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Civil Operations and Rural Development Support
Military Region 2 APO San Francisco 96240

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OFFICE OF DEVELOPMENT OPERATIONS
WORKSHOP
January 21-22, 1971

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CORDS MR 2
DEVELOPMENT WORKSHOP

HIGHLIGHTS

It should be emphasized that these highlights and the enclosed summaries do not reflect any formal recommendations or decisions but rather the gist of a lively, unstructured exchange of views of officers professionally principally interested in the development process and not in many of the other activities for which CORDS has clear and continuing responsibilities. Expressions of concern on the nature, direction, and organization of CORDS were extremely useful but a balanced over-all discussion was not held, nor was it expected.

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A Development Workshop was held in Nha Trang on January 21 and 22, 1971. Although few blueprints for specific development projects emerged, in our view, the meeting was successful. By all accounts, it has stimulated considerable discussion in the provinces, here in Nha Trang and in Saigon.

The principal purpose of the meeting was to provide the opportunity for development-oriented individuals from USAID and CORDS in Saigon and their colleagues in the regional and provincial levels to enter into a candid exchange of ideas and problems. This it certainly accomplished. We did not expect to reach definitive conclusions so much as we planned to raise and hopefully clarify some of the major problems and issues now confronting our economic aid program in Vietnam, especially in MR 2. We also hoped that a general framework might be created that would lead to future more specialized project development workshops. In varying degrees these goals were also reached. Certainly many issues and problems were raised, if not entirely clarified. Illustrative of such matters were exposés on the increasing severity of US budget support, the difficulties the GVN faces in maintaining an adequate GNP, the grave balance of payments deficit, the critical road-blocks to foreign capital investment, the need for a greater depth of understanding of the Montagnard people by both GVN and US officials, the growing difficulties facing the Commodity Import Program, and so on.

Perhaps what would be of most interest and concern to top management is the report of the Organization and Staffing Panel whose main conclusions were that the CORDS organization is in need of a major overhaul and that a substantial and immediate reduction in our staffing levels at the district, province and regional levels is in order to reflect the current situation. In subsequent discussions, virtually all of the New Life Development Advisors emphatically supported the Panel's findings. This point of view seemed, at times, in conflict with other expressions concerning the wide range of tasks confronting the sparse and overworked NLD field staff, and possibly was directed more at the security than at the development side of operations,

which really was outside the focus of the workshop.

It should be noted that this panel, admittedly went beyond its "organization for development" terms of reference. While its enthusiasm was boundless and its desire for large-scale reduction unanimous, it did not appear to analyze the necessity for or commitment to many non-development related programs, particularly in the security and pacification areas nor did its members necessarily have the range of experience or competence to do so. However, the depth and breadth of the concern expressed by so many on this subject clearly revealed that something needs to be done. An issue top management should address is to determine what we really expect our NLD officers to be. Are we deluding ourselves and confusing them by adhering to the somewhat illusory advisory concept? Would it be more forthright and effective if we simply classified them as monitors and reporters? Whatever incremental advisory support they might provide to local GVN officials would of course be a helpful spin-off but it would be understood that advising is no longer a significant job requirement. CORDS might make a valuable contribution to the morale and efficiency of our regional, provincial and district development personnel if it officially recognized the predominant monitoring/reporting responsibilities of its field personnel. Conversely it might be more productive to greatly reduce the monitoring/reporting functions if we believe there really is, in fact, a useful advisory role to play. Either way, once clarified, CORDS could then more properly reassess the size and nature of staff necessary to accomplish these redefined responsibilities. This reassessment should include the structure and staffing requirements in the Saigon and the regional offices as well as in the field. In our view, if this alone were accomplished, the Development Workshop would have been worthwhile.

The Workshop consisted primarily of a series of panels. The first one, the USAID/CORDS Panel, chaired by Mr. W. Davis, ADP/USAID, presented a comprehensive and useful picture of major US objectives and strategy in Vietnam over the next two years and described the principle instruments and projects for carrying them out. Of special interest to field personnel was the description of Vietnam's major economic problems and a discussion on the rather unfavorable climate for private investment. This presentation led to a proposal for a subsequent special workshop in project identification and benefit/cost analysis related to private investment. The explanation of the CIP and logistics programs was also helpful. Mr. John Riggs, ADLR/USAID, stressed the seemingly obvious but too often overlooked need to consider the human as well as the materialistic consequences of development actions. The panel concluded with a brief description by Mr. George Bliss, CORDS/PP&P, of the 1971 Community Defense and Local Development Plan which was especially useful to those in the audience who were not already familiar with it.

Four other panels, one dealing with development in the lowlands, the second with the highlands, a third with organization and staffing and the fourth with special topics, spent an afternoon formulating its views for presentation the following day. The panel concerned with the lowlands focused primarily on ways in which we might encourage the GVN to pick up the economic slack which will occur as we withdraw. The Highlands Panel focused on two

primary targets: its opposition to large scale resettlement and the need to hasten the identification and issuance of land titles. Neither panel suggested specific development projects or programs, *per se*, that we should be formulating. The main thrust of the Organization and Staffing Panel has already been described. The Special Topics Panel, while covering several issues, also put major stress on the need to reappraise the current organization and staffing requirements of CORDS, especially the need to clarify the confusing and sometimes ambiguous role of the NLD Advisor.

