

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROGRAM AND PROJECT DATA

PRESENTATION TO THE CONGRESS — FY 1969

BEST AVAILABLE

VIETNAM

Mr. [unclear]
[unclear]

FOREWORD

The Regional volumes provide additional program and project data relating to the FY 1969 Congressional Presentation of the Agency for International Development.

Country Data--The following narratives and tables have been included for each country as applicable:

NARRATIVE AND FISCAL SUMMARY OF COUNTRY PROGRAM--Narrative to provide a framework for the current and proposed A.I.D. program in the country; Program Summary table by funding category for FYs 1967-1969.

Table II --SUMMARY OF PROGRAM BY FUNCTION--project and program assistance for FYs 1967-1969, by major cost component and method of financing; related personnel and participant data. This table is prepared for selected countries.

Table III--PROJECT DATA--Status of individual projects: for each project for which FY 1969 obligations are proposed. This table is prepared for selected countries.

Table IV --PROJECT DATA SUMMARY

For countries other than those designated as selected, used to list:

- (a) projects with 6/30/67 unliquidated obligations;
- (b) new projects started or planned to be started in FY 1968 with estimated unliquidated balances on 6/30/68; or
- (c) projects requiring FY 1969 funding.

For selected countries, used to list:

- (a) projects for which Table IIIs are not prepared, but which have 6/30/67 unliquidated obligations; or
- (b) projects started or planned to be started in FY 1968 for which no Table IIIs are prepared, but which will have an estimated unliquidated balance on 6/30/68.

Table IVa--DESCRIPTION OF NEW FY 1969 PROJECTS--This table is used to provide a brief description of projects footnoted on Table IV as new in FY 1969.

Table V --STATUS OF DEVELOPMENT LOANS--loan status of individual, authorized Development Loans and Alliance for Progress Loans which had not been fully disbursed as of December 31, 1967; descriptive narrative focusing on implementation, with specific emphasis on measurements of progress related thereto. This table is prepared for selected countries.

Table VI --STATUS OF DEVELOPMENT LOANS SUMMARY--This table is used for countries other than selected countries to summarize for each country the fiscal data on individual Development Loans and Alliance for Progress Loans which had not been fully disbursed as of 12/31/67.

Regional Data--The following two tables provide data at the regional level:

- a. Table II--Summary of Program by Function
- b. Summary of Status of Development Loans

World-Wide Data--A separate volume with the sub-title "World-Wide Summaries and Program Support Activities" contains a world-wide section in which entries on the Regional Summaries are summarized on a world-wide basis. This volume also contains other world-wide data, program support and interregional activities information, and the Section 634(d) report for FY 1968.

VIETNAM

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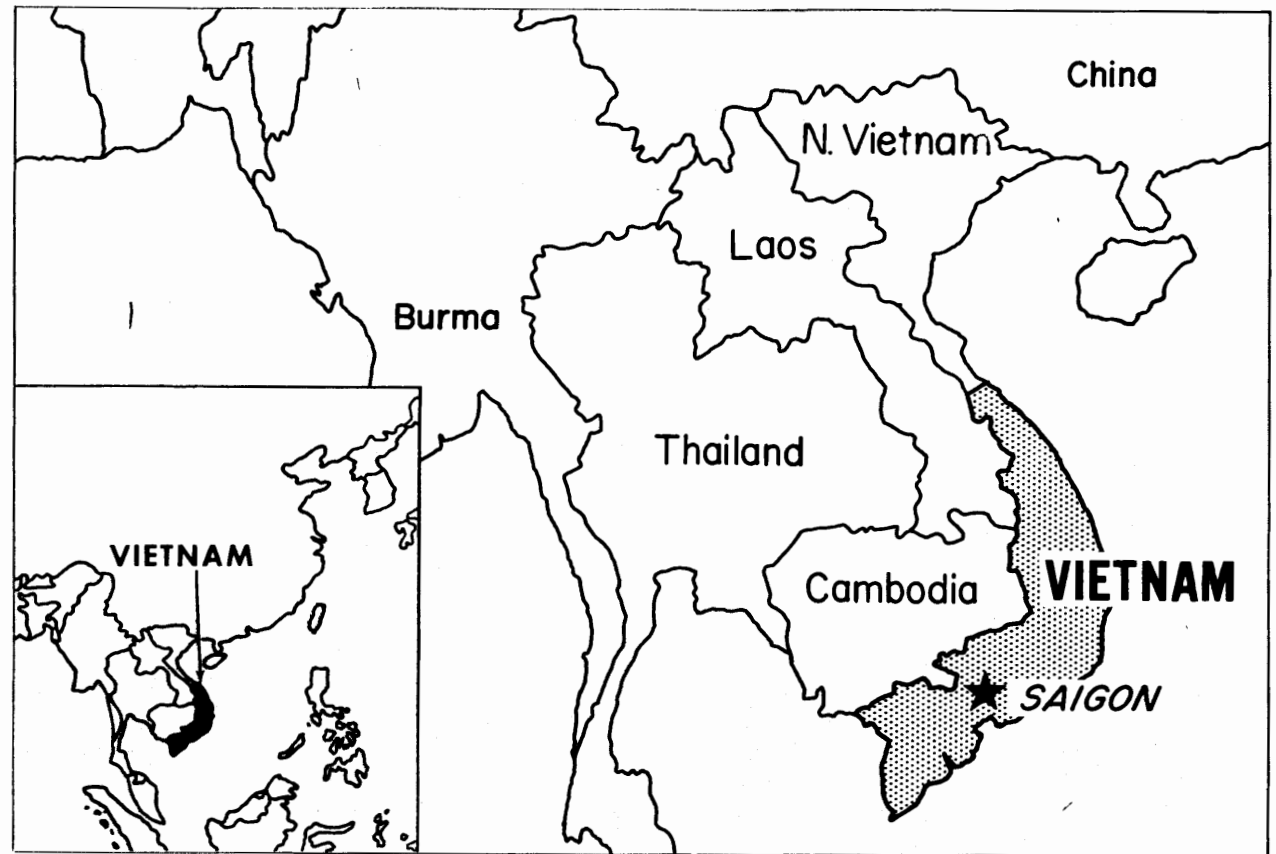
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Vietnam



BASIC DATA

Population (<i>millions – mid-1967</i>).....	17.0
Annual Growth Rate (<i>percent</i>).....	2.6
Area (<i>1000 square miles</i>).....	66
Population Density Per Square Mile.....	260
Agricultural Land as % of Total Area	34
% of Civil. Labor Force in Agri..	70-80

Per Capita GNP (<i>dollars</i>).....	126*
Life Expectancy (<i>years</i>).....	35
People Per Doctor	16,540
Literacy Rate (<i>percent</i>)	40-50
Pupils as Percent of Population.....	13
(<i>Primary and Secondary</i>)	

* - 1966 in 1966 prices.

Country: VIETNAM

(Program based on pre-January 30 analysis)

PROGRAM SUMMARY

(In millions of dollars)

	FY 1967	FY 1968	FY 1969
	Actual	Estimated	Proposed
Supporting Assistance	495.0 <u>1/</u>	470 <u>1/</u>	480 <u>1/</u>
The Commercial Import Program	200.0 <u>2/</u>	200	220
The Project Program	284.8	251	231
Administrative Costs	4.8	8	9
Program Support AID/W	5.5	9	10
Non-Regional Funds	-	2	10

1/ Totals exclude P.L. 480 and reimbursements from the Department of Defense. DOD reimbursements for defense directed projects in FY 1967 totalled \$43.2 million. No additional activities have been shifted to DOD funding in FY 1968, but in FY 1969 approximately \$26 million of war-related activities have been transferred for funding.

2/ Includes \$40 million of fertilizer actually programmed under the project program but shifted to the Commercial Import Program (CIP) to make this item comparable, since fertilizer is included in the CIP for FY 1968 and FY 1969.

INTRODUCTION

The U.S. objectives in Vietnam are to prevent a military victory by the forces of North Vietnam and the Viet Cong and to help the newly-elected government carry out the tasks of building a strong and democratic nation. The A.I.D. role in helping to achieve these objectives has changed considerably since 1964-1965. In those years near military defeat of the Vietnamese Government forces made it necessary for A.I.D. to concentrate on holding operations designed to keep the economy and the Government Ministries functioning. With the improvement in the situation in late 1966 and 1967, A.I.D. was able to shift the focus of its efforts toward helping the Vietnamese Government launch new programs to bring modernization and progress to the rural areas. As of mid-February, 1968, it was too early to assess the full consequences of the all-out, continuing Viet Cong counter-offensive begun during Tet.

During late 1964 and 1965 the Viet Cong nearly overwhelmed the Government forces. The buildup of American troops saved the day, but caused severe inflationary pressures and dislocations in the Vietnamese economy. Saigon port facilities were swamped by the logistical build-up of U.S. forces and the surging import demands of the Vietnamese war economy. Prices rose by 68% in 1966. In

addition, the political weakness and rapid turnover of governments in Saigon following the overthrow of President Diem caused a deterioration in the operating caliber of the Vietnamese Government. Discipline and effectiveness of Government employees declined, particularly in the provinces. The Strategic Hamlet program was declared a failure and dismantled by the Government.

A.I.D. turned all its efforts toward these critical problems -- containing the inflation, keeping the various ministries operating, helping the government broaden its political base in the cities and rural areas, and helping build a new pacification program. In accomplishing these things it was necessary to triple the A.I.D. program in dollars and personnel. By the end of 1967 it was clear that significant progress had been made. Some of the highlights were as follows:

- Inflation was reduced from 68% in 1966 to 34% in 1967.
- The ports of Vietnam were enlarged and made many times more efficient. Saigon moved up from one of the worst to one of the best ports in the Far East.
- An effective civil logistics system was set up to move cargo throughout Vietnam.
- Techniques were developed to put into effect a Government system for providing supplies and budget funds to the widely dispersed pacification program.
- The pacification program was revamped and placed under the direction of a new Ministry of Revolutionary Development assisted by a consolidated U.S. advisory structure under General Westmoreland.
- Elections were held locally in over 1000 villages and 5000 hamlets and nationally for the Presidency and for representatives of the Upper and Lower Houses of the Legislature.
- Domestic production increased significantly, with preliminary estimates showing industrial output up 12% in 1967 and the output of rice, pork and vegetables also on the rise.
- Construction was started in 1967 on six new hospitals, 467 nurses and 159 doctors were graduated from Vietnamese medical institutions and significant increases in U.S. and free world medical teams permitted the treatment by the U.S. teams alone of about 300,000 patients a month.

Country: VIETNAM

--Over two-thirds of the children of elementary school age are now enrolled, as opposed to 5% during the French occupancy. Since 1963 over 10,000 classrooms have been built with A.I.D. assistance, nearly 12 million textbooks distributed to the provinces and over 11 thousand teachers trained.

At the end of this section is a series of charts which show advancement over the years in selected fields which have received significant assistance from A.I.D.

During the years of U.S. military buildup, of shortages, of speculation and inflation, the war intensified. Two additional problems had to be met. First, the heightened military struggle brought in its train thousands of refugees and wounded civilians who had to be cared for. In response the Vietnamese government and A.I.D. launched programs of unprecedented scope to assist the displaced and injured of the war. Since the fall of 1964 more than 2,000,000 refugees have been cared for and slightly over 1,100,000 returned to their homes or permanently resettled. To care for the wounded, A.I.D., with major assistance from U.S. military and free world medical personnel, organized 48 Provincial Hospital teams. Manifold problems of unsuitable facilities, lack of electricity and water, recruitment of nurses and timely supply of vital medicines are being overcome.

Second, the rapid expansion of A.I.D. activities was accompanied by major bottlenecks. Supplies often came in faster than they could be warehoused and distributed, and their use monitored and controlled. The Vietnamese Government was so extended that it could not take on many of the support functions normally assumed by an aid-receiving government. Beginning in 1966 a major program to strengthen management was initiated, including (a) the recruitment of specialized personnel such as commodity specialists for the import program, auditors, warehousemen and engineers, and (b) the development of control systems for moving commodities to the countryside, screening import licenses and accounting for commodities.

By the summer of 1967 these holding operations had proved successful. Inflation was checked, logistics systems were working relatively smoothly, refugees and war wounded were increasingly well cared for (though improvements are still needed) and the A.I.D. Mission was well led, reasonably well staffed, and purposefully addressing its many problems.

By the end of 1967 the atmosphere in Vietnam was one of increasing confidence. U.S. forces had forestalled a Viet Cong military victory. Equally important, a major effort has been launched to

restore political health in South Vietnam through the creation of a constitution, the holding of village and then national elections, and the installation of the first parliamentary government chosen by the people of South Vietnam. This ambitious program was carried out, and the upper and lower houses are now functioning. Thus the stage was set for 1968 to involve the people increasingly in the programs and decisions of the Government.

Taking advantage of the Progress which had been made, A.I.D. and the Vietnamese Government started the development of a new cluster of programs to bring the rural areas into the mainstream of Vietnamese life with full participation in the economic progress that the cities were by this time already enjoying. The government is seeking to encourage rural progress in order to reduce the alienation between rural and city Vietnamese which the Viet Cong have exploited so effectively. Priority was placed on increasing food production, accelerating land reform and improving rural education. Some success in increasing agricultural production and rural income was already manifest. A program is under way for reducing the historical gap in income in Vietnam between farm and town. The most dramatic part of the new program calls for increasing rice paddy production from the present level of over four million tons up to six million tons by 1971. This would mean an increase in the neighborhood of 50% and bring national self-sufficiency in four years. No country has ever dared to reach for such an ambitious goal in peacetime, much less in the midst of war. The program got off to a good start and holds great promise for the Vietnamese farmer and for all the Vietnamese people.

The progress outlined above is a matter of record; how the February Viet Cong attacks on major cities will affect future advances is unclear. It is too soon to tell, but some program shifts will certainly be necessary in order to meet relief, reconstruction and rehabilitation needs. What is certain, however, is the necessity for renewed action and determination to insure that the programs designed to strengthen the Vietnamese government and maintain the economic momentum are pursued even more vigorously, so that whatever temporary psychological advantage the Viet Cong may have won can be erased by steady and permanent progress.

Confidence in our ability to move ahead, however, should not obscure some persistent problems which will continue to place certain constraints on progress by limiting the effectiveness of the Vietnamese Government to carry out programs and strengthen the relationship of confidence and trust with the people. First, there is a shortage of skilled personnel in the Government ministries. Second, there is widespread corruption. Until these

Country: VIETNAM

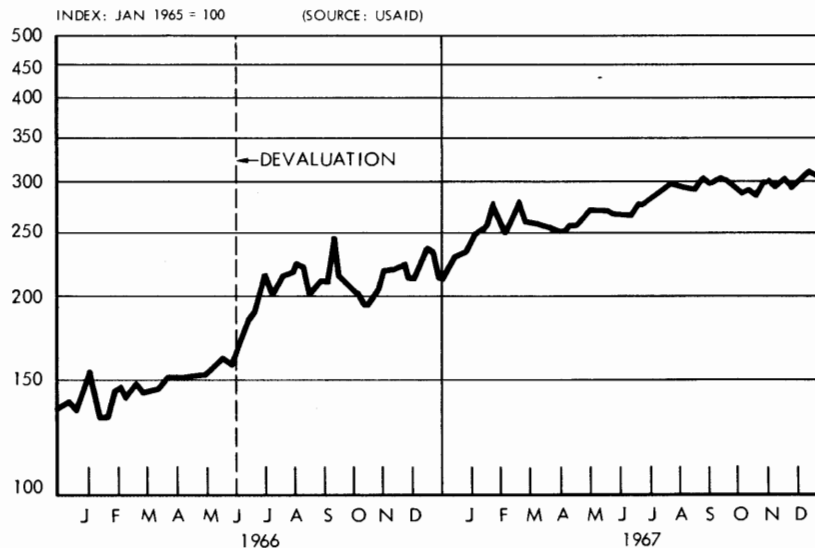
problems are brought under better control in the months ahead, the Government faces great difficulties in carrying out effective programs and in strengthening the people's confidence.

At the very time when governmental services must be expanded, the civil ministries are finding it more difficult to employ and retain the skilled people they need. The prospering private sector has been hiring away many of the best civil servants, because Government salaries have not kept pace with the inflation. In addition a crude mobilization draft policy has resulted in the drafting into the armed services of many skilled people whose services are urgently needed in the civil economy.

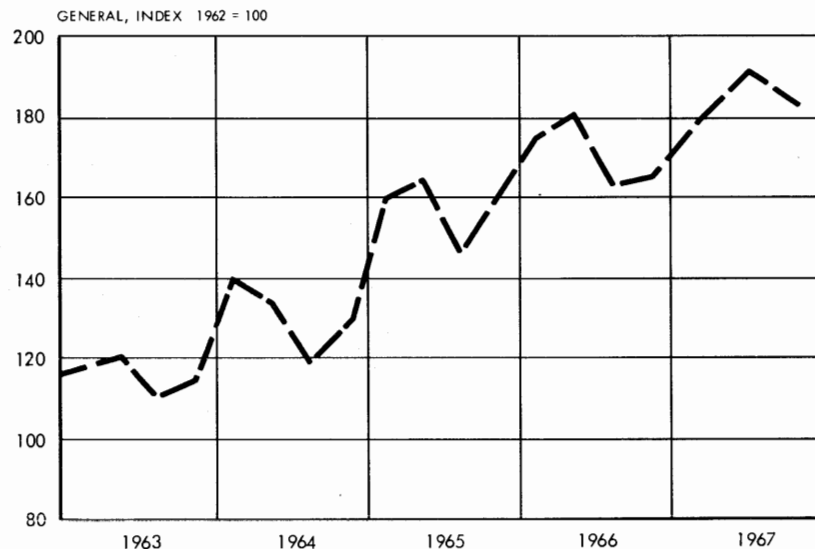
Corruption, which is a problem in many developing countries, as well as in some developed ones, is especially serious in Vietnam. This is because the urgency of the war makes corruption a more serious problem for the attainment of our goals and because the war-caused inflation has led to more serious corruption. Both President Thieu and Prime Minister Loc have stated that the new government will give high priority to attacking corruption. Important steps have been taken in recent months, but many more are required before these two problems are brought under control.

A basic objective of the A.I.D. program is to strengthen the effectiveness of the village, provincial and national systems of government. A.I.D. is focusing increasingly on a number of top priority activities where significant returns can be realized in a relatively short time. The rapid program expansion of 1966 and 1967, in dollars, people and diversity of activities, is ended. Concentration now becomes an all-important part of the strategy, especially with the new requirements for relief and reconstruction of urban areas resulting from the recent Viet Cong attacks. Scarce Vietnamese resources must be conserved and directed toward priority goals, and the use of U.S. resources must complement and assist this concentration. However, A.I.D. personnel can only support and advise; the Vietnamese Government and people must decide where they want to go, and then give fully of their talents and energy to get there. Neither American ideas nor dollars can substitute for Vietnamese performance.

SAIGON RETAIL PRICE INDEX



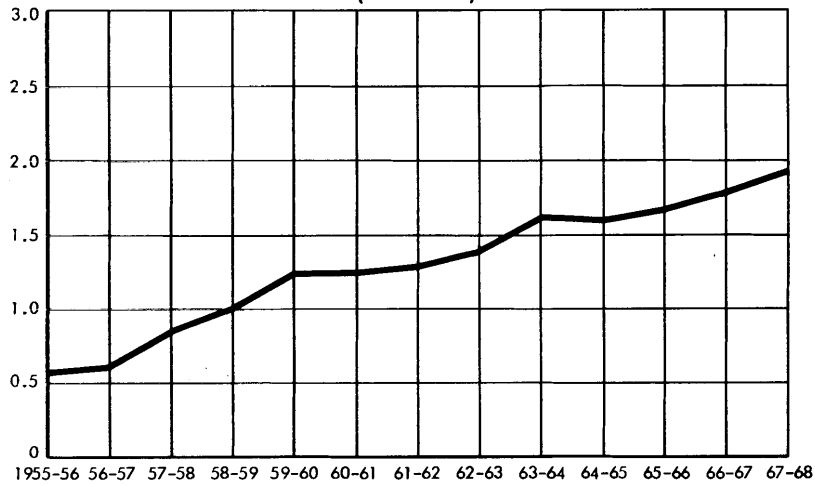
INDUSTRIAL PRODUCTION INDEX



Country: VIETNAM

PRIMARY EDUCATION STUDENTS

(in Millions)

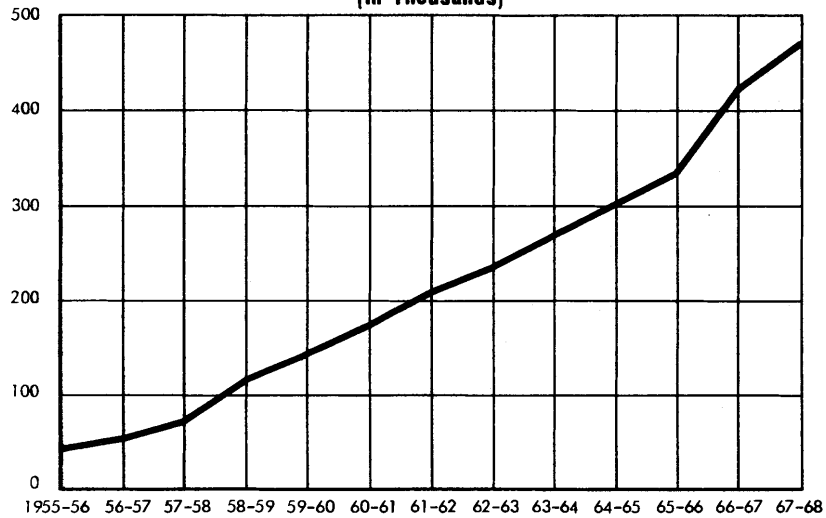


SCHOOL YEARS

SOURCE OF INFORMATION, MINISTRY OF EDUCATION

SECONDARY EDUCATION STUDENTS

(in Thousands)

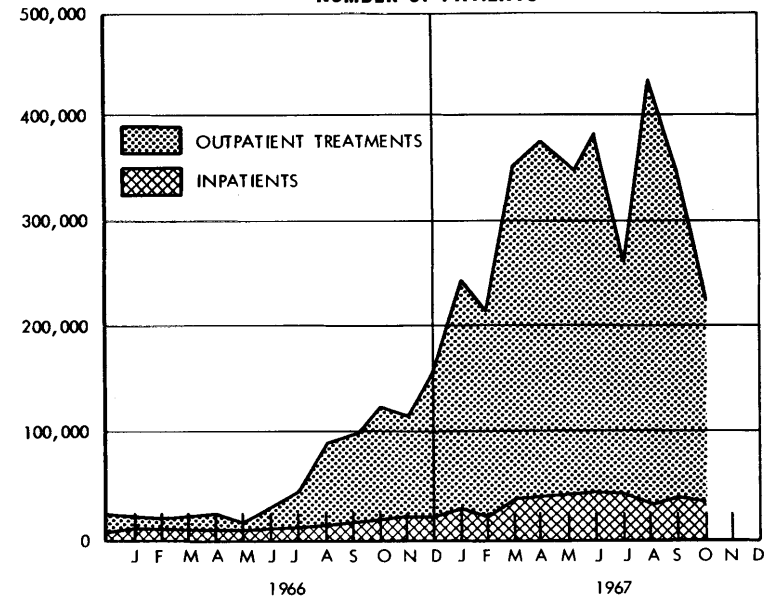


SCHOOL YEARS

SOURCE OF INFORMATION, MINISTRY OF EDUCATION

PUBLIC HEALTH

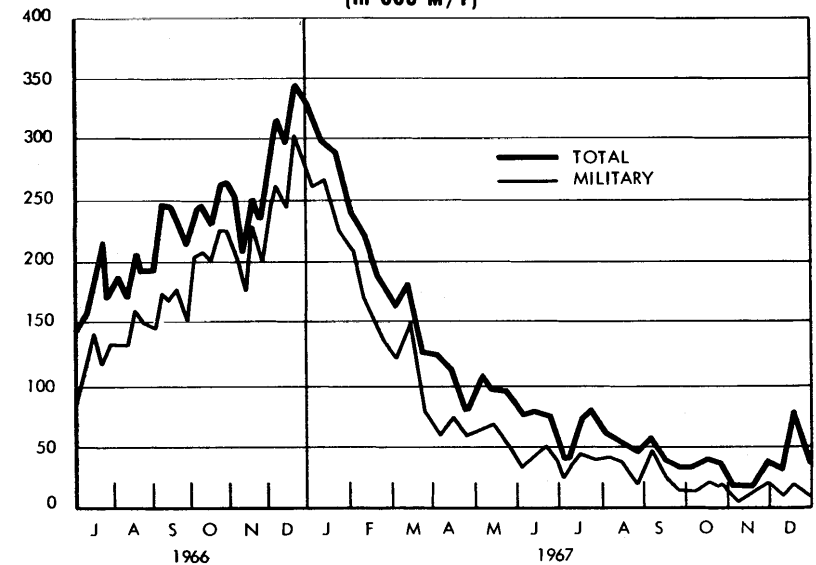
NUMBER OF PATIENTS



SAIGON PORT OPERATIONS

WORKING & WAITING

(in 000 M/T)



Country: VIETNAM

THE ADMINISTRATION OF THE PROGRAM

Establishment of CORDS. In May 1967, a new organization was established in the Military Assistance Command, Vietnam (MAC/V) to integrate U.S. military and civilian programs in support of the Vietnamese Revolutionary Development Program. Civil Operations and Revolutionary Development Support (CORDS) is under the direction of the Military Assistance Command and is headed by Ambassador Robert Komer, Deputy to General Westmoreland. CORDS carries one step further the integration of field operations begun under the Office of Civil Operations (OCO), which was responsible only for U.S. civil programs, by including military assistance at the provincial and district levels. Those A.I.D.-funded projects previously directed in the field by OCO--New Life Development, Refugees, Chieu Hoi and Public Safety--were transferred to CORDS direction. In addition, the coordination of the U.S. civilian staffs in the provincial areas were placed under CORDS. The agencies contributing personnel to CORDS operations continue to support their employees administratively. This integration of U.S. efforts has already demonstrated the advantages of unified planning, combined logistic support and integrated negotiations with the Vietnamese Government.

Establishment of the A.I.D. Vietnam Bureau. The establishment of a Bureau for Vietnam in May 1967 was required by the magnitude and complexity of the A.I.D. program for Vietnam and by the special problems which have developed in managing it. The Bureau combines into one organizational unit almost all the A.I.D. functions concerned with the Washington direction and support of the Vietnam program. The staff and its leadership are concerned exclusively with Vietnam. The benefits to the Vietnam program in terms of increased executive staff time and simplified chain of command are proving to be significant.

Staffing of the A.I.D. Program in Vietnam. A.I.D.'s staffing in Vietnam has increased rapidly over the last two years to meet the needs of the program. Normal recruiting methods and transfers from other A.I.D. posts could not supply the numbers or the variety of skills required. A.I.D. responded with a series of special recruiting programs carried out in cities throughout the United States. From January 1966 through December 1967, A.I.D. recruiters visited 167 cities, interviewed 18,275 applicants, and selected 1,998 persons for training and service in Vietnam. The period of rapid expansion in manpower has been completed, and A.I.D. expects to hold its staff at current or reduced levels in most areas, with increases only for urgent needs in selected areas of the program.

On June 30, 1965, there were 732 direct-hire A.I.D. employees in Vietnam; as of June 30, 1966--1,044; as of June 30, 1967--1,676; as of December 31, 1967--1,856. In addition, also as of December 31, there were 293 employees from other U.S. agencies, 474 American employees of U.S. contractors, 1,395 nationals of other countries and 3,537 Vietnamese employed by A.I.D., making a total of 2,623 Americans and 4,932 others. Of the 2,623 Americans nearly 1,000 were assigned to CORDS and a further 600 work outside of Saigon on A.I.D. programs which come under the over-all control of CORDS field representatives.

FY 1969 PROGRAM

<u>Program Goals</u>	<u>BY PROGRAM GOAL</u> (In millions of dollars)		
	<u>FY 1967 Actual</u>	<u>FY 1968 Estimated</u>	<u>FY 1969 Proposed</u>
Economic Stabilization ^{1/}	208.2	207.7	223.6
War Support & Relief ^{2/}	36.1	42.0	46.0
Pacification	56.0	68.6	59.4
National Development ^{3/}	124.3	83.4	91.9
Technical Support ^{4/}	60.2	49.3	30.1
PROGRAM TOTALS	484.8	451.0	451.0
Administrative Expenses	4.8	8.0	9.0
Program Support AID/W	5.5	9.0	10.0
Non-Regional Funds	-	2.0	10.0
TOTAL A.I.D. ASSISTANCE	495.0	470.0	480.0

1/ Includes the Commercial Import Program but excludes P.L. 480, Title I. See Table on p. H-8

2/ Excludes P.L. 480, Title II. See Table on p. H-10

3/ The higher figure for National Development in FY 1967 is explained in large measure by the funding for one project: Saigon Power--\$40 million.

4/ Certain commodity items and contracts such as Air America shifted to Pacification & War Support in order to make annual figures comparable.

Country: VIETNAM

PROJECT PROGRAM BY SECTOR

(In thousands of dollars)

Program Sectors	FY 1967 Actual	FY 1968 Estimated	FY 1969 Proposed
<u>USAID</u>			
Agriculture	19,499 ^{1/}	14,913	11,553
Education	14,490	10,045	13,106
Industry	1,908	543	10,353
Labor	1,772	1,571	1,558
Logistics	35,341 ^{2/}	25,579	12,348
Public Administration	5,651	6,252	4,628
Public Health	22,352	26,532	27,676
Public Works	11,046	11,887	11,552
Urban Reconstruction & Development	51,280 ^{3/}	23,588	25,944
Other ^{4/}	4,060	4,037	5,138
Technical Support	71,611 ^{5/6/}	41,557	28,265
<u>MACV/CORDS</u>			
Revolutionary Development	18,393	43,354	32,727
Refugees/Social Welfare	11,146	18,331	22,547
Public Safety	16,212	22,811	23,605
Total Project Program	285,761 ^{2/}	251,000	231,000

^{1/} Excludes \$40 million of fertilizer for commercial sale.

^{2/} In FY 1967, \$19,056,000 in commodities was purchased under consolidated procurement procedures and obligated under the Logistics sector. For purposes of comparability, that amount has been allocated to the appropriate program sectors on this table. For FY 1968 and 1969 major items under consolidated procurement will be obligated by individual project.

^{3/} Includes \$40 million for Saigon Electric Power.

^{4/} Includes Village and Council Development, Youth Affairs, and National Information Services.

^{5/} Includes Air America contract funding transferred from USAID Technical Support to CORDS in FY 1968. In FY 1969 DOD will assume funding responsibility for 3/4 of the contract.

^{6/} The Technical Support figure is less in this sector table than on the preceding goal table. Wherever Technical Support costs could be appropriately applied to a specific sector, this has been done. Some of the sector costs, however, were chargeable to two or more program goals and were therefore left in the general Technical Support figure in the goal table.

The amount requested for Vietnam for FY 1969 is at approximately the same level as FY 1968 (FY 1968 is estimated at \$470 million and FY 1969 at \$480 million). Regarding the major program components, we project the Commercial Import Program rising by 10% from \$200 to \$220 million. The project program, on the other hand, drops from \$251 million to \$231 million. Administrative expenditures remain about the same, but interregional programs increase. Total funding for Vietnam is requested from the Supporting Assistance category.

Title I commodities under P.L. 480 are programmed to rise from \$126 million in FY 1968 to \$185 million in 1969. The consumption of wheat, cotton and dairy products should increase, but the principal item affecting the rise is rice. In FY 1968 an estimated 600,000 tons will be required under Title I. Since it is not possible to forecast both seasonal factors and Viet Cong interdiction, 800,000 tons is being programmed in FY 1969 in order to insure a sufficient amount of this important foodstuff should it be required. If our plans for increased rice production are on schedule this additional 200,000 tons may not be needed. From 1970 on, imports of rice should drop significantly.

The contributions from other free-world nations are outlined in detail in Annex II.

Program goals are much the same as those presented in FY 1968. Two goals, Economic Stabilization and War Support and Relief are being continued with no significant changes. The activities presented last year under the heading Revolutionary Development have been separated into two goals, Pacification and National Development, with the latter including all activities of a long-range development nature. This was done in recognition of the need to focus resources on activities which contribute to building a sense of nationhood, including a more effective governmental operation.

As a result of the recent Viet Cong attack on urban centers, it has been necessary to effect some restructuring of the FY 1968 program in order to focus on the physical damage to cities and those made homeless. A new sector entitled Urban Reconstruction and Development has been added by combining a series of continuing projects dealing with urban improvements. Funds in these projects transferred to the new sector will be inadequate to carry out much of the reconstruction needed, since it is evident that the Vietnamese Government will not have the necessary resources to do

Country: VIETNAM

the entire job. Additional funds will be required by this sector in FY 1968, and it is expected that much if not all of these funds can be shifted from savings made from other parts of the program because of changes in the situation in Vietnam. This sector will be maintained in FY 1969, but hopefully the bulk of expenditures for reconstruction will be obligated in FY 1968.

For two of the four goals--National Development and Economic Stabilization--USAID/Vietnam has primary management responsibility. For the remaining two--Pacification and War Support and Relief--the major programs are under the direction of CORDS. Specifically in the Pacification, Refugee, Defector and Public Safety programs, all of which require an integrated military-civilian effort, CORDS has responsibility for planning and directing all U.S. efforts. Because of the close inter-relationship among all activities, the fact that they draw heavily on the same resources, and the integrated direction by CORDS of all personnel working in provincial areas, all A.I.D.-funded activities, including those directed by CORDS, have been jointly reviewed by CORDS and USAID/Vietnam.

The specific programs under these four goals are described below:

1. Economic Stabilization. The A.I.D. economic stabilization program is concentrated on controlling the powerful inflationary pressures within the Vietnamese economy. Those pressures, generated by the build-up of free world forces, the immense construction programs related to this build-up, the competition for manpower, and the disruption of normal commercial and economic channels, have in the past seriously threatened the political and social stability of the country. Joint U.S. and Vietnamese Government economic programs and policies have succeeded in reducing inflation to manageable levels, while supplying the economy with the resources needed to meet both civilian and military requirements. Yet inflationary pressures persist, and our efforts to control them must continue.

Although imports continue to be the principal means for repressing inflation, several other factors have contributed. The labor force has acquired improved skills, and shifts in the pattern of domestic production, especially in agriculture, have helped meet the needs of the military and the rapidly increasing urban population. Tax performance has improved, largely because of the introduction of a withholding tax and better tax administration brought about largely by the combined efforts of A.I.D. and the U.S. Internal Revenue Service.

A.I.D. priorities under the stabilization goal are concentrated in two areas: (1) reaching agreement on effective over-all stabilization policies with the Vietnamese Government and (2) improving the operations of the A.I.D.-funded Commercial Import Program (CIP).

Discussions are now under way with ministries of the new Government to determine appropriate wage and tax policies, budget and expenditure levels, and import requirements in keeping with the latest change in the situation.

Although steady progress has been made in reaching agreement on over-all stabilization policies and practices, serious problems remain and must be faced in the next two years. Government spending must be kept to a minimum consistent with the prosecution of the war, yet wage increases are necessary if the Government is not to continue losing some of its most capable officials to the private sector. Tax receipts are expected to increase, but projected increases may prove insufficient to dampen inflationary pressures. The price of rice is an important factor in the consumer price index; yet increases in rice prices are also important as an incentive to farmers who are being urged to increase their yields greatly. The interplay of these forces may make it difficult in 1968 to hold prices at the 1967 rate of increase, although our goal is a still further reduction of the rate.

The import programs remain our major anti-inflationary weapon. The aims of A.I.D.'s Commercial Import Program (CIP) are to guard against shortages, commodity speculation and price spiraling, by insuring the availability of ample consumer goods and basic economic commodities; provide raw materials and machinery for domestic industry; and at the same time, through the sale of these commodities, generate piasters for the military and civilian budgets.

The funding level for this program has dropped considerably from a high of \$398 million in FY 1966 to the present rate of about \$200 million. This is due principally to the increase in Vietnamese Government earnings of foreign exchange, which has permitted the Vietnamese to finance a much larger share of total imports. (1967 was the first year in which the cost of Vietnamese-funded imports exceeded those funded by the United States under the CIP and P.L. 480.) In FY 1969 the CIP is expected to increase slightly above FY 1968 levels, mainly as a result of the need to build up stocks after the recent draw-down.

Country: VIETNAM

The basis for calculating the amount of A.I.D. funds required for financing imports (i.e., for the CIP) is the deficit in the Vietnamese balance of payments. The deficit is the result of the difference between increased market demand for imported goods and services and the foreign exchange available from the Vietnamese Government's own sources. Ever since the major decline in Vietnam's exports of rubber, rice and minerals because of the war, there has been insufficient foreign exchange to finance the required imports. Because the Vietnamese Government has earned an increasing amount of foreign exchange over the past two years from U.S. purchases of locally-produced goods and services to support U.S. and free world forces, A.I.D. has been able to decrease its financing of imports, thereby reducing the CIP from \$400 million in 1966 to \$200 million in 1967. In 1968 it is estimated that a similar amount will be needed for the CIP, but this estimate might have to be revised as a result of the Viet Cong offensive in early 1968.

In CY 1969--which is the time period when the funds requested for FY 1969 will be used--it is estimated that \$220 million will be required. This estimate is based on a number of assumptions, including earnings of foreign exchange, Government tax revenues, import demand and a continuation of U.S. and allied troop spending at about the present level. Needless to say, this is a provisional estimate which will probably have to be revised on the basis of changing conditions in Vietnam.

The operations and policies of the CIP are being continually revised to increase its effectiveness, to enlarge our area of control and to meet changing conditions. Appendix I to this statement provides a more detailed description of this program and how it now operates.

Title I of the P.L. 480 program plays a role similar to that of the CIP in the economic stabilization program. Commodities imported under Title I are paid for in local currency, generating funds for U.S. needs and the Vietnamese Government's military and civilian budgets. Commodities include rice, wheat flour, corn, cotton, tobacco, dried milk and other dairy products. Rice is by far the most important item. Of a total of \$126 million of Title I sales in FY 1968, \$113 million was for rice (approximately 600,000 tons). In FY 1969 it is necessary to program an increased amount (800,000 tons) for rice in order to insure that the demand for this staple will be met should domestic production, which is on the rise, fail to meet expectations. The total market demand

for P.L. 480 products in FY 1969 therefore may be as high as \$185 million. ^{1/}

While the control of inflation must continue to receive high-level attention and a large share of A.I.D.'s resources, a sufficient degree of price stability appears to have been attained to permit us to give increased attention and provide greater resources to the development of local production, particularly in agriculture. This can give the economy greater balance, and gradually eliminate some of the artificial measures and lopsided allocations of resources that have been the product of a wartime situation.

