refugee health were printed by the NHES.

QUARTERLY REPORT - JANUARY/MARCH 1969NURSING EDUCATION AND TRAINING730-11-540-349I. GOALS

To support, advise and assist the Bureau of Nursing in the Ministry of Health, Social Welfare and Relief (MOH/SWR) to increase the quality and quantity of nurses, improve the quality of patient care, and develop public health nursing practices in the community.

II. TARGETS AND PROGRESSA. Bureau of Nursing, Ministry of Health

1. Increase effectiveness of Bureau of Nursing. Daily conferences with the Vietnamese Chief Nurse and her assistants, bi-monthly Bureau of Nursing meeting, written communications and frequent travel (approximately once per month) to the field have failed to bring about substantial improvements in Bureau of Nursing effectiveness. The Bureau of Nursing is unable to communicate directly with nurses in the field. They lack authority to initiate and/or direct nursing programs. When plans for nursing are made at Ministry of Health level, the Bureau of Nursing is frequently left out of planning meetings, yet they are expected to implement decisions made.

2. Establish legislation to appoint a licensing board to enforce procedures of safe practice and licensure. In order to ensure that a graduate is able to function in all areas, he should pass a national qualifying examination which will lead to national registration and licensure.

Before legislation can be enacted, minimum standards in Nursing Education must be met; i.e., recommended improvements (See item 6) at the basic Nursing Education level must be incorporated before more sophisticated requirements of national qualifying examinations, registration and licensure can be met.

Guidelines from the International Council of Nurses (ICN) have been requested. An observational tour to Korea is planned for June 1969 to acquaint ten nursing leaders with the means whereby legislative controls can be initiated.

3. Establish a Vietnamese National Nurses Association.

Legislation must be enacted for controls, practice, registration and licensure before a functional national nurses' association can be initiated. Unfortunately, little progress has been

made thus far. Among the chief obstacles; similar legislation has not yet been adopted even for physicians; and the low status of nursing and the associated sense among many Vietnamese that nursing hardly warrants legal definition and control.

4. Provide Participant Training

a. Five one-year trainees (3 Nursing Education, 2 Nursing Service) are scheduled to depart for the United States in May. (Eight participants were programmed: only five passed the English proficiency examination).

b. Ten participants are scheduled to depart for Korea on a two-week observational tour in June/July. These trainees have been selected from leadership nursing positions; the primary purpose of the trip will be to learn about legislation for nursing and how to organize and implement a National Nurses' Association as indicated in goals 314.

c. Ten nurses are scheduled to depart for Taiwan in April/May for training in Public Health Nursing.

B. Nursing Education

1. Achieve a ratio of 1 nurse to 5000 population with a total of approximately 3500 nurses in-country.

Based on a population of 17,500,000 there is currently a ratio of one nurse technician or assistant nurse to 6000 population. This figure does not include national nurses of whom there are approximately 1000. If they are included the ratio is 1:4500.

The following nine schools of nursing are in operation:

US Advs	School	Year Opened	Graduates in 1968	Total # Graduates Since opened	# Graduated This Quarter	Current Enrollment
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Nurse Technician School (3 Years)

1	Hue	1960	39	500		186
3	Cho Ray	1960	69	<u>551</u>		268
				1051		

Assistant Nurse School (1 Year)

	(Hue	1958	169	693		114
see above	(Cho Ray	1958	158	716	83	187
1	Da Nang	1966	52	93		40
1	Ban Me Thuot	1967	32	32		48

(Assistant Nurse Schools continued)

1	Saigon Pref.	1967	32	32	40
1	Can Tho	1966	49	88	40
1	Long Xuyen	1967	49	49	50
			<u>649</u>	<u>1703</u>	
				<u><u>2754</u></u>	

2. Open two additional Assistant Nurse Schools: Bien Hoa and Nha Trang. On April 2, both schools opened with classes of 41 and 37 students respectively.