If one were to attempt to distill the essence of the panel reports and subsequent discussions, perhaps the single most significant theme was the view first expressed by the Organization and Staffing Panel and shared by virtually all field personnel that the basic assumptions on which CORDS was founded and is still operating do not appear to be as valid today as they once were.

While this is a rather broadside criticism of our organization and, as mentioned above, extends beyond the frame of reference of the purely development oriented participants in the workshop, it does point up the need for further investigation, dialogue, and action. That the workshop was unable to formulate more specific development proposals but rather ranged far and wide in expressing its concern over the thrust and direction of US efforts in the joint pacification and development program, was, we believe, not so much a failure of the workshop but rather a manifestation of the frustrations and confusion of perceptive and sensitive people working in the regional and provincial development area.

We in MR 2 were delighted with the turnout, especially with the large and distinguished USAID/CORDS delegation, and were particularly pleased that Ambassador Colby and Messrs. Jacobson and Chambers attended the Friday session.

The attached papers are neither a transcript of the workshop nor a detailed accounting of the proceedings. Rather, they represent either summaries, full texts or merely notes of the various presentations made during the two day meeting. No record was made of the discussions following these presentations; suffice it to say that they were lively, candid and stimulating and stand as a tribute to the high calibre of the participants who attend the workshop.

It is hoped that some of the ideas expressed in the enclosed papers will be of value and benefit in the months ahead to those of us involved in US aid to Vietnam.

CORDS MR-2
DEVELOPMENT WORKSHOP
AGENDA
January 21, 21, 1971

Thursday - January 21 DEPCORDS Conference Room

0900-0910 Workshop announcements and arrangements

0910-0920 Welcoming Remarks - Mr. Edward T. Long, DEPCORDS-MR 2

0920-0930 Opening Remarks - Mr. Charles A. James, ADEPCORDS-MR 2

0930-1000 Purpose of the Workshop - Mr. Thomas A. Moser, Director CDO

1000-1015 Coffee Break

1015-1200 USAID/CORDS Panel Discussion

1200-1330 Lunch

1330-1400 Arrangements for Afternoon Panels

1400 Panels Convene
#1 Highlands
#2 Lowlands
#3 Organization & Staffing
#4 Special Topics

1330 Cocktails - Tom Moser's, Hon Lon 7, APT #18

Friday - January 22

0900-0930 Report of Panel #1

0930-1000 Discussion

1000-1015 Coffee Break

1015-1045 Report of Panel #2

1045-1115 Discussion

1115-1145 Report of Panel #3

1145-1215 Discussion

1215-1330 Lunch

1330-1400 Report of Panel #4

1400-1430 Discussion

1430-1500 Summary

1500 Adjourn

ATTACHMENT #2

DEVELOPMENT WORKSHOP PARTICIPANTS

CORDS/SAIGON

AMBASSADOR WILLIAM E. COLBY, Deputy to COMUSMACV for CORDS

Mr. Willard E. Chambers, Executive for Civil Operations

Mr. George T. Bliss, Chief, Program Division, Plans Policy and Program Directorate.

Mr. Robert Chamberlain, PP&P Directorate

Mr. John Figueria, Chief, Ethnic Minorities Branch, Community Development Directorate, Rural Devel. Div.

USAID

Domestic Production

Mr. James B. Davis, Associate Director for Domestic Production.