A.I.D. RESOURCES FOR ECONOMIC STABILIZATION

	FY 1968		FY 1969	
	\$ (000)	Number Direct Hire and PASA	\$ (000)	Number Direct Hire and PASA
CIP	200,000	(-/-) ^{a/}	220,000	(-/-) ^{a/}
Logistics	4,590	(30/0)	3,243	(26/0)
Public Adminis- tration	2,244	(5/24)	1,822	(5/21)
Public Works	920	(2/0)	-	(-/-)
A.I.D. Total	207,754	(37/24)	223,614	(31/21)
P.L. 480 Title I	121,600	(-/-)	185,000	(-/-)
TOTAL	329,354	(37/24)	408,614	(31/21)

a/ Personnel in support of the CIP are funded under Technical Support.

2. War Support and Relief. The war bears on every aspect of A.I.D.'s program in Vietnam, but its impact is immediate and direct on the projects under this goal which either support U.S. military objectives or alleviate the suffering of the innocent victims of war and Viet Cong terrorism.

^{1/} This does not include P.L. 480 Title II grant food commodities for refugees and other voluntary agency programs totalling approximately \$42 million in FY 1968 and \$48 million in FY 1969.

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Several projects directly connected with our own military efforts were transferred from A.I.D. to Department of Defense funding in FY 1967. These projects, including Air Traffic Control, Railway Sabotage Prevention, National Highway Maintenance and commodities for Police Field Forces are no longer included in the A.I.D. program. For FY 1969 we have reached agreement with DOD for the latter to fund the Chieu Hoi program and a portion of the Air America contract. The Chieu Hoi program encourages defection from the Viet Cong and North Vietnamese ranks, provides centers for the screening, care and retraining of defectors, and, where possible, reintegrates them into the Vietnamese armed forces or civilian economy. It will be discussed in DOD's budget presentation. The Air America contract provides in-country transportation for U.S. military and civilian personnel and commodities.

A.I.D., however, continues to fund men and material for a group of projects which are unique to a wartime situation. Most of these are planned and directed by CORDS and are divided into two groups: (1) those designed to deny resources to the enemy and (2) those designed to alleviate the consequences of the war on the civilian population. In the first category, priority has been placed on resources denial activities, a program involving the National Police in an effort to prevent material resources from flowing to the enemy. This is accomplished through means of a National Identification Program and controls at land and water checkpoints. The resources control program of the Vietnamese National Police has succeeded in blocking the access of the Viet Cong to significant quantities of foodstuffs and medicines. In the period from October 1964 through October 1967, the program has recorded seizures of almost 12,000,000 kilograms of contraband foodstuffs and over 400,000 units of medicine. During the same period it has apprehended more than 19,000 known or suspected Viet Cong, over 12,000 military deserters and over 100,000 draft evaders. In FY 1968 and FY 1969, the static checkpoints will be decreased, while the number of the more effective mobile checkpoint control teams will be increased. More boats for the marine police units will help prevent diversions of goods to the enemy via inland water routes.

The second category under this goal is the relief projects directed at two major efforts: (1) the CORDS-directed Refugee Program and (2) the USAID-administered program to care for the civilian casualties of war and terrorism.

More than 2,000,000 refugees have come into the more secure areas controlled by the Vietnamese Government since 1964. Of this number, 450,000 have been returned to their homes, about 670,000 have been resettled in new areas, and roughly 785,000 are in

refugee camps run by the Vietnamese Government with the support of the U.S. Government and voluntary agencies.

U.S. support to the program--food, clothing, education, skills training, and personnel to work with Vietnamese Government Ministry and Camp officials--is to be increased in FY 1968 and FY 1969, and a major effort will be made to accelerate the return or resettlement of refugees. A.I.D. will field nearly 100 direct-hire personnel, contribute up to \$15 million worth of supplies, and contract for the services of up to 14 voluntary agencies to assist both in relief and resettlement.

As a result of the recent Viet Cong terrorism in the cities a significant increase in funding under this goal will probably be required. It was not possible as of early February to estimate the cost.

Vietnamese medical facilities and personnel were inadequate to meet the medical requirements of the country even in peacetime. The war has multiplied the medical problems many times over, particularly in terms of surgical requirements. A.I.D. and DOD have become engaged in a massive effort to improve and expand hospital and health facilities and to furnish the physicians and supplies needed to meet the emergency. Each year since 1965 has seen substantially increased U.S. resources devoted to health programs. Under A.I.D. direction, 48 medical teams from the United States and other free-world countries are operating in nearly all South Vietnamese provinces. Seven of the nine impact hospitals will be completed by March 1968, and of the eleven hospitals undergoing major renovations ten are completed. A regional training center is in operation, and about \$7 million worth of medicine and equipment is being supplied, raising the stock level for vital items to nearly 70%. Six regional and three new provincial warehouses are nearly completed. U.S. military hospitals have been opened to Vietnamese civilian casualties, and in a new program beginning in 1969 emergency hospitals for civilians are being built by the U.S. military.

In FY 1969 the A.I.D. program will be expanded--mainly to accommodate larger supplies of medicine and hospital equipment as construction is completed and the ability to absorb more supplies is increased.

Construction and renovation of provincial hospitals will be completed, and three hospitals and 22 dispensaries in the Saigon area will be renovated. Vietnamese will continue to receive

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training, and the entire capability and organization for treating civilian patients, including war casualties, will be made to function more smoothly.

It is in the refugee and health fields where the efforts of U.S. and other voluntary agencies and the governmental contributions of other free world countries are heavily concentrated. Appendices to this statement contain details on the vital contributions being made by these groups.

A.I.D. RESOURCES FOR WAR SUPPORT AND RELIEF

	FY 1968		FY 1969	
	\$ (000)	Number Direct Hire and PASA	\$ (000)	Number Direct Hire and PASA
Public Health	21,311	(152/11)	21,737	(189/5)
Public Safety	919	(5/0)	1,737	(5/0)
Refugee/Social Welfare	18,331	(99/0)	22,547 ^{1/}	(99/0)
Chieu Hoi	1,434	(29/2)	-	(-/-)
A.I.D. Total	41,995	(285/13)	46,021	(293/5)
P.L. 480 Title II	41,800	(-/-)	48,000	(-/-)
TOTAL	83,795	(285/13)	94,021	(293/5)

^{1/} Proposed for transfer to DOD funding in FY 1969.

3. Pacification. Pacification is the term used to describe the paramilitary/civilian effort to provide sustained security against Viet Cong local forces and terrorists in areas recently cleared of enemy main force elements, to establish an effective political structure at the local level, and to stimulate self-help and self-sustaining social and economic activities.

Under the Pacification goal, A.I.D. support is directed at two priority areas: (1) the support of the Vietnamese Government's Revolutionary Development (RD) program and (2) the police programs designed to root out and remove the Viet Cong infrastructure or underground government.

The Revolutionary Development (RD) program is carried out in selected villages and hamlets by teams of Vietnamese trained in a variety of skills. The RD teams assist the people in developing

self-defense forces, establishing democratic local government, initiating activities to improve the quality of rural life, and establishing links with their provincial and national governments.

At the end of 1967, approximately 5,200 of Vietnam's 12,167 hamlets were considered secure. In CY 1968, the Vietnamese Government plans to introduce teams of RD Cadre to work in 1,400 of the 6,967 remaining hamlets.

Experience with the pacification program has demonstrated the need for the teams to remain in the villages and hamlets for extended periods if the foundations which they lay are not to be destroyed or wither away. In order to reach more hamlets for a longer period, it is necessary that the training program be increased. As of July 1, 1967, there were 533 RD teams trained and operating in the field. The goal for December 1968 is 758.

The A.I.D. contribution to the RD program lies primarily in furnishing logistic support, men and materials for a joint U.S. and Vietnamese Government program in which the U.S. contribution is under the supervision of CORDS. A.I.D. finances personnel--over 100 in each of the four regions--plus equipment, supplies and transportation. Present plans call for assistance to villages and hamlets in carrying out over 25,000 self-help projects, training over 10,000 RD Cadre, and constructing nearly 75 new warehouses to store the construction materials needed for self-help projects.

The reduction in funds for FY 1969 is the result of transferring three-fourths of the cost of the Air America contract (\$17 million) to DOD.

The police program designed to destroy the Viet Cong infrastructure is necessary if the work of the RD teams is to make a permanent contribution to the life of the rural people. Under CORDS direction, the USAID provides support to the 70,000 man National Police, all elements of which participate in anti-Viet Cong infrastructure actions in some measure. The National Police Field Forces, and the National Police Special Branch provide direct anti-infrastructure actions by participating in intelligence and screening programs to detect and remove Viet Cong agents and sympathizers from local areas. To cover an increasingly larger area, present strength of 50 companies will be increased to 138 in CY 1969. These new recruits must be trained, equipped and transported.

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A.I.D. RESOURCES FOR PACIFICATION

	FY 1968		FY 1969	
	\$ (000)	Number Direct Hire and PASA	\$ (000)	Number Direct Hire and PASA
Public Works	4,759	(-/ -)	4,801	(-/ -)
Revolutionary Development	41,920	(536/50)	32,727	(536/50)
Public Safety	21,892	(154/ 0)	21,868	(220/ 0)
TOTAL	68,571	(690/50)	59,396	(756/50)

4. National Development. The national development program is the crucial testing ground for the Government of Vietnam. Security, the first requirement for development, will not alone win the support of the people. But hard evidence that the Government is actively working to promote rural prosperity, local self-government and improve public service, as well as security, can win that necessary loyalty and support. The objective of the projects under this goal is to demonstrate to the people that the prospects for a better life are greater in areas where the people cooperate with the Government. The recent Viet Cong attacks have caused a setback to the Vietnamese Government's and A.I.D.'s programs. As security conditions improve it should be possible to press forward on most of those programs at something approximating the original schedule.

National development involves both the undertaking of active Government programs of demonstrable benefit to the people and the creation of the underlying conditions and situations within which local and private initiative can be released. The linkage of various sectors and interest groups--government to people, rural to urban, local to central, and group to group--within a politico-economic system which is perceived by the people as benefiting and supporting them is "nation-building" in the broadest sense. The fundamental steps of constitution-making and the holding of local and national elections have already been taken. There is now a legitimate political framework for national action.

Most of A.I.D.'s development-type programs are concentrated under this goal--programs arranged with the Vietnamese National Government and national ministries in support of national programs. A.I.D.'s advisors in education, communications, agriculture, health, public administration, labor and public works in the

cities and at the provincial and district levels throughout the country are now working closely to assist ministry and local officials in programs designed to meet local requirements.

Under this goal the highest priorities have been set on (1) activities designed to have a significant beneficial psychological effect on people within the next several years, (2) those which improve government operations and (3) those which involve the people themselves in the process of building a nation.

In the rural areas, the projects are designed to enhance and accelerate economic growth by increased rice and protein production, carry forward an agrarian reform program and assist in strengthening the authority and effectiveness of village councils.

One of the most promising of these projects is the intensive rice production program which is designed to bring self-sufficiency in rice by 1970/71. Initial demonstrations of one new seed variety, IR-8, have produced yields nearly four times the present average for South Vietnam. Present plans call for planting IR-8 seed on about 20,000 hectares beginning in June 1968. The necessary inputs are being procured, distribution outlets established, credit established and extension agents trained in the new cultivation procedures. By next spring it is hoped to spread the use of IR-8 to 120,000 hectares, and by 1971 to have between 500,000 and 750,000 hectares planted with this new variety. If IR-8 and other new seed live up to their potential, the resultant yields should more than meet present rice deficiencies, even taking into account population increases and movement to urban centers.

Because pork, poultry and fish are key elements in the Vietnamese diet and also in the rural economy, programs to increase the production of these foods will also be given priority.

Success in the agricultural production programs will mean the elimination by 1971 of Vietnamese dependence on importations of staple foods. It will mean increased income to the farmers. It will strengthen the ties between the rural areas and the cities. But more important it can play an important role in strengthening a feeling of hope and participation in the future of South Vietnam.

In all agricultural production programs, the role of private enterprise will be stressed, with private sources encouraged

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to provide the agro-industries needed to produce and distribute the inputs and process and distribute the outputs.

Land tenure and land administration, like agricultural productivity, are but parts of a larger agrarian reform program. Legal right to land will not in many cases solve the farmer's problems unless at the same time he is paid a reasonable price for his produce, provided means of transporting it to markets, given reasonable credit terms, permitted to join in the more efficient utilization and control of water, and provided access to improved technology. It is the attack on all these problems that constitutes a true agrarian reform, an attack which is being planned and implemented jointly by A.I.D. and the Vietnamese Government.

The most pressing land tenure problems in Vietnam are to re-establish effective land administration in a war-torn countryside and to deal equitably with the problems of land ownership and tenure rights. A.I.D. is helping the Vietnamese Government on a priority basis to re-establish effective administration of the existing laws and programs and to improve its policies where this is required. We are also providing the Government assistance in such fundamental aspects of land administration as data collection, land surveying, contract registration and title issuance.

The newly-elected village councils can play an important part in implementing a meaningful agrarian reform program. The village councils are the traditional focus for local government. The Vietnamese Government has recently re-established local self-government at the village level and accorded to these councils control over local land taxation. U.S. advisors working with Vietnamese Government officials are making every effort to improve the capacity of the councils for self-government and to provide necessary support from central Government agencies.

In the urban areas the build-up of military forces and the influx of population has created severe problems. Fleeing from the insecurity of the countryside and attracted by the employment opportunities in the city, the people of Vietnam have crowded into the urban areas faster than the facilities could be developed to provide necessary services. The urban population of Vietnam has increased from about 15% of the total in 1964 to close to 50% today.

This situation has been exacerbated by the recent Viet Cong attacks. Homes and businesses have been destroyed, utilities damaged and lines of communication disrupted. Plans will have to be developed for the reconstruction of the cities. How much this will cost and what A.I.D.'s contribution will be cannot be estimated at this time. On-going projects for Saigon and other major municipalities will be continued, with greater priority and focus being given to them. Such projects include an effort to stimulate effective city management in some of the larger cities, to provide assistance with traffic management and garbage disposal and, with the assistance of voluntary agencies, to provide social services for the urban poor. Other projects involve power, water and the improvement of city streets. These are now all combined in a sector entitled Urban Reconstruction and Development.

Of great importance to the Vietnamese people--both urban and rural--and for the long range as well as the immediate future--is the program designed to approach universal elementary education. The Vietnamese are hungry for education; it enhances their contributions to their society and deepens their attachment to it.

Building on past programs, the extension of primary education to nearly universal levels is a Vietnamese goal for 1970, at which time it is expected that about 85% of the students of elementary school age in South Vietnam will be attending primary schools. As of June 30, 1967, approximately 68% were attending school (compared with less than 5% in primary schools in the French Colonial period). A.I.D., through programs in support of both the RD Hamlet School program and the Ministry of Education's primary school program, has been instrumental in this effort. As of June 20, 1967, 10,258 A.I.D.-supported elementary schools were in operation; the A.I.D.-supported program in textbook production had resulted in the printing of 11 million elementary textbooks; and 11,480 teachers for the primary schools had been trained. The program for FY 1969 calls for construction of an additional 3,500 classrooms, training of 2,500 teachers and the distribution of 1,500,000 texts.

Of necessity, the current emphasis of the A.I.D. program in Vietnam must be on short and medium-term objectives. As progress toward achieving those objectives continues, the emphasis of our national development efforts can gradually be shifted toward more lasting economic and social development. A few very selective efforts directed at the longer run must be begun now, lest we arrive at a post-hostilities period unprepared for the new challenges that peace will bring.

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A.I.D.'s present activities in this sphere are to involve the Vietnamese Government in planning on a national level, to help establish institutions designed for the long haul, to carry on a training program which will ultimately provide the people to man these institutions, and to hold to a minimum the distortions of normal market forces brought about by the necessity of channeling resources to the war effort and pacification.

A promising beginning has been made toward creating a long-range development plan. The A.I.D.-financed Development and Resources Corporation contract team and the South Vietnamese Post-War Planning Group, operating together as the Joint Development Group, have already launched a planning effort designed to cope with the problems of economic development which are now emerging and will become primary after hostilities subside. Among the projects already under way are an investigation of Vietnam's industrial potential and the formulation of recommendations for future action, a comprehensive review of the problems of water control in the area of the Mekong Delta, and the development of a simple macro-economic model. A significant by-product of this planning effort is the collection of a substantial amount of data related to the agricultural, commercial and industrial sectors which was hitherto unavailable.

In human resources development A.I.D. is financing a broad program of participant training designed to provide basic skills in a number of disciplines including agriculture, education, health, public administration, public safety, trade union development, engineering, industry and transportation. Since 1951, A.I.D. has helped over 4,000 Vietnamese obtain training abroad both in the United States and third countries. In FY 1969, we estimate that about 1,000 will receive training outside Vietnam. Substantial numbers of Vietnamese have already been trained in technical skills in Vietnam through their employment at U.S. military installations such as the base at Cam Ranh Bay and through employment by U.S. construction firms. It is most often the Vietnamese who have been trained in modern technologies outside Vietnam who become our most useful and understanding counterparts and allies in the struggle to defend against aggression and to build a nation.

It should be emphasized that programs whose contributions lie in the more distant future or are less directly associated with the present emergency may be pared to provide funds for more urgent programs directed toward the alleviation of suffering and the rebuilding of war-damaged homes, bridges and other structures.

A.I.D. RESOURCES FOR NATIONAL DEVELOPMENT

	FY 1968		FY 1969	
	\$ (000)	Number Direct Hire and PASA	\$ (000)	Number Direct Hire and PASA
Agriculture	14,913	(100/107)	11,553	(89/93)
Education	10,045	(66/0)	13,106	(56/6)
Industry	543	(10/0)	10,353	(10/0)
Labor	1,571	(12/4)	1,558	(12/4)
Logistics	13,279	(125/41)	8,756	(106/40)
Public				
Administration	4,008	(33/7)	2,806	(30/7)
Public Health	5,221	(63/14)	5,939	(76/16)
Public Works	6,208	(77/0)	6,751	(69/0)
Urban				
Reconstruction ^{1/}	23,588	(28/4)	25,944	(33/4)
Other ^{2/}	4,037	(42/0)	5,138	(35/0)
TOTAL	83,413	(556/177)	91,904	(516/170)

^{1/} Includes Saigon Electric Power, Saigon Water & Sewerage, Saigon Metropolitan Area Development, and Provincial Cities Reconstruction & Development.

^{2/} Includes Village and Local Development, Youth Affairs and National Information Program.

Technical Support

A.I.D. RESOURCES FOR TECHNICAL SUPPORT

	FY 1968		FY 1969	
	\$ (000)	Number Direct Hire and PASA	\$ (000)	Number Direct Hire and PASA
Logistics	7,710	(0/108)	1,800	(0/90)
Technical Support	41,557	(486/14)	28,265	(500/14)
TOTAL	49,267	(486/122)	30,065	(500/104)

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HOW THE COMMERCIAL IMPORT PROGRAM OPERATES

Funds for the Vietnam Commercial Import Program (CIP) are made available by the Congress under the Supporting Assistance category of the foreign aid appropriation. Before the program is presented to the Congress, an estimate is made of total import demand, less the estimated amount to be financed with Vietnamese-owned foreign exchange and P.L. 480 local currency sales. The balance is the proposed CIP level. The level of this program is reviewed and revised regularly as the year proceeds and experience demonstrates the possibility of reduction or the need for increase.

Funds are allotted periodically from Washington to the USAID, and are obligated through the issuance of Procurement Authorization documents (PA's) after agreement with the Vietnamese Government. The USAID's Commercial Import Program Staff prepares the PA's and forwards them to the Director of Commercial Aid, Ministry of Commerce, who concurs on behalf of the Government of Vietnam. The documents are then returned to the USAID where they are signed by the Mission Director on behalf of the U.S. Government. Copies of the signed Procurement Authorizations are forwarded by transmittal letter to the Directorate of Commercial Aid (DCA) and to the National Bank of Vietnam (NBVN), as the legal instruments against which the DCA can authorize import licenses under the conditions agreed to by both governments.

Each Procurement Authorization stipulates the commodities that may be procured under it, contracting and delivery periods, the amount of money made available to finance the commodities, and whatever special conditions must be met. The Procurement Authorization includes the name of the U.S. bank designated by the National Bank of Vietnam to receive the A.I.D. Letter of Commitment. A Letter of Commitment is issued by A.I.D./Washington for each Procurement Authorization. It incorporates the provisions of the Procurement Authorization and describes the terms and conditions under which the designated bank shall pay against letters of credit opened by the commercial banks in Vietnam. The Letter of Commitment obligates the U.S. Treasury to reimburse the Letter of Commitment bank, out of the A.I.D. appropriation, for authorized dollar expenditures.

In the Fall of 1967, USAID developed, with the cooperation of the Vietnamese Government, a "Positive List" of those items eligible for A.I.D. financing. This list is reviewed and revised periodically. Each Procurement Authorization, as a rule, is restricted to one or two commodity categories, each of which may include a number of sub-items found on the Positive List.

There are approximately 2,200 firms registered to import in Vietnam. In FY 1967, 1,007 received licenses to import under the CIP. Importers -- who must have a patente (business license), on which they pay a tax each year -- are of two types. Some are primarily commercial traders who import finished goods for immediate resale through wholesale or retail outlets. About 1,000 individuals or firms are in this category. The remaining 1,200 firms are classified as manufacturers or end-users. These firms import capital machinery for their own plants or raw materials which are processed and sold in Vietnam.

Except where a waiver is granted under the limited conditions specified in A.I.D. Regulation I, the importer must advertise his intended purchase through the Small Business Circular issued by the A.I.D./Washington Office of Small Business (OSB). He may, in addition, contact suppliers directly. The value of the proposed transaction must be \$5,000 or more to be eligible for A.I.D. financing.

The USAID's CIP staff receives and reviews all importer notices of intent to purchase. When capital equipment is involved, a review is also made by the USAID's Industry Division. The USAID prepares a written notice of the intended procurement for transmittal to the Office of Small Business in Washington and informs the importer by letter that he can not place an order until after the expiration of the bid deadline specified by the OSB (45 days from OSB receipt of the USAID's notice). A copy of the letter is sent to the Vietnamese Government's Director of Commercial Aid as a means of control.

After the importer has selected a supplier, he files his import license application with his local bank. This must be accompanied by a "pro forma invoice," which contains the name and address of the importer and supplier, the specifications of the commodity being procured, the FOB unit price, the cost of freight, the total C&F price, and the A.I.D. commodity code number. An abstract of all other offers to sell must be attached.

If the bank is willing to finance the transaction, it forwards the application to the National Bank of Vietnam (NBVN), where it is given a serial number and registered in an IBM accounting system.

The application is next forwarded from the NBVN to the Vietnamese Directorate of Commercial Aid (DCA). The application is recorded and directed to the Price Control Section, where prices are checked on the basis of continuously revised commodity price index cards and compared with other current applications. If an

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application shows a price above average, it is rejected and returned to the applicant through the NBVN and the local bank.

From the Price Control Section, the application is sent to the USAID CIP representative located at the DCA. There it is given a first review for eligibility of commodity, importer, supplier, source, and sales agent. If any ineligibility is found, the application is rejected and returned to the DCA. Applications not rejected in this first review are sent to the USAID's CIP Analysis Section. There, commodity analysts check the application further in terms of commodity eligibility, acceptability of the importer for participation in A.I.D. financing, prices and specifications. They compare the application with the OSB bids and responses and evaluate the application in terms of pipeline information, historical import patterns, and other relevant data. Upon approval, the analysts stamp and initial the application and return it to the DCA for final approval.

After a license is approved and signed by the Director of DCA, it is recorded in an outgoing log and returned to the NBVN. From there it goes back to the local bank and then to the importer. A listing of approved licenses is published in a daily bulletin published by the Ministry of Commerce.

The importer has 20 days from the date of the publication in the bulletin to request his local bank to open a letter of credit. When a letter of credit is opened the importer is required to deposit with his bank piasters amounting to a specified percentage of the value of the import transaction, depending upon the commodity classification. The letter of credit is transmitted to the Letter of Commitment (L/Com) Bank, one of a limited number of U.S. banks which will reimburse the supplier or the supplier's bank upon presentation of on-board bills of lading, A.I.D. supplier's certificates, invoices, and any other documents stipulated in the letter of credit and A.I.D. regulations.

When the L/Com Bank has reimbursed the supplier's bank or made payment directly to the supplier, the bank sends a cable notification of payment to the National Bank of Vietnam. The time lag between payment to the supplier and notification to the NBVN may be one or two days if the L/Com Bank has made the payment directly or up to one week if a reimbursement to another bank is involved. Upon receipt of the notification of payment, the NBVN automatically debits the piaster account of the local private bank through which the license was processed and the letter of credit opened, and informs the bank of the action taken. Simultaneously, the NBVN credits the piasters to a special suspense account. The NBVN makes a payment from this suspense account into a special counterpart

fund once each month when the Controller of the USAID presents a bill equal to total A.I.D. dollar disbursements for the CIP in the previous month. Counterpart funds generated in this manner are used to finance agreed-upon portions of the Vietnamese government's military and civil budgets and for selected economic development purposes.

When the NBVN notifies the local Vietnamese bank that its piaster account has been debited, the local bank may either order the importer to deposit the remaining piaster balance or extend credit for an agreed period of time.

When the commodities arrive in Vietnam (mostly through the port of Saigon) they are unloaded by a private stevedoring company and put into customs warehouses in the port area. Importers generally use agents or brokers to get their goods through the port. When goods arrive, the agent obtains copies of the ship's manifest, initiates the necessary port clearance and customs documentation, and ultimately delivers the goods to the importer. As soon as the importer arranges payment of custom duties, he is free to move his goods directly into the market or to storage in his own warehouse.

Where the importer uses bank credit to obtain piasters for payment of custom duties or lacks sufficient capital to pay the full piaster equivalent of the dollar import transaction, the importer's bank retains title to the goods, and the importer is required to sign a trust receipt with his bank in order to take possession. Interest rates on trust receipts range from 6% to 10%.

To encourage rapid customs clearance and relieve congestion in the port, rental fees are charged for bonded warehouse use. In addition, commodities remaining in the port after 30 days are subject to confiscation and the importer is subject to suspension. Goods remaining on the docks for more than 90 days are classified as distressed cargo according to A.I.D. regulations. The existence of distressed cargo constitutes cause for a dollar refund claim action against the Vietnamese Government.

Other CIP Procurement Procedures

The foregoing description applies to the normal CIP transaction involving commodities exported from the United States.

Under A.I.D. Policy Determination No. 31, eight Selected Less Developed Countries -- India, Morocco, Pakistan, Philippines, Republic of China, Republic of Korea, Singapore, and Tunisia -- are eligible sources for CIP commodities, but special banking procedures have been arranged to reduce dollar outflow. Under these procedures

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payment is made by letters of credit usable only to finance imports from the U.S.

For certain commodities of which the United States is a net importer, a barter procedure is used to avoid the outflow of dollars through offshore procurement:

-- "Cash Deposit Barter". This procedure is currently used for petroleum fuels. A U.S. barter contractor deposits dollar funds with the U.S. Treasury in a special A.I.D. account at times and in amounts prescribed in a contract between him and the U.S. Commodity Credit Corporation (CCC). Those funds are paid to petroleum companies to supply offshore petroleum shipments to Vietnam. The barter contractor receives surplus agricultural commodities from the CCC which he then sells in countries

approved by the U. S. Department of Agriculture. The CCC receives reimbursement in dollars from A.I.D. The importing petroleum companies in Saigon are charged the piaster equivalent of the dollar expenditure. These piasters are later deposited to the counterpart account.

-- "Commodity Barter". This procedure is currently employed for certain nitrogenous fertilizers. The barter contractor agrees to procure fertilizer for delivery to Vietnam. He receives an equivalent amount of surplus agricultural commodities from the CCC which he sells in USDA-approved countries. CCC receives reimbursement in dollars from A.I.D. The Vietnamese importer is charged the piaster equivalent of the dollar expenditure. These piasters are later deposited to the counterpart account.

APPENDIX II

Country: VIETNAM

FREE WORLD ASSISTANCE TO VIETNAM
(as of January 1, 1968)

A number of nations have provided military and non-military assistance since the Government of Vietnam launched an appeal for aid on July 14, 1964. Five Asian and Pacific countries (Australia, Republic of Korea, New Zealand, Philippines, and Thailand) have more than 60,000 troops on the ground. Additional troops recently committed by Australia, New Zealand, and Thailand will bring the total to more than 71,000. Germany, Australia, Canada, Japan, United Kingdom, New Zealand, and the Netherlands have large continuing programs of economic, humanitarian, and technical assistance. Several other countries make continuing contributions, though of a smaller magnitude, and many others have sent relief or commodity aid since 1964. A total of thirty-one nations besides the United States are assisting or have assisted Vietnam under the Free World Assistance Program.

A detailed listing by geographic area follows:

EAST ASIA

Australia

Australia provides both military and non-military aid to Vietnam.

Military aid consists of:

- Approximately 6,300 combat troops now in Vietnam, an increase of about 1,800 over the past year. This consists of a brigade and support, and a squadron of 8 Canberra bombers. Australia also provides naval assistance and a guided missile destroyer. An additional 1,700 combat troops are expected in the near future.
- 100 combat advisors (primarily specialists in jungle warfare).
- A 73-man air force unit at Vung Tau with six Australian caribou planes which fly daily logistical transport missions in support of Vietnamese military forces.

Economic and technical assistance since 1964 is valued at more than \$10.5 million and includes:

- Three surgical teams, totalling 42 personnel, in provincial hospitals. These teams, in addition

to performing major operations, have established a blood bank and are giving lessons in nursing. Their present strength represents an increase of 5 men over the past year.

- A group of civil engineers working on water supply and road construction projects.
- Three experts in dairy and crop practices and radio techniques.
- There are currently 130 Vietnamese students studying in Australia.
- In goods and materials: 1,250,000 textbooks in Vietnamese for rural schools; 3,300 tons of corrugated roofing for Vietnamese military dependents' housing; 6 large community windmills; 15,750 sets of hand tools; 400 radio sets and 2,400 loud-speakers; 16,000 blankets and 14,000 cases of condensed milk.
- A 50 kilowatt broadcasting station at Ban Me Thuot.

Republic of China

The Republic of China has provided:

- An 80-man agricultural team.
- An 18-man psychological warfare team.
- An electrical power mission under the leadership of Taipower. Over the past year this team increased from 12 to 34 men.
- An expanded surgical team of 16 men representing an increase of 6 over last year's team.

China has also provided training for more than 200 Vietnamese technicians in Taiwan. In the way of goods and materials, they have provided 26 aluminum prefabricated warehouses, agricultural tools, seeds and fertilizers, 500,000 copies of mathematics textbooks, an electrical power substation, medical supplies, and cement.

Country: VIETNAM

Japan

Japan has provided over \$55 million worth of economic assistance to Vietnam, chiefly through reparations. Principal aid in recent years includes scholarships for students and experts, the construction of a neurological surgical ward in Saigon, medical supplies for refugees, lecturers for Saigon schools, technical experts and several medical teams. Japan now has a surgical team stationed in Saigon. It has sent considerable amounts of medical goods (4,544 cases), 20,000 transistor radios and 25 ambulances. It has provided funds for the construction of a large power dam across the Da Nhim River and an electrical transmission line. A new medical aid agreement (\$1.1 million) was signed in June 1967.

Korea

Korea has increased its troop commitment over the past year by approximately 3,800 bringing its contingent to about 48,000 men including:

- 2 combat divisions and 1 combat brigade.
- A 130-man Mobile Army Surgical Hospital (MASH).
- 10 military instructors in Korean karate for training Vietnamese military in hand-to-hand combat.
- A 2,200-man Task Force Unit composed of the following elements:
 - 1 Army engineer battalion
 - 1 Headquarters group
 - 1 Army Transportation company
 - 1 Marine Corps Engineer company
 - 1 Infantry battalion
 - 1 LST and 2 LSMs
 - 1 Composite Support Unit (communications, medical supplies, etc.)

Korean military medical personnel are providing some medical care to the local population in areas where ROK troops are stationed. In addition, 7 civilian medical teams totalling 118 doctors, nurses and support personnel are working in provincial health programs.

Laos

One million kip (\$4,167) for flood relief in 1965 and a small cash donation for refugees in 1966.

Malaysia

Since 1964 Malaysia has trained about 2,900 Vietnamese military and police officers, and 1967 alone over 800 Vietnamese officers received training in Malaysia. Groups of 30-60 are regularly sent for about a month's training in counter-insurgency with Malaysian Police Special Constabulary. Malaysia has previously provided substantial amounts of counter-insurgency materials, primarily military and police transport such as armored vehicles. Medicines and relief supplies have also been donated.

New Zealand

New Zealand has more than doubled its troop commitment during the past year. From approximately 150 men in Vietnam in 1966, they have increased their commitment to approximately 375 men. This includes an artillery battery, an infantry company and an army engineer detachment. In October the New Zealand Government announced it will send an additional infantry company (170) men bringing the total to 546 men.

In non-military aid, New Zealand assistance has averaged 250,000 NZ dollars (US \$347,500) annually, civilian aid expenditures this year are expected to exceed 300,000 NZ dollars. This has financed a 15-man surgical team at Qui Nhon, scholarships for 80 Vietnamese in New Zealand, medical and teaching equipment for Hue University, equipment for a technical high school, and a contribution towards the construction of a science building at the University of Saigon.

Philippines

The Philippine Government has sent a 2,000-man military engineering unit with security support personnel, a station hospital, and rural health and civic action teams.

In non-military aid, the Philippines has financed a 12-man medical team and donated clothing, food and medical supplies.

Thailand

During 1967 Thailand sent a total of approximately 2,450 men including a recently arrived combat brigade. A 150-man Thai naval group manning an LST and PGM patrol craft arrived in Vietnam in December 1966. A 35-man air force contingent has been flying operational transport missions for the Vietnamese forces.

APPENDIX II

Country: VIETNAM

The Thais have also been providing jet training for Vietnamese pilots in Thailand. The Thai Government recently announced it will increase its troop strength in Vietnam to a light division of about 12,000 men.

In non-military aid, the Thais have provided rice for refugees and cement and corrugated iron roofing materials. At the Manila Conference, the Thais offered the Vietnamese a \$20 million rice credit.

MIDDLE EAST

Greece

Greece has contributed \$15,000 worth of medical supplies.

Iran

Iran has contributed 1,000 tons of petroleum products to Vietnam and has a 20-man medical team working in the Vietnam provinces.

Turkey

Turkey has provided medicines.

EUROPE

Belgium

Belgium has provided medicines for flood relief and an ambulance and has given scholarships for 15 Vietnamese to study in Belgium.

Denmark

Denmark has provided medical supplies for flood relief and has offered to train Vietnamese nurses in Denmark.

Germany

German economic and humanitarian aid to Vietnam averages about \$7.5 million annually. Approximately 200 technical and medical personnel are now serving in Vietnam. In addition to grant aid programs, the German Government has supplied credits of \$21.2 million for capital projects and commodity imports.

Personnel in Vietnam: A 3,000-ton hospital ship, the "Helgoland" with 8 doctors, 30 other medical personnel and 150 beds is now stationed at DaNang. Late in 1967 the Germans announced that the facilities offered by this ship would be transferred to a permanent site at DaNang.

Seven Germans, a director and six instructors, are teaching at the new Technical High School at Thu Duc near Saigon. There are five professors at Hue University.

Vietnamese in Germany. Twenty Vietnamese are being trained in Germany to replace German instructors at the Technical High School. Scholarships are granted annually to about 7 students. In addition, Vietnamese are brought to Germany for short-term training programs.

Goods and Materials. The Germans have provided the following credits:

- DM 15 million (\$3.75 million) for import of German products such as machine tools, fertilizer, etc. The piaster funds generated go to the National Office of Agricultural Credit to aid farmers, particularly with loans;
- A credit of DM 50 million (\$12.5 million) for development of the major industrial complex at An Hoa-Nong Son;
- A credit for DM 20 million (\$5 million) for capital projects.

Other Assistance. Nine social centers in Saigon have been constructed and staffed with German aid funds. Additional centers, with vocational training facilities, are planned. A training center for experts in the social field is being established. A home for juvenile delinquents is also being constructed at Thu Duc.

Substantial quantities of pharmaceuticals and other medical supplies and equipment have been donated for distribution to civilian hospitals and dispensaries. A pharmaceutical donation, announced in April 1966, was valued at \$4.4 million for delivery in 1966 and 1967.

Country: VIETNAM

Italy

The Italians provided a 10-man surgical team from 1964 through 1966 and have offered science scholarships to 10 Vietnamese to study in Italy.

Luxembourg

Luxembourg has provided plasma and blood transfusion equipment.

The Netherlands

The Netherlands aid program, which began in 1965, has financed scholarships for Vietnamese doctors, the construction and equipping of three tuberculosis centers, and the renovation and expansion of a hospital in Cholon. The Dutch Government has also earmarked \$1 million of funds in trust for UN projects in Vietnam.

Spain

Spain has sent a 12-man medical team to Vietnam and has provided 2,200 pounds of medicines, medical equipment and blankets.

United Kingdom

The United Kingdom has supplied economic aid valued at \$2.4 million in the past three years. It has provided seven police advisors, a Professor of English at Hue University, and technical experts. Twenty-one Vietnamese are receiving training in the United Kingdom. A pediatric team of five British doctors and six nurses went to Saigon in August 1966 to remain for five years; the team will be expanded to 18 members and X-ray and other equipment is being supplied for a new hospital block.

In 1963-64, the United Kingdom provided the following goods and materials: laboratory equipment for Saigon University; a type-setting machine for the Government Printing Office; a cobalt deep-ray therapy unit for the National Cancer Institute; various equipment for the faculties of Medicine, Science and Pharmacy at Saigon University, the Meteorologic Service and the Agricultural School at Saigon, and Atomic Research Establishment at Dalat and the Faculty of Education at Hue.

LATIN AMERICA

Argentina

Argentina is contributing 5,000 tons of wheat.

Brazil

Brazil has sent a substantial quantity of medical supplies which was carried to Vietnam by a Brazilian Air Force plane. 5,000 sacks of coffee were donated in 1966, some of which was delivered this past year.

Costa Rica

Costa Rica is contributing an ambulance for use by the Ministry of Health.

Ecuador

Ecuador has sent medical supplies to Vietnam.

Guatemala

Guatemala has sent 15,000 doses of typhoid-paratyphoid serum for use in Vietnam.

Honduras

Honduras has contributed drugs and clothing for refugees in Vietnam, flown there on a Honduras Air Force plane.

Uruguay

Uruguay has contributed \$21,500 for relief supplies and medicines for Vietnam.

Venezuela

Venezuela has provided 500 tons of rice for refugee relief, and two civilian doctors are working in Vietnam.

AFRICA

Liberia

A contribution of \$50,000 has been made by Liberia for the purchase of hospital equipment and other medical supplies for Vietnam.

Tunisia

Tunisia has made available 15 to 20 scholarships for Vietnamese.