3. Prepare Instructors in the principles and methods of teaching. A three-month Instructors' Training Course was completed in January 1969. The twenty trainees will staff the two new schools of nursing in Bien Hoa and Nha Trang and provide replacements for vacancies in existing programs.

4. Prepare textbooks in Vietnamese and English. Three textbooks are being prepared: 1) Anatomy and Physiology Workbook, 2) Operating Room Manual, 3) Procedure Manual. Translation is complete and cost estimates of publication (3000 copies each) will be submitted o/a 1 May.

5. Construct three Assistant Nurse Schools and one Dormitory:

a. Ban Me Thuot: The complete Technical Dossier for Construction has been reviewed and approved by the Chief Reconstruction for Region II and was submitted on April 2 to the Technical Director of the Directorate General of Reconstruction and Urban Planning for approval. It will then be forwarded to the Ministry of Health for concurrence before going out to bids.

b. Nha Trang and Bien Hoa: an order has been issued to Provincial Reconstruction Service in Nha Trang and Bien Hoa for development of the Technical Dossier based on the Standard Plan.

c. Danang (Dormitory): an order has been issued to Da Nang Prefectural Service of Reconstruction to prepare the Standard Dossier.

6. Improve the three-year Nurse Technician Curriculum. On 27 January a meeting was held with Ministry of Health officials to review problems and make recommendations for improvement of the Nurse Technician Program:

a. It was agreed that the three-year Nurse Technician schools at Hue and Cho Ray would phase out their one-year Assistant Nurse Programs

in 1969 so that increased emphasis on quality of instruction could begin in 1970. (This has apparently now been revoked by the Ministry of Health in favor of producing greater numbers of nurses even though the goal of one per 5000 population will be realized this year).

b. An Instructor/Student ratio of 1:15 was promised (present ratio is 1:30 or 1:45) but no definitive measures have been taken by the Ministry of Health to accomplish this.

c. A comprehensive decree for the Nurse Technician Program (none now exists) was promised. Two meetings with Directors of paramedical schools have been held at the Ministry of Health to revise and update curricula. It is anticipated that a decree may be forthcoming sometime this year.

7. Shorten the period between graduation and assignment. Although assignment of new graduates is now being made at the completion of training, salaries are not received for as long as six to nine months after the nurse has been working at his assigned duty post. ADPH has been alerted to this problem.

8. Integrate and Coordinate military and civilian training Programs. The Joint Military Civilian Nursing Committee (JMCNC) has evaluated the military nurse training programs as a preliminary step towards reciprocal accreditation with Ministry of Health training. An official proposal will be submitted to the Military Physicians Coordinating Committee (MPCC) in May 1969.

C. Nursing Service

1. Improve Nursing Service Organization. Five Vietnamese regional nurse supervisors have been appointed, as have U.S. Nurse Advisor Counterparts. Piaster allowances have been provided for hospital chief nurses and regional supervisors.

Although a Nursing organization has been established at the national, regional and provincial levels, incumbents of administrative and supervisory positions are powerless to act because they lack authority commensurate with their stated responsibilities.

2. Provide Advisory Assistance to Nguyen Van Hoc Hospital. Five Nurse Advisors were assigned to this new hospital in March at the request of the Ministry of Health. An in-service training program for nursing personnel, job descriptions, nursing policies and procedures have been prepared in anticipation of the opening of the hospital in June.

3. Provide In-service Training.

a. The two-week National Seminar on "Basic Principles of Administration" was completed in January. Twenty-two chief nurses were in attendance.

b. The team nursing concept has been introduced on two wards of the Khanh Hoa Hospital. Marked success has been reported on one ward where the advisor has now been transferred and the system continues to function well.