Mr. Ralph N. Gleason, Deputy Associate Director

Mr. Robert A. Ralston, Agriculture Marketing Advisor

Commercial and Capital Assistance

Mr. Philip M. Faucett, Deputy Associate Director

Mr. W. Von Spiegelfeld, Assistant Director Commercial Import Program

Mr. G. Edward Thompson, Assistant Director, Industry

Mr. Clifford L. Frink, Deputy Assistant Director, Logistics

Mr. George Reasonover, Chief, Utilities Branch, Engineering

Mr. Phil Lewis, Engineering

Local Development

Mr. Winfield P. Niblo, Deputy Associate Director

Economic Planning and Policy

Mr. Don McClelland, Chief, Planning and Research Division

Program

Mr. William Davis, Assistant Director, Planning and Evaluation Division

ATTACHMENT #3

Land Reform

Mr. John Riggs, Assistant Director, Policy and Program
Rand Corp

Dr. Gerald Hickey

CORDS/MR 2

Mr. Edward T. Long, Deputy for CORDS

Mr. Charles A. James, Assistant Deputy for CORDS
Mr. Peter Brownback, Director, Office of Plans, Reports and Evaluation
Mr. Robert J. Layson, Director, Office of Management Support
Mr. Robert Sellers, Chief, Admin Svcs Div., OMS
Mr. Tom Moser, Director, Office of Devel Ops
Mr. Henry Sandri, Deputy Dir. ODO
Mr. Joe. Fitzpatrick, Public Admin Advisor, ODO
Mr. Larry Flanagan, Special Assistant VSD/ECON, ODO
Mr. Max Sauerbry, Chief, Land Reform, ODO
Mr. Dean Stanton, Land Reform Advisor for Highlands, ODO
Mr. Bud Holz, Chief, Community Development Division, ODO
Capt. Ed Mashek, Youth Advisor ODO/CDD
Mr. Tom Weir, Education Advisor ODO/CDD
Mr. Clyde Bay, Chief, Agriculture Branch, ODO/CDD
Mr. Glenn Langley, Irrigation Advisor, Agr/Branch, ODO/CDD
Mr. Luther McClendon, Chief, Social Development Division, ODO
Mr. Hugh O'Neil, Chief, War Victims Branch ODO/SDD
Capt. Robert Hooper, USN, Chief, Public Health Division, ODO
Mr. John Massey, Health Education Advisor, ODO/PHD
Mr. Robert Snell, Chief, Engineering Division, ODO
Mr. Sam Fullilove, Deputy Chief, Engineering Div., ODO
Mr. Jim Coberly, Chief Logistics Division, ODO
Mr. James Courtright, Chief, Program Support Branch, Chieu Hoi Div.
Mr. Wayne Conner, Director, Office of Psyops and Civil Affairs
Mr. Eldon Ewing, NLD Binh Dinh
Mr. Ben McCully, Agr. Adv. Binh Dinh
Mr. Frank E. Schmelzer, Asst for Devel. Programs, Phu Yen
Mr. Gerry Davey, NLD Khanh Hoa
Mr. Randy Marcus, Asst NLD Khanh Hoa
Lt. ED Schumacher, Engr Adv. Khanh Hoa
Mr. Curtis Piper, NLD Cam Ranh
Mr. Richard Owen, PSA, Ninh Thuan
Mr. Gerry Labombard, Devel. Ops, Ninh Thuan
Mr. Dan Leaty, PSA, Binh Thuan
Mr. Ed Ploch, Devel Ops, Binh Thuan
Mr. Harry Fowler, NLD, Lam Dong

Mr. Michael Tolle, Refugee Adv., Lam Dong
Mr. Bernard Salvo, NLD, Tuyen Duc
Mr. Ike Hatchimonji, Agr. Adv., Tuyen Duc
LTC. Ralph Julian, PSA, Quang Duc
Mr. O. Aman Bartley, Jr, DPSA, Darlac
Mr. Robert Rice, NLD, Darlac
Mr. Cris Squire, PSA, Pleiku
Major R. M. Miller, Civil Opns, Pleiku
LTC. Ramon Lopez, DPSA, Phu Bon
Mr. ED Sprague, NLD, Phu Bon
Mr. Francis Lyvers, DPSA, Kontum

MR 2
DEVELOPMENT WORKSHOP
PRESENTATION
THOMAS A. MOSER

21 January 1971

I am deeply concerned over the present and future direction of our efforts in Vietnam, a concern which I am sure is shared by all of you. At the moment, it seems that we are at, or are approaching, a crucial period in our relationships with respect to economic aid and that the decisions made during the next year will be far reaching in their consequences.

We have reached a period when we now have a little more time to sit back and reflect a bit on the nature and complexion of US assistance to Vietnam. Until recently, we could not afford this luxury because there were just too many VC around, too many fires to put out and too many hungry and displaced people to care for - while this is changing - my impression is that we might find it difficult to change with it.

It is a considerably more complex intellectual problem - and far less dramatic - to determine how we might best assist the GVN in solving their long term economic and social problems, than it is to rehabilitate refugees, or to rebuild destroyed hamlets, or to develop security and pacification systems to help stabilize the population and to defeat the enemy. Bombers don't develop new rice strains or teach literacy to the Montagnards. Nor do soup or bulgar lines necessarily contribute to the long term viability of the nation.

The natural inclination is to shift with the times from a military-security-pacification emphasis to one of development. But what is dangerous in this approach, it seems to me, is that we have grown so accustomed to massive involvement in Vietnam that we are hardly capable of thinking in any other terms. Our security forces might now be turned into development cadres - our guns into plow shares - and we will be just as active in helping - yes, even directing the GVN in their economic and social battle as we have been all these years on the military and political front.

I am not, a priori, saying this is wrong. But what I am suggesting is that I suspect that the conventional wisdom might lead us to an almost automatic, sub-conscious shift in this direction without really having taken the time to evaluate objectively if this really is in the best interests of either the US or the GVN.