Country: VIETNAM

NORTH AMERICA

Canada

Since 1964 Canada has supplied more than \$4.6 million in economic aid to Vietnam.

- Canada increased its aid to South Vietnam this past year allocating \$1 million for medical assistance including providing ten 200-bed emergency hospital units. The first two units have arrived and have been installed at Phan Tiet and at Phu Tho near Saigon. A Canadian doctor and technician visited Vietnam in the fall to inspect potential sites. Canada has sent 650,000 doses of polio vaccine for Vietnamese school children and offered additional vaccines against polio, TB and smallpox. Consideration is being given to establishment of a rehabilitation center in Vietnam.
- Since 1958, Canada has provided \$850,000 worth of food aid for Vietnam. Funds generated by sales are used for economic development projects in Vietnam.
- A new science building for the medical faculty at the University of Hue is being built costing about \$333,000 drawn from counterpart funds generated by sales of food supplied by Canada.
- The Canadians have also agreed to construct an auditorium for the Faculty of Sciences at Hue University which will cost about \$125,000.
- Canada is printing half a million copies of a social sciences textbook for Vietnamese grade school children.
- Personnel in Vietnam. A Canadian Supervisor has been at Quang Ngai supervising construction of a small TB Clinic which the Canadians are funding. The Canadians have sent two doctors and four nurses to staff the clinic. A professor of orthopedics is working at Cho Ray Hospital, Saigon. A Canadian professor was on the staff of the University of Hue for two years.

- Vietnamese in Canada. 380 Colombo Plan trainees and a total of 463 trainees under all programs, including those sponsored by other agencies and third countries (as well as Colombo Plan), have been trained in Canada. There are currently 231 Vietnamese students in Canada.

OTHER ASSISTANCE

Six other nations whose help does not fall under the Free World Assistance Program have provided valuable assistance to Vietnam in economic and humanitarian fields.

France

Since 1956, France has contributed about \$115 million in assistance to South Vietnam. Present aid is running at a rate of about \$4 million per year, largely in the cultural field.

Most French personnel now in Vietnam are serving in its overseas cultural program; they staff some secondary schools in Saigon. There are also professors on University staffs. France provided in 1965 for Vietnamese to study in France, 55 fellowships for technical training and 85 academic fellowships. These programs are continuing on a somewhat reduced scale.

France has provided low-interest credits of 100 million francs (\$20 million) for financing imports of French equipment for Vietnamese industry, a grant of 500,000 francs (\$100,000) for equipment for L'Ecole Nationale d'Ingenieurs des Arts Industriels.

In 1960 France extended a low-interest credit of 70 million francs (\$14 million) to aid construction of the major coal and chemical complex at An Hoa-Nong Son south of DaNang. It also provides a low-interest, five-year credit of 60 million francs (\$12 million) for construction of Vietnam's largest cement-producing complex with plants at Hatien and Thu Duc. In 1964, France provided a 930,000 francs (\$186,000) grant for the installation of a training center for electrical technicians and in 1965 a gift of 1.25 million francs (\$250,000) for teaching equipment, primarily in the medical field.

Ireland

The Irish people have contributed \$2,800 for Vietnamese flood victims through their Red Cross.

Country: VIETNAM

Israel

Israel made a gift of pharmaceutical supplies for flood victims and trained three Vietnamese in irrigation practices.

Norway

Norway sent a contribution through the International Red Cross for flood victims in February 1965.

Pakistan

Pakistan made a financial contribution for assistance to flood victims and donated clothing for them.

Switzerland

The Swiss through the Red Cross in April 1966 sent an 11-man medical team to work in a provincial hospital in the Central Highlands of South Vietnam. A second medical team arrived in late 1967 for work at DaNang. A government grant is financing the construction of a pediatric wing at the DaNang hospital. The Swiss have also provided microscopes for the University of Saigon.

UN Aid to Vietnam

The United Nations and its specialized agencies are also making a significant contribution to the social and economic development of Vietnam. Under the Expanded Program of Technical Assistance

of the UN Development Program, 15 technical assistance projects are included in the 1967-68 program at a cost of \$724,475. In addition, there has been a supplementary allocation of \$200,000 to cover urgent needs. The projects thus financed range across such varied fields as maternal and child health, labor administration, educational planning, telecommunications, meteorology, fundamental adult education, social services and civil aviation. Among the participating agencies are the International Labor Organization (ILO), Food and Agriculture Organization (FAO), UN Education, Social and Cultural Organization (UNESCO), World Health Organization (WHO), International Civil Aviation Organization (ICAO), International Telecommunications Union (ITU), World Meteorological Organization (WMO), International Atomic Energy Agency (IAEA), and the Department of Economic and Social Affairs of the UN. The UN International Children's Emergency Fund (UNICEF) has substantially expanded its health and child care programs with the 1967 program totalling \$562,000, an increase over the 1966 level of \$226,000.

Two major projects financed by the Special Fund of the UN Development Program are about to get under way. The Government of Vietnam has signed the Plan of Operations for a Fisheries Development Project, including exploratory and experimental fishing in the South China Sea, to be executed by FAO. The United States has pledged an additional \$2 million to enlarge the scope of this project through a funds-in-trust arrangement. UNESCO is the executing agency for a \$1.5 million Special Fund project establishing a National Technical Center near Saigon. The Bureau of Social Affairs of the UN is administering a Dutch contribution of \$250,000 to establish a Social Welfare Training Center. The Economic Commission for Asia and the Far East (ECAFE) is pressing ahead with regional projects of benefit to the nations of the Mekong Basin and had undertaken surveys of irrigation, hydroelectric facilities and bridge construction projects in Vietnam.

APPENDIX III

Country: VIETNAM

VOLUNTARY AGENCIES IN VIETNAM

There are 33 voluntary agencies and other non-profit organizations from the United States, other free world countries, and the international community actively carrying out programs in Vietnam in the fields of education, health, social welfare, and refugee assistance. These programs, which represent a major contribution to the welfare of the people of Vietnam, receive the encouragement and the assistance of the U.S. Government. In FY 1967 the value of these programs was estimated at \$20 million; A.I.D. provided an additional \$5 million in logistic and contract support. In addition to the 33 agencies whose programs are briefly described below, there are many other organizations, individuals, and institutions which also provide assistance to Vietnam either directly or channelled through operating agencies mentioned.

U.S. Voluntary Organizations

1. American Friends Service Committee. In 1966 the American Friends Service Committee established a community center program to help the nearly 100,000 refugees in and around Quang Ngai, Binh Dinh province. This facility now includes a children's day care center. The committee also sponsors Volunteers in Overseas Service (VISA) projects at social welfare centers, hospitals, and orphanages.
2. American Red Cross (ARC). The Red Cross provides assistance to some 26 refugee camps in Vietnam serving almost 20,000 people. Red Cross activities include dietary supplements for children, medical aid, self-help projects and educational and recreational programs. In addition, the ARC is training personnel of the Vietnamese Red Cross to carry on these programs.
3. Asia Foundation. The Asia Foundation assists four universities and a number of Vietnamese ministries in carrying out programs for youth and recreation associations and civic, community, and social welfare groups. It has distributed 30,000 books annually to schools, institutions, groups and individuals.
4. Catholic Relief Services (CRS). Since 1954 the CRS has assisted refugees, war victims, and other needy persons by distributing food and clothing to schools, hospitals, day-care centers, orphanages and other institutions. CRS has established a training center for nurses, mid-wives and medical assistants and is preparing courses for refugee workers in auto mechanics, masonry, carpentry, and other trades. Future plans include assisting the Vietnamese Government in developing social welfare and health education services for refugee families and individuals.

5. Christian and Missionary Alliance. The Alliance operates a youth center in Saigon where over 500 students are enrolled in English classes. It also maintains a leprosarium where 680 in-patients and 185 out-patients were treated in 1966.
6. Christian Children's Fund (CCF). CCF presently sponsors an orphanage in Nha Trang, and provides monthly assistance to more than 3,600 refugee and orphaned children.
7. Committee of Responsibility (COR). The Committee of Responsibility was organized late in 1966 to make available facilities and services in the United States for the treatment and rehabilitation of injured Vietnamese children who cannot be adequately cared for in Vietnam.
8. Community Development Foundation (CDF). In 1966 the CDF established a Refugee Welfare Training Center at Qui-Nhon, Binh Dinh province which expects to graduate 360 refugee workers per year. The graduates will seek to improve social and economic conditions in the refugee community with emphasis on self-help.
9. Cooperative for American Relief Everywhere (CARE). CARE has worked in Vietnam since 1954 to improve the living standards of the poor and provide emergency assistance to refugees. This organization distributes emergency food supplies and standard commodity kits for a variety of needs including midwifery, blacksmithing, classrooms, recreation, and farming. CARE also supplies textile packages, sewing kits, and carpentry kits.
10. Eastern Mennonite Board of Missions and Charities (EMBMC). Since 1957 the EMBMC has operated two social welfare facilities in Saigon: a student center with reading and study facilities for 200 and a primary school and day-care center for over 150 children.
11. Foster Parents' Plan (FPP). The program of the Foster Parents' Plan concentrates on social welfare work among needy Vietnamese children and their families, assisting them on a long-term basis with educational benefits, family counseling, financial support for self-help projects, and emergency commodity assistance. FPP's program began in 1957 and now serves 6,000 families, or approximately 30,000 people.
12. International Rescue Committee (IRC). Since 1954 IRC has provided emergency medical and educational assistance to war-orphaned children and refugees, commodity support to children's institutions, and assistance to cooperatives, self-help projects, and community development efforts. The Committee also sponsors an intensive training course for teachers assigned to refugee areas.

Country: VIETNAM

13. International Voluntary Services, Inc. (IVS). IVS, in Vietnam since 1957, concentrates on educational programs in agriculture, English and elementary science, as well as refugee assistance, youth activities, self-help, and community development.

14. Medical Mission Sisters (Society of Catholic Medical Missionaries, Inc.) The program, initiated in 1960, staffs, equips, and maintains Holy Family Hospital in Saigon. A recently constructed addition will increase the hospital capacity from 40 to 75 beds and an associated school of nursing will be opened later this year.

15. National Association of Evangelicals-World Relief Commission (WRC). Since 1965 the WRC has distributed medicines, P. L. 480 foodstuffs, and clothing to needy refugees. Recently it has concentrated on conducting a vocational training center for refugees at Hue in sewing, agriculture, blacksmithing, carpentry, home economics, adult literacy, and nutrition.

16. People to People Health Foundation, Inc. (Project HOPE). Since 1969 Project HOPE has operated the Orthopedic Rehabilitation Clinic in Saigon, which now treats more than 2,000 persons annually and trains local medical personnel.

17. Project Concern, Inc. Project Concern has operated medical relief projects in Vietnam since 1964. These include a 42-bed hospital in Dampoa Hamlet and a program of training village and hospital medical assistants. A mobile village medical team treats patients in 25 villages without hospital services, while village clinics set up by Project Concern provide basic first aid and drugs, and treat illnesses.

18. Save the Children Federation (SCF). SCF began a program in 1966, which through child sponsorship, helps families develop skills which will result in long-term increased family income and eventual self-sufficiency. Five hundred needy families are currently being helped to develop vocational skills through financial assistance in the form of small grants and loans.

19. Seventh-Day Adventist Welfare Service. The Seventh-Day Adventist Welfare Service, in Vietnam since 1955, operates programs in education and public health, and distributes clothing to needy families. Its projects include a ten-grade training school, three elementary schools, two village clinics, and a 28-bed hospital in Saigon.

20. Summer Institute of Linguistics (SIL). In a program which began in 1957, SIL conducts linguistic research and analysis of minority group languages, translates rural and mountain dialects,

and prepares textbooks in the four main tribal languages. The objective is to help tribesmen adapt to Vietnamese culture without losing their tribal heritage.

21. Unitarian Universalist Service Committee, Inc. (UUSC). In 1968, UUSC will organize a multi-purpose community center in an urban area which will be staffed with U.S. social work technicians. It will conduct social welfare research, on-the-job training of community center social workers, prepare social welfare teaching curricula and establish a social service information exchange.

22. Vietnam Christian Service (VNCS). VNCS represents the combined efforts of Church World Service, Lutheran World Relief, and the Mennonite Central Committee in providing assistance to Vietnam. Initiated in 1966, the VNCS program concentrates on relief, medical assistance, and community development efforts. In addition, to operating a feeding program in seven Saigon schools, VNCS maintains a 33-bed clinic-hospital at Nha Trang, a 20-bed hospital at Pleiku, and sponsors a number of vocational training centers.

23. Volunteer Physicians for Vietnam. Under a program administered by the American Medical Association, twelve to sixteen physicians depart from the United States each month for tours of at least 60 days and are assigned to provincial hospitals in 22 locations throughout South Vietnam.

24. Worldwide Evangelization Crusade (WEC). The WEC, whose program was initiated in 1958, operates two orphanages and plans to open a third. This organization also sponsors two primary schools and a leprosarium with over 250 in-patients and 50 out-patients.

25. World Vision Relief Organization, Inc. (WVRO). WVRO's activities, which began in 1965, include an orphan sponsorship program, family support program, and commodity distribution. In addition to assistance to needy children and subsidies to orphanages, WVRO now operates twelve schools and has plans for several more. The World Vision Christian Embassy, being constructed in Saigon; will house a training school for social workers.

International and Other Voluntary Organizations

1. Asian Christian Service (ACS). Since 1966, the ACS has had two multi-purpose refugee relief teams distributing food, medical kits, crutches and sewing machines. A third team has been planned to provide vocational training in sewing and carpentry, a school milk program, and an irrigation project for family vegetable gardens.

Country: VIETNAM

2. International Recreation Association (IRA). IRA's Vietnam program consists of developing and directing recreational programs in refugee camps, as well as training Vietnamese in recreation work.
3. International Social Service (ISS). Since 1965, ISS has operated an inter-country adoption program, counseling American servicemen on inter-country adoption and giving individualized services to mothers of racially mixed children.
4. Knights of Malta (KOM). A medical care and social welfare program for refugees was established by this German organization in 1966. The program's objective is to improve health and sanitary conditions and to develop vocational training programs. KOM also arranges for the receipt, storage and distribution of donated German commodities. Two dental clinics were opened in 1967 and a further expansion of its medical and social welfare programs is planned.
5. International League of Red Cross Societies (LICROSS). The LICROSS program, begun in 1967, consists of emergency distribution of relief materials, provision of medical assistance, and a milk feeding program benefitting over 50,000 refugees and displaced persons.
6. Save the Children Fund. The Save the Children Fund, a British organization, began operating two relief centers in 1967. One is a convalescent home with a capacity for 50 sick and wounded children; the second accommodates 50 widows and between 150 and 250 children. Training in dressmaking and other vocations is available for women and older children and a nursing and kindergarten are provided.
7. World Rehabilitation Fund (WRF). The WRF has administered a rehabilitation center in Saigon since 1965, providing therapy for paraplegics, vocational training for the handicapped, and more recently services for the blind. It now manufactures over 500 artificial limbs and braces a month. An additional center at Can Tho has recently opened and one at Da Nang will be completed this year.
8. World University Service (WUS). WUS provides services to university students, including youth hostels, a scholarship/work program, and student centers at Saigon University and at the Technical Training Center in Tay Ninh Province. Other such centers are planned for the Universities of Hue and Dalat.

SUMMARY OF PROGRAM BY FUNCTION

(Dollar Amounts in Thousands)

Country: VIETNAM

TABLE II

Category	Actual FY 1967				Estimate FY 1968				Proposed FY 1969		
	Total	Tech. Coop.	Supp. Assist.	Conting. Fund	Total	Tech. Coop.	Supp. Assist.	Conting. Fund	Total	Tech. Coop.	Supp. Assist.
Development Loan Program		XXX	XXX	XXX		XXX	XXX	XXX		XXX	XXX
Programs Other than Devel. Loan											
Project Assistance											
U.S. Technicians	112,233		112,233		76,982		76,982		78,349		78,349
Participants	4,216		4,216		3,732		3,732		4,428		4,428
Commodities	117,595 ^{a/}		117,595		100,938		100,938		89,318		89,318
Other Costs	50,718		50,717		69,348		69,348		58,905		58,905
Total Project Assistance	284,762^{b/}		284,761		251,000		251,000		231,000		231,000
Method of Financing											
Project Assistance											
Direct A.I.D.	158,814 ^{a/}		158,814		159,432		159,432		162,086		162,086
Other Agency	5,332		5,332		10,655		10,655		11,872		11,872
Contract	120,615		120,615		80,913		80,913		57,042		57,042
Program Assistance	200,000^{a/}		200,000		200,000		200,000		220,000		220,000
Total Other than Devel. Loan	484,762		484,761		451,000		451,000		451,000		451,000
Total Assistance	495,026^{c/}	XXX	XXX	XXX	470,000^{c/}	XXX	XXX	XXX	480,000^{c/}	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1967	Estimate FY 1968	Proposed FY 1969
A.I.D. employed	1,591	2,109	2,099
Participating agency	219	386	355
Contractor technicians	264	550	589
Total	2,074	3,045	3,043

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1967	Estimate FY 1968	Proposed FY 1969
Non-contract	1,160	1,150	1,021
Contract	-	-	-
Total	1,160	1,150	1,021

VIETNAM

Footnotes to Table II on Page 26

- a/ Excludes \$40.0 million for fertilizer actually programmed under the project program but shifted to program assistance (Commodity Import Program) to make this item comparable since fertilizer in FY 1968 and 1969 has been shifted back to Commodity Import Program.
- b/ Excludes \$43,147,000 DOD reimbursements.
- c/ Difference between these totals and the totals for project and program assistance results from SA transfers for administrative expenses and domestic program support to cover the costs of the expanded Vietnam program, and funds reserved for non-regional expenses. Amounts are as follows:

(in \$000)

	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>
Expanded AID/W Administrative Expenses	4,793	8,000	9,000
Expanded Domestic Program Support	5,471	9,000	10,000
Non-Regional Funds	<u>-</u>	<u>2,000</u>	<u>10,000</u>
	10,264	19,000	29,000

SUMMARY OF STATUS OF DEVELOPMENT LOANS
(In Thousands of Dollars and Equivalent)

REGION: VIETNAM

COUNTRY	Cumulative Through FY 1967				FY 1968 Through December 31, 1967			
	Authorized	Obligated	Disbursed	Repaid	Authorized	Obligated	Disbursed	Repaid
Vietnam	37,315	37,315	35,741	1,559	-	-	2,235	316
Total	37,315	37,315	35,741	1,559	-	-	2,235	316

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Crop Production	ACTIVITY Agriculture			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-130-314	PRIOR REFERENCE P. 167	FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project provides the principal technical advisors and related training supplies and equipment required to assist the GVN Rice Production Program. Prior to FY 1968 this project was targeted to help strengthen programs aimed at the general improvement of agricultural practices in Vietnam, principally through expanding the use of fertilizers, plant protection materials, and improved seed varieties.

The objective of this project now is to assist the Ministry of Agriculture and Land Reform (MOALR) in meeting its Rice Production Program goals: (a) planting a minimum of 50,000 acres with IR-8 and IR-5 rice seed in the summer of 1968; (b) extending the use of existing improved Vietnamese rice varieties to an additional 200,000 acres in 1968; (c) increasing the amount of fertilizer used on rice in Vietnam from approximately 126,000 tons in 1967 to 187,000 in 1968 and 348,000 tons in 1971; (d) increasing pesticide and insecticide use on rice from very little in 1967 to 2,000 tons in 1968 and over 3,000 tons by 1971; (e) assisting the MOALR Extension Service in conducting training for 50 extension agents per month starting in the spring 1968 at the new GVN rice training center on Hiep Hoa Island near Saigon.

Close working relationships have been established with the International Rice Research Institute (IRRI) in the Philippines. The Institute, in addition to having developed the IR-8 "miracle rice" strain, will continue to provide valuable training and technical assistance to the GVN and USAID rice efforts.

A 12-man Agricultural Research Service team, provided under a PASA with the U.S. Department of Agriculture, will devote most of its time to assisting the MOA with rice seed development.

Ten A.I.D. agronomists and soils advisors will work primarily with fertilizer and plant protection aspects of the Rice Production Program. They will help with Extension Service demonstration programs, training programs, and the encouragement of private sector distribution of these and other farm supplies.

Participant training will be provided for 135 GVN technicians in 1968 and an additional 59 in 1969. Most of this will be short-term training (2-3 months) in neighboring countries -- primarily in the Philippines and Taiwan -- in such fields as plant protection, fertilizer use, and rice extension techniques. Six senior participants will be sent to a six-months course at the IRRI each year.

In FY 1967, \$40,000,000 was obligated under this project for fertilizer which was sold through commercial channels. Such fertilizer contributes directly to the crop production objectives. This amount, however, is shown under the Commercial Import Program rather than this project because of the commercial nature of the transactions. Commercial sale fertilizer is being funded under the CIP in FYs 1968 and 1969.

This project is a continuation of that presented last year except for the emphasis on rice.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Through 6/30/67	7,244	55		7,189	Estimated FY 1968			Proposed FY 1969		
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated FY 68	2,760	9,187			428	354	782	344	517	861	USDA: Agriculture Research Team
Estimated through 6/30/68	10,004	9,242	762	U.S. Technicians Participants ...	187	-	187	115	-	115	
		Future Year Obligations	Estimated Total Cost	Commodities ...	1,777	-	1,777	326	-	326	
				Other Costs ...	14	-	14	39	-	39	
Proposed FY 69	1,341	Undetermined		Total Obligations	2,406	354	2,760	824	517	1,341	

PROJECT TITLE	ACTIVITY			FUNDS
Crop Production	Agriculture			Supporting Assistance
PROJECT NUMBER 730-11-130-314	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
	P. 167 FY 1968	East Asia Vietnam PDB FY: 1967	FY: Undetermined	

Progress to Date: Important progress has been made in the field of crop production in Vietnam since 1954. Fertilizer has become widely used as a result of GVN demonstration efforts. Many improved crop varieties -- especially vegetables, sugar cane, corn, and soy beans -- have been introduced and come into wide-spread use. Vegetable growing on a commercial scale has developed dramatically in the past five years. It is now a major industry in many areas with a 10% annual growth rate. More recently there has been a perceptible increase in the use of tillage machinery which promises to become an increasingly important factor in agricultural production. The use of insecticides and pesticides has increased mainly under private sector initiative.

Despite the development of approximately 35 improved varieties of Vietnamese rice in the last five years, the introduction of these varieties on any significant scale has not occurred mainly because the increase in yields was not great enough to warrant the additional inputs including labor, given the tenuous situation of the countryside.

A key step was taken in September, 1967 for the introduction of IR-8 rice. When the rice crop in the isolated valley of Vo Dat in Binh Tuy province was flooded out, this provided the opportunity for reseeding the valley with IR-8 rice, permitting the production of an estimated 1,200 tons of indigenous IR-8 seed in time to be used in 1968 summer plantings. USAID and the GVN succeeded in obtaining the required seed from the Philippines and beginning the re-planting in less than two weeks.

The new government recognizing the revolutionary implications of the tripling of yields which is possible with the IR-8 and IR-5 rice strains, is making a special effort to dramatically increase rice production in the next

few years. President Thieu is fully committed to a major effort to introduce the new miracle rices. The Minister of Agriculture and his senior staff made a five-day trip to the International Rice Research Institute in the Philippines in December, 1967. Several hundred Vietnamese technicians have been brought into Saigon from their provinces by the Minister of Agriculture for a seminar to underline the importance of this new effort.

FY 1969 Program: \$861,000 are required in FY 1969 for 10 A.I.D. advisors, 12 PASA technicians from the Agricultural Research Service, and a 3-man grain storage survey team; \$115,000 for 59 participants and \$365,000 is required for commodities. Other costs are for third-country nationals working in crop production. Forty-five participants will be sent to the Philippines, 3 to Taiwan, and 11 to the U.S. The commodities are primarily seed, pesticides, and sprayers plus 7 vehicles, 6 motorbikes, and 6 tractors.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Animal Production		ACTIVITY Agriculture				FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-130-315		PRIOR REFERENCE P. 169 FY 1968		East Asia Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: In providing selective assistance to the GVN in the development of livestock production, the emphasis is now focused on increasing the animal health services available in the country and introducing modern feeding practices. Secondary emphasis is placed on continuing efforts to up-grade the quality of the stock.

The major U.S. effort will be directed toward increasing hog production. Hog raising is widespread in Vietnam and the success of earlier GVN/A.I.D. programs is reflected in the fact most hogs now are of reasonably good quality. The principal constraints to increased production are disease and shortage of feed. It is estimated over one-third of the pigs born each year die of disease and hogs have typically been fed only farm refuse.

Under this project the Directorate of Animal Husbandry of the Ministry of Agriculture and Land Reform will be aided by six advisors to expand its vaccination programs, continue the up-grading of breeding stock, and encourage private entrepreneurs to enter the breeding, animal health, and feed industries. A five-man team of Veterinary Technicians, provided under a PASA with the Department of Defense, will continue to work at the National Institute of Bacteriology, assisting in developing the vaccines and procedures to be used in a national campaign for control of swine and poultry diseases.

Related activities funded outside of this project include the visit in early 1968 of a team of consultants to evaluate the possibilities of developing a feed industry and a PL 480 Title I agreement signed in late 1967 which will provide 60,000 tons of feed corn for commercial sale in 1968 and 1969. This latter program is expected to be a key factor in introducing modern feed practices in Vietnam and in creating a market for feed grains which will eventually be met through local production of corn and sorgum.

This project is a **continuation of that presented last year** under the same title.

Progress to Date: Although the total swine population decreased 10-15% in 1967 to an estimated 2.9 million head, a number of structural changes in pork producing conditions were brought about with A.I.D. assistance which should result in expanded production in the future. Price ceilings were removed on hogs slaughtered in Saigon, the principal pork market in the country. The GVN has appropriated a fund to the Agricultural Development Bank for encouraging private commercial swine production and the GVN is giving strong support to increasing vaccine production and the field vaccination programs. The commercial import program of PL 480 Title I feed corn was initiated in November. Vietnam's first commercial formula feed mill began operation in October. It has a normal capacity of 6,000 tons per month and will rely heavily on the Title I feed corn for

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES								
Through 6/30/67	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
	Estimated FY 68	716	508		Estimated through 6 30 68	1,128	661	467	Estimated FY 1968			Proposed FY 1969		
									Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total
Proposed FY 69	719	Undetermined		Total Obligations	539	177	716	530	189	719	Department of Defense			
				U.S. Technicians	210	177	387	196	189	385				
				Participants . . .	22	-	22	22	-	22				
				Commodities . . .	301	-	301	306	-	306				
				Other Costs . . .	6	-	6	6	-	6				

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Animal Production	ACTIVITY Agriculture			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-130-315	PRIOR REFERENCE P. 169 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

raw material. Two smaller cooperative feed mills financed by A.I.D. in FY 1967 will begin operation in 1968. Pure-bred swine and poultry were imported under this project in 1967 to maintain and improve GVN breeding stock. A poultry station was constructed in An Giang Province, other stations were improved, and support was given Revolutionary Development programs for distributing young stock in New Life Hamlets.

FY 1969 Program: Funding is required in FY 1969 for 6 direct-hire and 5 PASA advisors (\$385,000); 5 participants (\$22,000); commodities (\$306,000); and third country assistance (\$6,000). The advisors include a general livestock advisor, two regional livestock advisors, specialists in swine, feed, and veterinary services, and a five-man DOD team to work on vaccine production. Participants will include 2 in the U.S. for 6 to 12 months each and three in the Philippines for 6 months each. The commodities include breeding stock, veterinary equipment and supplies, trucks, laboratory equipment, and demonstration quantities of items such as feed supplements.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Agricultural Extension and Information PROJECT NUMBER 730-11-110-289		ACTIVITY Agriculture PRIOR REFERENCE P. 176, 276 FY 1968 East Asia Vietnam PDB				INITIAL OBLIGATION FY: 1965	FUNDS Supporting Assistance SCHEDULED FINAL OBLIGATION FY: Undetermined
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Project Target and Course of Action: The objective of this project is to assist the GVN Extension Service in its support of the GVN Rice Production Program by introducing new seed varieties and modern cultivation practices. Most GVN extension programs will be re-focused in 1968 so that they directly support the rice production efforts. The concentration of effort is expected to contribute to permanently strengthening the Extension Service at the same time it is providing key initiatives for the Rice Production Program.

The eleven advisors provided under this project assist at the national level in developing and implementing extension, information, and training programs required by the rice program. These national-level advisors also provide technical direction to 64 U.S. agricultural advisors working in the provinces, most of whose time is devoted to assisting extension efforts related to the Rice Production Program. These latter advisors are carried under the Agriculture General Support Project since they work with all the field programs of the GVN Ministry of Agriculture and Land Reform.

The GVN will introduce improved rice varieties (especially IR8 and IR5) through a combination of demonstrations conducted at existing Extension Service demonstration plots and through the supervised distribution in 1968 of some 6,000 "demonstration kits". Demonstrations will often be conducted as comparison trials in which the "miracle" varieties are planted

alongside local or improved Vietnamese varieties. "Demonstration kits" contain sufficient seed for ¼ of an acre plus the required fertilizer, insecticide, and pesticide. Considerable emphasis is being placed on extension information programs to provide printed and visual materials needed as tools by the extension agents to publicize the rice production effort.

Training is the key to successful introduction of the new rice varieties since there are important differences in the cultivation practices which they require in comparison with normal varieties. The A.I.D. advisors are assisting the GVN to develop an adequate training program. The program will train approximately 50 extension agents each month beginning in the spring of 1968. These agents will in turn train district-level agents and local leaders. It is planned that 85,000 farmers will receive training in the cultivation of the new rice varieties during 1968 through attendance at 3,000 training sessions. In comparison, in 1967 approximately 2,000 group training sessions were held with an attendance of 47,000.

Short-course training in Taiwan and the Philippines will be provided to more senior personnel of the Extension Service in extension methods and administration. Commodities will be provided under this project in FY 1969 to help establish the Rice Training Center and support the field programs.

This project is the same as that presented last year as Agricultural Extension and Training, 430-11-110-289,

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES USDA/Agricultural Research Service
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	2,050	1,089	961							
Estimated FY 68	647	1,263								
Estimated through 6/30/68	2,697	2,352	345							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	548	Undetermined		585	62	647	513	35	548	
Cost Components										
U.S. Technicians				273	18	291	301	35	336	
Participants . . .				74	-	74	29	-	29	
Commodities . . .				238	-	238	176	-	176	
Other Costs . . .				-	44	44	7	-	7	
Total Obligations				585	62	647	513	35	548	

PROJECT TITLE	ACTIVITY			FUNDS
	Agricultural Extension and Information	Agriculture		
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
730-11-110-289	P. 176,276 FY 1968	East Asia Vietnam PDB FY: 1965	FY: Undetermined	

except for the emphasis on rice production and the transfer of agriculture advisors to Agricultural General Support, 730-11-190-363.

Progress to Date: The Agricultural Extension Service of the GVN, established in 1955 with U. S. assistance, now operates in all provinces and has a staff of over 700, most of whom are district-level workers. In 1967 over three million technical and educational leaflets were produced by the agricultural information staff.

There has been a perceptible increase in the use of improved farm practices in Vietnam over the past decade which in part can be attributed to the efforts of the Extension Service. A large proportion of the farmers in secure areas have received some training and many of them are now using fertilizer, pesticides, and improved cultural practices first demonstrated by extension workers. Improved varieties of vegetables, peanuts, soybeans, corn, sugar cane, and rice have been successfully introduced.

The training activities of the Extension Service have expanded steadily. In 1967, 5,600 demonstrations were conducted, 60% of which were rice cultivation demonstrations. There are 740 rural youth clubs and 670 rural women's clubs with a combined membership of over 29,000 which are utilized to "spread the word" about new and improved farm practices.

In late 1967 the National Rice Training Center was established on Hiep Hoa Island near Saigon. Forty participants have been sent to the International Rice Research Institute (IRRI) in the Philippines for training in the new rice varieties. This group will provide the staff for the Rice Training Center and for establishing the demonstration programs.

FY 1969 Program: Funding is required in FY 1969 for eleven advisors (\$336,000); 21 participants (\$29,000); commodities (\$176,000) and third country assistance (\$7,000). Short course training will be provided in the Philippines, Taiwan, and Thailand in extension administration and methods. The commodities include seed, pesticides, irrigation pumps, supplies and training aids for agricultural information programs, and 100 motor bikes for use in demonstration areas.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Agricultural Credit and Agricultural Organizations	ACTIVITY Agriculture	FUNDS Supporting Assistance
PROJECT NUMBER 730-11-140-291	PRIOR REFERENCE P. 178, 276 FY 1968 East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1965
		SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: Under this project assistance is provided to the GVN to strengthen the Agricultural Development Bank (ADB) and farmers' cooperative organizations. Its near term objectives are to help assure that adequate credit is available to support the production of priority agricultural products, especially rice. Its longer term objective is to foster expansion of agricultural credit and cooperative enterprise throughout Vietnam.

The ADB is receiving assistance in three areas. Three U.S. senior advisors in Saigon are working with the development and implementation of programs at the national level. Four regional supervised credit advisors, **who are** provided under PASA with the Farmers Home Administration, are working with field programs. A 5-man team of financial management advisors, provided under a FY 67 funded contract with the Farmers Union, are assisting in developing a modern accounting and reporting system. The financial management system is being designed in a manner which will be compatible with the accounting systems of intermediate borrowers, especially farmers' cooperative organizations. Participants will be sent to the Philippines and Taiwan to study rural banking and bank accounting and controls.

Assistance to farmers cooperative organizations is now focused on increasing their ability to handle farm supplies for their members, especially fertilizer. These efforts, in addition to helping meet the needs of rice

production in the near term, will contribute to strengthening the farmers organizations as viable, member-controlled cooperatives. Nine U.S. advisors are working in Saigon and in the provinces with the three types of national farmers organizations, namely, Farmers Associations, cooperatives, and the agricultural unions of the CVT (Vietnamese Confederation of Labor). Emphasis is being placed on the credit, business management, and logistical aspects of handling farm supplies. A 2-man team of fertilizer marketing specialists and a credit union consultant will be engaged under contract in 1968. Short-course training will be financed in Taiwan and the Philippines in cooperative administration, distribution, and farm supplies handling.

Commodities such as irrigation pumps and sprayers will be supplied to farmers organizations for distribution on a credit-in-kind basis. This project was presented last year as Agricultural Credit and Cooperatives, 430-11-140-291.

Progress to Date: The agricultural credit organization was reorganized, becoming the Agricultural Development Bank in May 1967. Lending in 1967 totalled 1.4 billion piasters (approximately \$11 million) to 100,000 farmers. Operations were greatly improved, with a pilot supervised credit program in particular showing considerable promise. Approximately 3,200 supervised loans totalling \$500,000 have been made. The program will be expanded considerably in 1968. Sixty-eight middle-level ADB employees received

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	4,902	414	4,488							
Estimated FY 68	2,038	3,050								
Estimated through 6/30/68	6,940	3,464	3,476	251	482	733	207	470	677	
		Future Year Obligations	Estimated Total Cost	47	-	47	15	-	15	
				1,255	-	1,255	559	-	559	
				3	-	3	7	-	7	
Proposed FY 69	1,258	Undetermined		1,556	482	2,038	788	470	1,258	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Agricultural Credit and Agricultural Organizations	Agriculture				
PROJECT NUMBER 730-11-140-291	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
	P. 178, 276	Vietnam PDB	FY: 1965	FY: Undetermined	

training as participants in 1967.

Farmers' cooperative organizations have been strengthened by steps taken by the GVN designed to encourage the establishment of member-controlled organizations. During 1967, the farmers organizations handled large quantities of fertilizer on a strictly commercial basis for the first time. The Tenant Farmers Union, for example, distributed about 50,000 metric tons of fertilizer. Two coop feed mills funded in FY 67 are expected to become operational in 1968.

FY 1969 Program: Funds are required in FY 1969 for 16 advisors (9 of them provided under a PASA with the USDA Farm Home Administration), three contract technicians, 14 participants and \$559,000 of commodities. Most of the participant training will be short-courses in the Philippines, Taiwan, or Korea. The commodities are principally pumps, motors, sprayers, and vegetable seeds to be distributed under the Revolutionary Development program. Contract funding will provide 24 months funds for the new fertilizer marketing and credit union contracts.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Land Reform		ACTIVITY Agriculture			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-120-311		PRIOR REFERENCE P. 165 FY 1968		INITIAL OBLIGATION FY: 1967		SCHEDULED FINAL OBLIGATION FY: Undetermined
		East Asia Vietnam				

Project Target and Course of Action: This project assists the GVN carry out its land tenure program by providing selective advisory and technical assistance. Its objective in the long term is to assure equitable land tenure conditions. In the near term the most pressing problems are to re-establish effective land administration in the war-torn countryside and to deal equitably with conflicting claims to land and tenure rights in newly secured areas.

The GVN's program to complete the land reform of the 1950's and implement other important land policies has three principle emphases: (1) to distribute those lands expropriated or otherwise acquired by the GVN in the land reform of the 1950's which are cultivatable, (2) to regularize the legal status of state-owned lands being cultivated by refugees, squatters, or Highlanders, usually by granting the occupant legal title to the land he works, and (3) to encourage voluntary sale of land to small farmers and to establish a funding mechanism to finance such sales. The GVN program also envisages increasing the role of local authorities in land administration by strengthening the provincial land services and broadening popular representation on village, district, and province land committees by involvement of elected officials and representatives of farmers organizations.

Two land reform advisors will continue to work at the national level with the Directorate General of Land Affairs of the Ministry of Agriculture and Land Reform assisting in formulating and implementing land administration pro-

grams. A third advisor will continue to assist with the training of the land affairs specialists at Vung Tau who are members of the 59-man Revolutionary Development teams. A Stanford Research Institute (SRI) research team is working with the Directorate General on data collection and reporting problems, especially as they relate to administration at the national and provincial levels. Four regional advisors will continue to develop and implement training programs for provincial and village land affairs officials.

The cadastral survey team provided under a PASA with the Corps of Engineers is continuing its work in An Giang Province. It is testing the use of modern photogrammetry techniques to replace the traditional ground survey since the latter had become a principal bottleneck in the title-issuance process.

Last year this project was presented as a part of Agrarian Development, 430-11-120-311.