D. Public Health Nursing

1. Develop the Public Health Nursing Section, Ministry of Health. A continuing problem of organizational placement and function of Public Health Nurses clouds the effectiveness of this Section. PROBLEM: It has been difficult, if not impossible, to develop this section at the national level because of the nature of community health activities which are separate from those of curative medicine in Vietnam: i.e., public health activities fall under the Directorate of Public Health while Nursing Education and Hospital Nursing Service fall under the Directorate of Curative Medicine. Although there is a Public Health Nursing Section Chief in the Bureau of Nursing, she has virtually no responsibility or authority over rural health workers. Personnel working at region, province and district health units, whether they are Health Technicians (there are approximately 92 Health Technicians who are working in Public Health and who have had more comprehensive training than Nurse Technicians) or Nurse Technicians resent any real or intended association with the term "nurse" or with the Bureau of Nursing.

Despite this continuing dilemma, the Ministry of Health remains in favor of maintaining a Public Health Nursing Section in the Bureau of Nursing. Efforts to relocate the Section Chief in the Directorate of Public Health with liaison responsibility to the Bureau of Nursing have met with failure. The activities of the Public Health Nurse Advisor are also adversely affected by this dilemma. However, progress in upgrading community health services is being effected at regional and provincial levels through the Public Health Nurse advisors in the field who are working well with their province and district health chief counterparts.

2. Demonstrate the Role of Public Health Nursing in Vietnam A plan has been submitted to the Ministry of Health to train Nurse Technicians in Public Health Nursing in one province. If this plan receives official acceptance, the ten Nurse Technicians so trained will serve as a nucleus instructor-group for future Public Health Nurses.

3. Provide assistance to Public Health Chiefs in Planning and Implementation of Public Health Nursing Programs. Currently 12 American Public Health Nurse Advisors in provinces/prefectures are providing assistance in program planning.

QUARTERLY REPORT - JANUARY/MARCH 1969HEALTH LOGISTICS SUPPORT
730-11-590-350I. GOALS

To assist the GVN develop and implement a national medical logistics system for the Ministry of Health (MOH) which will provide adequate and effective supply support, medical equipment and vehicle maintenance for all MOH facilities and programs; and to fund medical and other project commodities in support of the MOH Directorate of Logistics.

II. TARGETS AND PROGRESS

A. Continue the development and implementation of standard medical logistics procedures for use at the MOH Medical Logistics Center, MOH depots, and province/prefectural health service facilities for stock management, stock accounting, and the receipt, storage and issue of medical supplies and equipment.

Since staffing limitations precluded use of US direct hire medical logistics personnel in this effort, a contract was awarded in March 1967 to Pope, Evans and Robbins International, Ltd. (PERIL) to provide system continuity at major consumer levels with the redesigned medical logistics system being implemented at national (depot) level for the MOH. Under the PERIL contract 60 MOH medical treatment facilities selected by the MOH Director of Logistics were to receive technical assistance in the implementation of a medical supply system and procedures. Initial implementation has been completed with the exception of three facilities, where inability to secure sanitary living conditions precluded the contractor from supporting implementation teams.

Amendment No. 6 (October 1, 1968) to PERIL contract extended the period of service to September 1969 to complete system implementation, and to provide for follow-up visits to facilities previously implemented to reinforce training and improve internal procedures. Contractor is on target and increased scope of work should be accomplished by the contract expiration date.

B. Construct security fencing, lighting, hardstand, road paving, fire protection and general utilities systems at the MOH Medical Logistics Center at Phu Tho for the proper storage and security of supplies, equipment and vehicles on hand for the support of MOH hospitals and province health facilities.

The construction is being done by Korea Development Corporation

under a contract with USAID. The project is approximately 75 per cent completed. Barring unforeseen developments, the contractor anticipates completion of the project on or about 5 May 1969, the expiration date of the contract.

C. Construct three additional 50' x 200' warehouses at the MOH Medical Logistics Center at Phu Tho to increase its warehousing capability for the storage of medical supplies and equipment.