It just might be that the Vietnamese people are so overburdened and overladen with our moral and material presence and support that we are stymying their own latent development potential. And I am not talking here about the obvious grist our presence provides for the Viet Cong propaganda mill. What I am concerned with is the effect our over-the-shoulder, big-brother-knows-best attitude, might be having on the problem we so often proclaim as the major enemy in Vietnam today....the lack of will and determination on the part of GVN leadership to see the battle through. Perhaps the time has come for us to be more relaxed in pushing our programs for their benefit, as well meaning as we might be. Perhaps we would be better advised to sit back awhile and let

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Many, if not most, of these activities are still underway, both in USAID and CORDS. But now that the emergency has lessened, it might be an appropriate time to examine whether these two worlds might not merge or at least get more into the same orbit; and in the process, we should look closely at the present relevance of some of our activities, on both sides of the house, how they might be modified, reduced or possibly, in some cases, even eliminated.

We have far too much invested to simply pull out and I am as interested as anyone in protecting this investment. But my notion as to how best to protect it is to reduce our protection over it; in a nutshell, less hovering and monitoring, less reporting, less pressure on virtually all fronts. From a practical point of view, one consequence would be the need for fewer of us in jobs like these. It would be necessary to question some of our sacred or semi-sacred cows like the relevance of the provincial and district teams in the future development effort, the need for a regional office, such as this one, at least in its present size and organization, the continued need for young generalist NLD type personnel who might be better geared to putting out fires than for long term nation building, and the like. More on the AID side, the question might be - just how much longer is it feasible for us to continue to prop up this economy with CIP and PL 480 consumable type programs?

I am sure all of this sounds very negative, which bothers me because it is not my nature to be so, especially in the area of aid to underdeveloped countries in which I have been engaged over the past twenty years. But perhaps we should consider returning to some of the more proven and tested principles of aiding other countries. And the first one is that traditionally we normally respond only to requests of host governments, rather than initiate them. Because of the war and the nature of our involvement, I am afraid the habit has formed here that we don't wait for the host government to recognize its needs, rather we anticipate them. We are quite often ready to solve a problem before it has emerged or to introduce a program before the GVN really is ready for it or even understands it. Our natural eagerness for progress and improvement is understandable but has it possibly become misguided and counterproductive? A corollary of this is that in other less developed countries where we provide advisors to host governments, it is done only upon their expressed written request, and in most cases the host government makes a significant contribution to the expense of maintaining the advisor in such ways as providing his base salary, or his housing, or transportation or some related cost. I wonder how many of us would be in Vietnam today, if these more normal world wide ground rules applied here?

Certainly we cannot shift overnight from the exigencies of the Vietnam of 1965-70 to the more peaceful, more stable and normal Vietnam of the future, but it is not too early to begin de-escalating our thinking in the development area and to return to a more rational approach, which in my view, would be in greater consonance with our own as well as the GVN's long term interests.

These observations challenge the future validity or relevance of the CORDS structure as now constituted. CORDS was set up to be responsive to the emergency that existed at the time. It has accomplished its tasks to a large extent, although possibly less so in our region than in others. As security improves and pacification becomes a less dominant force in the CORDS mission,

it will be only natural to turn to the development side to see how we might strengthen and expand it. I urge that we guard against this, unless or until we are a lot clearer than we are today as to where we are going and what is at the end of the road.

To close on a more positive note, history may well record that CORDS proved to be an extremely successful response to the Vietnam of 1967 to 1971. Much good work has been done, especially in humanitarian terms, and there is no reason why CORDS cannot be flexible and responsive enough to adjust to the changing situation and remain an effective instrument for carrying out US foreign policy in Vietnam. Let us all work toward making this possible in our deliberations during the course of this meeting.

USAID/CORDS PANEL

DISCUSSION LEADER

Mr. William Davis, Asst. Director, P&E Div., ADPROG

Mr. Davis opened the discussion by noting that there is good cooperation between CORDS and USAID and that there is a mistaken assumption that these are two separate programs. AID is responsible for the totality of US economic programs while CORDS is primarily concerned with pacification and is in a technical advisory role utilizing inputs from AID, DOD and other sources. But we are all operating under the same basic objectives. He then stressed the problem of over involvement and over enthusiasm on the part of US personnel which often leads to white elephant projects. Our main thrust must be to work ourselves out of a job by helping to train Vietnamese to assume full responsibility. He then proceeded to describe the basic objectives underlying our programs in Vietnam, which are:

- (1) To insure a free, independent and viable South Vietnam functioning in a secure environment both internally and regionally.
- (2) To provide the opportunity for all S. Vietnamese to choose their form of government free from outside interference.
- (3) To reduce the number of US personnel fighting and working in S. Vietnam as rapidly as possible without frustrating the achievement of the other objectives. Within this broad framework, AID has formulated the following economic goals for 1971 and 1972:
 - (1) To help the GVN support a force level adequate to take over the major responsibility for military operations against the VC and the NVA while improving the real income of its soldiers and civil servants and maintaining reasonable price stability.
 - (2) To help the GVN maintain the momentum of pacification in rural areas, promote, support and loyalty to the GVN, stimulate economic growth and develop institutions of representative government.
 - (3) To help GVN at the national level to perform more effectively its essential civil functions to promote economic development.