Progress to Date: On January 18, 1968, the GVN convened a National Agrarian Reform Congress at which the new government announced the land tenure program described above. This Congress is an important milestone marking the conclusion of a year during which the GVN renewed land tenure administration work, undertook an appraisal of current land tenure problems, and formulated a workable set of policies and programs. The Ministry of Agriculture was re-named the Ministry of Agriculture and Land Reform to reflect the high priority land affairs has been given by the newly elected government.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968			Proposed FY 1969			
Through 6/30/67	1,182	178	1,004	U.S. Technicians Participants ... Commodities ... Other Costs ...	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	U.S. Corps of Engineers Stanford Research Institute
Estimated FY 68	1,582	1,985			216	892	1,108	233	226	459	
Estimated through 6/30/68	2,764	2,163	601	16	-	16	12	-	12		
		Future Year Obligations	Estimated Total Cost	185	-	185	105	-	105		
				23	250	273	50	210	260		
Proposed FY 69	836	Undetermined		Total Obligations	440	1,142	1,582	400	436	836	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY				FUNDS
	Land Reform	Agriculture			
PROJECT NUMBER	PRIOR REFERENCE	East Asia		INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
730-11-120-311	P. 165	FY 1968	Vietnam PDB	FY: 1967	FY: Undetermined

During 1967, the GVN made notable progress in reviving land transfer work after a hiatus of four years. Permanent titles were issued to replace the provisional titles which farmers had been given in the 1950s when expropriated lands were distributed. Some 615,000 acres, amounting to 80% of the cultivatable expropriated lands, had been distributed to 116,000 farmers, but Viet Cong propaganda had sought to discredit the titles because of their provisional nature. Also during 1967 titles to another 40,000 acres of lands acquired in the reform of the 1950s were issued to the 3,000 tenants occupying them, and 11,000 farm families living on state-owned lands as refugees, settlers, or squatters were given titles to the land they were cultivating.

Cadastral survey work was begun in An Giang province by a Corps of Engineers team together with Vietnamese teams of land identifiers. Identification survey work was completed on over 50,000 acres, representing approximately one-quarter of the field survey work to be done under the project.

The SRI team completed its initial data collection in December 1967. Surveys and verification checks are underway at the province and village level. The research study will be completed in the summer of 1968 and will provide more accurate data on land tenure conditions.

FY 1969 Program: Funds are required in FY 1969 for the eleven advisors (\$459,000), 4 participants who will receive training in data processing in the U.S. (\$12,000), equipment for the province land service offices such as office equipment and vehicles (\$105,000), five third-country national technicians (\$50,000), and a contract for engineering services related to the An Giang pilot project (\$210,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Fisheries	ACTIVITY Agriculture			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-180-317	PRIOR REFERENCE P. 173	FY 1968 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The objective of this project is to help the GVN promote a greater output of fish, the most important protein in the Vietnamese diet. No quantitative goals are possible at this time because of security reasons but a modest increase over the past few years is anticipated.

Under this project three A.I.D. advisors will continue to assist the Directorate of Fisheries of the Ministry of Agriculture and Land Reform expand on-going programs, encourage private fishing activities, and coordinate with a United Nations Development Program (UNDP) marine fisheries research project which the U.S. is helping finance aside from this project through a funds-in-trust arrangement. GVN programs in 1968 and 1969 will include construction of a new fish landing and market in Saigon, a research station and hatchery near Can Tho with a capacity of 1.5 million fingerlings annually, and ten additional coastal fish landings. The GVN with A.I.D. support is encouraging the commercial importation and sale of marine motors, the expansion of credit facilities available to fishermen, the testing of refrigerated trucks for distributing fish, and the expansion of fingerling production by private hatcheries. Fish pond construction continues to be an important element of the Revolutionary Development program. The UNDP research program, which A.I.D. advisors helped the GVN to plan, will undertake three years of exploratory trawling off-shore to identify the most promising marine fishing areas and techniques. An A.I.D. contract advisor under this project is assisting at

the Nha Trang Oceanographic Institute in interpreting research findings.

Short-course training will be provided to participants in marine fisheries techniques and administration in Korea and the Philippines and in marketing techniques in Taiwan. Others will study fresh-water fish culture practices in Thailand. Fishing equipment such as twines and netting will also be financed under this project for distribution under the Revolutionary Development program.

This project is a continuation of that presented last year.

Progress to Date: Fish production increased to 396,000 tons in 1967 from 380,000 tons in 1966. Demand for fish continued strong with prices for fish and fish products staying at levels high enough to provide ample production incentive. The Fisheries Directorate conducted over 200 training sessions in 1967, attended by over 6,000 fishermen or farmers. Five training courses in marine engine maintenance and repair were also conducted. A.I.D. assisted in the construction or expansion of landing facilities at Rach Gia and Quan Long. The GVN fish culture stations produced three million fingerlings for distribution for stocking fish ponds. Farmers constructed 1,200 fresh water fish ponds in 1966 under the Revolutionary Development program. The total of 11,000 such ponds constructed since 1953 average an acre in size and produce an estimated 2,000 tons of fish annually.

FY 1969 Program: Funding is required in FY 1969 for 3 U.S. advisors (\$91,000), 2 participants (\$2,000) and some

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1968		Proposed FY 1969			
				Direct AID	Contract	Total		Direct AID	Contract
Through 6/30/67	207	67	140						
Estimated FY 68	315	227							
Estimated through 6/30/68	522	294	228						
		Future Year Obligations	Estimated Total Cost						
Proposed FY 69	330	Undetermined		315	-	315	330	-	330

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	Supporting Assistance
Fisheries	Agriculture		
PROJECT NUMBER 730-11-180-317	PRIOR REFERENCE P. 173 FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
	East Asia Vietnam PDB		

\$237,000 of commodities. The advisors include a fresh water specialist and two marine fisheries experts. They work with Chinese and Korean advisors who are funded under Agriculture General Support, 730-11-190-363. Two participants will receive short periods of training in Japan, Taiwan, or the Philippines. The commodities include fishing gear for the Revolutionary Development program, five motorbikes and 2 skiffs for the Directorate, and miscellaneous supplies and equipment.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Irrigation and Rural Engineering	ACTIVITY Agriculture				FUNDS Supporting Assistance
	PRIOR REFERENCE P. 171 FY 1968		East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-120-316					

Project Target and Course of Action: The objective of this project is now concentrated on meeting the goals set for irrigation and mechanization in the GVN Rice Production Program by assisting in the maintenance and improvement of water systems in the priority areas. Irrigation to increase the amount of riceland being double cropped and mechanization to compensate for the scarcity of farm labor are important ingredients of the program to bring self sufficiency in rice by 1971.

The specific target in irrigation is to maintain existing dikes and canals and to install irrigation projects covering 35,000 acres in 5 delta provinces in 1968, 42,000 acres in 1969, and an average of at least 60,000 acres per annum in future years. Smaller projects also will be carried out locally under the Revolutionary Development program. During 1968 and 1969 three advisors, assisted by consultants, will undertake water control planning studies, primarily in the Mekong Delta, to the extent security permits.

A nine-man Soils Conservation Service team, provided under a PASA with USDA, will continue to work with Ministry of Agriculture and Land Reform (MOALR) field offices, training their personnel in planning and installing irrigation projects.

An Agriculture Machinery Advisor assists the staff of the Agricultural Machinery Directorate to demonstrate tractors and other equipment. He helps the AMD and machinery dealers to coordinate efforts in

demonstrating machinery and assists in training technicians and operators. Farmers are encouraged to purchase small pumps and farm machinery using credit facilities available through the Agricultural Development Bank or agricultural organizations.

This project was presented last year as Irrigation and Water Management, 430-11-120-316.

Progress to Date: During CY 1966 over 120,000 acres were benefitted by work of MOALR. In the first half of CY 1967, projects were completed which will benefit more than 48,000 acres of rice land and work underway will benefit an additional 35,000 acres as security permits. These projects covered included 302 kms. of irrigation and drainage canals, 27 kms. of sea level dikes, 28 diversion dams, 17 water control gates, 48 bridges and culverts, and 2 culverts, and 2 pump stations. The land under irrigation by use of small individually-owned pumps totalled nearly 50,000 hectares in 1966 and is increasing.

Considerable assistance has been provided to the GVN over the years in demonstrating improved types of small farm machinery. Between 1957 and 1963 a variety of small farm implements were imported and demonstrated, especially rice threshers, plows, wheel hoes, and sprayers. More recently such assistance has emphasized hand machines for soil-cement block making and development of water-lifting devices adapted to local conditions, including hydraulic rams and outboard motors modified to serve as irrigation pumps. Many of these

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			USDA/Soils Conservation Service			
					Estimated FY 1968		Proposed FY 1969				
					Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	475	158	317		112	382	494	35	880	915	
Estimated FY 68	1,300	707		U.S. Technicians	7	-	7	7	-	7	
Estimated through 6/30/68	1,775	865	910	Participants . . .	497	-	497	103	-	103	
		Future Year Obligations	Estimated Total Cost	Commodities . . .	-	302	302	-	6	6	
Proposed FY 69	1,031	Undetermined		Other Costs . . .	616	684	1,300	145	886	1,031	
				Total Obligations							

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	Supporting Assistance
Irrigation and Rural Engineering	Agriculture		
PROJECT NUMBER 730-11-120-316	PRIOR REFERENCE P. 171 FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
	East Asia Vietnam PDB		

new items of farm equipment have come into wide-spread use. Machinery manufacturers have established dealerships in Vietnam and are being encouraged by the GVN in their efforts to meet the increased demand for machinery.

FY 1969 Program: Funding is required in FY 1969 for 13 U. S. Advisors and Consultants, 2 participants, and \$103,000 in commodities. The participants will receive training in rice land irrigation in the Philippines. Commodity funding is required for construction materials, vehicles, and miscellaneous engineering supplies and equipment. Other costs are to contract for third country assistance.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Agricultural Economics and Statistics		ACTIVITY Agriculture				FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-140-362		PRIOR REFERENCE P. 165 FY 1968		East Asia Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The objective of this project is to assist the GVN in improving its collection and analysis of agricultural data needed for the effective implementation of agricultural programs during the next four years. This will be accomplished by providing agricultural economic advisors to the Agricultural Economics and Statistics Service (AESS) of the Ministry of Agriculture and Land Reform.

A four-man Statistical Reporting Service team of agricultural statisticians, provided under a PASA with the Department of Agriculture, will continue to help the AESS improve its data gathering and interpreting methods. Emphasis is on improving its price and market news reporting and its periodic surveys of crops and livestock conditions. In 1969 participants will be sent to Taiwan for short-course observational training and to the U.S. for more formal training in agricultural statistics. Preparations for a 1970 agricultural census will include sending one participant to the U.S. for training in data collection and processing. Three others will receive training in 1968 at the FAO Training Center on Agricultural Census in New Delhi.

A team of seven agricultural economists, four of them provided under PASA with the Department of Agriculture, will continue working with Ministry of Agriculture and Land Reform in formulating and administering agricultural policies. These U.S. technicians also serve as agricultural economic advisors to the U.S. mission. Priority

emphasis has been placed on providing analyses and studies required for the Rice Production Program. Specific studies are being undertaken on cost-and-returns in rice and pork production, rural labor, fertilizer use, and objective measurement of crop yields. Participant training in agricultural economics will be provided in the Philippines and the U.S.

This project was part of Agrarian Development, 430-11-120-311, in last year's presentation.

Progress to Date: The U.S. has assisted the Agricultural Economics and Statistics Service (AESS) since its inception in 1957. It is now an established service with a central office in Saigon and one-man field offices in the provinces. Despite the problems posed by the war and the draft, in 1967 the AESS managed to continue publication of monthly statistical bulletins and the annual statistical yearbook. In-depth surveys of two villages were carried out. A refresher course was conducted for its field statisticians in June, 1967, which has improved field reporting considerably. The professional staff of the AESS increased slightly in size in 1967 and a larger expansion is projected for 1968-1969.

FY 1969 Program: FY 1969 funding is required for the 11 advisors, 10 motorbikes for the AESS field statisticians, miscellaneous equipment and supplies, and training for 10 participants at a total cost of \$503,000.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
Through 6/30/67	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	122	58	64		Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Estimated FY 68	475	514		U.S. Technicians	116	329	445	112	349	461	USDA/International Agricultural Development Service
Estimated through 6/30/68	597	572	25	Participants . . .	14	-	14	35	-	35	
		Future Year Obligations	Estimated Total Cost	Commodities . . .	10	-	10	7	-	7	
				Other Costs . . .	-	6	6	-	-	-	
Proposed FY 69	503	Undetermined		Total Obligations	140	335	475	154	349	503	

PROJECT TITLE Agricultural General Support		ACTIVITY Agriculture			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-190-363		PRIOR REFERENCE P. 180, FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined	

Project Target and Course of Action: This project provides funding for supervisory and support personnel for the USAID agricultural programs including agricultural advisors to work with GVN field programs and technical assistance contract employees who support a variety of activities within the program. Eighty-eight direct hire and PASA personnel are provided, including the senior officers of the USAID Office of Agriculture in Saigon, and agricultural advisors for the regions and provinces whose work is not limited to a single project.

Under contracts with the Joint Commission on Rural Reconstruction (JCRR) of the Republic of China, 137 Chinese technicians are assisting the extension service and programs for crop and livestock development. Under an A.I.D.-financed contract between the GVN and the Republic of Korea, three teams of Korean specialists, having a total of 35 members, are working, respectively, with fisheries development, irrigation projects, and crop production programs. These contract groups play an important role in implementing the Revolutionary Development program since most of their work is performed at the village and hamlet level. To be continued in FY 1969 will be a contract with a group of specialists to assist the Ministry of Agriculture and Land Reform with maintenance and repair of equipment used in its field program.

This project is essentially a continuation of Technical Support-Agriculture, 430-11-990-000,

presented last year. The International Voluntary Services contract has been transferred to Technical Support 430-11-990-000.

Progress to Date: The Chinese and Korean contract teams, in cooperation with Vietnamese extension workers, concentrated on farm demonstrations emphasizing production of rice, swine, poultry, and vegetables. Others worked on fisheries and irrigation projects. Excellent results have been obtained by many of these technicians. New varieties of crops have been successfully introduced, notably vegetables, soy beans, melons and sugar cane. FY 1969 Program: Funds are required in FY 1969 for 42 direct hire and 46 USDA/PASA technicians, at a cost of \$3.1 million. Contracts for about 227 third country nationals will cost about \$1.7 million. Ten of 12 participants are to receive short-term training and observation courses in nearby third countries and 2 will receive training in the U.S. all at a cost of \$29,000. Commodities valued at \$80,000 are primarily demonstration supplies and equipment for the technical assistance contract teams, especially seeds and motorbikes.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/67	1,823	504	1,319								USDA/Federal Extension Service Government of the Republic of China/JCRR Government of the Republic of Korea
Estimated FY 68	4,849	3,498		U.S. Technicians	1,193	1,750	2,943	1,342	1,772	3,114	
Estimated through 6/30/68	6,672	4,002	2,670	Participants ...	26	-	26	29	-	29	
		Future Year Obligations	Estimated Total Cost	Commodities ...	61	70	131	20	60	80	
				Other Costs ...	5	1,744	1,749	26	1,738	1,764	
Proposed FY 69	4,987	Undetermined		Total Obligations	1,285	3,564	4,849	1,417	3,570	4,987	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Hamlet and Elementary Education	ACTIVITY Education	FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-690-319	PRIOR REFERENCE P. 183, P. 187 FY 1968 Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The objective of this project is to provide elementary education to about 85 per cent of the elementary school-age population by 1970. Specific targets to reach this objective are: (a) to construct 3000 to 3,500 classrooms annually, (b) to train up to 4000 new teachers annually and reach an even greater number through in-service training, and (c) improve and increase supervisory and inspection services from the Ministry of Education through the provincial level.

Although the Ministry of Revolutionary Development will continue to be responsible for the greater part of school construction in rural areas, the Ministry of Education plans to construct 1000 classrooms annually to extend present three-year rural schools to the full five years of primary instruction, and to relieve urban school congestion. Extensive use will be made of self-help construction. Special emphasis will be given to in-service training for teachers who have received only a 90-day Hamlet training course. The Ministry plans to reach 5,000 such teachers annually in locally-conducted training.

This project combines the elementary school parts of two projects presented last year: project 430-11-690-319 Hamlet Schools with project 430-11-660-321, Teacher Education.

Progress to Date: Under this and prior Hamlet School projects beginning in 1963 through December 1967, 11,200 classrooms have been constructed, and 11,600 teachers trained in special 90-day intensive courses. Educational

opportunity has thus been extended to almost 700,000 additional children. Roughly two-thirds (1,754,000) of the elementary age group now attend school. Five normal colleges are in operation with a total enrollment of 3,000 students in a two-year course. Only one existed in 1960. In addition to the in-service training cited above an in-service training center in Saigon is reaching 400 selected teachers annually - Nine hundred Saigon teachers received a special 4-month course in 1967. Over 3,500 teachers have participated in workshops emphasizing textbook utilization. FY 1969 Program: Seventeen U.S. direct hire technicians (\$514,000) will be provided, 13 of whom will be working from regional offices. Assistance to the normal schools and in-service centers will be continued by extension of the Southern Illinois University contract through December 1969 (\$350,000). Participant funding (\$192,000) provides for completion of U.S. training for 32 normal school teachers and Ministry supervisors. Commodities comprise cement, roofing, and rebar for hamlet and urban school construction.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	4,390	550	3,840	514	310	824	514	350	864	
Estimated FY 68	3,676	3,730		368	-	368	192	-	192	
Estimated through 6/30/68	8,066	4,280	3,786	2,484	-	2,484	2,484	-	2,484	
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	3,540	Undetermined		3,366	310	3,676	3,190	350	3,540	

Southern Illinois University

PROJECT TITLE Secondary Education		ACTIVITY Education			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-650-365		PRIOR REFERENCE P. 183	FY 1968 East Asia Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The project aims to improve the quality and increase enrollments at the secondary education level, commensurate with the increasing numbers of eligible primary school graduates. Specific objectives are to (a) substantially increase numbers of qualified secondary school teachers through assistance to faculties of pedagogy at the several universities and through in-service training, (b) construct 400 to 450 new classrooms annually, and (c) assist in upgrading the private schools, which enroll over half the secondary students.

This project includes parts of two former projects: secondary teacher training from former project 430-11-660-321, Teacher Education, and secondary school construction from 430-11-690-319, Hamlet Schools. The new project structure brings together all assistance to secondary education for better planning and management.

Progress to Date: Annual graduates from faculties of pedagogy (fully qualified secondary teachers) increased from 221 in 1963 to 450 in 1967. An accelerated teacher training program has been approved whereby 500 high school graduates annually can teach at the junior secondary level after eight months training followed by further in-service training. Because of the priority given to elementary schools, only a few secondary classrooms were constructed in 1967. Construction of secondary classrooms, however, is expected to reach 450 in 1968, 125 of which will be on a self-help basis. Demonstration comprehensive high schools were established with the

assistance of the Ohio University contract team in connection with faculties of pedagogy at Can Tho, Saigon, and Hue. Eleven additional schools have been identified for introduction of the comprehensive curriculum. **FY 1969 Program:** Direct hire technicians include 4 teacher education advisors and 8 secondary education advisors to assist the Ministry and the four regional offices. Extension of the Ohio University contract with eleven positions is proposed through 12/31/69 for \$300,000. Participant training funds will support 35 education degree candidates in the U.S., at a cost of \$228,000. Commodities comprise classroom construction materials (\$480,000), plus demonstration teaching equipment and library materials. Construction to expand facilities of the Saigon Faculty of Pedagogy at Thu Duc is estimated at \$677,000.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	645	62	583							Ohio University Construction contractor not yet determined.
Estimated FY 68	1,335	1,045								
Estimated through 6/30/68	1,980	1,107	873							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	2,093	Undetermined								
				Total Obligations						

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Higher Education	ACTIVITY Education			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 187, P. 191 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-660-367				

Project Target and Course of Action: The project objective is to help develop a more effective and relevant higher education system out of a group of universities still in their formative stages. The system should produce a reservoir of educated leadership for government, industry, and the professions with the least wastage of manpower under present war-time conditions. Immediate targets will be the revision of admission policies and procedures and other administrative reforms, the formulation of an agreed statement of national goals for higher education, the establishment of working committees for the revision of curricula and the development of selected faculties. This must be centrally a Vietnamese effort and provision of major amounts of U.S. technical assistance is contingent upon evidence that the universities are ready to proceed on a program of reform and development in accordance with studies and recommendations already completed.

The Ministry of Education is providing \$4.6 million equivalent piasters for the support of the Universities of Saigon, Hue, and Can Tho, and the higher technical schools. The Governments of Canada and Germany have assisted the medical school at Hue, and the Asian Foundation is giving some assistance to the non-government universities of Dalat and Van Hanh (Saigon).

This project is drawn from two projects presented last year, Teacher Education (430-11-660-321), and Agricultural Education, 430-11-620-323.

Progress to Date: Growth in University enrollment has been extremely rapid over the past ten years: from 2,900 in 1955 when the National University was reorganized in Saigon to over 36,000 in 1967. Unfortunately, quality of instruction, facilities, curriculum, and administration could not keep pace with this expansion, and major reforms are necessary. Reform recommendations were formulated in 1967 with the assistance of a team from Wisconsin State University-Stevens Point Foundation, and individual consultants completed surveys of admissions and student personnel policies. A contract team from the University of Florida is to begin assistance to the faculty of Agriculture in Saigon in 1968, developing curriculum and course materials, in-service training of staff, and teaching advanced students. This element of assistance was presented last year as part of the Agricultural Education project 730-11-620-323, but is now administered under Higher Education since the Agricultural College has been elevated to a four-year Bachelor's Degree institution.

FY 1969 Program: Three direct hire advisors are to be provided for the Ministry and the five universities of Vietnam. A six-man U.S. university contract team will be provided to assist the Ministry in the reorganization and integrated development of higher education (\$700,000 initial two-year funding), provided the recommendations of the Wisconsin State survey are substantially accepted. A short term three-man consulting team will also advise

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS							
					Estimated FY 1968			Proposed FY 1969				
					Direct AID	Contract	Total	Direct AID	Contract	Total		
Through 6/30/67	1,344	125	1,219									Wisconsin State University University of Florida
Estimated FY 68	366	679			69	-	69	167	715	882		
Estimated through 6/30/68	1,710	804	906	U.S. Technicians	144	-	144	329	-	329		
		Future Year Obligations	Estimated Total Cost	Participants ...	153	-	153	142	-	142		
				Commodities ...	-	-	-	-	-	-		
				Other Costs ...								
Proposed FY 69	1,353	Undetermined		Total Obligations	366	-	366	638	715	1,353		

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Higher Education	Education				
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION		
730-11-660-367	P. 187, P. 191 FY 1968	East Asia Vietnam PDB FY: 1967	FY: Undetermined		

the Ministry in establishing a governing board for higher education. Participant training will continue to support 54 advanced degree candidates in the U.S., principally for the faculties of Agriculture and Engineering. Commodities will include library books, catalogue equipment, and some demonstration teaching materials.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Agricultural Education		ACTIVITY Education				FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-620-323		PRIOR REFERENCE P. 191 FY 1968		East Asia Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project is directed at improving and expanding vocational agricultural instruction at the secondary level to supply technically trained manpower for the development of the agricultural sector. Particular emphasis is being placed on training in rice and protein production. A.I.D. assists in strengthening five existing vocational agriculture schools and equipping laboratories and farm shops in secondary schools, all of which help to supply the major share of government agricultural agents and technicians as well as personnel for agro-industries. Another element of the project supports the improvement of 12 Highlander Training Centers.

The GVN plans to support new agricultural school construction in 1968 with \$200,000 equivalent counterpart piasters plus local equipment, scholarships, and salary costs.

Assistance to the Agricultural College, formerly a part of this project, is now presented as part of the Higher Education project 730-11-660-367, since the College has been elevated to a four-year Bachelor's Degree institution administratively independent from vocational training in the Ministry. Highlander Training Centers have been added to the project from project 730-11-110-289, Agricultural Extension and Information, since these Centers are being transferred to the Ministry of Education.

Progress to Date: Enrollment in vocational agriculture schools increased from 1,755 in 1966 to 2,400 in 1967.

Two new schools were organized in Binh Duong and Tay Ninh

in borrowed classrooms, pending construction of facilities as provided for in Ministry budgets. This brings to five the number of such schools operating. Four more are planned for construction by the GVN when conditions permit. Four of five U.S.-trained participants have assumed responsible positions in the system: Director of the Can Tho School, Director of Bao Loc School, Assistant Director of Agricultural Education, and Director of Teacher Training. A new one-year teacher training course in vocational agriculture was initiated in 1967 to increase the supply of teachers for the system, and enrolled 100 students. The Ministry plans to complete installation of 24 laboratories and six farm shops in secondary schools during 1968, while providing in-service training in vocational agriculture to over 100 teachers.

FY 1969 Program: Five U.S. technicians will continue to assist in improvement of facilities, curricula, teacher training, and administrative practices. Participant training includes 12 new starts and 13 extensions in vocational agriculture teaching, and short term study tours for six school administrators. Funds have been earmarked for commodities to equip two new agricultural schools and additional secondary school labs and farm shops provided the Ministry is able to carry out its part of the new construction program.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	186	50	136								
Estimated FY 68	177	221									
Estimated through 6/30/68	363	271	92								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 69	426	Undetermined		Total Obligations	177	-	177	426	-	426	

PROJECT TITLE Vocational Education	ACTIVITY Education			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-610-322	PRIOR REFERENCE P. 189	FY 1968	East Asia Vietnam	INITIAL OBLIGATION FY: 1967
				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The vocational education project is designed to train young Vietnamese in basic technical skills. This is being accomplished by the establishment of a system of vocational-technical institutions capable of providing a continuing supply of skilled workers, technicians, and vocational teachers. The goal is an enrollment of approximately 20,000 students by 1970.

The vocational education system being supported includes junior technical and rural trade schools at the post-primary level, four established technical schools, four polytechnic schools built with major U.S. assistance since 1957, a new school at Petrus Ky in Saigon, and the College of Engineering. USAID provides advisory services and participant training in curriculum improvement and administration to the Directorate of Technical-Vocational Education (Ministry of Education) and to the schools and staffs in the four regions of Vietnam. The project supports the training of increased numbers of vocational teachers as well as improvement of the physical facilities and equipment of the schools. Special short-term courses for refugees and veterans are also offered.

Progress to Date: Under this and previous projects, A.I.D. has assisted in the establishment of: (1) Polytechnic Schools in DaNang, QuiNhon, VinhLong and PhuTho (Saigon). Total enrollment at these schools is 3,059 students for the school year 1966-67 as compared to 2,335 students for 1965-1966. These institutions are co-educational, offering courses in home economics and business education, as

well as auto-diesel mechanics, industrial electricity, sheetmetal, forging, welding, machine shop and woodworking. (2) A system of junior technical and rural trade schools with thirteen schools in full or partial operation. (3) A teacher training program at the Phu Tho Polytechnic School, in Saigon, for technical-vocational teachers. Fifty-nine teachers graduated in June 1967 as compared to thirty-two in June 1966.

In addition, A.I.D. has assisted in the rehabilitation of the School for Blind Boys and the elevation of several schools to first-cycle technical schools (grades 6 through 9) and second-cycle schools (grades 10 through 12). One hundred twenty-four former A.I.D. participants are now teaching in the vocational system.

FY 1969 Program: Considerable progress has been made in this field and with the extensive specialized technical training being offered by U.S. agencies in Vietnam and private contractors, A.I.D. believes that it is possible to phase out its contribution to this project in FY 1969. Direct hire personnel will be reduced from 12 to 6, participants drop from 33 to 17 but commodities rise in an effort to complete the equipping of the new Petrus Ky school.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/67	4,042	298	3,744							Construction contractor undetermined.
Estimated FY 68	2,517	2,209								
Estimated through 6/30/68	6,559	2,507	4,052							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	2,490	Undetermined								
				Cost Components						
				U.S. Technicians	358	-	358	268	-	268
				Participants . . .	109	-	109	65	-	65
				Commodities . . .	50	-	50	2,157	-	2,157
				Other Costs . . .	-	2,000	2,000	-	-	-
				Total Obligations	517	2,000	2,517	2,490	-	2,490

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
Instructional Materials	Education			Supporting Assistance
PROJECT NUMBER 730-11-690-320	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
	P. 185, 186	FY 1968 Vietnam PDB	FY: 1967	FY: Undetermined

Project Target and Course of Action: The objective of this project is to provide the textbooks, audio-visual aids, and supporting instructional materials required by Vietnam's rapidly developing educational program. Production, distribution, and utilization capability is being developed to provide every pupil with a set of basic texts. This will constitute a significant educational reform in a system which has depended almost completely on rote learning in the past.

Specific targets for CY 1969 are: An additional 21 books and guides for elementary Highlander Schools will be prepared. Fifteen texts for secondary schools are planned for production over a two-year period. Three new adult textbooks will be prepared. Audio-Visual Aids: New educational radio series will be prepared to add to those already on a daily broadcast schedule, and a film translation program will be initiated.

The A.I.D. supported Instructional Materials Center (IMC) is responsible for the producing or procuring of all educational materials approved by the Ministry of Education. It now acts as a service agency for all levels of education and provides the channel for curriculum changes as textbooks and other supporting classroom materials are prepared. Capabilities for printing in the country are growing; 434,000 books will be produced locally in 1968. The balance, in numbers beyond Vietnamese production capacities, will be printed off-shore. The Summer Institute of Linguistics, a non-profit organization, will

continue the highly specialized task of preparing bilingual textbooks in the Highland tribal languages. This 15-man team of linguists will also continue to train the teachers of Montagnard children in the productive use of local dialect texts. Overseas participant training will continue to develop leadership for eventual full operational control by the GVN of the IMC. Concentrated attention will be directed to improving textbook distribution, warehousing and equipment maintenance.

Increased acceptance of production responsibilities by the GVN has raised estimated counterpart financial support to 40 million piasters in 1968 (\$339,000 equivalent).

This project is a continuation of that presented last year.

Progress to Date: Thirty-five titles of graded elementary textbooks for students and 10 teachers guides, covering 10 subject-matter areas and totalling 13,500,000 volumes, have been prepared and printed. Texts have been distributed throughout the country. 150,000 English language textbooks have been shipped to secondary schools and out-of-school teaching groups. One hundred fifty educational radio programs are being broadcast on a twice-daily schedule.

To date 2,420,000 elementary textbooks have been contributed by other Free World nations: 500,000 from the Republic of China; 1,460,000 from Australia and 460,000 from Canada. Also, 5000 transistor radios for classroom

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated						
				Estimated FY 1968		Proposed FY 1969			
Through 6/30/67	1,181	161	1,020	Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total
Estimated FY 68	400	792		119	55	174	133	-	133
Estimated through 6/30/68	1,581	953	628	34	-	34	50	-	50
		Future Year Obligations	Estimated Total Cost	192	-	192	560	-	560
				-	-	-	-	150	150
Proposed FY 69	893	Undetermined		345	55	400	743	150	893

Summer Institute of
Linguistics

PROJECT TITLE Instructional Materials	ACTIVITY Education			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 185, 186 FY 1968		East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
PROJECT NUMBER 730-11-690-320				SCHEDULED FINAL OBLIGATION FY: Undetermined

use were allocated to the Ministry of Education from a larger gift to the GVN by Japan.

FY 1969 Program: Four U.S. direct hire technicians will continue to advise the Instructional Materials Center. Six participants (\$50,000) will begin long-term U.S. training in textbook design, educational radio, film production, and administrative management. Commodities (\$560,000) include production materials and off-shore printing of texts. \$150,000 is programmed for construction to expand the printing plant at the IMC. No funding is required in FY 1969 for the Summer Institute of Linguistics contract.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Leadership Training	ACTIVITY Education			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-690-325	PRIOR REFERENCE P. 194 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The project aims to significantly increase the supply of high level trained manpower for future leadership in Vietnamese public affairs and society generally, by extending opportunities for U.S. university degree training to promising Vietnamese students. An average of one hundred students annually are to be selected, depending on availability and quality of applicants.

Applications for scholarships will be widely distributed by the Ministry of Education through education chiefs in each province of Vietnam, with advance notice of these opportunities disseminated by news media. Notices will stress that priority will be given to undergraduate study in those fields urgently required in Vietnam. Veterans of the GVN armed forces will be given preference. Stress is to be placed on outstanding scholastic aptitude, leadership potential and maturity. Examination of applications selected initially by the Ministry of Education is made in USAID by qualified local staff and education advisors. These candidates are then reviewed by a team from the American Association of Collegiate Registrars and Admission Officers. Final review and selection is made by the Vietnamese Committee on Overseas Studies in the Ministry of Education.

Training programs have been arranged through the California State College system where a consortium of seven institutions begins student programs with intensive instruction in English. In conjunction with language training, in-depth orientation to the American academic

system and community life is provided prior to student placement in formal studies.

Scholarships are for one year, renewable at the discretion of A.I.D. in accordance with the performance of the participant and the requirements of Vietnam. Upon return to Vietnam, the GVN has the option of recruiting the participant for government service. Students not selected for such service may then seek employment in the private sector. This project is a continuation of that presented last year.

Progress to Date: The first group of 127 participants, of which 49 were veterans, arrived in the U.S. in February 1967. All but five have completed their orientation and intensive English training successfully. More than 50% are enrolled in Engineering, Science or Business Administration with the remainder in a wide variety of courses equally useful to the manpower requirements of Vietnam. An estimated 64 additional students are being selected in FY 1968.

FY 1969 Program: Funding for 100 new participants and continuation of 184 from prior years is proposed.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/	Total	Direct AID	Contract/	Total	
Through 6/30/67	1,064	164	900							
Estimated FY 68	809	800								
Estimated through 6/30/68	1,873	964	909							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	1,700	Undetermined		809	-	809	1,700	-	1,700	

PROJECT TITLE Education General Support		ACTIVITY Education			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-690-368	PRIOR REFERENCE P. 195 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined	

Project Target and Course of Action: This project provides overall direction and support for A.I.D.-assisted activities in the education sector as a whole. Besides U.S. direct-hire management for the sector, the project supports planning, management, and organizational improvement of the Ministry of Education, technical assistance in adult education programs and English language teaching.

A contract to be funded in FY 1968 provides for a study of the organization and management of the Ministry of Education, focusing on data-gathering techniques. Coupled with this will be a joint USAID/CORDS/MOE country-wide field survey of the elementary and secondary school systems to obtain improved data on numbers of schools, enrollment, quality of instruction, and utilization of instructional materials.

This project is a combination of Technical Support Education, 430-11-990-000.2, Adult Education, 430-11-670-324, and the English teaching activity of Teacher Education 430-11-660-321, all presented last year. Funding of International Voluntary Services (IVS) teachers of English and Science is provided under Technical Support 730-11-990-000.

Progress to Date: The administrative framework of the Ministry of Education in adult education has been reorganized and strengthened with additional staff and facilities. Classes have been established in adult literacy, adult secondary education, and adult vocational education. Approximately 4,000 adult students

are currently enrolled in the program. The Ministry of Revolutionary Development is also expanding its use of adult education in the pacification effort. Revolutionary Development teams are planning to institute programs in over 1000 hamlets in 1968, and the Ministry plans to reach large numbers of Chieu Hoi and Refugees in special programs. Teaching of English has been improved principally through the participant training program. Of the participants who have completed training, 14 are teaching in higher educational institutions, 10 in in-service programs, 17 in secondary schools, and one as a language laboratory technician. U.S. advisors also assist voluntary lay and military teachers conducting English classes for adults throughout Vietnam. In library development, books and reference materials have been supplied to teacher training institutions and university libraries, and basic storage equipment and supplies have been provided for a Ministry technical processing center, along with specialized bibliographical tools.

FY 1969 Program: Nine U.S. direct hire positions are provided at a cost of \$353,000 as follows: four for overall sector management and administration, one for library services, two in English language teaching, and two in adult education. Commodities (\$247,000) include language laboratory equipment, reference and library books, and miscellaneous instructional materials. Other costs (\$11,000) cover two third country administrative assistants.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS							PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969				
				Direct AID	Contract	Total	Direct AID	Contract	Total		
Through 6/30/67	335	142	193							Undetermined	
Estimated FY 68	765	542									
Estimated through 6/30/68	1,100	684	416								
		Future Year Obligations	Estimated Total Cost								
Proposed FY 69	611	Undetermined									
				Cost Components							
				U.S. Technicians							
				Participants . . .							
				Commodities . . .							
				Other Costs . . .							
				Total Obligations							

Industry
Labor

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Industrial Development	Industry				
PROJECT NUMBER 730-11-910-170	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
	P. 197 FY 1968	Vietnam PDB	FY: 1957	FY: Undetermined	

Project Target and Course of Action: In previous years, this project aimed at stimulating and assisting a wide variety of small scale industries to broaden the base of the Vietnamese economy and prepare for post-war industrial growth. In FY 1968, because of the need to concentrate on fewer activities and especially those like agricultural production, which can benefit a large number of Vietnamese in the near future, this project was reoriented to focus its resources on the goal of increased rice and protein production. The principal objective of this project is now to encourage the development of agro-industries in South Vietnam. Specific targets include: (1) identification of feasible agro-industrial activities; (2) training of Vietnamese technicians concerned with promoting and providing credit for these activities; and (3) assisting potential investors to establish commercial ventures in the provinces specifically oriented toward supplying agricultural machinery and chemicals and processing agricultural products.

Agro-industry projects will, in some cases, require promoting joint agro-industry ventures for the production of fertilizer, pesticides, farm tools, pumps, sprayers, etc., and for processing, storing, and marketing food products. Projects will be identified and developed with the assistance of a direct-hire agro-industry advisor.

Adequate local credit facilities are essential to

the inauguration of agro-business ventures. The Industrial Development Center (IDC) and Vietnam Development Bank (VDB), the two major bodies able to channel funds into long-term private investments, will be assisted by a senior, direct-hire financial advisor. Two development bank specialists will also be provided under contract to advise the VDB on internal organization, credit evaluations, project monitoring and portfolio management. To identify suitable industrial projects, A.I.D. may provide contract teams to conduct feasibility studies in selected industries. In addition, A.I.D. plans to make funds available in FY 1969 for loaning by the Vietnamese development banks to agro-industries.

Training programs will include a continuation of courses in small business development, with particular emphasis on agricultural opportunities, a series of seminars on marketing and participant training in the U.S. and third countries for three agro-industrial technicians to study methods of promoting and developing agro-industries.

Growth of commerce in the provinces will be promoted through the organization of advisory committees in selected provincial capitals to identify and review potential investment opportunities, and help in obtaining credit for them. Two direct-hire advisors will assist the IDC in this effort.

This project, as reoriented, is a continuation of the Industrial Development project (430-11-410-170) of last

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
	Through 6/30/67	9,189	7,445	1,744	Estimated FY 1968		Proposed FY 1969		
					Direct AID		Contract	Total	Direct AID
Estimated FY 68	543	678		432	19	451	333	-	333
Estimated through 6/30/68	9,732	8,123	1,609	12	-	12	17	-	17
		Future Year Obligations	Estimated Total Cost	5	-	5	3	-	3
				-	75	75	10,000	-	10,000
Proposed FY 69	10,353	Undetermined		449	94	543	10,353	-	10,353
				Cost Components					
				U.S. Technicians					
				Participants . . .					
				Commodities . . .					
				Other Costs . . .					
				Total Obligations					

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Industrial Development	Industry				
	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
PROJECT NUMBER 730-11-910-170	P. 197 FY 1968	Vietnam PDB	FY: 1957	FY: Undetermined	

year.