In March 1969, a contract was negotiated by USAID with the Korea Development Corporation to erect the warehouses programmed for the MOH Medical Logistics Center at Phu Tho. The site preparation has already been accomplished, and the contractor is in process of pouring the cement slabs for the warehouse erection. The contractor is attempting to expedite the foundation work before the advent of the rainy season. The construction of 30,000 gross square feet of additional warehousing (which includes replacement construction of a complete warehouse building destroyed by a fire of undetermined origin in April 1967) will satisfy the current estimated requirement for 195,000 gross square feet of closed storage.

D. Continue the phased construction of MOH province health service medical supply warehouses of appropriate sizes to provide adequate storage of medical supplies to support MOH requirements and, where necessary, staff warehouses until such time as there are adequate MOH personnel to staff them.

Fourteen province health service warehouses were scheduled for construction in 1968. However, as a result of the Tet offensive and GVN reassessment of priorities, construction was held in abeyance until 1969. US dollars and counterpart funds were approved and made available at the close of 1968 to accomplish the construction projects. Site planning has been accomplished at most of the provincial health services scheduled for warehouse construction. It is anticipated that construction contracts will be awarded in the regions over the next two months. Upon completion of these construction projects, eleven province health service warehouses are programmed for 1970.

Twenty (20) Third Country Nationals (TCNs) under the USAID Public Health medical supply management contract with the International Industrial Company, Ltd., and eight (8) US direct hire medical logistics advisors are assigned to positions directly related to MOH provincial health service warehousing operations. The PIO/T has been initiated to extend present contract with IIC for six (6) months. The contract will be terminated upon completion of the 6-month extension.

E. Provide adequate quantities of medical supplies and equipment needed for initial provisioning of new hospitals, for the treatment of patients and for the prevention of disease in South Vietnam.

QUARTERLY REPORT - JANUARY/MARCH 1969

NATIONAL REHABILITATION INSTITUTE

730-11-530-351

I. GOALS

To assist the GVN in development of a comprehensive program for rehabilitation of the handicapped.

II. TARGETS

The establishment of a base rehabilitation center in Saigon with an affiliated activity at Cong Hoa Military Hospital. The three-story central services building now under GVN funded construction at the base center in Saigon is estimated to be completed by mid April.

a. Physical Therapy:

1. The physical Therapy department which will be housed in the new facility has been reorganized and patient procedures clarified to upgrade amputee rehabilitation.

2. The July class of six-month trainees in physical therapy has graduated with eleven of the original sixteen students completing the course and proceeding to positions in NRI facilities. A fourth class of 20 very promising students has commenced.

b. Paraplegic Rehabilitation:

The last patients of the original group of paraplegics who received one year of acute medical rehabilitation in the United States have completed vocational training and have left the NRI center.

c. Evaluation, Counseling, Vocational Placement:

The first NRI patients evaluated with tests developed by the WRF psychological consultant and the NRI staff members are nearing their course completion, thereby making it possible to correlate test results with success in specific training areas. Once sufficient results are available, an attempt will be made to establish general population norms.

It is planned that with the opening of the Central Services building, a program of social and psychological evaluation of all incoming patients will be carried out.

Although gains have been made in selective job placement, NRI continues to place little emphasis on this final phase of rehabilitation. The medical maintenance technicians are in training with MOH, and four are being processed for hire. Two clerical placements have recently been made with voluntary agencies. Further emphasis and efforts must be directed toward developing a selective placement concept.

d. Day Care Center

Program recommendations have been made to the NRI Director, Dr. Vi regarding the proposed day care center for the education of physically handicapped children. The proposed budget was then presented to Dr. Lotta Hitschmanova of the Unitarian Service Committee of Canada which will probably fund the project. If funding is confirmed, the project will begin in July 1969.

A total of 1179 artificial limbs and braces were completed in the first quarter of 1969 at NRI, Cong Hoa, Can Tho and Da Nang; 1390 patients were measured and fabrications began for their prostheses during the quarter.

e. Blind:

Adjustment training for class III began in October 1968 to be completed in March 1968. Due, however, to the slow progress of trainees in Braille, typing, and orientation and mobility, the staff decided to continue this first phase of blind rehabilitation for an additional four weeks.