He remarked that we will now be determining whether these same goals should pertain in FY 1973. As it now appears, most of our resources probably will be pledged against the first objective: Stabilization. The magnitude of the problem is staggering. We now provide between \$400-435 million annually under CIP and PL 480 to finance imports and this figure will increase as piasters sold by the GVN for dollars will decrease as a result of lower levels of American Military presence. Pacification will doubtless remain a major thrust especially in MR 2 where security has been most problematical, but the trend will be toward greatly reduced levels of field personnel and a normalization of local development activities with the US reverting almost exclusively to an advisory role. On the national development level, we have

already been involved for 15 to 20 years in institution building. Our efforts beyond FY 1972 probably will be directed more toward the private sector and revenue producing, self-liquidating loan projects. Our main thrust will be to move from our reliance on budgetary support to production for growth and viability. At this point Mr. Davis introduced Mr. Don McClelland.

Mr. McClelland related the economic abstractions preoccupying his office in USAID to field operations. Of prime concern is the extremely critical balance of payments situation. S. Vietnam imports \$750 million of goods excluding military hardware, and exports less than \$20 million. At the moment, we are making up the difference but how long this will continue is anybody's guess. How can the GVN meet its needs with less imports while at the same time improve the level of its exports? He suggested that this a regional as well as a national problem. It will not be solved by increasing rice in the delta since there probably soon will be no international market for rice. There must be greater agricultural diversification, especially in areas like MR 2. He then turned to stabilization which is basically a question of supply and demand: What is needed is either increased supply or decreased demand or a little of both. Regional considerations again apply. On the supply side, increased agricultural productivity is the most obvious answer. While the demand side is more complex, such plans as increased tax collection and the move toward local self-sufficiency would reduce pressure on the national budget. The third issue Mr. McClelland explored briefly was development planning. He stressed that we must get away from thinking just in terms of macro-planning. Five year plans are not the be-all and end-all. In fact, except for setting broad gauged policies on such matters as interest rates, foreign exchange rates, policies toward private investment, etc., these plans are less urgent than local planning, especially at the project level.

Dr. Winfield Niblo spoke next of USAID programs in the fields of public health, education, public administration and labor. He stated that the overall problem is how to maintain our vital activities with reduced funds and manpower. In the field of Medical Logistics Supply, for example, there was a time when the using agencies could requisition virtually anything and obtain it. A quota system has now been put in effect to limit and control issues. Medical care and nursing programs are rapidly being phased out. Future emphasis will be in the area of family planning and preventive medicine in such activities as the sanitary hamlet program. In education, the primary focus in MR 2 is on improvements in the Montagnard education system. Decentralization of primary education is also receiving considerable attention looking toward the day when villages will have their own school boards and local revenues will largely cover the costs of maintaining the system. In the public administration area, the main thrust is in the local revenue improvement area and in assistance to the autonomous cities. Our efforts in the labor field will be concentrated on supporting the various skills training centers like the one opened recently in Tuy Hoa. Dr. Niblo concluded by urging field personnel to keep in closer touch with his office and to correspond with ADLD on any matters that might improve development programs.

Mr. G. Edward Thompson was next to speak about the problems and potential of private sector development. He outlined the magnitude of the problem of shifting from a supported economy to one nearing self-sufficiency. The investment climate in S. Vietnam is about the worst in the world. The war is an obvious depressant to capital investment and additionally, there is a negative image of Vietnam in the international investment community that greatly exaggerates the real situation, e.g., planes can land at Tan Son Nhut Airport. The very high rate of inflation also serves as a depressant to long term fixed industrial investment. Further, the GVN has a virtually non-competitive investment incentive act in comparison to neighboring countries. And finally, there are many restrictive laws and regulations effecting business operations.

On the brighter side, there is a diversified and developed infrastructure attributable to the war, i.e., roads, airports, seaports, which represent a significant inducement to industrial development. There is also a highly motivated private enterprise-oriented population, and there are some useful resources: timber, fisheries, agricultural commodities and even a tourism potential. The trick is to marshall all of these plus factors into industrial development.

Mr. Thompson then posed the magnitude of the problem: With at least stabilized consumption and normal population growth, a 4% annual rate of growth is a reasonable assumption. Where will it come from? He conjectured that possibly \$200-250 million a year in foreign exchange earnings or savings is the upper limit that could be expected from the total agricultural sectors including forestry and fisheries. Oil exploration might conceivably add another \$100 million assuming oil is discovered in recoverable quantities. This is certainly not to be counted on at this time as a reasonable expectation for no one knows what the possibilities are. This still leaves a gap of some \$300-\$400 million which will have to be filled by the industrial sector, unless large amounts of US aid are to be continued indefinitely, which is hardly realistic. The other alternative of course, would be a greatly reduced standard of living which the GVN doubtless would find politically unacceptable. Mr. Thompson concluded by urging that USAID/CORDS work together to develop short and long term industry and private enterprise projects that will address this massive problem.