Progress to Date: In 1954 South Vietnam's industry consisted mainly of handicrafts and small cooperatives. Today, there are 12,170 industrial firms in operation, most of them employing fewer than 20 people. The larger facilities employ up to 1,500 and account for a major share of production. From 1960 through the first half of 1967, industrial investments in South Vietnam totalled VN \$23 billion. IDC provided a good part of this investment capital with loans and investments totalling VN \$3.9 billion over its ten year history. Local private investments grew from VN \$1.2 billion in 1965 to VN \$3.8 billion in the first half of 1967. Private foreign investments have grown over the same period from VN \$16 million (\$135,000) to VN \$399 million (\$3,380,000).

Textiles represent the leading industry in South Vietnam today. In 1955, there was one mill in South Vietnam which had been dismantled in North Vietnam and moved South after the Geneva Conference in 1954. Today the textile industry includes 30 mills producing 90% of domestic needs with a value in excess of 10 billion piasters a year. The textile and other local industries produced in the past three years over \$68 million worth of goods for the ARVN forces. Besides the textile industry, industrial investments are concentrated in the pharmaceutical, metallic and mechanical, electrical, chemical and cement, and rubber and paper industries. Although some investments have been made in food processing, special emphasis is being placed on this industry so that it can more readily respond to the food production targets in the coming years.

During CY 1967 USAID and GVN technicians identified four industries for possible future feasibility studies:

fertilizer, cement, paper and pulp and chemicals. In addition, technical assistance was provided the IDC and VDB to help these institutions in reorganization and credit programs. Training of middle management personnel and CIP analysis was also continued. The GVN succeeded in organizing a Bureau of Standards but its mineral exploration program was postponed due to lack of funds, personnel and security.

FY 1969 Program: In FY 1969, A.I.D. will provide ten direct hire technicians (for \$333,000) and training outside Vietnam for five participants (for \$17,000). \$10.0 million is planned for loan funds to the IDC and VDB to foster the development of agro-industrial activities in the provinces. The GVN will contribute VN \$41,600,000 (over \$352,000) for local currency costs for four large industrial feasibility studies and for 16 technicians to work with American contract specialists. This contribution will be in addition to the regular Ministry of Industry and IDC budgets.

The GVN will also contribute VN \$6,000,000 (over \$50,000) for employee costs for the Bureau of Standards in CY 1968 and CY 1969. It is estimated that the GVN will also provide VN \$18,000,000 (over \$152,000) for the new Bureau of Standards building in CY 1968.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Manpower Development	ACTIVITY Labor			FUNDS Supporting Assistance
PROJECT NUMBER 730-15-460-327	PRIOR REFERENCE P. 202	East Asia Vietnam	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
	FY 1968	PDB		

Project Targets and Course of Action: The goals of this project are to develop governmental machinery to direct and coordinate activities of all ministries concerned with manpower planning, allocation, training and utilization to collect and effectively use essential manpower information; to provide short-run skills training, especially for refugees and VC defectors; and to create a basis of understanding between labor and management.

Specific targets are: 1) basic on-the-job training for 3,000 Vietnamese, principally refugees, defectors and veterans, in 1968 and 1969; 2) development of an occupational classification system in 1968 and its further refinement in 1969; 3) training Ministry of Labor staffs in manpower planning, allocation and utilization, data collection, economic research, worker placement, on-the-job and apprentice-training programs, and mediation, conciliation, arbitration, labor law and factory labor inspection; 4) establishment of a tripartite Institute of Industrial Relations; 5) completion of a study of the vocational training programs undertaken by the Ministry of Labor.

Five direct hire labor advisors and four PASA specialists in manpower and labor economics will be provided and a contract with Education Consultants, Ltd. will be continued which provides for 40 Americans to supply skills training to 3,000 Vietnamese. This contract was first negotiated at the end of FY 1967 in lieu of a PASA with DOD. This present project is a combination of part of the Government labor services project (430-11-490-326) and all

of the Manpower Development (430-11-460-327) project presented last year.

Progress to Date: Progress in 1967 was spotty, with many of the goals forecast in last year's presentation not reached because of the failure of the GVN to provide the necessary funds, thus making it impossible for the Ministry of Labor to hire the additional personnel the programs required. This was particularly true in the Manpower Planning and Programming and Employment Services activities. Despite this, there was some forward movement: the employment census was completed and enrollment in Ministry of Labor trade courses and vocational training centers was doubled (from 1,265 in CY 66 to 2,565 in CY 67). The establishment of a National Manpower Planning Committee is under consideration by the GVN Central Executive Committee. Agreements have been signed with the Ministry of Labor concerning the establishment of an interministerial Manpower Planning Committee, organizational changes in the Ministry of Labor, and extension and improvement of the Research and Analysis Section, the Employment Service, and the Skills Training program. The development of a dictionary of occupational titles has begun; the tripartite sponsors of the Industrial Relations Institute are recruiting a staff and the GVN is making available a headquarters building for the Institute.

FY 1969 Program: The FY 69 funding will provide five labor advisors (\$186,000), four PASA specialists (\$143,000), \$600,000 for the Education Consultants contract, and \$23,000 for commodities (tools, training aids, publications,

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
	Through 6/30/67	1,271	349	922	Estimated FY 1968			Proposed FY 1969		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Estimated FY 68	1,078	794		156	725	881	186	743	929	Education Consultants, Inc.
Estimated through 6/30/68	2,349	1,143	1,206	127	-	127	108	-	108	
		Future Year Obligations	Estimated Total Cost	20	-	20	23	-	23	
				-	50	50	-	-	-	
Proposed FY 69	1,060	Undetermined		303	775	1,078	317	743	1,060	
Cost Components										
U.S. Technicians										
Participants . . .										
Commodities . . .										
Other Costs . . .										
Total Obligations										

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
Manpower Development	Labor			Supporting Assistance
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
730-15-460-327	P. 202 FY 1968	East Asia Vietnam PDB FY: 1967	FY: Undetermined	

office machines and equipment and vehicles), and \$108,000 for 35 participants.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Trade Union Development	ACTIVITY Labor			FUNDS Supporting Assistance	
	PRIOR REFERENCE P. 204 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined	
PROJECT NUMBER 730-15-410-328					

Project Target and Course of Action: This project aims at fostering and maintaining trade union support of and identification with the GVN. Simultaneously it seeks to strengthen the economy of Vietnam by increasing worker productivity through union activity, particularly in the agricultural field. Specific targets are: (1) to train annually in each of the next three years 1,200 union workers at an elementary level; (2) to train 90 union workers in cooperative organization and management during CY 1968; (3) to train 30 workers in publicity and education; (4) to encourage cooperative tractor ownership in farm areas; and (5) advise in the operation of a waterfront hiring hall in Saigon.

This project is essentially a continuation of last year's Trade Union Development project, with the addition of assistance to the Waterfront Hiring Hall, which was included under Gov't. Labor Services (430-11-490-326) in last year's presentation.

Progress to Date: For a variety of reasons, progress has been slow, with the principal impediments being the CVT's lack of funds and the inability to recruit capable U.S. advisors. Because of a lack of funds, the Confederation Vietnamienne du Travail (CVT) was unable to expand its training and organizing activities and to increase the circulation of its newspaper, Cong-Nhan as was envisioned last year. A lack of qualified U.S. advisors made it almost impossible to increase the activities of social welfare groups and women's

organizations, and to organize additional trade union cooperatives. Yet, there have been improvements in certain aspects and capabilities of existing cooperatives in the Tenant Farmers union; for example, more than 50,000 tons of fertilizer was sold in CY 1967. This is by far the best record of any Vietnamese organization, and with the proposed assistance from A.I.D. it should be possible to significantly increase this capability in CY 1968.

A.I.D. recently entered into an agreement with the Asian-American Free Labor Institute, Inc., a non-profit organization sponsored by the AFL-CIO. Up to five technicians will be supplied by the contractor to achieve the project goals. Additionally, the contractor will coordinate assistance activities of the AFL-CIO and its affiliates for Vietnam, all of which should enable the CVT to greatly expand its activities.

The Waterfront Hiring Hall was built and equipped during CY 1967 but was not opened because of political difficulties and the lack of an American advisor. It is expected that both obstacles will be overcome in CY 1968.

FY 1969 Program: \$250,000 provides for continuation of the union-to-union assistance contract and \$100,000 for three labor advisors.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1968			Proposed FY 1969		
Through 6/30/67	24	20	4		Direct AID	Contract	Total	Direct AID	Contract	Total
Estimated FY 68	325	72		U.S. Technicians	68	257	325	100	250	350
Estimated through 6/30/68	349	92	257	Participants ...	-	-	-	-	-	-
		Future Year Obligations	Estimated Total Cost	Commodities ...	-	-	-	-	-	-
				Other Costs ...	-	-	-	-	-	-
Proposed FY 69	350	Undetermined		Total Obligations	68	257	325	100	250	350

Asian-American Free Labor Institute

PROJECT TITLE Labor General Support		ACTIVITY Labor			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-490-377		PRIOR REFERENCE P. 205 FY 1968		INITIAL OBLIGATION FY: 1967		SCHEDULED FINAL OBLIGATION FY: Undetermined
		East Asia Vietnam PDB				

Project Target and Course Action: The purpose of this project is to provide administrative services and technical support to the Labor sector as a whole and to provide advice and guidance to Mission Management on matters pertaining to labor organizations and relations in Vietnam. Last year this same project was entitled Technical Support - Labor.

FY 1969 Program: Proposed funding is for four labor advisors (\$143,000), plus \$5,000 for commodities such as office machines and equipment, training aids, and text books.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	195	81	114							
Estimated FY 68	168	105								
Estimated through 6/30/68	363	186	177							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	148	Undetermined		168	-	168	148	-	148	
				Cost Components						
				U.S. Technicians						
				Participants ...						
				Commodities ...						
				Other Costs ...						
				Total Obligations						

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Port Management and Operations	ACTIVITY Logistics			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-340-389	PRIOR REFERENCE P. 207	East Asia FY 1968 Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project assists the GVN Directorate General of Commercial Ports in the operation and improvement of the Port of Saigon and other Vietnamese ports.

Beginning in 1965, build-up of supplies for the U.S. military forces, and the expansion of both the GVN's and A.I.D.'s import program badly overburdened Vietnam's limited port capabilities. Ships were delayed, commodities were stored on barges for long periods and warehouses were jammed. Emergency measures to move commodities through the ports and to construct new unloading and storage facilities were taken, by A.I.D., the U.S. Army and the GVN. A.I.D. provided coastal and ocean shipping, construction commodities and technical assistance, while the U.S. Army (through the 125th Terminal Command) assisted the GVN in operating the commercial facilities in the Port of Saigon.

By the summer of 1967, and until the February VC attacks, port congestion has been virtually eliminated. Consequently, the planned emphasis of this project has been shifted away from emergency measures to assistance which will help the GVN resume full operational responsibility for its now enlarged and far busier ports. The U.S. Army's 125th TC is to be withdrawn when conditions permit, with the GVN resuming responsibility after an appropriate period of apprenticeship.

Principal targets of this project are:

- 1) to provide continuing technical assistance to the

Directorate General of Commercial ports so that it can operate the ports efficiently and effectively;

- 2) to complete minor port construction and rehabilitation in Saigon and northern ports; the antiquated water systems in the ports of Saigon and of Qui Nhon are to be rehabilitated; additional transit sheds are to be built at Da Nang, Qui Nhon and Saigon and hardstand areas are to be paved to permit their use in bad weather.
- 3) to continue a contract for tug services until the GVN has new tugs in operation, and to reimburse the U.S. Army for such emergency movement of coastal cargo as is necessary.

This is a continuing project, presented last year as a part of the Logistics Management and Operations Project, 430-11-990-329.

Progress to Date: Although non-military cargo discharged at GVN ports increased 11.8% during the past year, congestion in the ports was eliminated. Ships which once encountered delays in excess of two months experienced an average turnaround time of five days in November 1967. In February 1967 almost 1000 barges were waiting customs clearance and unloading. In early 1968 barge operations were completely fluid. The ocean shipping conferences' congestion surcharge of \$8.50 per revenue ton had been cut to \$1.50 by December 1967. Following the VC attacks in February, some congestion returned primarily because

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
Through 6/30/67	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 68	10,078	6,838		Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract	Total	Direct AID	Contract	Total	
Estimated through 6/30/68	11,449	10,099	1,350	U.S. Technicians	788	-	788	500	-	500	Luzon Stevedoring U.S. Army
				Participants . . .	31	-	31	42	-	42	
				Commodities . . .	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	Other Costs . . .	66	3,705	3,771	210	1,040	1,250	
Proposed FY 69	1,792	Undetermined		Total Obligations	885	3,705	4,590	892	1,040	1,792	

PROJECT TITLE Port Management and Operations	ACTIVITY Logistics		FUNDS Supporting Assistance
PROJECT NUMBER 730-11-340-389	PRIOR REFERENCE P. 207 FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

curfews prevented full working schedules. It is believed that the port can return to its former efficiency very quickly when security conditions permit.

The emergency coastal shipping contract required during FY 1967 has not been needed since December 1967. Coastal movement of cargo after that date was taken over by the GVN under piaster contracts. Funds are programmed, however, for FY 1969 against possible new requirements.

FY 1969 Program: Funding of \$1,792,000 will be required in FY 1969. This will provide \$500,000 for 26 U.S. direct-hire transportation and port advisors; \$210,000 for third country nationals to assist as port, air and coastal operations technicians; \$140,000 for construction commodities, including pre-fabricated transit sheds; \$700,000 for a tug services contract with Luzon Stevedoring; \$200,000 as a contingency fund to reimburse the U.S. Army for emergency coastal movement of A.I.D. cargo if needed. Participant training for 15 Vietnamese will require \$42,000.

It may prove necessary for A.I.D. to provide additional port advisors if the GVN is unable to take over all operations without assistance at the time when the U.S. military advisors are withdrawn. In such circumstances, funds would have to be made available from other parts of the program.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Warehousing and Distribution		ACTIVITY Logistics				FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-380-390		PRIOR REFERENCE P. 207 FY 1968		East Asia Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project assists the GVN to meet immediate and pressing needs for storage and distribution of commodities, and helps to build Vietnamese capability to operate and manage these logistics functions without major U.S. assistance.

GVN logistic facilities were inadequate as the U.S. force build-up began during 1965. Warehouses were generally of marginal effectiveness, due to inferior construction, inadequate equipment and poor accessibility. In some cases, it was necessary to warehouse foodstuffs with non-compatible construction materials. Aid commodities could not be moved out to the provinces because there was inadequate protection against the weather; security was inadequate and resulted in pilferage; inferior floors and poor drainage allowed rodent and insect infestation of foodstuffs; inadequate foundations and dirt floors made mechanized handling difficult or impossible. Finally, inadequate and outmoded records systems made proper supply management impossible and accountability for commodities most difficult.

To meet these problems, A.I.D. expedited construction of warehouses and put its officials in operational, rather than the more usual advisory roles. By the summer of 1967, the worst of the storage and distribution crisis had been met, and the emphasis in planning was shifted to improvements in the capability of the GVN to manage the warehouses, records and distribution systems in existence. Additional warehouses, procured with prior year funds,

must be erected and additional equipment is required. But the primary task is to train Vietnamese in the efficient operation of a modern supply system, while maintaining that system in operation to serve on-going A.I.D. and CORDS programs.

This is a continuing project which was presented last year as part of Logistics Management and Operations, 430-11-990-329.

Progress to Date: Some 52 new warehouses of various sizes, a total of 839,000 square feet of space, were in operation in January 1968 in Saigon and in the provinces. The major Thu Duc warehouse complex at Saigon has been put into successful operation. A U.S. contractor was brought in last year to manage the Thu Duc operation. With procedures and systems well established, it has been possible to turn the management over to a Vietnamese contractor, funded by the GVN Central Procurement and Supply Authority (CPSA). The planned intransit storage facility at Kinh Doi will not be constructed at this time.

An additional 36 warehouses are in various stages of completion, and should all be in full operation before the end of FY 1969. CPSA, with advisory assistance from A.I.D., is assuming responsibility for operating warehouses as they become available. A.I.D. with assistance from the U.S. Army has provided 80 U.S. supply advisors throughout the provinces.

An Integrated Supply Accounting System, to give the GVN a modern and government-wide supply record and account-

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	4,350	2,793	1,557								U.S. Army Construction contractor undetermined
Estimated FY 68	3,090	3,063									
Estimated through 6/30/68	7,440	5,856	1,584	U.S. Technicians	1,270	326	1,596	1,213	326	1,539	
				Participants . . .	61	-	61	38	-	38	
				Commodities . . .	1,189	-	1,189	677	-	677	
				Other Costs . . .	137	107	244	314	140	454	
Proposed FY 69	2,708	Undetermined		Total Obligations	2,657	433	3,090	2,242	466	2,708	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS Supporting Assistance
Warehousing and Distribution	Logistics			
PROJECT NUMBER 730-11-380-390	PRIOR REFERENCE P. 207 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

ability system, was designed with A.I.D. assistance and formally adopted by the GVN on 1 October, 1967. While much remains to be done to train Vietnamese in effective use of this system, it has taken hold and is in ever-widening use throughout the GVN.

A contract with a Vietnamese firm for insect and rodent control is in operation.

Materials handling equipment has posed difficulties. Although about half of the requirement has been received in Saigon -- mostly from excess sources -- problems of rehabilitation and repair have been major, and much of the excess equipment received has proven short-lived.

FY 1969 Program: \$2,708,000 will fund 49 U.S. direct-hire supply advisors (\$1,213,000), 40 additional supply advisors provided to A.I.D. by the U.S. Army (\$326,000); 35 TCN's in warehousing support (\$314,000); Vietnamese participant training abroad in supply procedures (\$38,000) and \$677,000 is for commodities, including cement, rebar and wire for erection of warehouses, trucks and materials handling equipment. \$140,000 is required to construct a CPFA equipment maintenance facility in Saigon.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE National Maintenance System	ACTIVITY Logistics			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-990-382	PRIOR REFERENCE P. 207	East Asia FY 1968 Vietnam	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The always serious problem of vehicle maintenance in a developing country is greatly increased in Vietnam because of the war and the rapid increase in such equipment, much of which has been furnished by A.I.D. Through this project, A.I.D. seeks to help establish an efficient and lasting system of proper maintenance for civilian agencies of the GVN under the management of one government agency on the national level.

There are two primary targets for FY 1969: (1) to complete and get into operation the final 26 of a nation-wide system of 46 provincial maintenance shops, which provide preventative maintenance, lubrication and minor repair service; (2) to improve, and turn over to Vietnamese management, the operation of the National Inventory Control Point (NICP), which provides a centralized supply of repair parts. Achievement of the first of these targets is obviously dependent on security conditions in the provincial areas.

A.I.D. also plans to support the identification and registration of vehicles belonging to various GVN Ministries, the publication in Vietnamese of a standard maintenance manual, and the development of procedures to dispose of vehicles beyond repair. During FY 1969, a GVN funded Vietnamese contractor is to provide Vietnamese trainees, and as these Vietnamese gain the necessary skills, A.I.D. will phase down its current contract for Korean mechanics.

No adequate facilities now exist to rebuild major

components, such as transmissions. While this gap is costly, it cannot be filled until the more immediate need for simple preventative maintenance is met. A preliminary engineering study for a rebuild facility is planned for late in FY 1969. This project was presented last year as part of Logistics Management & Operations, 430-11-990-329. Progress to Date: The NICP was brought into full operation during the past year as the sole source of vehicle repair parts for civilian agencies of the GVN. It now stocks some 18,000 items, as compared with about 1,000 eighteen months ago. Seventy-five agencies are participating.

NICP stocks were, in the past, funded in part by A.I.D. and in part were drawn together from the dispersed stocks of individual GVN agencies. GVN agencies now pay the NICP for the parts they requisition, which builds a fund for replacement. Therefore no further A.I.D. funds are requested for spare parts in FY 1969.

Fourteen provincial maintenance shops were under construction at the close of CY 1967; complete tool sets were on hand to equip them. By the close of CY 1968, if security conditions permit, twenty should be completed and equipped. The construction of these shops has fallen behind earlier expectations due to difficulty in securing suitable land.

In an acutely tight manpower situation, the GVN has found it very difficult to hire mechanics and recruit suitable trainees. A.I.D. has met this problem temporarily by changing the emphasis in a contract for the services of 300 Korean mechanics from training to direct maintenance

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	OBLIGATIONS								
				Estimated FY 1968		Proposed FY 1969						
				Direct AID	Contract	Total		Direct AID	Contract	Total		
Through 6/30/67	5,493	1,109	4,384	Cost Components U.S. Technicians Participants ... Commodities ... Other Costs ... Total Obligations						Philco-Ford Undetermined		
Estimated FY 68	9,300	11,629										
Estimated through 6/30/68	14,793	12,738	2,055									
		Future Year Obligations	Estimated Total Cost									
Proposed FY 69	5,149	Undetermined										

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE National Maintenance System	ACTIVITY Logistics	FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-990-382	PRIOR REFERENCE P. 207 FY 1968	EAST ASIA Vietnam PDB	INITIAL OBLIGATION SCHEDULED FINAL OBLIGATION FY: 1967 FY: Undetermined

operations. Working in a variety of existing maintenance shops and as mobile maintenance teams, project mechanics have repaired and serviced over 2,500 vehicles while over 6,000 vehicles have been registered and put on schedules for routine maintenance.

FY 1969 Program: Funding of \$5,149,000 is requested for FY 1969; \$642,000 is for 29 U.S. direct-hire advisors and \$234,000 for 25 third-country secretaries, engineers, warehouse supervisor, maintenance instructors and property management assistants. Commodities, including construction materials, generators, vehicles, and office equipment, will require \$2,856,000. \$8,000 is for participant training. A contract with Philco-Ford (\$800,000) supplies U.S. maintenance technicians. A second contract with the same company (\$200,000) for Korean mechanics and a contract for an engineering study of rebuild and heavy repair facilities (\$409,000) make up the other costs.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Mission-Wide Commodity Support	ACTIVITY Logistics			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 207	East Asia FY 1968	Vietnam	INITIAL OBLIGATION FY: 1967
PROJECT NUMBER 730-11-990-330				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project funds A.I.D. Logistic Support and Control Office (ALSCO), located in San Francisco; provides funds for procuring miscellaneous small-value items and emergency contract services. It is a service project in support of the entire A.I.D. Mission and CORDS.

ALSCO was established in March 1967 by the General Services Administration and is funded by A.I.D. under a Participating Agency Service Agreement. It serves the A.I.D. Mission in Saigon by monitoring supply requests to be procured through GSA to ensure that specifications are adequate and correct, that delivery dates are met, and that priorities are followed. ALSCO also provides continuing reports on supply status.

In past years, this project funded costs incurred by the U.S. Army in discharging A.I.D. cargo at Saigon. It is expected that such discharge responsibilities will be returned to the GVN in early FY 1969, and any continuing FY 1969 costs are to be funded by DOD. Also, during FY 1967, certain commodities, such as cement, roofing, vehicles, roofing, pumps, office equipment, used in a number of projects throughout the program were consolidated for more efficient procurement and funded under this project. The procurement of these common-use commodities continues to be consolidated, for cost and supply management advantage, but funding is now allocated to the particular projects under which the commodities are to be used.

This is a continuing project which was presented last

year as part of Logistics Management and Operations, 430-11-990-329.

FY 1969 Program: \$1,800,000 is required for FY 1969. Of this \$1,500,000 is for ALSCO, \$250,000 is for an emergency small-item commodity procurement fund and \$50,000 is for an emergency contract services fund.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES G.S.A. Undetermined			
Through 6/30/67	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 68	23,820	25,163		Estimated FY 1968			Proposed FY 1969		
					Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Estimated through 6/30/68	33,460	24,407	9,053	U.S. Technicians	-	1,910	1,910	-	1,500	1,500
		Future Year Obligations	Estimated Total Cost	Participants ...	-	-	-	-	-	-
				Commodities ...	250	-	250	250	-	250
				Other Costs ...	-	5,550	5,550	-	50	50
Proposed FY 69	1,800	Undetermined		Total Obligations	250	7,460	7,710	250	1,550	1,800

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Logistics General Support	ACTIVITY Logistics			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-990-378	PRIOR REFERENCE P. 207	East Asia FY 1968 Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project funds A.I.D. positions concerned with the overall management of the logistics projects: the Assistant Director for Logistics, his Deputy, four Senior Logistics Advisors to the Vietnamese Central Procurement and Supply Authority and to the Directorate General of Commercial Ports, 10 logistic program analysts, 11 Assistant Supply Advisors and one administrative assistant. It also funds seven Third Country Nationals who work as logistics specialists, assistant regional logistics officers and administrative assistants.

FY 1969 Program: Funding of \$899,000 is required in FY 1969; \$824,000 for 28 direct-hire U.S. positions, \$75,000 for seven TCN direct-hire positions.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES						
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1968			Proposed FY 1969		
Through 6/30/67	11,945	1,171	10,774		Direct AID	Contract	Total	Direct AID	Contract	Total
Estimated FY 68	889	2,736		U.S. Technicians	782	35	817	824	-	824
Estimated through 6/30/68	12,834	3,907	8,927	Participants . . .	-	-	-	-	-	-
		Future Year Obligations	Estimated Total Cost	Commodities . . .	-	-	-	-	-	-
				Other Costs . . .	72	-	72	75	-	75
Proposed FY 69	899	Undetermined		Total Obligations	854	35	889	899	-	899

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Central Government Administration		ACTIVITY Public Administration			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-720-371		PRIOR REFERENCE P. 221 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Targets and Course of Action: The objective of this project is to help create a strong, capable and effective national government which meets the imperatives of national development and responsible public service. Specific targets include installing effective systems and procedures for government program operations; establishing staff competence and central responsibility, and initiating the development of a modern, independent legal administration system by focusing on specific objectives such as the reorganization of the court system and the modernization of legal codes.

In FYs 1968 and 1969 six contract-funded management analysts will work with nine direct-hire management analysts in assisting the GVN Prime Minister's Office in the following areas: (1) New governmental structure--To develop the functional alignments, delineations of responsibility, and the organizational structure of the new offices of the President, Prime Minister, and the various Ministries. (2) Central Management Office--To develop staff and operational capabilities and a training program for GVN management analysts. (3) Management Advisory Services--To develop guidelines within Ministries and other agencies for fundamental management policy.

Another contract will be negotiated with a management consulting firm, for a 3-man team of specialists to assist the Office of the Prime Minister in activating the new Directorate-General of Civil Service. The team will work

with the staff of that agency to establish an integrated pay structure competitive with private industry, a revised system of classifying positions, and an increased proportion of permanent as opposed to temporary civil servants (currently 25% to 75%, respectively). USAID will also provide direct hire and contract advisors to the Ministry of Justice in the fields of legal codification and judicial administration.

The central government administration aspects of this project were included in last year's Congressional Presentation as part of the project entitled "Support of Civil Government," 430-11-790-339. The legal assistance part of this project is a continuation of last year's separate "Legal Administration" Project 430-11-790-343.

Progress to Date: During the past year, a management improvement program was introduced through a series of procedural studies (involving document flow, reorganization of central files and library and introduction of a Directorate of Press) in the Office of Prime Minister. In addition, American advisors participated in studies leading to the establishment of the Office of the Commissioner General for Planning and Development and a National Planning Council. The recommendation for consolidation of revolutionary development inspection groups has been implemented. The Prime Minister established a joint USAID/GVN Committee in August 1967 which drafted a proposed civil service statute.

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U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES UNDETERMINED				
	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
				Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract		Total	Direct AID	Contract	Total
Through 6/30/67	107	62	45							
Estimated FY 68	1,497	405		381	970	1,351	345	647	992	
Estimated through 6/30/68	1,604	467	1,137	66	-	66	67	-	67	
		Future Year Obligations	Estimated Total Cost	24	18	42	31	12	43	
				-	38	38	-	25	25	
Proposed FY 69	1,127	Undetermined		471	1,026	1,497	443	684	1,127	
				Total Obligations						

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Central Government Administration	ACTIVITY Public Administration			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-720-371	PRIOR REFERENCE P. 221	FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
		East Asia Vietnam	PDB	

In addition, several new administrative offices were established. A Directorate General of Civil Service; a "Brain Trust" of senior Vietnamese advisors to the Prime Minister; a Bureau for Coordination and Review in the Prime Minister's Office; a Special Assistant for Public Administration and twelve sub-committees of the Central Committee for Administrative Improvement within individual ministries.

FY 1969 Program: Funding is required for 7 direct-hire public administration advisors for \$285,000 and 2 direct-hire advisors to assist the Ministry of Justice for \$60,000; up to 65 man-months of specialized contract advisory services in legal codes and procedures, legal education and legal research at a cost of \$252,000; nine contract technicians to provide the GVN management planning and personnel management services will cost \$395,000; \$12,000 in contract commodities will provide law books and equipment; \$25,000 will provide for necessary related legal and judicial research; 10 participants will study U.S. management analysis and techniques of administrative management and 5 participants will receive specialized legal training for \$67,000; direct commodity support will provide office equipment at a cost of \$31,000. It is estimated that the GVN will contribute VN \$4 million (over \$42,300) to this project in CY 1968,

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Improvement of Fiscal Administration	Public Administration				
PROJECT NUMBER 730-11-750-340	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
	P. 223	FY 1968	Vietnam	FY: 1967	FY: Undetermined

Project Target and Course of Action: This project has the two-fold objective of helping the GVN to increase its revenues and to make the most efficient use of those revenues. It focuses on tax, customs and budget administration. Initial efforts to increase both tax and customs revenues concentrated on improving administration of existing GVN statutes, and were designed to produce both a skilled, efficient staff and a sound data base for planning, introducing and administering tax and customs policies. The thrust in the budget area emphasizes making effective use of the budget as a tool of management, planning and control.

Immediate targets are: Tax revenues of 23 billion piasters for CY 1968, and customs revenues of VN \$27 billion. In the budget area the goal is to (a) reduce expenditures for low priority programs; (b) minimize budget deficit financing by the National Bank; (c) incorporate in the Budget currently excluded autonomous and semi-autonomous GVN enterprises, and improve financial management of such enterprises; (d) improve budget planning and execution in selected key ministries; and (e) carry out training programs in basic budget planning and real property tax administration for officials of local governments.

Tax advisory services will continue to be provided by a 6-man team under a PASA with the U.S. Internal Revenue Service. Three hundred new employees to be recruited by the GVN's Directorate-General of Taxation will be given initial training, 350 temporary employees will be given

training with a view to their conversion to permanent status and promotion, and 60 to 80 auditors will receive both classroom and on-the-job training. Customs advisory services, provided by a U.S. Customs Bureau PASA team of 18, and 3 direct hire employees will give priority attention to development of a VN Customs Service Research and Planning Team with capability of reorganizing and improving the service, and reorganizing the National Fraud Service and Boat Fleet along functional lines. Advisory assistance on budget administration will include two direct-hire advisors assigned to the GVN Treasury to advise on accounting system improvements. Three contract specialists -- in Rural Property Taxation, Local Government Budgeting, and Planning -- will conduct studies and prepare training manuals. As recommended in a 1967 survey, a contract to develop an improved budgeting system will be negotiated with a management consulting firm for a 6-man team of Budget and Program Budgeting experts.

This project is a continuation of the program begun in FY 1967.

Progress to Date: Tax collections in CY 1967 were VN \$17.2 billion -- more than double 1965 collections and a 40% increase over 1966. Collections from salary and wage employees were up 300% due largely to the tax withholding plan successfully introduced in January 1967. Pay-as-you-go corporation taxes became effective July 1967 and collections are expected to be 50% higher in CY 67 than in 1966. Customs revenues reached 16 billion in 1967, representing a 286% increase over 1965. Smuggling has

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	1,123	281	842							
Estimated FY 68	2,244	1,350								
Estimated through 6/30/68	3,367	1,631	1,736	145	1,059	1,204	153	1,083	1,236	
		Future Year Obligations	Estimated Total Cost	57	-	57	30	-	30	
				975	-	975	556	-	556	
				8	-	8	-	-	-	
Proposed FY 69	1,822	Undetermined		1,185	1,059	2,244	739	1,083	1,822	

PROJECT TITLE Improvement of Fiscal Administration	ACTIVITY Public Administration			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-720-371	PRIOR REFERENCE P. 221 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

significantly diminished in Saigon harbor as a result of the institution of 24-hour surveillance. Patrol boats on station have increased from 30 to 36, monthly hours of patrol from 2,000 to 2,600. The GVN national budget now contains internationally comparable functional and economic tables along the lines of UN recommendations. Pre-audit control has been decentralized, accounting for obligations and expenditures centralized and electronically mechanized along with payroll of regular employees and check and voucher preparation. A Decree/Law has been issued which will place the national budget on a strict 12-months cash basis with quarterly allotments. Newly trained personnel, brought into the Ministry of Finance and its subordinate agencies, contributed to the improved overall performance of these agencies.

FY 1969 Program: The IRS PASA tax team will continue at the 6-man level (\$251,000); 2 team members will expand advisory services to regional and local tax offices. Commodity support (\$45,000) will consist mainly of calculators and bookkeeping-accounting machines. The Bureau of Customs PASA team will be reduced to 15 (\$536,000). Three direct hire advisors will continue (\$76,000). Commodity support of \$461,000 will include \$270,000 for customs boats and the balance for office equipment, tools and repair parts. Two direct-hire budget advisors (\$77,000) will continue and the budget team will increase to full 6-man strength (\$296,000). Commodities (\$50,000) will include check meters, calculators and a duplicating machine. This contract budget team will survey, devise and help the GVN install a planning, programming and budgetary system. In FY 1969, 16 participants are programmed for U.S. training (9 Budget, 5 Tax and 2 Customs). It is estimated that the GVN will contribute VN \$314,000,000 (over \$2,661,000) to this project in CY 1968 for salaries

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Statistical Services	ACTIVITY Public Administration			FUNDS Supporting Assistance	
	PRIOR REFERENCE P. 225	FY 1968	East Asia Vietnam	PDB	INITIAL OBLIGATION FY: 1967
PROJECT NUMBER	730-11-780-341				

Project Target and Course of Action: The objective of this project is to increase the proficiency of key GVN agencies in statistical reporting, machine accounting and data processing. These agencies are the National Institute of Statistics (NIS), the Directorate-General of Budget and Foreign Aid in the Office of the Prime Minister, the National Bank of Vietnam, the Ministry of Finance's Directorates-General of Treasury, Taxation, and Customs, and the Ministry of Commerce. This assistance will help these agencies provide vital statistics, demographic and economic data and statistical accounting needed for the economic stabilization program, pacification and national development planning. Over the longer range, this project will help promote the institutional capabilities of these agencies and develop the National Institute of Statistics into an effective control point for the collection of statistical data for the GVN.

Advisory services are being provided by a team of seven advisors under a PASA agreement with the U.S. Census Bureau. In addition to their work with the agencies listed above, these technicians will provide statistical and data processing advisory assistance on a lesser scale to the other ministries and departments of government.

Major ongoing or projected activities include: NIS-Demographic surveys in Saigon and other areas, publication of Import-Export statistics; improvement of withholding tax machine-processing and records, and development (in

conjunction with the U.S. Internal Revenue Service Advisory Team) of new procedures and methods for processing other types of taxes; conducting a systems analysis study of the Treasury's workload and procedures; installing a mechanized punch card system for administering and recording eligibility and claim payment data on veterans and their dependents; developing and installing a mechanized system of Commodity Import Program records to include all imports financed by USAID and GVN, and installing a mechanized inventory control system for the ordering, funding, distribution, and accountability recording of spare parts for common use items throughout the GVN.

This project is a continuation of 430-11-780-341 initiated in FY 1967 as part of Civil Administration Improvement 430-11-790-301 and presented as a separate project (430-11-780-341) in FY 1968.

Progress to Date: NIS: In-house capability for processing timely and accurate statistical data has been increased by over 300%, by the provision of additional IBM punch card equipment, an increase of staff from 66 to 81, and improvements in administration and in utilization of personnel. A 4-month training program for intermediate level statisticians (sponsored jointly by NIS and the U.N.'s Mekong Valley Project) has been completed. Twelve NIS staff members have been trained for field survey work. Customs: A 7-month backlog in the processing of Import-Export statistics has been eliminated. A systems analysis of the Credit Accounts Department has been completed.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated				
				Estimated FY 1968			
				Direct AID	Contract Other Agency	Total	
Through 6/30/67	543	7	536				U.S. Census Bureau
Estimated FY 68	366	529					
Estimated through 6/30/68	909	536	373				
		Future Year Obligations	Estimated Total Cost				
Proposed FY 69	308	Undetermined		205	161	366	
				90	218	308	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Statistical Services	ACTIVITY Public Administration			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 225	FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-780-341	East Asia Vietnam PDB			

Taxation: The agency's IBM facility has been remodelled, auxiliary equipment has been ordered and is in process of being delivered and installed. A data processing system was developed and is now in operation for processing the Employers Withholding Tax which became effective January 1, 1967. Veterans Affairs: Coding of transcription sheets for data on 190,000 war veterans, 12,000 disabled veterans and 16,000 dependents of war dead is well underway, and 10,324 transcription sheets have been key punched and key verified toward the establishment of a master file of veterans and other beneficiaries of veteran programs.

Commerce: The mechanized system for Commodity Import Program records was designed and ready for implementation in early FY 1968.

FY 1969 Program: The services of the 7-man PASA team of Census Bureau advisors will be continued, at an estimated cost of \$218,000. Four participants costing \$25,000 will be sent to the U.S. Census Bureau for a year's training -- two in data processing techniques and two in statistics. It is estimated that the GVN will contribute VN \$ 11 million (over \$93,200) to this project in CY 1968.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE National Institute of Administration	ACTIVITY Public Administration			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-770-345	PRIOR REFERENCE P. 230	FY 1968 FY 1968	INITIAL OBLIGATION East Asia Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: 1967 FY: Undetermined

Project Target and Course of Action: The objective of this project is to assist the National Institute of Administration (NIA) to improve the capability and administrative efficiency of the GVN Civil Service so that it can cope successfully with the increasingly complex and urgent requirements of the national government by: (1) improving NIA's educational and training programs; (2) helping NIA provide consulting services to the government; (3) expanding the present in-service training program to a nation-wide career development program for the civil service; and (4) expanding the resources and plant of the NIA.

Two contracts are presently being negotiated with prior year funds; one to provide a four-man team plus short term consultants who will help plan and develop management training programs, graduate-level courses in areas of economic development, meet the expanding requirements for pre-service training of general administrators for local government and develop research and consultation capabilities among NIA faculty and graduate students. Under the second contract with a U.S. firm, three training specialists will concentrate on improving first-line supervision in government and training 50 Vietnamese training officers to conduct a national program. One USAID DH Training Advisor will coordinate the components of this project and advise the NIA in over-all planning. This project is a continuation of the project presented in FY 1968.