Intensive individual training will be given to trainees whose ability is not adequate for vocational training. In the meantime, trainees are receiving assessment to help them view their desires and abilities in a realistic attitude.

Location and evaluation of job opportunities for remaining students of classes I and II continue. To date, out of 25 trainees in these two classes, 15 have been placed, one will receive instruction in piano tuning techniques at Perkins school for the Blind in the U.S.A. beginning in the fall 1969. One trainee was absorbed in class III, and eight returned home for personal reasons or refused job placement. This is considered modest but encouraging success.

A new group of five instructors for the blind began working under supervision in March thus permitting the acceptance of a larger number of students in class IV to begin on May 1, 1969.

A proposed expansion of the project to the Can Tho and Da Nang sites as originally proposed is under discussion.

Establish branch rehabilitation centers to provide service in Regions I, II, and IV.

a. Can Tho - With the delivery of roofing in January, all the construction material provided by USAID is on site. WRF and NRI in late January declared the construction satisfactory.

b. Da Nang - Shortcomings and corrections on initial construction were undertaken and are almost completed. These included additional fill, installation of a more effective dust eradication system and improvements to the sewerage system.

c. Qui Nhon - Now that most of the equipment has arrived, the center as of March 20 is functioning on a limited basis. Once the electrical apparatus is completely adapted to Qui Nhon power and certain equipment ordered from Phu Tho depot, the center will be completely functional.

The Physical Therapy department at Qui Nhon is operational and includes a seven-man staff, four of whom were trained in NRI PT courses, and three of whom are Canadian therapists.

QUARTERLY REPORT - JANUARY/MARCH 1969NATIONAL HEALTH ADVISORY SERVICES730-11-540-373I. GOALS

To improve the administrative and planning competence of Ministry of Health, Social Welfare and Relief (MOH/SWR) personnel at all levels of the Ministry.

II. TARGETS AND PROGRESS

Expand training facilities and upgrade teaching procedures to increase the number of graduates: From the school of assistant laboratory technicians from 25 in CY68 to 100 by CY70; from the school of assistant X-Ray technicians from 7 in CY68 to 28 by CY70; from the dental chair assistants school from 14 in CY68 to 28 by CY70.

1. Ninety-four students are presently enrolled in the 1-year Assistant Laboratory Technician Course. Of these, 77 are in the National Laboratory Technicians School in Saigon, and 17 are in the Region I Branch in Danang. The latter was established during the last quarter of CY68, and accepted its first class of students in October of that year. Twenty-four students in the 2-year Laboratory Technicians Course will be graduated in August 1969. This 2-year course will be phased out upon the graduation of the present class, and will be replaced in either CY70 or CY71 with a 3-year course for Medical Technologists. In addition, a 1-year refresher course for former graduates of the 2-year course will be initiated in CY69. Also, it is planned that a special course in Clinical Laboratory Methods for Laboratory Chiefs will be initiated in CY69.

Priorities for placement of graduates of the various courses will take cognizance of the needs of the laboratory school branch in Danang as well as the requirements of the various laboratories throughout the country. Emphasis will be given to staffing the Class A hospital laboratories first, which will give at least minimal laboratory support where the need is greatest.

A standard supply and equipment package for Class A hospitals is being developed. This package is based on the laboratory manual which describes the procedures to be carried out in these hospitals, and will provide all the materials needed for the tests to be performed. The laboratory manual is now in the process of being translated from English into Vietnamese, and multiple copies will be provided to all Class A hospital laboratories.

Included in the curricula for training the various laboratory personnel are techniques to be used in blood banking. Thus Assistant Laboratory Technicians, even in the Class A hospital laboratories where minimal test will be performed, will be able to perform blood typing.

Development of Class B and Class C hospital laboratories will be given greater emphasis at the Class A hospital laboratories become more firmly established. However, plans for the renovation and improvement of those Class B & C hospital laboratories now in existence, including training programs for personnel, are under way.