Mr. J. B. Davis spoke next of the agricultural sector. He stated that for the last several years agricultural programs on the national level have concentrated on rice and livestock development. We have brought in substantial supplies of fertilizer, pesticides, feedstuffs, built feedmills, hatcheries and provided agricultural credit. In rice our goal was to obtain self-sufficiency by mid 1972 and it now appears that we will make it. We will continue to assist in livestock production. As we look ahead, we must be more concerned with the wishes and interests of the Ministry of Agriculture and no longer push our own pet projects. The Ministry is beginning to do a better job of planning and management of its resources. This year they have twenty six projects where they had forty three just one year ago. We might help in attempting to solve the bottlenecks restricting increased production in certain crops, especially in those areas where diversification appears feasible. On the local level, Mr.

Davis encouraged the development officers to continue their good work in agriculture but cautioned against the hazards of getting spread too thin on a variety of small projects.

Mr. John Riggs then spoke briefly on land reform. He remarked that a major theme of the Workshop seemed to be how we should switch from pacification to development. And as we think about development, he urged that we not lose sight of individuals. We have finally reached the point where we think of security in terms of people rather than territory. Let us make certain that we do the same thing with development. We should be more concerned with the distribution than the generation of GNP. We developed our own nation to some extent on exploitation. If we had it to do again today, would we approach it the same way? With respect to land reform in Vietnam, even though it is primarily a political rather than an economic program, there are considerable economic benefits involved, e.g., incentives, transfer of capital out of land into industry and commerce, etc. Land development will entail consolidation and mechanization. Let us make sure that in the process the little farmer is not forced arbitrarily off his land. There should be ample vacant land for development in the highlands. And let us be sure that the claims of the Montagnards are fairly considered. Madame Khe is claiming land in the highlands reportedly to raise cattle and fruit. This would mean development. If the Montagnards remain on it, there probably would be very little development. If the decision were yours, to whom would you assign the land?

The next speaker was Mr. W. Von Spiegelfield who pointed out the massive problems facing the Commodity Import Program. As US aid programs diminish in Vietnam, the CIP requirements increase proportionately. The problem becomes how to use the funds. We are not a procurement agency and can only finance the demand that reaches us through the importers. We do all we can to encourage importers to increase their purchases but this is not a very popular program either here or in the US. There are too many restrictions and regulations (e.g., tied procurement) to suit the importers and the prices they must pay under CIP are in most cases more expensive than they would have to pay for similar goods from other sources. On the other hand, the US Congress is always looking over our shoulder to make sure that we are not financing too many commodities of a special type that would create speculation and over supply. We could benefit from more information from the provinces on local consumption patterns and requirements especially in areas of over supply or shortages.

Mr. Clifford L. Frink spoke next of the logistics program. He stated that in 1963 it was necessary to establish a large logistics operation in Vietnam. At one time we had as many as 250 DF personnel. There are less than 100 now and this figure will be reduced to between 12 and 20 by the end of FY 1973. By that time there will be but one advisor in each region, and if he is not needed, this position also will be eliminated. At the height of this build up there were several hundred warehouses to handle emergency supplies. Normal transportation systems had all but broken down completely and the Ministry of Rural Development was assigned the task of handling logistics in the provinces. In the last year or so, conditions have improved dramatically. Commercial trucks now operate from Saigon to

Hue. And there are less commodities to handle in extraordinary ways, e.g., the handling/future Title II commodities is to be transferred to Vol Agencies who will be responsible for their own transportation and storage arrangements. Recipients also are being reduced to institutional feeding except for some refugees. Availability of such common user commodities as cement, rebar and roofing are also being drastically reduced by the GVN. All this means that the need for MORD is disappearing and that warehouses can be turned back to the provinces for their own use soon. We still have a problem with the National maintenance system, however. In certain provinces they seem to function satisfactorily but overall, it is still a pretty sad picture. We are now experimenting with various contractor arrangements that might improve the situation.

Backing up the system is the spare parts depot which, according to Mr. Frink simply does not work. There are plenty of spare parts but there is no orderly, efficient system to dispense them to the end-users. We are experimenting in this area also with new ideas, but it will doubtless remain a serious problem. Mr. Frink stated that our role in in-country transportation was also rapidly phasing down. Air America will steadily give way to Air Vietnam. Port construction is nearly completed and we are closing out our support in this area by the end of 1972. Disposal of excess property is the one area that will remain large for the next two years in view of the tremendous amount of excess property in Vietnam.