Progress to Date: Some four hundred NIA graduates are now working as Deputy Province Chiefs, Deputy District Chiefs, or as Chiefs of Provincial services. Three hundred other graduates are employed in central government agencies, and each year an additional hundred work in intern positions either in Provinces or the Central Government.

In CY 1964 there were 82 graduates from the three year course; in CY 1966 there were 253; in 1967 there were 361. That number is expected to increase to 466 in CY 1968. In CY 1965 there were 1,010 students in the non-diploma course. There were 1,346 in CY 1967; in CY 1968 that number is expected to increase to 1,532 students.

FY 1969 Program: A.I.D. assistance in FY 1969 is proposed as follows: one DH Public Administration Training Advisor at a cost of \$35,000; 9 participants at a cost of \$50,000; and commodities consisting of books and training equipment at a cost of \$8,000. It is estimated that the GVN will contribute VN\$9 million (over \$76,200) to this project during CY 1968. This is in addition to its regular budget for NIA of VN\$64.5 million (over \$546,000).

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES Westinghouse Learning Corporation
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	657	54	603							
Estimated FY 68	134	265								
Estimated through 6/30/68	791	319	472							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	93	Undetermined		103	31	134	93	-	93	
				Cost Components						
				U.S. Technicians Participants ...			35 31 66 35 - 35			
				Commodities ...			50 - 50 50 - 50			
				Other Costs ...			18 - 18 8 - 8			
				Total Obligations			- - -			

PROJECT TITLE Support of Local Government	ACTIVITY Public Administration		FUNDS Supporting Assistance
	PRIOR REFERENCE P 221 FY 1968	East Asia Vietnam	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-790-339	INITIAL OBLIGATION FY: 1967		

Target and Course of Action: This project aims to strengthen and improve operations of the newly elected Village/Hamlet governments; and to promote more effective support to local government by the Central Government through its District and Provincial offices. The project targets include: (1) establishing additional training centers for local government officials so that each province will have its own by the end of FY 1969; (2) developing several "showcase" villages in each Region; (3) developing national legislation to provide greater autonomy for Provincial and District operations in responding to local requirements.

This project will focus on (1) increasing the responsiveness and effectiveness of services and technical assistance which Province and District representatives of central Government Ministries provide to the villages and hamlets; and (2) assisting the Ministry of Interior to expand its local government training capabilities both in Saigon and the Provinces. If security conditions permit, nineteen additional training centers will be constructed in FYs 1968 and 1969 and supplied with training aids.

This project was included in last year's Congressional Presentation as part of the Support of Civil Government Project (430-11-790-339). Those elements of the latter project that bear directly on Village/Hamlet governments have been segregated and formed into this project in order to permit a more effective

implementation effort.

Progress to Date: During a ten-week period in April-June 1967, elections of village administrative councils and hamlet management committees were held in 984 villages and 4,476 hamlets where security conditions permitted. In less secure areas, 928 villages are functioning under government-appointed administrative committees. Elections will be organized in these villages as security conditions permit.

To prepare these elected and appointed officials for the duties and responsibilities of their offices and to help them recognize and respond to the needs of their fellow citizens, training courses and seminars have been held since April 1967 at Provincial Training Centers. By the end of FY 1967, 7,500 village and hamlet officials had received in-country training, 16 officials had been sent to the U.S. for a 12-week training course and centers had been constructed and were operational in 26 provinces. Continuing training will be required as more elections are held and personnel change-overs occur.

FY 1969 Program: In FY 1969 A.I.D. will provide \$108,000 in commodities to construct and equip 19 Provincial Training Centers. Three direct-hire training advisors will conduct training programs for local officials and RD cadre members at a cost of \$95,000; 12 direct-hire civil administration advisors at a cost of \$379,000 will work directly with Provincial and local officials. Fourteen participants will receive short-term training

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	607	284	323							
Estimated FY 68	773	499								
Estimated through 6/30/68	1,380	783	597							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	615	Undetermined		773	-	773	615	-	615	
				Cost Components						
				U.S. Technicians			422 - 422 474 - 474			
				Participants . . .			30 - 30 33 - 33			
				Commodities . . .			321 - 321 108 - 108			
				Other Costs . . .			- - - - -			
				Total Obligations			773 - 773 615 - 615			

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Support of Local Government	ACTIVITY Public Administration			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 221 FY 1968		East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
PROJECT NUMBER 730-11-790-339				

at a cost of \$33,000. It is estimated that the GVN will contribute \$2.2 billion (over \$18,644,000) in CY 1968 to support village government in addition to funds provided to operate the Ministry of Interior which has responsibility for local and regional administration.

PROJECT TITLE Development Planning	ACTIVITY Public Administration				FUNDS Supporting Assistance
	PRIOR REFERENCE P. 226 FY 1968		East Asia Vietnam PDB		SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-790-342					INITIAL OBLIGATION FY: 1967

Project Target and Course of Action: This project, initiated in FY 1967, is designed to establish planning machinery for the Vietnamese Government (GVN) and to develop postwar plans. To do this, A.I.D. has provided the services of a U.S. development planning advisor on the Mission staff, is financing a contract with a U.S. firm to assist the GVN in its planning, and will provide advanced planning training in the U.S. for several Vietnamese economists.

The U.S. consulting firm, Development and Resources Corporation, has been working in Vietnam during 1967; a reconnaissance team has been followed by a resident team of economists and other planning technicians. A group of qualified Vietnamese has been selected mainly from the universities, and together with the resident American team have formed a joint group to identify the major areas for investigation and then begin the more intensive studies and analyses required to formulate plans. Given the contingencies and uncertainties of the situation in Vietnam, it is important to retain flexibility. To do so, the principal paths of development must be identified, so that we are ready when security returns to the countryside, the intensity of the war subsides, and resources are freed for use in developmental activities. At the same time, the plans must be capable of being rapidly implemented in order to take up the slack in employment that might occur if the war were to end suddenly and Vietnamese military forces were demobilized rapidly, while jobs associated with the American presence disappeared as

a result of the withdrawal of American troops. To some extent, the plans are also designed to take advantage of investments that may take place at this time, by reviewing current projects for consistency with the long run development possibilities or modifications that would make them so.

Initial focus of the joint study has been on regional development, agriculture, industry, and population resettlement. Intensive studies are also underway on aggregate economic policy, transportation, electric power, the Saigon metropolitan area, and local government.

While many of the technical studies are being made by the joint group, as time goes on departments of the GVN will need to be involved in the formulation of specific plans. This will require the creation or improvement of a planning and programming capability within the ministries which are generally weak in this respect. The joint group will therefore increasingly draw in those concerned with Ministry planning.

Progress to Date: The Development and Resources contract has resulted in a number of special studies and two reports to the GVN covering the initial reconnaissance survey and suggestions to the new government on major policy lines and areas for additional investigation. The resident staff has been steadily expanded until it has about reached full strength and a number of short term consultants have also been brought to Vietnam during the year. Effective relations have been worked out with the Vietnamese counterparts. Progress is necessarily slow

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	1,433	193	1,240							Development and Resources Corp.
Estimated FY 68	806	439								
Estimated through 6/30/68	2,239	632	1,607							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	500	Undetermined		12	794	806	12	488	500	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	Supporting Assistance
Development Planning	Public Administration		
PROJECT NUMBER 730-11-790-342	PRIOR REFERENCE P. 226 FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
	East Asia Vietnam PDB		

due both to the organization of the new government and the VC attacks.

FY 1969 Program: When last year's presentation was prepared the scope and cost of the Development and Resources contract was underestimated and it has since been scaled upward to a more realistic level. Approximately \$800,000 will be obligated in FY 1968, and about \$480,000 is proposed for FY 1969 -- which is the planned final year of the contract. In addition, about \$12,000 will be needed to provide for training two development planners in the U.S.

PROJECT TITLE Public Administration General Support	ACTIVITY Public Administration			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 231	East Asia FY 1968	Vietnam PDB	INITIAL OBLIGATION FY: 1967
PROJECT NUMBER 730-11-790-372				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project is to provide (1) policy guidance, administrative services, and technical support to the Public Administration sector as a whole; (2) advice and guidance to Mission management of public administration (3) coordination of activities within the sector, with other Mission divisions, and with other U. S. agencies; and (4) overall liaison with appropriate GVN ministries and agencies. This project was previously listed as 430-11-990-000.6, "Technical Support - Public Administration."

FY 1969 Program: The proposed dollar funding is for an Assistant Director for Public Administration, his Deputy, a Special Assistant and two Administrative Assistants - \$153,000; and 10 short-term participants (5 Deputy District Officers for Administration and 5 Deputy Province Chiefs for Administration) \$10,000.

U.S. DOLLAR COSTS (in Thousands)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1968			Proposed FY 1969		
Through 6/30/67	266	191	75		Direct AID	Contract		Total	Direct AID	Contract
Estimated FY 68	167	189			U.S. Technicians	153	-	153	153	-
Estimated through 6/30/68	433	380	53	Participants . . .	14	-	14	10	-	10
		Future Year Obligations	Estimated Total Cost	Commodities . . .	-	-	-	-	-	-
				Other Costs . . .	-	-	-	-	-	-
Proposed FY 69	163	Undetermined		Total Obligations	167	-	167	163	-	163

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Provincial Health Assistance	ACTIVITY Public Health			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-530-347	PRIOR REFERENCE P. 233	FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project is aimed at bringing urgently needed health services to the civilian population, of Vietnam, particularly the civilian casualties of war and terrorism. The shortage of trained Vietnamese civilian medical personnel, the heavy Vietnamese military requirements and the incidence of war-related injuries, has necessitated large-scale outside assistance.

In response to this need, the U.S. is providing massive assistance to the Ministry of Health (MOH). Forty-eight teams of medical personnel will continue to serve in Vietnam and receive administrative and logistic support from A.I.D. Of these teams, twenty-three will be U.S. military teams on loan to A.I.D., two will be comprised of U.S. civilians, and twenty-three will come from other Free World countries. In addition, for general duty throughout Vietnam, A.I.D. will provide 92 nurses, (forty under contract and the remainder A.I.D. employees) and 50 volunteer physicians, the latter serving 60 day tours under the auspices of an American Medical Association contract with A.I.D. The Children's Medical Relief International will provide a plastic surgery team to work in a 40 bed center in Saigon. This center is being constructed and will be operational in CY 1968. The International Rescue Committee will lease and operate a 140 bed convalescent ward to support the plastic surgery center.

Eight other emergency facilities are presently being constructed by A.I.D. in areas of Vietnam where no

adequate hospitals previously existed. These will be completed in CY 1968 and fully operational in CY 1969.

The U.S. Army is also contributing greatly to the objectives of this project through the construction of three hospitals for the treatment of war-related civilian injuries -- at Da Nang, Can Tho, and Chu Lai -- with a total bed capacity of 1,100. These are scheduled to be operational in CY 1968 and will continue as required. All personnel, equipment, and supplies for these units will be supplied by the U.S. military.

Additional construction and renovation will be based on a phased plan resulting from an on-going study of health facilities throughout Vietnam. Implementation of this plan, scheduled to begin in CY 1968, will be continued during CY 1969, with particular emphasis given to those areas where war-related injuries are heavy. Already proposed for CY 1969 is the renovation of 22 dispensaries and 3 hospitals in Saigon in conjunction with overall assistance to Saigon's Chief Health Officer in all health matters. In addition, existing district and inter-village facilities will be renovated and 100 new ones will be constructed by the MOH, with A.I.D. commodity assistance, to the extent that security conditions and MOH capabilities allow.

This project will also provide assistance to the GVN in the training of health workers needed to support provincial health services, particularly those in rural areas. It is presently estimated that more than 1,300 health

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/ AGENCIES Project Concern Department of Defense; American Medical Association; Operation World Freedom (Philippines); Republic of China; Republic of Korea; Childrens Medical Relief, Intl; Intl. Rescue Com.; U.S. Catholic Conference
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
Through 6/30/67	10,388	1,572	8,816							
Estimated FY 68	10,626	9,754								
Estimated through 6/30/68	21,014	11,326	9,688							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	8,625	Undetermined								
				Cost Components						
				U.S. Technicians	2,650	4,308	6,958	2,454	3,207	5,661
				Participants ...	11	-	11	11	-	11
				Commodities ...	843	57	900	540	-	540
				Other Costs ...	-	2,757	2,757	-	2,413	2,413
				Total Obligations	3,504	7,122	10,626	3,005	5,620	8,625

PROJECT TITLE	ACTIVITY			FUNDS Supporting Assistance
Provincial Health Assistance	Public Health			Assistance
	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-530-347	P. 233 FY 1968	Vietnam PDB	FY: 1967	FY: Undetermined

workers will be trained during CY 1969. The deployment of these workers in rural areas will reduce the presently massive requirements which now fall on the major provincial hospitals. In-service training will be conducted throughout Vietnam, while pre-service training will be conducted at regional and national training centers. Additional instructors for these training facilities will receive training in the United States in the areas of sanitation and health inspection, health education, rural health operations, and midwifery.

This project combines three previous projects to consolidate provincial health operations: (1) Clinical Health Services, 430-11-530-373, except strictly ministerial level advisory services, which now compose a separate project (National Health Advisory Services, 730-11-590-373; (2) The construction of district and village level facilities, previously under Public Health Services, 430-11-590-348; and (3) The training of health workers, previously grouped with the National Rehabilitation Institute under project number 430-11-590-351.

Progress to Date: In the past year, several additional provincial health teams were added; the number of teams has increased from 17 to 48 since 1965. U.S. medical personnel now treat about 300,000 patients per month. Of the 11 hospitals to receive major renovation, ten have been completed, four in the past year. The eleventh will be completed during CY 1968. Construction on eight of nine additional hospitals was begun in CY 1967, and scheduled to be completed in CY 1968. The ninth has been delayed due to security problems. The construction of 100 district and village level facilities was completed during CY 1967, and construction of more than 200 additional are scheduled for completion in CY 1968, depending on security and availability of personnel. More than a million pati-

ents were treated under the MOH system in CY 1967. A simplified skill structure for health workers has been approved. Nearly 1,000 health workers of various types were trained during the year.

FY 1969 Program: A.I.D. will provide \$8,625,000 of which \$2,454,000 will support 142 A.I.D. personnel and \$130,000 is for 5 PASA technicians. In addition, participant training for 10 persons will be provided (\$11,000), as well as construction materials, vehicles, and miscellaneous appliances and supplies (\$540,000).

Three contracts will supply an additional 132 U.S. technicians at a cost of \$3,077,000: (1) A contract with the American Medical Association will provide per diem and travel funds to maintain a group of 50 volunteer physicians in VN; (2) The United Catholic Conference will provide 40 nurses and a 14 member medical team; (3) Another contractor will provide an additional two medical teams. Other contracts for the following services will be funded in FY 1969: A Free World liaison officer, ten medical teams from the Government of Korea; a medical team from the Government of the Republic of China; a medical team from the Philippine organization "Operation World Freedom", transportation for medical personnel of Project Concern; and renovation and construction of hospitals.

It is estimated that the Government of Vietnam will support this project in CY 1969 with funds equivalent to more than \$20 million.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Public Health Services	ACTIVITY Public Health			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-530-348	PRIOR REFERENCE P. 235 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The purpose of this project is to assist the Ministry of Health of the Government of Vietnam develop a more effective national public health program. Preventive medicine will be emphasized through the provision of advisory assistance in communicable disease control, environmental sanitation, health education, public health nursing and maternal child care. A contract has been signed with the University of California to perform a preliminary study on Vietnamese Public Health needs and capabilities.

Protection against major epidemics throughout the country will be the goal of a program of communicable disease surveillance in major facilities, including improving the quality of data, and developing the capability for massive immunizations. Nearly 10 million immunizations will be given as protection against plague, cholera, smallpox, typhoid, and tetanus. In addition, some 500,000 children will be immunized against diphtheria, whooping cough, poliomyelitis, and tuberculosis. It is estimated that some 2,500 specimens will be processed as part of the surveillance effort, and an additional 400 midwives will be trained. Advisory assistance will continue to be provided to the central advisory staff of the Directorate of Public Health in its efforts to extend more effective communicable disease control to the regional health offices and selected provinces.

In urban areas, the enforcement of environmental sanitation codes will be emphasized. An additional 150 sanitation workers, 50 in Saigon and the remainder elsewhere,

will be trained in CY 1969. In the sanitation program, U.S. efforts will be concentrated on improving conditions in refugee camps. Based on a continuing program of surveillance, emphasis will be placed on garbage collection and disposal, protection of food and water supplies, and control of insect and rodent pests. Health education programs will continue to stress the importance of health services, and an awareness of proper health practices. A.I.D. will assist the National Service of Health Education in increasing production and distribution of printed educational material. Some 53 Vietnamese health educators will be assigned throughout Vietnam, one to each province and each of Saigon's districts. An additional 50 health educators will be trained.

The teaching of public health nursing, field practice as well as theory, will be increasingly included in the curriculum of schools of nursing, while public health skills and practices will be introduced to rural health workers where the program is operative, and into midwifery training. If security conditions permit, this program will be operative in 16 provinces in CY 69 and will be expanded to all 44 provinces by the end of CY 1971.

This project is a continuation of a previous project "Public Health Services" 430-11-590-348 with the exception of the construction of district and village level health facilities. These have been transferred to "Provincial Health Assistance" 730-11-590-347, in an effort to consolidate provincial operations.

Progress to Date: During CY 1967 more than 7 million pre-

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	676	432	244							
Estimated FY 68	1,850	933								
Estimated through 6/30/68	2,526	1,365	1,161	533	285	818	801	285	1,086	
		Future Year Obligations	Estimated Total Cost	29	-	29	30	-	30	
				809	30	839	588	-	588	
				11	153	164	22	-	22	
Proposed FY 69	1,726	Undetermined		1,382	468	1,850	1,441	285	1,726	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Public Health Services	ACTIVITY Public Health		FUNDS Supporting Assistance
PROJECT NUMBER 730-11-530-348	PRIOR REFERENCE P. 235 FY 1968	INITIAL OBLIGATION East Asia Vietnam PDB FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

ventive immunizations were given, and more than 100,000 children were inoculated. Some 2,000 sample specimens were examined with laboratory assistance from the Pasteur Institute in Saigon, and with the cooperation of the Walter Reed Army Institute of Research unit which is now stationed at the Pasteur Institute. An additional 300 midwives received training, as did 100 sanitation workers and 25 health educators under last year's project, "Rehabilitation and Health Worker Training," 430-11-590-351. More than 1.4 million pamphlets, posters, and leaflets were produced during CY 1967 by the National Service of Health Education, and the number of trained health educators assigned to the regions has increased from five to thirteen in the past year.

FY 1969 Program: A.I.D. proposes to provide funds for 36 U.S. A.I.D. advisors and 2 U.S. advisors from Participating Agencies (\$836,000). Of these 38, nine will work on overall coordination and communicable disease control, fourteen on environmental sanitation, four on public health nursing and midwifery, and eleven on health education. An additional ten public health - preventive medicine advisors will be provided under contract to be signed in FY 1968 and to be renewed in FY 1969 (\$250,000 per annum).

Some 15 participant trainees will be funded, at a total cost of \$30,000; 13 of them will receive from one to six months training in Taiwan or the Philippines in Maternal Child Care, Sanitation Worker Training, and Medical Records Management. Two sanitarians will receive long term training in the U.S. Commodities such as vehicles, materials for construction, pesticides, and laboratory and field supplies will be provided, primarily for activities in preventive medicine and environmental sanitation, at a

total cost of \$588,000. Personal services contracts will fund the services of three third country nationals to assist in the production of health education materials, (\$22,000).

The Government of Vietnam will support this project in CY 1969 by providing funds for over 5,000 Vietnamese health technicians.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Medical and Dental Education	ACTIVITY Public Health				FUNDS Supporting Assistance
	PRIOR REFERENCE P. 237	East Asia FY 1968	INITIAL OBLIGATION Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: 1957	FY: Undetermined
PROJECT NUMBER 730-11-540-150					

Project Target and Course of Action: In order to increase the quality and quantity of medical and dental graduates A.I.D. will continue to provide technical assistance to the University of Saigon by (1) modernizing the curriculum and shortening the number of years required for completion of studies; (2) augmenting the existing professional and technical staff by providing American faculty members; and (3) providing training in the use of the English language and support for the medical library.

The target of this project is for the University of Saigon to graduate annually, by 1970, 200 well-trained physicians, 50 well-trained dentists, and 300 medical/dental technicians. It is presently estimated that 190 doctors and 35 dentists will graduate during 1969.

In order to attain these targets A.I.D. will continue to support contracts with the American Medical Association (AMA) and with the American Dental Association (ADA) to provide teaching and curriculum advisory assistance.

The AMA and the ADA will also continue to administer the placement and specialty training of Vietnamese faculty members in U.S. institutions. The National Library of Medicine in Bethesda, Md., has agreed to provide the medical and dental school libraries with materials, as well as advisory support, while U.S. and other Free-World military personnel of the medical profession will be made available for extracurricular or off-duty voluntary teaching assignments when possible. This project is a continuation of Medical Education,

450-11-540-150, presented last year.

Progress to Date: The Basic Science buildings of the new Medical Center at the University of Saigon, completed in November, 1966, became fully operational in September, 1967. Medical educators serving under the AMA and ADA are presently lecturing in all pre-clinical disciplines. As a result of advisory services in curriculum revision, the course of study for doctors has already been shortened from 7 to 6 years, by lengthening the yearly term from 22 weeks to 28 weeks.

The medical/dental library has become operational, as has an exemplary cafeteria for students and faculty. Some 159 physicians graduated from the University of Saigon during CY 1967, as compared to 149 during 1966. The construction of a language-laboratory for the teaching of English has been indefinitely postponed, due to the need to consolidate the already on-going activities in this project. An A&E study for a 500 bed teaching hospital in Saigon has also been deferred in favor of utilizing existing facilities for teaching purposes.

FY 1969 Program: In FY 1969, A.I.D. will continue to provide funds for contract services with AMA and the ADA, participant training for 36 Vietnamese, commodity support, and four U.S. A.I.D. advisors. Extension of the contractual arrangements with the AMA, at a cost of \$430,000 for the 12 month period ending June 19, 1970, and the ADA at a cost of \$306,000 for the 12 month period ending May 3, 1970, will allow for the continued recruitment and payment of salaries of medical and dental educators. In addition,

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated				
				Estimated FY 1968	Proposed FY 1969		
Through 6/30/67	5,552	3,428	2,124	Direct AID	Contract	Total	American Medical Association; American Dental Association. B.A. Picar
Estimated FY 68	805	814					
Estimated through 6/30/68	6,357	4,242	2,115				
		Future Year Obligations	Estimated Total Cost				
Proposed FY 69	1,362	Undetermined					
				Cost Components			
				U.S. Technicians			
				Participants ...			
				Commodities ...			
				Other Costs ...			
				Total Obligations			

PROJECT TITLE Medical and Dental Education PROJECT NUMBER 730-11-540-150	ACTIVITY Public Health PRIOR REFERENCE P. 237 FY 1968 East Asia Vietnam PDB	FUNDS Supporting Assistance INITIAL OBLIGATION FY: 1957 SCHEDULED FINAL OBLIGATION FY: Undetermined
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\$262,000 will fund the training of the 36 Vietnamese participants in specialized medical and dental areas; \$204,000 will provide necessary commodities, including laboratory equipment, supplies, teaching aids; and \$10,000 will provide one year's funding, ending Feb. 1970, for a laboratory instructor under a personal services contract. The four U.S. A.I.D. advisors will continue to assist the Medical and Dental school officials consolidate their educational efforts. During CY 1969, it is estimated that the Government of Vietnam, through the Ministry of Education, will provide the equivalent of more than \$200,000 for Medical and Dental Education.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Nursing Education and Training		ACTIVITY Public Health		FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-540-349		PRIOR REFERENCE P. 239 FY 1968		INITIAL OBLIGATION FY: 1967	
		East Asia Vietnam PDB		SCHEDULED FINAL OBLIGATION FY: Undetermined	

Project Target and Course of Action: This project assists the Vietnamese Ministry of Health (MOH) to increase the number and quality of trained assistant nurses and nurse technicians, as part of the effort to improve the quality of patient care throughout Vietnam. During CY 1969, the target is to graduate at least 450 assistant nurses from schools giving one year nursing training and approximately 150 nurse technicians from a more intensive three year course. \$1,000,000.

In order to achieve these targets, nurse advisors from the U.S. will be provided to advise the MOH at the national level and in the operation of nursing schools, and to assist in programs of in-service and on-the-job training at hospitals throughout Vietnam. Qualified Vietnamese personnel will be sent to the U.S. for advanced training as part of the development of nursing education in Vietnam.

This is a continuing project from FY 1967.

Progress to Date: During CY 1967, a total of 333 assistant nurses and 134 nurse technicians graduated. Two additional assistant nursing schools have recently been opened, for a present total of five, and two others will open during CY 1968.

FY 1969 Program: A.I.D. will provide \$427,000, for 18 nurse advisors, \$42,000 for 7 participant trainees who will be sent to the U.S. for studies in either Nurse Training or Public Health Nursing, and \$41,000 for office equipment, training aids, and two vehicles. During CY 1969, it is estimated that the Government of Vietnam will support this project with a budget equivalent of nearly

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES U.S. Department of Public Health
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/67	221	150	71							
Estimated FY 68	443	282								
Estimated through 6/30/68	664	432	232	293	60	353	367	60	427	
		Future Year Obligations	Estimated Total Cost	Participants ...			42	-	42	
				Commodities ...	51	-	51	41	-	41
				Other Costs ...	-	-	-	-	-	
Proposed FY 69	510	Undetermined		Total Obligations	383	60	443	450	60	510

PROJECT TITLE Malaria Control	ACTIVITY Public Health			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 242	FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
PROJECT NUMBER 730-11-510-313				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: Within security limitations, this project seeks to control the spread of malaria. The program changed from an eradication program to one of control in FY 1965 due to increased insecurity. It will remain a control program until all malaria-infested areas are accessible to spray teams. The GVN will continue its efforts to recruit and hold the necessary malaria personnel to maintain the program, and to increase their performance by in-service and participant training. It is estimated that during CY 1969, nearly a million houses will be sprayed, and some 600,000 blood slides collected and analyzed. Under a Participating Agency Service Agreement (PASA) with the U.S. Public Health Service (USPHS) eight technicians will continue to assist the GVN Ministry of Health with this program.

The World Health Organization (WHO) will continue to provide one malariologist. MACV will also continue to provide assistance through its Joint Preventive Medicine and Communicable Diseases Control Office. This project is a continuation of Project 430-11-510-313 from FY 1967. Prior year eradication projects are being terminated.

Progress to Date: During the past year, about 800,000 houses were sprayed, equaling the previous year's performance. Even if the spraying areas cannot be enlarged, more people are being protected because of the population movement to urban areas. It is estimated that 85% of the susceptible population is protected against malaria.

FY 1969 Program: In FY 1969, A.I.D. will provide funds for 8 technicians under the PASA with the USPHS -- four

regional advisors, a chief of party, and experts in epidemiology, spraying, and entomology. Five participants are scheduled to receive short-term training in the Philippines, Thailand, and India, and A.I.D. will provide the necessary DDT, vehicles, and miscellaneous supplies and equipment. All of this will cost \$505,000. For CY 1969, it is estimated that the malaria budget of the Government of Vietnam will be the equivalent to about U.S. \$800,000.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated						
				Estimated FY 1968		Proposed FY 1969			
Through 6/30/67	297	121	176	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated FY 68	355	293		-	128	128	-	166	166
Estimated through 6/30/68	652	414	238	-	8	8	-	8	8
		Future Year Obligations	Estimated Total Cost	-	219	219	-	331	331
				-	-	-	-	-	-
Proposed FY 69	505	Undetermined		-	355	355	-	505	505

PRINCIPAL CONTRACTORS/AGENCIES

U.S. Public Health Service

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE National Rehabilitation Institute	ACTIVITY Public Health			FUNDS Supporting Assistance
PROJECT NUMBER 730-12-590-351	PRIOR REFERENCE P. 243 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project assists the Government of Vietnam in developing the capability to rehabilitate and train seriously handicapped persons, including those whose injuries have resulted from the war. During CY 1969 some 50 additional personnel will be trained at the Saigon National Rehabilitation Institute to work in Saigon and at three regional rehabilitation centers. Many of these personnel will be former patients of the facilities.

The combined production target for all facilities is 1,000 prosthetic devices per month. Physical therapy and vocational training will also be offered to paraplegics, amputees, and blind persons.

This program is carried out through a contract with the World Rehabilitation Fund, Inc. (WRF), which provides advisory and supervisory assistance, training of Vietnamese to operate the centers, and necessary equipment and supplies.

This project is a continuation of the rehabilitation component of the project previously presented under 430-11-590-351 "Rehabilitation and Health Worker Training". The training of health workers has been removed and is now grouped with other provincially oriented activities under project 730-11-530-347 "Provincial Health Assistance".

Progress to Date: During CY 1967, the branch center in Saigon at Cong Hoa Hospital became operational, while branches at Can Tho and DaNang opened in temporary facilities. Together with the National Rehabilitation

Institute, the centers were maintaining the production of more than 500 prosthetic devices monthly. Some 58 Vietnamese are now employed under this program, of which 35 are former patients. In addition, Canada has proposed to construct a branch center at Qui Nhon during CY 1968.

FY 1969 Program: In FY 1969, A.I.D. proposes to continue the contract with the World Rehabilitation Fund, Inc., at a cost of \$630,000, to provide for six U.S. advisors, the necessary supplies and raw materials, and permanent construction of the Can Tho center.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/67	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
	Estimated FY 68	308	429	Estimated FY 1968					
				Direct AID	Contract		Total		
Estimated through 6/30/68	1,066	338	728	-	332	332	-	335	335
		Future Year Obligations	Estimated Total Cost						
Proposed FY 69	630	Undetermined		-	607	607	-	630	630

World Rehabilitation Fund, Inc.

PROJECT TITLE National Health Advisory Services	ACTIVITY Public Health			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 233 FY 1968	East Asia Vietnam PDB		SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-590-373	INITIAL OBLIGATION FY: 1967			

Project Target and Course of Action: The aim of this project is to significantly improve Vietnamese capabilities at planning and administering hospital programs and the practice of pharmacy.

In the area of hospital management and administration, training and operations will be improved through the provision of 15 hospital administrators under a contract with a U.S. institution. Long-range staffing plans for professional and paramedical personnel, as well as standard equipment lists for hospital facilities, will be developed in conjunction with the MOH. Pharmaceutical advisory assistance will consist of improved control of the manufacture and importation of drugs and pharmaceuticals, and development of population control programs in five pilot areas. A pilot Food for Freedom program in selected hospitals will be completed and evaluated.

This project, which deals with ministerial level advisory assistance, was previously presented as a portion of 430-11-530-347 "Clinical Health Services."

Progress to Date: During the past year, standard equipment lists were developed for district and village health facilities. An evaluation of the Admitting and Medical Records Departments is being conducted at two Saigon hospitals and will be extended to others. A family planning committee has been established within the MOH. It has developed long range plans for demographic and clinical studies and 3 research family planning pilot projects have been established.

FY 1969 Program: During FY 1969, A.I.D. will provide

\$188,000 for 8 advisory personnel, and \$450,000 extension of a contract for 15 hospital administrators. The first year of services under this contract will begin in FY 1968. Some 6 participant trainees will receive long term training in family planning-demography in the U.S. at a cost of \$48,000; 4 short term family planning participants will study for one month each in Singapore at a total cost of \$2,000. Necessary pharmaceutical laboratory supplies will be provided at a cost of \$4,000.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract/		Total	Direct AID	Contract/	Total
Through 6/30/67	122	86	36					Not yet determined.			
Estimated FY 68	730	177									
Estimated through 6/30/68	852	263	589	U.S. Technicians	111	515	626		123	515	638
		Future Year Obligations	Estimated Total Cost	Participants ...	50	-	50		50	-	50
				Commodities ...	24	-	24		4	-	4
				Other Costs ...	-	30	30		-	-	-
Proposed FY 69	692	Undetermined		Total Obligations	185	545	730		177	515	692

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Health Logistics Support	ACTIVITY Public Health			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-590-350	PRIOR REFERENCE P. 240	East Asia FY 1968 Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project provides medical supplies and equipment to meet the needs of joint A.I.D. and Government of Vietnam civilian medical and public health programs. In addition, the project assists the Ministry of Health (MOH) of the GVN in its continuing efforts to develop a dependable national medical logistics system. In essence this project provides warehouses and distributes medical supplies and equipment throughout South Vietnam on a scale never before attempted.

During CY 1969 some 17 Quonset-type distribution points will be completed from prior year funding. In addition some 139 third-country nationals will continue to assist directly in warehousing and vehicle maintenance, as well as give on-the-job training to Vietnamese in these fields. Through a contract with a U.S. advisory firm, supply requisitioning procedures developed during prior years will continue to be implemented in the provincial hospitals where Vietnamese will be trained in their use. This project is a continuation of Health Support Services, 430-11-590-350 presented last year, except for administrative support which is now included under Public Health General Support.

Progress to Date: During CY 1967, construction on nine warehouses throughout the country was almost completed, and nearly \$6 million in A.I.D. funds were used for medical supplies. An additional \$7 million was allocated for additional supplies in FY 1968. Hospital

personnel are presently being trained in revised requisitioning procedures. 107 third-country nationals are now assisting in warehousing, and 32 are working in vehicle maintenance.

FY 1969 Program: During FY 1969 A.I.D. will provide \$10.2 million for medical supplies and additional supplies will be provided by the Department of Defense. These commodities will move through the MOH medical supply system to support health programs throughout Vietnam. A.I.D. will also fund contracts totalling \$1,840,000, including extension of a contract with Pope, Evans, Robins, International, Ltd. to develop logistic systems and procedures and train Vietnamese. Other contracts will provide 32 vehicle repairmen, 107 warehousemen, and funds (\$425,000) for the construction of warehouses. Some 47 U.S. technicians and 24 third country nationals will provide direct assistance in overall supervision and operation of the supply system at a cost of \$1,084,000.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	7,897	1,728	6,169							
Estimated FY 68	10,685	8,086								
Estimated through 6/30/68	18,582	9,814	8,768							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	13,112	Undetermined								
				Total Obligations						

PROJECT TITLE Public Health General Support		ACTIVITY Public Health			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-590-375		PRIOR REFERENCE P. 245 FY 1968		INITIAL OBLIGATION FY: 1967		SCHEDULED FINAL OBLIGATION FY: Undetermined
		East Asia Vietnam				

Project Target and Course of Action: The purpose of this project is to provide advisory assistance to the Vietnamese Ministry of Health, in administrative as well as policy matters, and overall supervision and administration of all projects in the Public Health sector. Guidance will be provided to Mission management on matters pertaining to public health in Vietnam.

This project combines a previous project "Technical Support - Public Health", 430-11-990-00-8, which had provided funds for executive management of the Public Health Program, with that portion of another previous project, "Health Support Services", 430-11-590-350, which had provided for the administrative staff responsible for the program.

FY 1969 Program: The proposed dollar funding will cover the services of 16 U.S. technicians, including the Assistant Director for Public Health and his Deputy, an executive assistant and 13 health administrators. The Department of Defense will provide two of these technicians.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/67	549	336	213								Department of Defense
Estimated FY 68	431	535									
Estimated through 6/30/68	980	871	109	U.S. Technicians	279	79	358	372	69	441	
		Future Year Obligations	Estimated Total Cost	Participants . . .	-	-	-	-	-	-	
				Commodities . . .	73	-	73	73	-	73	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 69	514	Undetermined		Total Obligations	352	79	431	445	69	514	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Telecommunications	ACTIVITY Public Works			FUNDS Supporting Assistance
PROJECT NUMBER 730-12-220-029	PRIOR REFERENCE P. 260	East Asia FY 1968 Vietnam	INITIAL OBLIGATION FY: 1958	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Targets and Course of Action: The overall objective of this project is to establish a country-wide network of telecommunications services linking population centers in the provinces with the capital, improving urban service, and expanding international circuits. Short term targets are protecting and maintaining the equipment and facilities, furnished in prior years, making the maximum feasible use of these facilities under war-time conditions and improving the administrative capacity of the GVN Directorate of Posts and Telecommunications (P&T).

A.I.D. is furnishing technical assistance in operations and maintenance under previously funded contracts for: (a) a 231 microwave channel Southern Toll System (Saigon and points south) whose construction was completed in 1965, (b) 23 dial exchanges in Saigon and major provincial cities constructed in 1964-1967, (c) the installation of telephone service for 8,000 new subscribers in the same cities, and (d) improvement of international circuits used heavily by members of the U.S. forces in Vietnam. Except for international circuit assistance, these contract services will be nearing completion at the end of CY 1968.

Essential to the effective operation of the system over the long term is a reorganization of P&T and increasing the ability of its personnel. A contract to provide assistance in the detailed planning and implementation of such improvements is being funded in FY 1968. While A.I.D. had planned to phase out this program by the end of CY 1968, it has become clear that technical assistance to

P&T must be extended at least through the end of 1969.

The GVN has approved a billion piaster loan (\$8.5 million equivalent) to P&T from the Bank of Vietnam for further improvement of facilities. This project is a continuation of that presented last year.

Progress to Date: Progress has been slower than anticipated due to P&T's organizational and manpower difficulties and because of security problems. Under present wage scales and the military draft, P&T has not been able to hold its skilled technicians in the numbers required to continue major expansions of service.

Nevertheless, 1000 additional installations of telephone service were made in CY 1967, and substantial progress was made in increasing availability of international circuits which are in heavy demand by U.S. troops. Further expansion of the Southern Toll microwave system is not contemplated at present.

FY 1969 Program: Continuation of three U.S. direct hire technical advisors to P&T is proposed (\$107,000). Other costs comprise third country national technicians to assist in maintaining international circuits (\$100,000).

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	12,730	9,210	3,520							Page Communications Engineers, Inc. Others undetermined.
Estimated FY 68	831	1,299								
Estimated through 6/30/68	13,561	10,509	3,052	91	600	691	107	-	107	
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	207	Undetermined		131	700	831	107	100	207	

PROJECT TITLE Inland Waterways Improvement		ACTIVITY Public Works			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-350-297		PRIOR REFERENCE P. 254 FY 1968		INITIAL OBLIGATION FY: 1966		SCHEDULED FINAL OBLIGATION FY: Undetermined
				East Asia Vietnam PDB		

Project Target and Course of Action: The project objective is to maintain and improve vital waterway communications in the Delta for the transport of military supplies and commercial goods and services, and to improve the linkage of Delta villages with population centers. Specific plans call for dredging a canal from Can Tho to Soc Trang, land reclamation in the Can Tho - An Giang areas, and continued expansion of other Delta dredging as security permits. Primary reliance is placed on contract dredging combined with on-job training of Vietnamese dredge crews.

This project was part of Ports and Mekong Delta Waterways, 430-11-350-297, presented last year.