Improve hospital management and administration procedures in the MOH/SWR hospital system and improve the training program at the School of Hospital Administration in Saigon. As a result of ADPH urging, the Ministry has determined not to send a second group of ten hospital managers to Taipei on an Observation Tour. Rather the Ministry and ADPH are developing a long-term (one-year) graduate program for five pharmacists to be trained in hospital administration in the U.S.

Improve the quality and quantity of tests and assays out in drug assay laboratories. With the publishing of the comprehensive pharmaceutical compendium and the reappointment of a pharmaceutical advisor, efforts in this area are continuing on a satisfactory basis.

Carry out inspections of all phases of the pharmaceutical industry, with the inspection staff working with individual manufacturers to develop sound pharmaceutical manufacturing practices.

a. The Director of Pharmaceutical Affairs has agreed to the development of a hospital pharmacy system with details of agency, policy, etc. to be drafted.

b. Extensive information has been obtained pertaining to private pharmaceutical industry capabilities as well as manpower utilization data for use in the 10-year Health Plan.

c. The development of a "Drug Therapy Guide based on the Phu Tho MOH Medical Logistics Center Catalog is 30% complete; the Pharmacy technician manual is 90% complete.

Continue to explore methods to improve the GVN intravenous solution production laboratory. The Pharmaceutical Team advised in their initial report that adequate in-country resources are available to provide and bottle sufficient solutions to Ministry and private hospitals. The final report will contain recommendations for upgrading these resources.

Equip 10 blood banks and 12 blood bank donation rooms which are being established by the MOH/SWR. During December 1968, USAID and MOH completed an assessment of blood banks in Vietnam as a base for expansion and improvement of these facilities. A US micro-biologist has recently arrived in Vietnam; he will work with MOH in expanding and upgrading laboratory facilities and advise in development of new laboratory schools and blood bank improvement.

Develop 14 pilot Family Planning Research Clinics with the existing Maternal & Child Health Care System.

a. Eight such clinics continue in operation. Seven additional units are to open in CY 1969 an effort is being made to secure vehicles for these clinics which have been staffed by volunteers with no transportation since their establishment.

b. The Population Study training school for midwives opened with a class of 14 midwives on March 17, 1969. A second class of 15 midwives is planned also in CY 1969. This is an important step for MOH for it is the first in-country training in Population which has been offered.

c. Plans are completed for 40 Rural Health supervisors to attend a 5 weeks course in Community Health and Population Study in Taiwan. On their return they will receive a 2 weeks course in statistical collection at National Institute of Statistics in Saigon. The first group of ten have departed on April 5, 1969 for Taiwan.

On their return they will return to post and teach others. It is planned to use this group as a cadre for National Institute of Statistics and MOH statistical collection for census and vital statistics and fertility index studies.

d. A Knowledge, Attitude & Practice (KAP), 2,500 of 10,000 have been received. 93.8% of women from pre and post-partum clinics wish contraceptive advice "for a better life, health and economic advantage for their children".

e. Maternal & Child Health: The new Director of MCH, Dr. Tu Uyen, is implementing a program designed to reduce maternal and child mortality. It will stress better supervision in the field, in-country training in MCH for rural and national midwives and Public Health training for all midwives.

Through better pre and post natal care and safe delivery for mothers, plus improved nutrition in mothers and children and nation-wide immunization programs for children, the Maternal and young child mortality rates should decrease substantially in 5 years.

Improve the capabilities of the MOH/SWR Bureau of Statistics in the areas of population dynamics and demographic studies.

a. Two statisticians from MOH/Statistics have been sent to U.S. Bureau of Census for 22 weeks and 50 weeks training courses. This will upgrade the statistical supervision in MOH Bureau of Statistics.

b. Four statisticians from MOH/Statistical Bureau will spend one month in Taiwan studying hospital statistical collection. They will serve as supervisors for each region.