The USAID/CORDS Panel concluded with the remarks of Mr. George Bliss who first addressed the question of coordination between USAID and CORDS. He pointed out that the presentation of the previous two hours indicated how aware USAID officials are of CORDS activities. He then commented that the Development Workshop will be a milestone and should help us all in our desire not to become too institutionalized and inflexible to changing situations. It is obvious that military regions do not make very good administrative or economic sense, and we are aware of the need to tailor our structure and activities in each region to meet the particular requirements in that area. He hoped that these discussions might provide a framework for this structure in MR 2. He then called attention to the 1971 plan which this year is called the Community Defense and Local Development Plan. It emphasizes, in keeping with President Thieu's request, local affairs as opposed to national affairs, local planning for local development as opposed to planning for national development. In departing from pacification as the name of the plan, as the aim of the 1971 campaign, we give recognition to the fact that the GVN has distributed its control to nearly all of the population in all the populated areas in Vietnam. It shifts emphasis to the political, economic and social efforts that will have to be made to consolidate the government's control, while at the same time it recognizes that a greater burden of the share of defense against the internal security threat must be borne by the communities, including the villages themselves. The 1971 Comapign itself will begin the first of March and will embrace three primary objectives - Self Defense, Self Government and Self Development. Self defense encompasses the programs that you are aware of - Territorial Security, PSDF, Phung Hoang, National Police and Chieu Hoi. Security will remain the highest priority aspect of Self Defense and considerable emphasis will be placed on operations to obtain specified identified goals such as targeted VC units or members of the VCI. The Territorial Security objective is to improve the security situation so that 95% of the people will be living

in secure hamlets. Self Government will encompass the administration of the people and the programs to improve all administration are: Peoples Information, Peoples Organization, Population participation in numerous community projects. Self Development will encompass the broad areas of Agriculture, Land Reform, Industrial and Economic development, Veterans affairs, war victims, manpower development, public works, transport and communications, the Agriculture Development Bank, National Security Development funds, and PSDF Funds. Programs will concentrate all efforts in improving production, facilitating the growth of industries, stabilizing the economy and providing better services to all the people. Urban affairs and Ethnic Minorities will be handled as special programs supporting all three objectives.

Mr. Bliss's remarks concluded the presentation of the USAID/CORDS panel.

ORGANIZATION AND STAFFING

Given the current nature and magnitude of development activities in MR-2, do you believe that the existing organizational approach (USAID/CORDS/DEPCORDS, Province and District Teams) is the most appropriate? Are we staffed with the most suitable types of personnel in more or less appropriate numbers? Are our existing functions (i.e., the way we spend our time) sufficiently relevant to US and GVN interests? A copy of comments on the recently completed draft audit report on USAID/CORDS relationships is enclosed as a guide. You might wish to use this as a point of departure in your deliberations.

FLANAGAN, Larry, ODO/ECON, NhaTrang	<u>DISCUSSION LEADER</u>
FRINK, Clifford, ADCCA, Saigon	
HOLZ, Norbert, ODO/CDD, NhaTrang	
HOOPER, Robert, ODO/PHD, NhaTrang	
MC CLELLAND, Donald, ADEPP, Saigon	
PLOCH, Edward, Binh Thuan Province	
SELLERS, Robert, CORDS/OMS, NhaTrang	
SCHMELZER, Frank, Phu Yen Province	
SNELL, Robert, ODO/ENG, NhaTrang	
CHAMBERLAIN, Robert, CORDS PP&P, Saigon	
SAMAHA, Freda, Personnel OMS, NhaTrang	
SANDRI, Henry J., ODO/CORDS, NhaTrang	

Attachment #5

ORGANIZATION & STAFFING PANEL

PRESENTATION

BY

Mr. Larry Flanagan, VSD/ECON MR 2

The composition of the panel exploring organization and staffing was the same as shown in your folder with the exception of three additions and two deletions. LTC Lopez and MAJ Miller did not sit with us. Elimination of the two military members was not by intent. LTC Lopez was not able to attend the workshop and MAJ Miller chose to represent Pleiku on the Highlands Panel. Three others joined the group. They are Mrs. Samaha, Mr. Chamberlain and Mr. Sandri.

The work group report will begin with some general comments. Next will come specific recommendations on organization and staffing. This will be followed by a section dealing with programs, then a few more general comments at the end. I have tried to stay within the areas of agreement of the panel with these remarks. Some of the comments may seem rather brief, blunt and oversimplified. Lengthly explanations have been avoided with the expectation that the discussion period following the report would provide ample opportunity for additional elaboration if needed.

We began by asking how many of us are really advisors. We concluded that overall we volunteer or are called upon to provide very little substantive advice. This is not because so little advice is needed. The person who actually needs advice may not know it at all or may not know his extent of need for advice. There are inhibitions both cultural and human which make it difficult to openly seek help. Even if the GVN official knows he needs advice he is too often reluctant to admit it or ask for it. There are still many areas where advice is needed and would be helpful.

The failure to provide advice is not simply a failure of individual technique of seeing an opportunity and then giving advice in an acceptable manner. It is a more complex human and political phenomena but no matter what we label the problem, the fact is that we are not spending much time advising. This is not to imply that the US has no other useful functions to fulfill except as advisors but basically the reason to have so many Americans over here was to provide advisors in a variety of areas.

The Vietnamese have literally been overwhelmed with Americans with lots of ideas, asking countless questions and second guessing everything the Vietnamese do.

We agreed without dissent that there are too many Americans, both Military and civilian, in Vietnam.