Progress to Date: During FY 1967 \$3 million was obligated for a contract with the Retired Servicemen's Engineering Agency (RSEA) Republic of China, for 12-month dredging in the Delta. Negotiation of the contract required more time than anticipated, and project targets are essentially the same as last year. Mobilization is now underway and four dredges (3-12" and 1-24") will begin work with full crews in April 1968: One in Can Tho, one in Long Xuyen, and two in Soc Trang. Output will include stockpiling of construction material, land fill, channel clearing, and depth maintenance. The contract provides that RSEA will train 128 Vietnamese dredge operators and mechanics; 5 engineers; and donate to the GVN one 12" dredge each 12 month contract period. The RSEA is itself contributing materials and services which will total approximately \$536,000.

FY 1969 Program: Four participants of the GVN

Directorate of Navigation are programmed for technical training in hydrography, sedimentation, and dredging procedures. Other costs comprise an estimated \$2 million extension of contract dredging work.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES Retired Servicemen's Engineering Agency
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	5,473	317	5,156	-	-	-	-	-	-	
Estimated FY 68	12	3,131		12	-	12	25	-	25	
Estimated through 6/30/68	5,485	3,448	2,037	-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost	-	-	-	-	2,000	2,000	
Proposed FY 69	2,025	Undetermined		12	-	12	25	2,000	2,025	
			Cost Components							
			U.S. Technicians							
			Participants . . .							
			Commodities . . .							
			Other Costs . . .							
			Total Obligations							

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Rural Water Development	ACTIVITY Public Works			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-520-359	PRIOR REFERENCE P. 262	FY FY 1968	East Asia Vietnam	INITIAL OBLIGATION FY: 1967
				SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: The project provides new potable water supplies to people not served by municipal systems, at locations determined by war relief and pacification priorities. Emphasis in FY 1969 will be on secure water supplies for refugee camps and civilian hospitals, in recognition of the fact that limited GVN manpower, equipment, and logistic capability must be focused on the most urgent requirements.

Resources of the GVN Directorate of Water supply, which has assigned 230 men to this work, are being augmented by 17 officers and men of the 513th Engineering Control Advisory Detachment (ECAD), U.S. Army. The joint capability of these groups is approximately 120 major new water supply facilities per year, about half by development of ground water resources and half from surface sources. If security conditions permit this would provide potable water to roughly 800,000 people.

In addition to the GVN and A.I.D. resources, special requirements will be met through use of private contractors. A contract well drilling program is planned in FY 1968 in Long An province as a pilot pacification action measure.

This project was formerly titled Water Resources Development and included support of municipal systems. Urban activities under this project have been transferred to project No. 730-11-890-393, Provincial

Cities Reconstruction and Development, to permit integrated implementation of urban activities.

Progress to Date: Accomplishments under this project and prior water supply activities under the counterinsurgency program since FY 1965 are shown below. These figures exclude hand dug wells and other shallow or temporary sources of water.

Deep wells, drilled	178
Turbine pumps, installed	109
Surface water treatment plants, constructed	35
Existing treatment plants, rehabilitated	6
Elevated storage tanks & towers, constructed	28
Water distribution systems completed	43
(Total of 93,400 meters of pipe)	
Public fountains	433

These facilities are capable of supplying potable water to 1.4 million people in rural areas. Progress was slowed in CY 1967 due to a shortage of GVN technical manpower for work crews, and difficult security conditions. During the year, twenty-six new deep wells were drilled and fourteen distribution systems installed.

FY 1969 Program: Fourteen direct hire U.S. engineers and well drilling technicians will advise and train GVN crews at a cost of \$396,000. A.I.D. will also fund travel and per diem only of the 513th ECAD under a participating agency agreement (\$75,000). Contracts for three U.S. maintenance and training technicians will be extended (\$62,000). Commodities (\$1,000,000) include pipe and

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES												
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS														
					Estimated FY 1968			Proposed FY 1969											
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total									
Through 6/30/67	2,206	316	1,890																
Estimated FY 68	1,546	1,728			418	69	487	396	137	533									
Estimated through 6/30/68	3,752	2,044	1,708		6	-	6	-	-	-									
		Future Year Obligations	Estimated Total Cost		300	-	300	1,000	-	1,000									
					39	714	753	58	10	68									
Proposed FY 69	1,601	Undetermined		Total Obligations	763	783	1,546	1,454	147	1,601									

U.S. Army
Undetermined

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Rural Water Development	ACTIVITY Public Works			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-520-359	PRIOR REFERENCE P. 262 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

fittings, replacement parts for well drilling equipment, pumps, and accessories. Other costs are for seven third country national technical assistants (\$58,000), and for a third-country expert in hydrology (\$10,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Provincial Roads and Quarries		ACTIVITY Public Works			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-310-392		PRIOR REFERENCE P. 251 FY 1968		INITIAL OBLIGATION FY: 1968		SCHEDULED FINAL OBLIGATION FY: Undetermined
		East Asia Vietnam PDB				

Project Target and Course of Action: This project has the joint objective of (a) improving farm-to-market and feeder provincial roads and bridges, in accordance with pacification priorities, and (b) increasing quarry production of aggregate (crushed rock) to the level required for road and other construction, particularly in the Delta area. Aggregate is currently in short supply.

The GVN Ministry of Public Works supported by the U.S. Department of Defense is heavily engaged in construction and maintenance of primary routes of strategic military importance. This has led to the neglect and deterioration of secondary provincial roads with which this project is concerned. Recognizing the importance of such roads, the Ministry of Revolutionary Development (MORD) has budgeted one billion piasters (\$8.5 million equivalent) for their improvement in 1968. GVN construction services, including provincial engineering offices, and local self help will be employed on roads selected by MORD and CORDS for their contribution to pacification objectives and economic value.

A.I.D. assistance consists of construction materials not available locally (such as culverts and bridging), rehabilitation of construction equipment, and technical services by contract to regional engineering offices of the Ministry of Public Works.

In quarry development, A.I.D. will finance the operation by a U.S. contractor of a quarry at Nui Sap, An Giang province. Production of aggregate is anticipated by late 1968, and should reach 17,000 cubic meters

per month at full operation.

This project was presented to Congress last year as Roads and Quarries 430-11-310-294. Since presentation, the improvement of city streets has been shifted to a new project entitled Provincial Cities Reconstruction and Development. Commodities increased slightly, and a single contract negotiated for quarry operations will be on a considerably more expansive basis than was originally conceived. Annual project costs will rise, therefore from last year's estimate of about \$3 million to almost \$5 million.

Progress to Date: In CY 1967 no significant progress was made on provincial roads. Negotiations of a contract for a U.S. firm to operate the Nui Sap quarry were concluded but the contractor is still in the process of mobilizing his resources to do the job and expects to be in operation in June 1968. It was determined not to proceed with improvement of Cam Ranh City streets, and the resources were shifted to the Provincial Cities project for use in Nha Trang streets.

FY 1969 Program: The contract for quarry operation will be renewed (\$2,000,000), commodities for both roads and quarries will be provided (\$2,425,000), two participants will receive road maintenance management training (\$6,000), and 15 contract personnel will be continued to provide the engineering and equipment know-how required to train and help staff 5 district highway offices (\$370,000).

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES				
Through 6/30/67	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			RMK-BRJ		
	Estimated FY 68	Estimated through 6/30/68	Future Year Obligations		Estimated Total Cost	Estimated FY 1968			Proposed FY 1969	
Proposed FY 69	4,801	Undetermined		Total Obligations	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
	-	-	-							
	4,759	1,286		U.S. Technicians	-	93	93	-	370	370
	4,759	1,286	3,473	Participants ...	6	-	6	6	-	6
				Commodities ...	2,660	-	2,660	2,425	-	2,425
				Other Costs ...	-	2,000	2,000	-	2,000	2,000
					2,666	2,093	4,759	2,431	2,370	4,801

PROJECT TITLE Public Works General Support		ACTIVITY Public Works				FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-990-380		PRIOR REFERENCE P. 263 FY 1968		East Asia Vietnam PDB		INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project provides overall direction and support for projects in the Public Works sector, and extensive engineer backstopping for other A.I.D.-assisted programs in such fields as Education and Public Health which contain construction elements, both in Saigon and the field. The need for extensive technical support in this area is occasioned by the unusual magnitude and diversity of project construction and the severe shortage of GVN engineer personnel. Third country nationals under contract are employed in the field to supplement direct hire U.S. engineers for the surveillance and coordination of construction projects.

FY 1969 Program: Fifty-two U.S. direct hire technicians (\$2,050,000) are proposed of which thirty-seven are field positions. Two U.S. consulting engineers will be continued under personal services contracts (\$50,000). The balance of FY 1969 funding provides for a field staff of 38 third country national engineers, and the services of a construction inspection firm for work in the provinces.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968			Proposed FY 1969			
					Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	841	571	270								Eastern Construction China Technical Consultants Others not yet determined.
Estimated FY 68	3,215	1,821			1,463	50	1,513	2,050	50	2,100	
Estimated through 6/30/68	4,056	2,392	1,664		-	-	-	-	-	-	
		Future Year Obligations	Estimated Total Cost		483	-	483	-	-	-	
					125	1,094	1,219	-	818	818	
Proposed FY 69	2,918	Undetermined			2,071	1,144	3,215	2,050	868	2,918	
				Total Obligations							

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Provincial Cities Reconstruction and Development		ACTIVITY Urban Reconstruction and Development			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-890-393		PRIOR REFERENCE P. 221, 255, 257, 262		East Asia Vietnam	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project integrates key elements of U.S. and GVN assistance to urban areas outside Saigon. Services and utilities in provincial cities were already seriously overburdened as a result of wartime crowding. The VC Tet attacks in February 1968 underscored the urgency of strengthening the administrative capabilities of provincial cities. This project assists in mobilizing municipal governments to meet various types of problems, i.e., improvement of fire protection, sanitary services, and street repair, restoration and extension of municipal water and electric power systems, and provision of commodities on an emergency basis for the reconstruction of municipal buildings and self-help housing. The latter commodity support -- approximately \$5 million in FY 1968 and about \$1 million in FY 1969 -- is a tentative estimate of requirements which may be raised substantially when the scope of reconstruction requirements has been more completely assessed. The GVN has formed an emergency committee which has proposed government supported housing reconstruction in densely populated areas.

Project elements that represent a continuation of activities presented last year as parts of other projects are as follows: (a) support of fire and sanitary services from project 430-11-790-339, Support of Civil Government; (b) improvement of municipal water systems from Project 430-11-520-359, Water Resources Development; (c) expansion of provincial electric power service from Project 430-11-220-356, Electric Power; and (d) advisory

and design services to the GVN Directorate of Reconstruction and Urban Planning and the Directorate of Housing from Project 430-11-890-355, Reconstruction and Urban Planning. Integration of these activities in a single project will concentrate resources and permit more flexible response in a rapidly changing urban situation.

In addition to the above, it is planned to assist in the construction of a 15 million - gallon-per-day water supply system in Danang (\$7.6 million in FY 1969). Danang is Vietnam's second largest urban center with a metropolitan population of approximately 240,000. Water service is presently based on shallow wells. The new system will be designed to incorporate U.S. military demand; some cost sharing with DOD is anticipated. This activity was included in former project 430-11-520-359, Water Resources Development. Considerable survey work was done on this project in FY 1967 but we do not anticipate negotiating a contract until FY 1969.

In order to promote better planning and operation of municipal services, increase self-help, and establish priorities, the feasibility of a national urban utilities revolving loan fund is being investigated. A contribution of \$8.0 million to such a fund is proposed in FY 1969 on a contingency basis. It is possible that some of these funds will be required for reconstruction purposes.

Progress to Date: Municipal administration advisors are now assigned to five urban centers outside Saigon, where they have introduced improvements in financial management, sanitation operations, and basic urban planning. Improved

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS							PRINCIPAL CONTRACTORS/ AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969				
				Direct AID	Contract	Total	Direct AID	Contract	Total		
Through 6/30/67	5,253	342	4,911							Lyon Associates Trans. Asia Taiwan Power Ralph M. Parsons Co.	
Estimated FY 68	10,762	8,710									
Estimated through 6/30/68	16,015	9,052	6,963	378	-	378	513	-	513		
				31	-	31	54	-	54		
		Future Year Obligations	Estimated Total Cost	6,968	-	6,968	10,026	-	10,026		
				-	3,385	3,385	32	8,043	8,075		
Proposed FY 69	18,668	Undetermined		7,377	3,385	10,762	10,625	8,043	18,668		

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
Provincial Cities Reconstruction and Development	Urban Reconstruction and Development				
	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
PROJECT NUMBER 730-11-890-393	P. 221,255,257,262	FY 1968 Vietnam PDB	FY: 1967	FY: Undetermined	

water systems for three provincial cities were completed in 1967 and two more are being installed. About 56,000 meters of pipe, pumps, and treatment equipment were installed at other locations to up-grade service. Feasibility studies and design for the Danang water system were completed. Seven cities received major new diesel electric generating units, and electric power was brought to 19 villages for the first time.

FY 1969 Program: Eighteen U.S. direct-hire advisors at \$513,000 are programmed as follows: 13 municipal administration and planning advisors and 5 civil engineers. Nineteen participants (\$54,000) are scheduled in power plant maintenance (12), water works operation (2), and advanced Architect/Engineering and Urban Planning (5). The commodity component is composed of \$8.0 million to be administered through a proposed urban utilities revolving fund, \$1 million for emergency reconstruction, and the balance for municipal water supply, fire suppression, and garbage collection equipment. Other costs comprise \$7,593,000 million for Danang water system construction, base maps for urban planning (\$100,000), extension of provincial power Architect/Engineer services (\$350,000), and third-country national designers and engineers (\$32,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Metropolitan Area Development	ACTIVITY Urban Reconstruction and Development			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-790-370	PRIOR REFERENCE P. 221 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: Over the past several years the population of the Saigon Metropolitan area has been increasing rapidly due to insecurity in the country-side, employment possibilities in Saigon and, until the February 1968 VC attacks, the relative security of Saigon. This influx has resulted in a much greater demand for metropolitan services. Since the GVN and the Saigon Metropolitan government are under great pressure to increase their services to the people of Saigon the USAID inaugurated a program of assistance in FY 1967 to respond to these requirements. The recent VC attacks, however, have greatly exacerbated the difficulties of the city and national governments which are now faced with the reconstruction of homes, businesses, streets and certain public facilities. The USAID, accordingly, will be supporting a broad program of improvements and reconstruction in the Saigon area.

More specifically this project will assist in: 1) improving various metropolitan services such as garbage and trash disposal, sanitation, transportation, electricity, water, sewage and public health facilities; 2) improving the administrative capability of the Saigon municipal government and 3) the process of reconstructing those areas which suffered destruction during the VC February attacks.

Emphasis will be placed on improving the capability of the Saigon Prefecture in administrative organization and procedures, budgeting and accounting, mass bus transportation, refuse removal and disposal, public works (i.e.,

construction and maintenance of streets, sewers and public facilities), and in surveying and developing plans through a contract for fire protection, traffic improvement, and maintenance of city equipment.

It is not possible at this time to describe precisely what A.I.D.'s role in reconstruction will be, since plans are just being formulated. But the need to increase our financing of imported construction materials is an obvious possibility.

This project was presented last year as part of Support of Civil Government, 430-11-790-339. The Saigon portion has been segregated in order to permit proper emphasis to be given to the largest city and because of the reconstruction needs.

Progress to Date: The U.S. Mission has formed its own Saigon Policy Board and a Metropolitan Saigon Development Office. The former will deal with what programs the U.S. will undertake; the latter will coordinate the implementation of the programs. On the Vietnamese side, the creation of a Joint Ministry Committee, called the Saigon City Planning Committee reflects a concerted effort to attack urban problems in Saigon. The Saigon Bus System staff has been reduced and the system was operating at a profit at the end of 1967. Collection and disposal of refuse has greatly improved. New equipment for street maintenance has been delivered and is in effective use. A census study in support of a Master Plan has been completed and fifteen community self-help projects, including paving walkways, building public latrines and day-care centers

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/67	216	77	139							Dept. of Housing & Urban Development Contractors - Undetermined
Estimated FY 68	8,331	6,089								
Estimated through 6/30/68	8,547	6,166	2,381	140	445	585	177	150	327	
				16	-	16	14	-	14	
		Future Year Obligations	Estimated Total Cost	6,040	-	6,040	2,730	-	2,730	
				500	1,190	1,690	-	3,922	3,922	
Proposed FY 69	6,993	Undetermined		6,696	1,635	8,331	2,921	4,072	6,993	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Metropolitan Area Development	ACTIVITY Urban Reconstruction and Development			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 221 FY 1968		East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
PROJECT NUMBER 730-11-790-370				

were undertaken.

FY 1969 Program: Ten U.S. personnel, 6 A.I.D. advisors for \$177,000 and 4 HUD PASA technicians for \$150,000, will be funded. Commodities for garbage removal, street maintenance equipment, bus repair parts and general reconstruction is estimated at \$2,730,000. This amount includes \$1,000,000 as an initial fund for purchasing commodities when the reconstruction plan becomes known. Other costs of almost \$4 million are for road and bridge construction, street improvement and drainage (\$3,000,000), sanitation systems improvements (\$570,000) and for 50 third-country nationals to help improve the city's equipment maintenance facilities and to train mechanics (\$352,000). Three participants, in traffic engineering and public works administration, are proposed (\$14,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Electric Power		ACTIVITY Urban Reconstruction and Development			FUNDS Supporting Assistance
PROJECT NUMBER 730-12-220-356		PRIOR REFERENCE P. 257	FY FY 1968	EAST ASIA East Asia Vietnam	INITIAL OBLIGATION FY: 1967
		SCHEDULED FINAL OBLIGATION FY: Undetermined			

Project Target and Course of Action: The project objective is to (a) expand power generating and distribution capacity for the Saigon Metropolitan area to approximately 350 MW by December 1971, and (b) to establish the Saigon Power Company (SPC) as an independent, effective utility company. Based on experience in other developing countries, it should be possible, when this objective is met, to provide for further expansion through the utility's own revenue earnings and credit.

Specific targets are: (a) Establishment by the GVN of a new regulatory body and a rate structure, and taking of other necessary actions to assure the independence and integrity of the Saigon Power Company; (b) development of Vietnamese managerial and technical skills to fill the gaps left by CEE (former French concessioner) withdrawal on December 31, 1967; (c) training of Vietnamese staff in using equipment; (d) gradual increase in the initial generating capacity of 116 MW to 350 MW by December 1971; (e) expansion and renovation of the transmission and distribution system in the Saigon area.

As an interim target, the project provides for the installation of 30 additional small diesel generators, (partially financed by DOD) during CY 1968 with a total capacity of 63,000 KW, and interim improvements to the distribution system.

This project is a continuation of the major element of the Electric Power Project No. 430-11-220-356 presented last year except that (1) the major capital agreement (\$32 million) was accomplished in FY 1967 rather

than FY 1968, and provision of electric power to provincial cities and towns in last year's project has been transferred to project No. 730-11-890-393, Provincial Cities Reconstruction and Development.

Progress to Date: The longer range target mentioned above will be achieved primarily through the \$32 million package agreement with the GVN. The agreement was funded in FY 1967 rather than at a later date because of the urgency of the electric power requirements in Saigon and the long lead time required by many of the items in the package. This package consists of: (a) U.S. utility management services for three years - \$2 million; (b) purchase, installation and initial operation of two 66,000 KW steam electric generating units - \$21 million; (c) engineering and construction of reinforcements and extensions to the transmission and distribution system - \$9 million. The GVN is contributing VN \$1.1 million (U.S. \$9.1 million equivalent) for management services, Thu Duc Power Plant construction, and for transmission and distribution expansion. Generating capacity for the Saigon area increased by 27 MW in 1967 as a result of accelerated procurement and installation of 13 diesel generators. Installation of a 15,000 KW gas-turbine unit is being completed. Two major contracts have been concluded: (a) with Commonwealth Associates for the provision of management services to the Saigon Power Company (\$2.3 million), and (b) with Detroit Edison for program monitoring and specialized advisory services beyond A.I.D.'s direct-hire capability (\$750,000).

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/67	4,110	163	39,947							Commonwealth Associates Detroit Edison Co. Philco-Ford Taiwan Power Co.
Estimated FY 68	1,289	7,202								
Estimated through 6/30/68	41,399	7,365	34,034	182	750	932	182	-	182	
		Future Year Obligations	Estimated Total Cost	7	-	7	6	-	6	
				-	-	-	-	-	-	
				-	350	350	-	-	-	
Proposed FY 69	188	Undetermined		189	1,100	1,289	188	-	188	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Electric Power	ACTIVITY Urban Reconstruction and Development	FUNDS Supporting Assistance
PROJECT NUMBER 730-12-220-356	PRIOR REFERENCE P. 257 FY 1968	EAST ASIA Vietnam PDB
	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

FY 1969 Program: Six U.S. direct hire technicians (\$182,000) will be continued: three Power Engineers, two General Engineers, and one Thermal Plant Advisor. Seven participants will receive short courses in Taiwan on thermal plant operation, and in operation and maintenance of transmission and distribution systems (\$6,000).

Country:

PROJECT DATA

TABLE III

PROJECT TITLE Saigon Water and Sewerage	ACTIVITY Urban Reconstruction and Development			FUNDING Supporting Assistance
PROJECT NUMBER 730-12-520-358	PRIOR REFERENCE P. 261	FY 1968	INITIAL OBLIGATION East Asia Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project is designed to (a) provide the urban population of Saigon with an effective water supply system to meet demands for potable water for the next ten years, and (b) assist the Saigon Metropolitan Water Office to become an effectively managed and self-sustaining water utility.

A.I.D., through contract, provides the technical, management, and training assistance required to assure the continuing operation and development of this vital facility. Commodity support for this project will end in FY 1968. The principal capital investment for the new system -- a raw water pumping station, treatment plant, transmission mains, and distribution network -- was financed from a \$17.5 million DLF loan signed in 1960, and now virtually fully disbursed.

Technical and advisory services contributing to the successful completion of this project include a maintenance, operation and training contract for the water supply and treatment plant with Hydrotechnic corporation of New York. This contract will be terminated in FY 1968. Individual personal services contracts will provide some continued assistance in this area. A management services contract with Commonwealth Services Inc. of New York is providing assistance in improving the overall administration and fiscal management of the Central Water Office and the operation of the water distribution system. An architectural and engineering services contract to provide construction supervision of ongoing expansion work is funded

almost entirely by the GVN. An A&E contract for hydraulic analysis and design for expansion of the distribution system was funded in FY 1968. A related project element provides for a sewerage system improvement feasibility study, now being negotiated.

A final major increment of commodity support in FY 1968 consists of pipes and accessories, water meters, and some construction equipment. The system itself now generates sufficient revenue for procurement of chemicals and operating supplies, payment of salaries, electricity, transportation, and routine maintenance. The GVN CY 1968 proposed budget includes VN \$460 million (\$3.9 million U.S. equivalent) for support of on-going construction.

This project is a continuation of that presented last year.

Progress to Date: Deliveries of treated water from the new facilities to metropolitan Saigon increased to 54.8 million gallons daily at the end of 1967, compared to 31 MGD at the beginning of the year. In July 1967, the SMWO Vietnamese staff assumed complete responsibility for operation and maintenance of the pumping station and treatment plant, with monitoring only by the U.S. contractor. A large diameter transmission pipeline to the Bien Hoa Industrial Zone was completed in August 1967.

FY 1969 Program: Three U.S. direct hire General Engineers will continue technical supervision over the project (\$91,000). Participants are programmed for short term training in water plant operations in Australia.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated							
				Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract	Total	Direct AID	Contract	Total	
Through 6/30/67	3,347	60	3,287							Commonwealth Services Inc. Hydrotechnic Corporation Others undetermined
Estimated FY 68	3,206	1,835								
Estimated through 6/30/68	6,553	1,895	4,658							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	95	Undetermined								
				Total Obligations						

Other

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Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Youth Affairs	ACTIVITY Other			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-990-336	PRIOR REFERENCE P. 217	FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967
			SCHEDULED FINAL OBLIGATION FY: Undetermined	

Project Target and Course of Action: This project is designed to assist the Vietnamese Government to meet the aspirations of both rural and urban Vietnamese youth by involving them constructively in the nation building process, and thus to stimulate constructive social change and economic improvement.

The objectives of this project are to: (a) promote self government and community self-improvement in selected areas of Saigon through the participation of youth groups in planning and carrying out specific projects; (b) encourage the growth of private youth groups in the countryside; (c) assist in the development of voluntary youth civic action programs through which young teachers and students carry out small scale development projects in selected hamlets and urban slums; (d) foster youth leadership by developing and expanding programs of physical education and sports throughout the country both in and out of the school system; and (e) foster development of the rural youth program of the Ministry of Agriculture and Land Reform.

This project provides advisors to the GVN Directorate of Youth in Saigon and the four regions. Three senior advisors in Saigon are assisted by five specialist advisors in such fields as private youth groups, school youth programs, and youth civic projects activities. This project is a continuation of Project 430-11-990-336 presented last year.

Progress to Date: Until recent years Vietnamese youth have often been an explosive, destructive group in

opposition to the government of Vietnam. Since 1965, considerable success has been achieved in redirecting this same group towards positive, socially useful action.

In 1966 the Summer Youth Program, which had grown steadily since its inception in 1964, expanded to include 12,000 students working in 31 provinces under the leadership of young teachers and youth leaders. In 1967 this program was delayed until the start of the school year and was incorporated into the over-all education program. A private summer program working with refugees in the northern provinces involved students from all the universities in Vietnam. Eighty-five houses and a school were constructed and medical and recreational programs serving 500 families were established. Youth civic action program participants undertook some 150 projects in 1967.

Another initiative arising out of the 1965 Summer Youth Program was the undertaking of a broad, continuing development effort in one of the poorest districts in Saigon by a group of youth leaders. By the end of 1967 this effort had expanded from District 8. to the adjacent Districts 6 and 7. To date 52 elected hamlet development councils have been established, 300 small-scale and 170 large-scale self-help projects have been completed, 600 low-cost houses have been completed or started, and numerous programs have been initiated in such fields as vocational training, sanitation and health, and recreation.

FY 1969 Program: Funds are required in FY 1969 for 12 U.S. advisors (\$292,000) and construction commodities for community projects (\$677,000). \$6,000 is for third-country assistance.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1968			Proposed FY 1969		
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/67	146	50	96						
Estimated FY 68	837	563							
Estimated through 6/30/68	983	613	370						
		Future Year Obligations	Estimated Total Cost						
Proposed FY 69	975	Undetermined							
Cost Components									
U.S. Technicians				242	-	242	292	-	292
Participants . . .				-	-	-	-	-	-
Commodities . . .				579	-	579	677	-	677
Other Costs . . .				-	16	16	-	6	6
Total Obligations				821	16	837	969	6	975

PROJECT TITLE Village and Local Development	ACTIVITY Other		FUNDS Supporting Assistance
	PRIOR REFERENCE None	INITIAL OBLIGATION FY: 1969	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-790-388			

Project Target and Course of Action: This project funds pilot efforts to test a local government program designed to enable villagers to become more involved in the development of their community and thus to strengthen the structure of local self-government.

Under this project U.S. advisors, with extensive experience in Pakistan in a highly successful similar effort, will inaugurate the local development program in about 35 selected villages in secure areas. In these villages, the elected village council will be responsible for drawing up a simple, one-year development plan. Within funding limitations established by the central government, each village has virtually complete freedom in determining the content of its development plan. The development projects will be undertaken by local authorities where both responsibility and accountability are vested. The province government will provide the technical assistance and program support the village requires.

The role of the advisors under this project will be to guide pilot efforts which will be carried out by the village councils with the support of the Ministry of Revolutionary Development. Commodities will be provided under the project and consist primarily of construction materials.

This is a new project in FY 1969. The costs of the exploratory work in FY 1967 and 1968 were funded under Project 730-11-990-332, Support of Revolutionary Development.

Progress to Date: A year of careful groundwork was laid in 1967 exploring how the local development concept might be adapted to Vietnamese conditions. The results of soundings taken at the village level in several parts of the country and of extensive discussions at the province and national level indicate there is considerable receptivity to the idea in principle. The pilot projects will explore its feasibility in practice.

FY 1969 Program: In FY 1969 funds are required for three advisors (\$70,000) and construction materials (\$2,093,000) for programs in 35 villages in five provinces.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES					
Through 6/30/67	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 68	Estimated through 6/30/68	Future Year Obligations		Estimated Total Cost		Estimated FY 1968		Proposed FY 1969		
							Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency
	-	-	-	U.S. Technicians	-	-	-	70	-	70	
	-	-	-	Participants ...	-	-	-	-	-	-	
	-	-	-	Commodities ...	-	-	-	2,093	-	2,093	
	-	-	-	Other Costs ...	-	-	-	-	-	-	
Proposed FY 69	2,163	Undetermined		Total Obligations	-	-	-	2,163	-	2,163	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
National Information Services	Other				
PROJECT NUMBER	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
730-11-960-267	P. 269 FY 1968	Vietnam	FY: 1964	FY: Undetermined	

Project Target and Course of Action: The objective of this project is to assist the GVN information programs which keep the Vietnamese people informed of the policies and programs of their government. These communications programs play an important role in both pacification and nation-building efforts. Since July, 1965, assistance to the Directorate General for Information and Press (DGIP) which was previously provided by A.I.D. has been provided through the Technical Services Division of the Joint U.S. Public Affairs Office (JUSPAO) in VN. The information programs assisted by A.I.D. through JUSPAO are the Vietnam Information Service, Radio Vietnam, the National Motion Picture Center, and the Information Printing House, all part of DGIP.

A senior advisor to the Directorate General, thirteen psychological operations advisors working with the Vietnam Information Service (VIS) field programs, and a six-man technical services staff in Saigon support the basic information efforts of the DGIP. In 1968 and 1969, A.I.D. will continue training and program development emphasizing provincial-level field programs. We will also attempt to improve over-all VIS organization and administration.

Three advisors will assist Radio Vietnam improve its programs and expand its population coverage by increasing the number of radio stations from 9 to 12. This expansion, together with improvements to existing stations, will enable Radio Vietnam to reach 95% of the population of the country in 1969.

Seven advisors will continue to assist the Information

Printing House and the National Motion Picture Center to increase the quality and quantity of their output of printed materials and films, most of which will be to support Revolutionary Development programs.

Progress to Date: The new medium-wave broadcasting station is almost completed. The Hue station was up-graded to a 5 kilowatt facility, and construction of two studios and a master control room were 75% completed. During 1967 the National Motion Picture Center produced documentaries and newsreels covering the national elections which stimulated considerable interest in voting. It also expanded its regular program of newsreels and documentaries to include such features as encouraging citizens to register for new identification cards. The Information Printing House continued to support VIS with wall newspapers, pamphlets, leaflets, and posters. VIS operations are being streamlined as a result of a survey begun in 1967 and three thousand items of replacement equipment were provided to provincial branches during the year.

FY 1969 Program: Funding is required in FY 1969 for 30 advisors (\$923,000), six participants to receive training in the U.S. or in Japan and the Philippines (\$8,000), and \$1,069,000 of commodities including generators, electrical equipment, office equipment, and supplies.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/ AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
Through 6/30/67	3,183	1,970	1,213							
Estimated FY 68	3,200	2,014								
Estimated through 6/30/68	6,383	3,984	2,399							
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	2,000	Undetermined								
				Cost Components						
				U.S. Technicians	758	66	824	923	-	923
				Participants . . .	8	-	8	8	-	8
				Commodities . . .	1,368	-	1,368	1,069	-	1,069
				Other Costs . . .	-	1,000	1,000	-	-	-
				Total Obligations	2,134	1,066	3,200	2,000	-	2,000

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Technical Support	ACTIVITY Technical Support			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 271 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1955	SCHEDULED FINAL OBLIGATION FY: UNDETERMINED
PROJECT NUMBER 730-11-990-000				

Project Target and Course of Action: This project provides dollar and local currency support for general USAID management functions and for those elements of CORDS administrative support which are best handled on a common basis, or shared between USAID and CORDS. Financing covers personnel and commodity requirements in such areas as personnel administration, contracting, procurement, residential furnishings, office supplies and equipment, repairs, maintenance services, motor transportation and travel. All U.S. direct-hire secretaries for both USAID and CORDS are supplied under this project, as well as administrative support of USAID and CORDS dependents situated in the nearby countries of Thailand, the Philippines and Taiwan. Contracts with Han Yang Construction Co., Landis R. B. & Co., and others provide U.S. and third country nationals to assist in repair and maintenance of USAID-leased buildings and training of local staff.

In addition, costs of those positions, not properly charged to a specific operating program, in the USAID's Program and Economic Office, Commercial and Capital Assistance Office, Local Development Office and legal staff, are funded here. This includes back-up support of the Commercial Import Program, participant training office, Food for Peace program and special contract studies on consumer demand, the development of a common use data system, a central research and reference facility, and the contract with the International Voluntary Services.

Local currency support including salaries of local

employees, rents, utilities, and in-country procurement and travel are provided through a trust account drawing on Vietnamese owned counterpart funds generated through A.I.D. and PL 480 programs.

The Air America contract formerly carried under this project, and CORDS vehicle requirements, are shown under the MACCORDS Technical Support project 730-11-990-381.

FY 1969 Program: Funding of \$28,265,000 is required for 500 U.S. direct-hire positions (\$11,865,000), for the contract with International Voluntary Services (IVS) (\$1,300,000), for skilled building maintenance and repair teams (\$500,000), for a consumer demand study by Arthur D. Little (\$570,000) and for 14 PASA positions (\$184,000).

Commodities, including household furniture, vehicles, and communications equipment, will require \$10,172,000. Other costs (\$3,674,000) are for support of USAID dependents located in Thailand, the Philippines and Taiwan, and contracts for a research and reference file, and for communications technical staff.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS		
					Estimated FY 1968		Proposed FY 1969
					Direct AID	Contract/Other Agency	Total
Through 6/30/67	116,100	74,391	41,709				
Estimated FY 68	41,557	49,525					
Estimated through 6/30/68	157,657	123,916	33,741				
		Future Year Obligations	Estimated Total Cost				
Proposed FY 69	28,265	Undetermined					
				Total Obligations	35,463	6,094	41,557
					24,889	3,376	28,265

International Voluntary Services; Han Yang Const. Co.; A.D. Little; Landis Bros.; Advanced Research Projects Agency; Engineering Agency for Resources Inventories (EARI); Other contractors not yet selected.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS
Support of Revolutionary Development	Revolutionary Development			Supporting Assistance
PROJECT NUMBER 730-11-990-332	PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
	P. 211 FY 1968	Vietnam PDB	FY: 1967	FY: Undetermined

Project Target and Course of Action: Under this project A.I.D. assists the Ministry of Revolutionary Development of the GVN to carry out the developmental aspects of its pacification programs. The U.S. support to Revolutionary Development is directed by CORDS (Civilian Operations and Revolutionary Development Support) under the U.S. Military Command.

The GVN's Revolutionary Development Program is spear-headed by 59-man teams of specially trained cadre which initiate the re-establishment of GVN authority in insecure hamlets. The RD teams include an armed 33-man self-defense group, a political cadre, and various technical specialists in areas such as agriculture, education, health, and public works. The "New Life Hamlets" in which they work are eligible for a variety of economic programs of the regular ministries. The province government plays a key role in supporting these efforts, providing logistics support to the RD teams, administering the self-help project program, and providing technicians from the various provincial technical services.

This project provides: technical advisors and construction commodities to help with the self-help projects; vehicles and warehouses needed by the province governments to support the RD cadre efforts; Seabee technical assistance teams to assist Ministry of Public Works efforts to support the construction and engineering aspects of the Revolutionary Development program; and U.S. technicians to advise and assist the provincial governments in supporting the work of the RD teams. During 1967 it has also funded

the exploratory efforts of three advisors formulating a program for village and local development which is proposed as a new project for FY 1969, 730-11-790-388.

The requirements for resources for this project in FY 1969 are based upon planning targets established prior to the VC's February Tet attacks. The individual targets may have to be revised in coming months as the situation in Vietnam clarifies. The over-all resource levels for FY 1969 are therefore only estimates for planning purposes. The broad planning targets were to support (1) an expansion of the Revolutionary Development program to approximately 1,400 hamlets in CY 1968 from 1,062 in 1967 and (2) an increase in the number of RD cadre teams from 650 at the end of 1967 to approximately 850 teams at the end of CY 1968.

Last year this project was presented as a part of the Revolutionary Development and Chieu Hoi Project, 430-11-990-332. It is comparable to that project without its Chieu Hoi element except that this project now includes the Area Development Officers who work with the Revolutionary Development teams in the provinces. These Area Development Officers were formerly carried under Project 430-11-990-000, Technical Support - Field Operations.

Progress to Date: At the time of writing (mid-February, 1968) it is not clear how much damage has been done to the Revolutionary Development Program and what adjustments will be required. It is important to note that a substantial organizational structure has been constructed over the past year and that the Revolutionary Development concept has in many areas proved effective.

U.S. DOLLAR COSTS (In Thousands)				PRINCIPAL CONTRACTORS/AGENCIES						
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1968			Proposed FY 1969		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/67	3,709	558	3,151							
Estimated FY 68	10,352	5,501								
Estimated through 6/30/68	14,061	6,059	8,002	U.S. Technicians	3,244	2,055	5,299	3,350	3,800	7,150
		Future Year Obligations	Estimated Total Cost	Participants . . .	63	-	63	113	-	113
				Commodities . . .	4,990	-	4,990	6,170	-	6,170
				Other Costs . . .	-	-	-	-	-	-
Proposed FY 69	13,433	Undetermined		Total Obligations	8,297	2,055	10,352	9,633	3,800	13,433

U.S. Navy

PROJECT TITLE	ACTIVITY			FUNDS	
	Support of Revolutionary Development	Revolutionary Development			Supporting Assistance
PRIOR REFERENCE		East Asia		INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER	P. 211	FY 1968	Vietnam PDB	FY: 1967	FY: Undetermined

How much of the progress to date has been compromised by the diverting of enemy and allied attention to urban areas is not known. By the end of 1967, 5,340 of 12,722 hamlets in Vietnam, which together with urban areas contain 67% of the population, were considered to be secure and under GVN administration. Elections for hamlet chief were held in 6,078 hamlets between April and June of 1967. Most of these hamlets were in the 1,191 villages in which village councils were elected during this period.

Self-Help Project Program: In CY 1967 approximately 11,000 self-help projects were carried out compared with some 5,700 in 1966. In CY 1968 this number is projected to increase to 25,000 in 6,000 hamlets, reflecting both the increase in New Life Hamlets and extension of the program for the first time to hamlets which have been secure for several years. Typical projects are small bridges, roads, wells, school repairs, health facilities, markets and irrigation facilities. Since the program started in 1963 the proportion of "unfunded" projects has increased steadily, indicating progressively larger local contributions. Funded projects are eligible for some cash financing from the GVN in addition to receiving imported construction commodities, principally cement and roofing sheets. In 1966 35% of the projects were unfunded; 65% were unfunded in 1967. It is conservatively estimated that 55% will be unfunded in 1968 and that the value of the communities' contributions will equal to approximately 70% of the value of the government contributions. The province governments' capability to administer these essentially community development efforts has increased significantly in the past two years.

Provincial Government Logistics Facilities: Over the past six years we have assisted in the establishment of warehouses and a motor pool in each province to handle the

commodity and transportation needs of the Revolutionary Development Program. These province government facilities are now functioning effectively. They are also used to support refugee, Chieu Hoi, and social welfare programs. Twenty-four provincial and 48 district warehouses are being constructed to meet the expanding needs of the program. The motor pools have been provided sufficient trucks to meet their needs through 1968. In future years GVN will finance replacement vehicles through its own budget.

Seabees: The need to supervise self-help construction work on behalf of the Revolutionary Development program, in addition to maintaining roads, bridges, and canals, and meeting routines public works responsibilities, has proved to be a great burden to provincial public works services. In an effort to relieve this burden, 13-man Seabee technical assistance teams have been utilized to assist and supplement the work of the provincial public works services in support of Revolutionary Development. Eight such teams were operating in 1967, 15 are in Vietnam at present, and an additional 15 will be added in 1969. The Seabee teams are concentrating on supporting self-help project efforts and improving provincial roads and bridges.

RD Cadre Support: By the end of 1967 there were some 650 RD cadre teams with over 30,000 members operating throughout the country. Eighty-two Area Development Officers provided under this project are working with the economic aspects of the program in the provinces. Ten advisors are serving as technical instructors at the National Training Center in Vung Tau in fields such as agriculture and public health. Twenty-eight advisors are working at the national and regional level. Expansion of the RD cadre effort will require the addition of 50

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS Supporting Assistance
Support of Revolutionary Development	Revolutionary Development			
PROJECT NUMBER 730-11-990-332	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
	P. 211 FY 1968	East Asia Vietnam PDB FY: 1967	FY: Undetermined	

technicians in the provinces in 1968 and 1969. The economic aspects of the program at the provincial level take the form primarily of supplemental funds provided by the Ministry of Revolutionary Development to the Province Chief to carry out specific expanded technical programs in New Life Hamlets, especially in the fields of agriculture, education, health, and public works. The regular provincial technical services carry out the work.

FY 1969 Program: Funds are required in FY 1969 for 120 direct-hire technicians, 50 PASA technicians, and Seabee team support costs (\$7,150,000); 87 participants (\$113,000); and commodities (\$6,170,000). The participants will receive training in rural development activities in the Philippines and Taiwan. The commodities are principally construction materials, including cement, roofing, re-bar village tool kits, and related training aids.

PROJECT TITLE Highlander Affairs	ACTIVITY Revolutionary Development			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 215	East Asia FY 1968 Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-990-335				

Project Target and Course of Action: This project supports Revolutionary Development by assisting the GVN to broaden and strengthen its political base in the highlands. The objectives of the Highlander Affairs program are to win the loyalty of the Highlander tribes to the GVN and to increase Highlander participation in the national society. The traditional hostility between the Vietnamese and Highlander ethnic groups is being ameliorated by bringing about greater participation by the Highlanders in the government and also by bringing improved GVN services to Highlanders.

The immediate emphasis of the program is on basic education, vocational skills, and social welfare, but some long-range administrative and legal advances are also sought. Within the GVN, responsibility for Highlander programs rests with the Ministry for Development of Ethnic Minorities (MDEM). A U.S. advisor in Saigon and one in each of the two northern Regions assist the MDEM with the implementation of its programs and with coordination with other GVN Ministries, such as Agriculture, Health, Education, Justice, and Public Works. The specific program outlined below is heavily dependent upon adequate security increases.

The educational targets will be to construct 12 new boarding schools, make improvements in 12 others, and improve literacy training through use of primers in Highlander languages. Teacher training will be improved through in-service courses and the establishment of model schools. The Asia Foundation is expected to provide about

160 scholarships annually for Highlander children to attend schools in Vietnam. Church groups provide similar assistance.

Vocational skills are being promoted by construction of three technical training centers for girls, to accommodate 300 trainees, and by continued support to the Highlander Agricultural Training Centers. Social welfare targets include completion of the 12 guest houses and community centers now under way and construction of 7 more. Public Health training for 5 Participants will be provided by USAID.

Administrative improvements include efforts to recruit qualified Highlanders to work in MDEM programs, organization of short training courses for present MDEM personnel, and participant training in third countries and the U.S. Tribal courthouses will be completed in seven provinces for the administration of Highlander tribal laws. Implementation of a land tenure program will begin in 1968. A small Psychological Operations program will be carried on to publicize the educational and vocational opportunities which are being made available to Highlanders. The GVN will receive commodity support from USAID, such as projectors and tape recorders, and tribal language materials prepared by JUSPAO (USIA) under USAID contract.

This project is a continuation of project No. 430-11-990-335.

Progress to Date: Eleven Agricultural Training Centers are now fully completed, with a twelfth being built. Construction on six new boarding schools has been started.

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS							
	Through 6/30/67	117	9		108	Estimated FY 1968			Proposed FY 1969			
						Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 68	588	93		U.S. Technicians	43	-	43	55	-	55		
Estimated through 6/30/68	705	102	603	Participants ...	22	-	22	38	-	38		
		Future Year Obligations	Estimated Total Cost	Commodities ...	349	-	349	287	-	287		
				Other Costs ...	-	174	174	-	195	195		
Proposed FY 69	575	Undetermined		Total Obligations	414	174	588	380	195	575		

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS
Highlander Affairs	Revolutionary Development	Supporting Assistance
PROJECT NUMBER 730-11-990-335	PRIOR REFERENCE P. 215 FY 1968	SCHEDULED FINAL OBLIGATION
	East Asia Vietnam PDB	FY: Undetermined
		INITIAL OBLIGATION FY: 1967

Construction progressed in 1967 on seven Highlander court-houses and on twelve combined guest-houses/community centers which are to provide focal points for cooperatives, handicraft activities, and lodgings for Highlanders in urban areas. Literacy training in Highlander schools has been aided by introduction of primary school textbooks in the tribal language. Projected third-country training of ten Highlander leaders was completed.

The Special Commission for Highlander Affairs was raised to Ministry status. The GVN promulgated a law giving Highlanders the right to hold title to the lands they farm and issued a "bill of rights" for minority groups. A Highlander has been appointed Province Chief in Pleiku, and two Highlanders were elected to the Senate.

FY 1969 Program: Funds are required in FY 1969 for the three advisors to MDEM (\$55,000), 19 participants for training in Asian countries (\$38,000) and commodities, primarily for construction (\$287,000). There is also a contingency fund which will be used for emergency relief and reconstruction for Highlander victims of VC terrorism.

PROJECT TITLE - MACCORD Technical Support	ACTIVITY Revolutionary Development			FUNDS Supporting Assistance
PROJECT NUMBER 790-11-990-381	PRIOR REFERENCE P. 219	East Asia FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
	Vietnam	PDB		

Project Target and Course of Action: This project funds the cost of those A.I.D. personnel assigned to Civilian Operations and Revolutionary Development Support (CORDS) in a management or generalist capacity as distinct from the A.I.D. specialists carried under specific CORDS projects. This project also funds some of CORDS' transportation and logistics costs, and the contracts under which technicians from third countries are engaged to work with the GVN Revolutionary Development Program.

CORDS was established early in 1967 within the Military Assistance Command in Vietnam (MACV) in order to provide unified management of U.S. civil and military pacification efforts. The former Office of Civilian Operations which integrated the programs of the U.S. civilian agencies, was incorporated into CORDS.

The civilian element of CORDS includes a total of 413 people in a nationwide organization of province and district offices directed from the Saigon headquarters through four regional offices. A.I.D. recruits and funds personnel to serve as CORDS province and district managers, provincial assistants, communications and logistics technicians, and staff officers at the regional and Saigon levels. Administrative support and Filipino technicians are provided under several contracts to assist with field programs. Eighty-six telecommunication technicians provided under a contract with Landis Brothers, Inc., service communications facilities. The Eastern Construction Company provides 111 Filipino community

development advisors working with the self-help project program. It also provides 38 Chieu Hoi technicians who work at the provincial Chieu Hoi centers. This project continues to provide most of the same resources to CORDS which were provided last year under Project 430-11-990-000, Technical Support-Field Operations, to the Office of Civilian Operations. Funding is also provided under this project to cover a pro rata share for civilian traffic using the Air America airline. Prior to FY 1969 when the Department of Defense will assume 75% of the cost of the Air America contract, the full costs were borne by the A.I.D. program. The Area Development Officers who work directly with the Ministry of Revolutionary Development teams at the province level, who were included under Technical Support-Field Operations last year, are not included in this project, but will be funded in FY 1969 under the Support of Revolutionary Development Project (No. 730-11-990-332).

FY 1969 Program: \$9,486,000 is required in FY 1969 for 413 direct hire A.I.D. civilian personnel; \$1,540,000 for commodities; and \$7,633,000 million for other costs of which \$4.4 million is for the Air America contract and the remainder to provide funding for Filipinos and other third country technicians. The commodities are principally vehicles and equipment needed to support the field offices.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/67	7,993	5,030	2,963							Landis Brothers, Inc. Eastern Construction Co. Air America
Estimated FY 68	30,980	28,820								
Estimated through 6/30/68	38,973	33,850	5,123	8,432	-	8,432	9,486	-	9,486	
		Future Year Obligations	Estimated Total Cost							
Proposed FY 69	18,719	Undetermined		1,333	21,215	22,548	1,333	6,360	7,693	
				9,765	21,215	30,980	12,359	6,360	18,719	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Refugee Relief		ACTIVITY Refugees/Social Welfare			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-820-307		PRIOR REFERENCE P. 265 FY 1968	East Asia Vietnam PDB		INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project will assist the Government of Vietnam (GVN) in planning and executing programs designed to provide adequate assistance to refugees. The program will consist of (a) the provision of relief assistance and (b) assistance in reintegrating the refugees into Vietnamese society.

The relief program will include the reception, identification, and immediate care of new refugees, and the provision of an average of two months' relief assistance to all refugees, including those in refugee status at the beginning of the year. This relief assistance will include food, clothing, shelter, and medical care.

The reintegration program will consist of political and psychological orientation in temporary shelters and resettlement hamlets, vocational training and encouragement and assistance in forming co-ops and cottage industries, and the earliest possible termination of refugee status.

Plans for the CY 1968 and CY 1969 refugee programs, including specific reintegration targets, were based on forecasts of new refugees and other conditions existing prior to the February, 1968, VC attacks. To the nearly 800,000 refugees existing at the beginning of CY 1968, it had been estimated that 350,000 new refugees would be added during this year, while 500,000 would be resettled or returned home. Of the 650,000 refugees remaining at the start of CY 1969, plus 225,000 new refugees to have been added during CY 1969, 550,000 had been expected to return home or be resettled. This would have reduced the

number of refugees to 325,000 by the end of CY 1969. The February VC attacks and the continuing uncertainties do not permit reliable refugee estimates for 1968 and 1969 to be made at this time. The funding requests are, therefore, based on pre-VC attack estimates, and represent minimum needs.

The refugee program, formerly under the Special Commissariat for Refugees (SCR), will be administered by the Ministry of Social Welfare and Refugees, (MSWR). The latter is a new ministry created through the merger of the SCR and the former Ministry of Social Welfare. During CY 1969, the capabilities of the MSWR to deal with the refugee problem, as well as the growing social welfare problems, will be improved through the training of 28 additional ten-man mobile refugee teams, giving the MSWR a total of 100 such teams. It is presently estimated that this increment will increase the total staff of the MSWR to more than 2,500 persons. In addition to planning and supervising temporary centers and resettlement projects, the MSWR will provide and its staff will be responsible for the distribution of cash and commodity allowances whose value will be equivalent to an estimated \$4 million.

In carrying out a program of political and psychological orientation, the MSWR will seek to transform a potentially alienated group into active supporters of the GVN. In addition, some 25 technical high schools throughout Vietnam will be offering special three-month courses for refugees; the MSWR will provide funds for room and board, as well as training, for refugees who cannot or do not desire

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1968		Proposed FY 1969				
					Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total
Through 6/30/67	8,458	1,752	6,706							American Red Cross; Community Development Foundation; Unitarian Universalist Service Committee; International Recreation Association; Other contractors not yet determined.	
Estimated FY 68	17,688	18,663									
Estimated through 6/30/68	26,146	20,415	5,731	U.S. Technicians Participants ...	1,952	-	1,952	2,205	-		2,205
		Future Year Obligations	Estimated Total Cost	Commodities ...	12,531	-	12,531	14,388	-		14,388
				Other Costs ...	-	3,205	3,205	-	5,019		5,019
Proposed FY 69	21,612	Undetermined		Total Obligations	14,483	3,205	17,688	16,593	5,019		21,612

PROJECT TITLE	ACTIVITY			FUNDS
Refugee Relief	Refugees/Social Welfare			Supporting Assistance
	PRIOR REFERENCE	INITIAL OBLIGATION		SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-820-307	P. 265 FY 1968	East Asia Vietnam PDB	FY: 1966	FY: Undetermined

resettlement or return to their hamlets. Together with related efforts in the form of U.S., other Free-World, and Voluntary agency assistance, the MSWR will be providing vocational training for more than 10,000 refugees during CY 1969. MSWR will also provide handicraft instructors and other technicians to assist an additional 10,000 families in setting up cottage industries and cooperative enterprises.

MACV/CORDS will support the MSWR through the provision of advisory and supervisory assistance, and commodity support; much of this assistance and support comes from A.I.D. Advisors will be maintained at each of the regional headquarters and each province in which refugees are concentrated. Commodities such as clothing, construction materials, emergency rations, and resettlement kits will be provided under this project, while nearly \$12 million additional in PL 480 foodstuffs (Title II) will support GVN and voluntary agency programs associated with refugees. Advisory and supervisory assistance will be provided directly by more than 30 voluntary agencies. Contracts will be negotiated with up to eleven of these agencies to assist in camp operations, training and resettlement. In many cases these contracts are in addition to their own voluntary programs.

Progress to Date: During 1967, the needs of the refugees have generally been satisfied, although in some cases this has been at a minimal level. Widespread hunger and distress has been avoided and emergencies met as they developed. A total of 427,000 new refugees required and were given assistance, in addition to the 810,000 refugees which existed at the beginning of the year. Of this total of 1,237,000 refugees, some 452,000 were either returned to their homes or resettled in other locations, leaving a balance of almost 800,000 refugees in temporary shelters

at the close of CY 1967.

The MSWR devoted the past year to meeting emergency requirements, and recruiting and training staff. The Ministry now has a headquarters staff of approximately 200 in Saigon and more than 1,000 field personnel. By December 1968 the staff is expected to increase to more than 2,000. The present field staff includes 30 ten-man mobile refugee teams, 135 camp workers, and a refugee service or bureau in each province. An additional 42 teams and 115 camp workers are scheduled to be trained during CY 1968.

Increases in mobile teams and camp workers provide the MSWR with a more effective organization capable of implementing the comprehensive relief, resettlement, and training programs necessary to alleviate the refugee problem.

The expansion of the CORDS/Refugee Division staff level from 50 to 96 (20 in Saigon and 76 in the field) will provide the liaison and technical assistance required to improve MSWR performance and give emphasis and priority to the program at province level. More than 70 of these advisors are presently in Vietnam.

During CY 1967, some 886 wells and 1,516 latrines were constructed in refugee camps, while 234 additional wells and another 1,724 latrines were under construction. Construction was completed on 112 classrooms and begun on 172 others, while 261 teachers were recruited for refugee schools. In all, some 161 temporary camps and 727 resettlement centers were established, and more than 3,000 refugees received vocational training during the year.

The number of voluntary agencies in Vietnam has increased in the past year from 18 to 33, which are involved primarily in refugee relief and related social welfare activities. Free-World assistance was received

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE		ACTIVITY			FUNDS	
Refugee Relief		Refugees/Social Welfare			Supporting Assistance	
PROJECT NUMBER 730-11-820-307		PRIOR REFERENCE	East Asia	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
		P. 265 FY 1968	Vietnam PDB	FY: 1966	FY: Undetermined	

from Germany, New Zealand, and Australia in addition to teams from other nations under the auspices of the League of International Red Cross Societies.

FY 1969 Program: Funding in FY 1969 is proposed for 96 direct hire employees (\$2,205,000). Contracts (\$5,019,000) with up to 11 voluntary agencies will provide multi-purpose refugee relief teams, training programs, and assistance in child care, recreation, and development of cottage industries. These contracts will involve about 200 persons. Commodity support will cost \$14,388,000 for cement, roofing cloth, tool kits, emergency rations, tents, tarpulins, mess gear, clothing, and farm tools.

The principal contracts will be: \$350,000 to extend a contract with the American Red Cross for managing refugee camps; \$700,000 to extend a contract with the Community Development Foundation for training 10-man mobile refugee teams; \$170,000 to extend the contract with the Unitarian Universalist Service Committee which is assisting in the development of a Refugee and Social Welfare Training Program; the remainder of the proposed contracts will be extensions of contracts which will be signed in FY 1968.

Free World Assistance is expected to continue from Australia, Germany, Philippines, New Zealand, Switzerland and the United Kingdom.

During CY 1969, it is estimated that the refugee budget of the MSWR will exceed the equivalent of \$15 million, 40% of which will provide for temporary relief, and the remainder for resettlement.

PROJECT TITLE Social Welfare	ACTIVITY Refugees/Social Welfare			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 211	East Asia FY 1968	Vietnam PDB	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-820-360				INITIAL OBLIGATION FY: 1967

Project Target and Course of Action: This project will assist the Ministry of Social Welfare and Refugees (MSWR) of the Government of Vietnam (GVN) in coping with some of the problems stemming from massive social disorganization and disintegration of community life in Vietnam. Of specific concern are displaced persons needing assistance who are either unaffected by the refugee program or whose refugee allotment has expired, as well as other needy persons such as widows, orphans, and delinquents who do not benefit from the refugee program.

In examining the magnitude of social welfare needs in Vietnam, it must be borne in mind that Vietnam for some years to come will not have the resources and trained administrators to implement a broad and expensive welfare program or maintain one developed by others. Therefore, U.S. assistance will be confined to advisory assistance at the national level, and the provision of ten mobile teams to demonstrate and provide the **most** critical services when and where necessary.

At the national level, A.I.D. will provide three advisors who will maintain liaison and provide technical guidance to the MSWR. Under a contract with Catholic Relief Services, AID will also provide approximately 47 health and welfare specialists to staff teams which will demonstrate and help establish critically needed services, provide training for Vietnamese officials, and develop field training centers for use by the MSWR.

The MSWR will provide staff, to the extent possible,

to work with the health and welfare teams, and provide staff and facilities for social welfare services, in-service field training centers, and other training programs. A.I.D. welfare advisors will continue to closely coordinate this project with MACV/CORDS refugee advisors, A.I.D. health advisors, and the GVN Ministry of Health. Continued assistance is anticipated during CY 1969 from Germany and the United Nations particularly in the provision of staff and facilities for social welfare training purposes, while other Free-World nations and several voluntary agencies and societies will continue to provide a broad range of humanitarian services in conjunction with programs of assistance to refugees.

This is essentially a new project which includes social welfare assistance in An Giang province. The latter was presented last year as part of project, 430-11-990-332, "Revolutionary Development and Chieu Hoi."

Progress to Date: Since this is essentially a new project, progress to date has been minimal. However, **three** U.S. advisors in social welfare are already assisting the GVN, and a social welfare task force, composed of three U.S. specialists, completed a five week appraisal of the situation during 1967. Participant training in the U.S. has been provided for three MSWR officials.

In addition, the United Nations has been providing a child welfare advisor and other social services through UNICEF, as well as a 5-member social welfare training team which is assisting the MSWR in formulating a national

U.S. DOLLAR COSTS (In Thousands)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Through 6/30/67	8	-		8	Estimated FY 1968			Proposed FY 1969		
						Direct AID	Contract	Total	Direct AID	Contract	Total
Estimated FY 68	643	203		U.S. Technicians	94	301	395	111	485	596	Catholic Relief Services
Estimated through 6/30/68	651	203	448	Participants ...	58	-	58	24	-	24	
		Future Year Obligations	Estimated Total Cost	Commodities ...	-	40	40	-	70	70	
				Other Costs ...	-	150	150	-	245	245	
Proposed FY 69	935	Undetermined		Total Obligations	152	491	643	135	800	935	

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Social Welfare	ACTIVITY Refugees/Social Welfare			FUNDS Supporting Assistance
	PRIOR REFERENCE P. 211 FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
PROJECT NUMBER 730-11-820-360				

training plan. Germany has provided massive assistance in developing and staffing a vocational school for delinquent boys, and is training Vietnamese instructors in Germany. More than 30 voluntary agencies are presently providing assistance in social welfare and refugee relief. During CY 1968, it is estimated that more than \$5 million in PL-480 foodstuffs (Title II) will support GVN and voluntary agency social welfare programs, including support to welfare institutions, widows and orphans, and other needy persons.

FY 1969 Program: Funding is proposed in FY 1969 for three U.S. social welfare advisors (\$111,000), extension of the contract with CRS (\$800,000), and participant training for 6 Vietnamese (\$24,000). Under the proposed contract extension, the CRS will continue to provide 47 specialists, 30 U.S. and 17 others, for health and welfare teams; included in the contract funding is a limited amount for commodities (\$70,000). Two participant trainees in welfare and one in social work will receive long-term training in the U.S., while 3 regional welfare officials will receive 2 months of training each in other Asian countries.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY			FUNDS	Supporting Assistance
National Police Support	Public Safety				
PROJECT NUMBER 730-11-710-352	PRIOR REFERENCE P. 247	FY 1968	East Asia Vietnam PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Of these 18,622 completed training in 1967. During the period January 1, 1967 to November 30, 1967, 8,457 police recruits were trained at three training centers. 2,957 recruits are now in training. Under the participant training program 599 Vietnamese received training during 1967; 29 in the U.S. and 570 in other countries.

In the control of resources and population, during the period November 1964 through November 1967: 363,000 arrests have been made (including 17,000 VC and VC suspects); 12,308,166 million kilos of foodstuffs, 411,183 units of medicine, and 5,744,714 units of equipment confiscated as contraband by the police.

As of December 10, 1967, 34 patrol boats have been received and placed in operation. The strength of the Marine Police increased from 581 in 1966 to 1,127 in December 1967.

FY 1969 Program: \$17,227,000 will be required to fund this project in FY 1969. Of this sum \$6,540,000 will be required for commodities; \$167,000 for participant training, \$5,704,000 for 212 U.S. advisors; and \$4,766,000 for construction of essential training and operational police facilities and for contractual services.

The required commodity support includes police boats for harbor and river use; identification and photographic equipment and supplies for the National Identification System; construction materials for detention centers, for renovation and rehabilitation of existing training and operational facilities; typewriters, batteries, barbed wire, weapons, ammunition, trucks, buses and generators. Commodity support for the NPPF is being provided by the Department of Defense.

Proposed construction contracts include: \$180,000 for site survey and design of 15 Marine Police bases;

\$2,840,000 to construct these 15 bases; \$35,000 for site survey and design of a major Marine Police base at Cam Ranh; \$450,000 for construction of this base; and \$300,000 to construct the regional NP training center at Bien Hoa.

Other contracts include \$549,000 for the services of 99 Philippine nationals who assist A.I.D. Public Safety advisors in such capacities as warehouseman, mechanics, heavy equipment operators, power plant operators, construction and marine engineers; and \$50,000 for a continuing contract with Systems Development Corporation to help design and install an efficient national identity records system.

Construction is planned of a new headquarters building and a training facility for the National Police to be funded by the GVN. If insufficient funds are available, A.I.D. may provide funds to cover the dollar costs of this construction through reductions in other parts of the program.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE Public Safety Telecommunications		ACTIVITY Public Safety			FUNDS Supporting Assistance	
PROJECT NUMBER 730-11-720-299		PRIOR REFERENCE P. 249 FY 1968		INITIAL OBLIGATION FY: 1965		SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project supports essential communications for the national police system of Vietnam.

Fast, efficient and reliable communications are essential to police counter-insurgency operations, to the maintenance of law and order and to effective administration. A.I.D. is providing technical assistance and commodities to assist in: 1) the establishment of an integrated National Police radio phone system between National Police Headquarters and the six regions, 44 provinces and 240 district police stations; 2) the expansion and improvement of telecommunications for such specific operations as resources control, river and rural police surveillance; 3) the maintenance of the Police Field Forces telecommunications system; 4) the maintenance and replacement of the Village/Hamlet radio system which -- unique to Vietnam -- provides local communications between about 2,500 villages and 7,000 hamlets and their respective districts.

This is a continuing project with no major change in emphasis or direction, but rather the enlargement, maintenance and refinement of communications systems begun in previous years.

Progress to Date: The National Police operational network in December 1967 had 4,396 radios installed: 2,990 provincial installations, 1,107 to NFFF, and 299 others.

The separate Village/Hamlet radio network has been completed, except in insecure areas. As of December 31, 1967, A.I.D. had installed another 13,081 smaller radios

in this network: 10,440 in Village/Hamlets, 1,130 for National Police and 1,511 for other Government agencies to tie into the Village/Hamlet network. The need for maintenance and for replacement, largely due to enemy action, continues.

FY 1969 Program: \$5,641,000 will be required to fund the project in 1969. Of this \$4,744,000 will be required for commodities, i.e., radios, communications equipment, parts and supplies; \$603,000 for contract technicians to provide services for the telecommunications system; \$56,000 for training 8 participants outside Vietnam; and \$238,000 for 8 direct-hire U.S. advisors.

U.S. DOLLAR COSTS (In Thousands)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES Landis Bros.
	Obligations	Expenditures	Unliquidated	Estimated FY 1968			Proposed FY 1969			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/67	5,724	2,029	3,695	110	1,442	1,552	238	-	238	
Estimated FY 68	6,446	4,011		53	-	53	56	-	56	
Estimated through 6/30/68	12,170	6,040	6,130	4,225	-	4,225	4,744	-	4,744	
		Future Year Obligations	Estimated Total Cost		616	616		603	603	
Proposed FY 69	5,641	Undetermined		4,388	2,058	6,446	5,038	603	5,641	
				Cost Components						
				U.S. Technicians Participants . . .						
				Commodities . . .						
				Other Costs . . .						
				Total Obligations						

PROJECT TITLE Prison Rehabilitation	ACTIVITY Public Safety			FUNDS Supporting Assistance
PROJECT NUMBER 730-11-710-353	PRIOR REFERENCE P. 247	FY 1968	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined
	East Asia Vietnam	PDB		

Project Target and Course of Action: This project provides A.I.D. support to improve Vietnamese prisons and expand their capacity. Since January 1965, the number of prisoners has increased from 18,000 to 32,000, while prison capacity has risen only from 20,500 to 23,000. In addition, the large number of persons, about 10,000 at any one time, held temporarily as Viet Cong suspects or suspected draft evaders adds greatly to the burden. The result is overcrowded, understaffed and inadequate prisons, all too often used to hold criminals, military prisoners, and civilian suspects together.

The GVN and the U.S. agencies, including the Department of Defense are jointly contributing to an effort to improve this situation. A.I.D.'s contribution is in construction commodities, vehicles and other equipment, and in technical assistance. The specific targets are: 1) to begin construction of one new prison center, and construct additional facilities in the 40 existing prison centers: 17 new housing quarters and 32 shops for rehabilitation programs; 2) to recruit and train 950 additional personnel to staff the prison system (for a new total of 2,000); 3) to expand and improve the prison vocational training program.

Assistance for new temporary detention centers, which will help relieve the prison situation, is planned under National Police Support Project, 730-11-710-353. The detention centers are under the National Police while prisons are under the Directorate of Corrections.

This is a continuing activity, included as part of Public

Safety Services Project 430-11-710-352 in last year's presentation. The proposal for FY 1969 represents a considerable expansion in A.I.D.'s contribution of construction commodities.

Progress to Date: During FY 1967, four detention buildings were completed at Binh Dinh. Numerous lesser renovations were made in the 40 existing prison centers. The total number of prisoners who have received vocational training with A.I.D. assistance rose to 3,100. Thirty-six prison administrators, 18 correctional workers and 13 vocational instructors were added to the prison staff and given training, over the past year. Two Vietnamese participants were trained in U.S. prison administration. The staff to prisoner ratio, nonetheless remains at about 1 to 36, far below the desirable ratio of 1 to 10.

FY 1969 Program: Funding of \$737,000 is requested for FY 1969. The bulk of this, \$526,000, is for commodities: construction commodities, vehicles and other equipment, such as floodlights. \$151,000 is for five U.S. direct-hire advisors, and \$60,000 for participant training.

U.S. DOLLAR COSTS (In Thousands)						PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1968			Proposed FY 1969		
				Direct AID	Contract		Total		
Through 6/30/67	68	12	56				None		
Estimated FY 68	919	432							
Estimated through 6/30/68	987	444	543						
		Future Year Obligations	Estimated Total Cost						
Proposed FY 69	737	Undetermined							
				Total Obligations					
				919	-	919	737	-	737

Terminating
Projects

TERMINATING PROJECTS

PROJECT DATA SUMMARY
(Dollar Amounts in Thousands)

TABLE IV
Part 2

COUNTRY: VIETNAM

Project Title	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1967			Estimated FY 1968			Proposed Program FY 1969		Future Year Obligations	Estimated Total Cost
				Obligations	Expenditures	Unliquidated Obligation 6/30/67	Obligations	Expenditures	Unliquidated Obligation 6/30/68	Funds	Amount		
Forestry	730-11-180-318	67	68	104	3	101	231	255	77				335
Veterans Affairs	730-11-790-344	67	68	76	39	37	265	164	138				341
Rural Electric Cooperatives	730-11-220-357	67	68	1,176	98	1,078	455	495	1,038				1,631
National Const. and Equip. Train. Center	730-11-290-354	67	68	82	41	41	149	75	115				231
Ports Improvement	730-11-340-385	67	68	257	-	257	920	232	945				1,177
Chieu Hoi Support	730-11-990-334	67	68	778	161	617	1,434	1,225	826				2,212
Counter Insurgency Services	430-11-990-264	63	66	77,131	58,987	18,144	-	8,665	9,479				77,131
Military Affairs	730-11-990-337	67	67	54	63	21	-	21	-				54
Cam Ranh City Industrial Development	730-11-830-310	66	67	52	39	13	-	13	-				52
Vocational Education	430-11-690-271	56	66	2,846	1,909	937	-	518	419				2,846
Civil Administration Improvement	430-11-790-301	63	66	1,020	977	43	-	43	-				1,020
Labor Institutions	430-15-410-222	60	66	233	158	75	-	75	-				233
Civil Aviation	730-11-370-298	65	67	951	896	55	-	55	-				951
Highways Improvement	730-11-310-294	65	67	1,142	501	641	-	641	-				1,142
Total													
TC													
SA													
DL (grants)													

*New Project--see TABLE IVa

STATUS OF DEVELOPMENT LOANS

TABLE V

Country: VIETNAM

Borrower: GOVERNMENT OF VIETNAM

Funds: Development Loans

Title and Number of Loan: Railway Modernization 730-A-004	
Date Authorized: May 16, 1960	Date Signed: 8/10/60; Amend. 7/22/67
Loan Status as of 12/31/67	Loan Terms 65 & 7/12/67
(In Thousands of Dollars and Equivalent)	
Authorized \$ 7,616	Duration 15 years
Disbursed 7,616	Grace Period 2½ years
Repayments 200	Interest Rate 3½
Interest Collected 369	Currency of Repayment . Piasters

stock which is not in use because of curtailed operations is reported to be well maintained in the railway shops. Meanwhile the Department of Defense is taking over responsibility for maintaining the railway in operational condition.

A contract signed in October 1964, and completed in June 1966, with Transportation Consultants, Inc. provided backstop services and inspection of equipment. They previously had been involved in preparing the specifications and training the machine operators.

Financial Status: The war in Vietnam has resulted in a reduction in Railway System revenue to a point far below operating costs. At the Borrower's request early in 1965, A.I.D. agreed to a revised amortization schedule which provided for reduced repayments of principal semiannually, ending October 1966, with repayment thereafter distributed through the remainder of the 15-year loan period. Subsequently, the GVN decided that so long as the war continues the Railway System will not be economically viable; hence, requested a moratorium of debt service. A three-year deferment of principal and interest payments was negotiated with the GVN. Next principal and interest payments are due October 7, 1968.

Host Country Role and Procurement Source: All local currency costs are being paid by the Borrower and all procurement under the loan has been from U.S. sources.

Comments on Implementation: The management and employees of the railway are performing exemplary work under adverse circumstances despite over 200 deaths and more than 700 wounded.

Purpose of Loan: The initial purpose of this loan was to finance the U.S. dollar costs of 23 diesel locomotives, 21 freight cars and 26 passenger cars and to provide technical services to improve, modernize and expand the railway system which consists of 829 miles, i.e., 688 miles from Saigon to Dong Ha to the north on the 17th parallel, and 141 miles to branch lines. Subsequent to the loan agreement there was a deterioration of security along the railway. This caused a shift in priorities to freight equipment and the borrower requested and A.I.D. approved the substitutions of 200 boxcars for the above-mentioned 26 passenger cars. Most of the rolling stock which this equipment replaced was more than 50 years old. Support of the railroad was considered vital to the prosecution of the war.

Physical Status: All 23 General Electric Diesel locomotives have been in service continuously since final delivery in December 1963 except for inspections and when damaged by sabotage. Other commodities financed under this loan have arrived. Hostilities in Vietnam have, however, continued to limit railway operations drastically. Service continues in limited secure areas and is engaged substantially in military movements. The loan-financed rolling

STATUS OF DEVELOPMENT LOANS

TABLE V

Country: VIETNAM

Borrower: GOVERNMENT OF VIETNAM

Funds: Development Loans

Title and Number of Loan: Water Distribution System 730-A-005	
Date Authorized: January 30, 1959 Date Signed: November 2, 1960	
Loan Status as of 12/31/67	Loan Terms
(In Thousands of Dollars and Equivalent)	Duration 30 years
Authorized \$ 17,500	Grace Period 1 year
Disbursed 17,405	Interest Rate 3½
Repayments 312	Currency of Repayment .. Piasters
Interest Collected 1,369	

Eiffel completed its contract in April 1966. A contract with Hawaiian Dredging-Pomeroy, a joint venture, for the pumping station and water treatment complex was awarded in December 1963. This contract is completed. Work being financed through local currency contracts with Vietnamese firms to improve the distribution system is progressing satisfactorily. The treatment plant was inaugurated in December 1966, and water from this facility is available to users. Steps have been taken to build up the capability of the water office to take over the management of the water facility. Under a U.S. contract, GVN personnel are being trained to operate the facilities while another U.S. contractor is engaged in modernizing the business practices of the Water Office.

Financial Status: Payments of principal and interest are currently in default due to borrower's alleged failure to generate adequate revenues for debt service plus a disagreement regarding an acceptable repayment rate of exchange. We are presently examining the need for a requested change in the amortization schedule. A mutually acceptable rate of repayment was under negotiation at the time the new government took over and reorganized the Ministry. New negotiations are presently in progress.

Host Country Role and Procurement Source: Local currency costs of this project totaling approximately \$10,000,000 equivalent are being paid by the Vietnamese Government. Goods and services have been procured on a world-wide procurement basis under policies in effect at the time the loan was authorized.

Comments and Implementation: The physical project financed by this loan is complete except for the installation of some concrete pipe purchased with loan funds but being installed using funds provided by the GVN. The two major foreign contractors both filed claims in excess of loan availabilities and the GVN covered the costs of a compromise settlement from their own foreign exchange holdings.

Purpose of Loan: This loan covered the foreign exchange costs of engineering and construction supervision, materials, and equipment necessary to improve and expand the water supply for the Saigon metropolitan area (Saigon-Cholon-GiaDinh-Govap and ThuDuc). Construction involved an intake structure, pumping station, treatment plant, transmission mains, and the modernization of the distribution network. The facilities are designed to produce and supply 125 metric gallons of treated water per day. **Physical Status:** There was a two-year delay in the start of this project due to (a) reluctance of the Vietnamese Government to accept the exchange rate applicable for the repayment of development loans, and (b) the decision to review the proposed river water system in light of a report proposed in April 1959.

In May 1961, a contract was signed with Hydrotechnic Corporation, a U.S. firm, to provide overall engineering services. Vietnamese drilling of 6 interim wells was completed in June 1962, and in December a construction contract was awarded to Les Etablissements Eiffel de Paris for the manufacture and installation of the pre-stressed concrete transmission pipeline. They, in turn, subcontracted with the International Pipe & Ceramic Company (Interpace) of New Jersey for the manufacture of all concrete piping.

STATUS OF DEVELOPMENT LOANS

TABLE V

Country: VIETNAM

Borrower: GOVERNMENT OF VIETNAM

Funds: Development Loans

Title and Number of Loan: Electric Power 730-A-006	
Date Authorized: November 8, 1960 Date Signed: January 6, 1961	
Loan Status as of 12/31/67	Loan Terms
(In Thousands of Dollars and Equivalent)	Duration 20 years
Authorized \$ 12,200	Grace Period 1 year
Disbursed 11,395	Interest Rate 3½
Repayments 1,363	Currency of Repayment . . Piasters
Interest Collected 1,133	

Host Country Role and Procurement Source: Local currency costs amounting to the equivalent of some \$2 million were paid by the Government of Vietnam. All loan-financed procurement was from United States sources.

Comment on Implementation: This project was impeded in many ways by the war in Vietnam. The original plan to use coal was revised to utilize oil after access to Vietnamese coal was restricted by hostile action. Design engineering was not completed until late 1963, and construction did not begin until January 1964. The military draft stripped the country and the Borrower of trained personnel. Negotiations at high levels are continuing to obtain assurances that key trained GVN personnel will be retained at the facility. Operation and maintenance advisory and training services are being provided for the generating plant by Commonwealth Associates Inc. under contract with A.I.D.

Purpose of Loan: This loan was made to finance the foreign exchange costs of construction, installation, and initial operation of (a) a 33,000 KW thermal power station, and (b) a 66,000 volt transmission system and extension to the existing distribution system. It also provided engineering training and management services for the system. Expanded electric power for the Saigon area (a) provides a base for industrial expansion, (b) increases power available for residential and commercial uses, and (c) helps compensate for the loss of hydroelectric power from the Da Nhim dam due to Viet Cong sabotage of the transmission lines.

Physical Status: Generating facilities and distribution systems are in commercial operation and the project is complete except for loan close-out operations.

Financial Status: Payments of principal and interest are in technical default pending establishment of a mutually acceptable rate of exchange for repayments. Additionally, unexpended balances in excess of those required for final engineering services and settlement of legitimate outstanding contract claims are to be deobligated.