The type of organization we feel that would be capable of performing the essential tasks is this:

a. All district teams would be withdrawn, not precipitously but certainly at an accelerated pace from those districts where US presence is not needed. We recognize that there is some consolidation of district advisory teams underway but feel that this process will be too slow and not applied as widely as it could be. The elimination of the district teams would be a major blow to the HES but reporting requirements alone are not sufficient justification to warrant keeping extra US personnel around. Reports such as the HES should become the responsibility of the GVN.

b. Province teams would be reduced to a number from 1 to 8 with an optimum of five people. These would be as follows: Province Senior Advisor (Civilian); Deputy for Civil Operations (Civilian); Deputy for Military Affairs, Military; Assistant for Civil Operations, Civilian; Administrative Assistant, either Military or civilian.

Recognizing that all provinces are not the same, the Province Teams could be tailored to fit any major differences. This could mean an assistant for the Deputy for Military Affairs in those provinces with more security problems. The Assistant for Civil Operations is meant to be a young, energetic person who will be on the move in the districts. In all cases the province teams are to be kept small.

Further reductions are to be made as the changing situation permits.

A team of this size would not be burdened with their own logistic support but could devote more time to the advisor-monitor function.

These teams would phase out completely as the mission went to a project manager system though we realize this would be several years away. What this would mean at the Regional level is that we would follow the same pattern and reduce the number of people. It would be a staff with a mix of generalists and technical persons. It would be a tie between Saigon and the provinces, not a screen. It would support the provinces, give direction when necessary but perform only essential functions that facilitate the province teams' task accomplishment. The Region should not be a creator of extra and unnecessary work. It would have a capability to provide limited technical support while calling on Saigon for additional help as needed. The Regions must not become alienated from the central level. The majority but not complete consensus was that all technicians in a region should work out of regional headquarters.

As the Province Teams were reduced so would the regional headquarters be trimmed as the central level assumed the complete burden of monitoring the field.

It is recommended that the current way that the country is divided into regions be closely examined and consideration given to restructuring the boundaries. The current division of the country is not on economic, ethnic, logical, administrative or geographic lines.

At the Saigon level we feel that CORDS as it now exists is no longer necessary. The civil development activities should return to USAID. There

will be a need, however, for an organization to handle the paramilitary programs until the US involvement is reduced and the GVN takes over completely.

What would the timing of these changes be? The time to start is now while pointing to mid 1972 for achievement of these changes. The reduction in civilian personnel is predicated upon a similar reduction in military personnel. The pipeline for both should be squeezed now. Administrative requirements at all levels should be reduced in keeping with the reduction in people.

We do not want to forget a valuable part of this organization and that is our local employees. They are capable of assuming increased responsibility. They continue to give loyal service even though representing the US is becoming less acceptable among their countrymen. Those who were transferred from USAID to MACV because they were on duty in the provinces and regions should not be forgotten by USAID during a transition back to a more typical USAID organization. Many had years of seniority that should not be sacrificed. In all of this is the recognition that there may be overriding political implications that may dictate other organizational changes at any time.

Moving on to a look at programs we made these conclusions: Goals and Programs for the provinces are often unrealistic. Real quality and progress of lasting substance may be sacrificed for the superficial achievement of meaningless goals as we continue to strive for instant success on an annual basis.

We seem to think that because things are generally unsophisticated that new ideas can be adopted and put into practice right away. Because the people have never risen up and said "stop" or "slow down", we go on assuming for each successive year that it is reasonable to make major changes and set higher goals. The error is compounded when we delude ourselves into thinking that substantial progress has been made in one year, and that establishes a new advanced take off point from which to launch next year's effort, whereas, in fact, that kind of remarkable progress has not been made at all. Nowhere in modern times has one nation expected the kind of progress that the US seeks to achieve in Vietnam throughout the whole fabric of their society.

A basic question was asked - "Whose programs are they?" In many cases we could not say they are Vietnamese. There are too many programs, activities and projects. It seems that we are trying to solve all of the problems of this country simultaneously. The Vietnamese are not to be permitted to have faults that go uncorrected or to be allowed to develop and progress in a more reasonable fashion, sometimes by trial and error.

Current programs, activities and projects should be evaluated to eliminate the least effective and non-essential. Nothing should be so sacred as to

escape this evaluation. This last comment was particularly directed at the public safety program though not solely. If the GVN had to choose programs for support by very limited funds and other resources what would they choose; would it be warehouses, maintenance, shelters, hospitals and secondary schools? We don't think so. We realize the complexities of arriving at decisions of what programs both the host and supporting countries can fully agree on. Our history in Vietnam shows many US programs forced on the Vietnamese because we thought they were needed. They may have been needed but it always comes down to a basic point that no matter how well we plan and advise and no matter how much money and commodities we supply, for a program to succeed, there must be a Vietnamese who wants it, who will support it and who makes it work. If not, then real failure is the result.

This is not to say that the host country is right by not wanting some of our programs nor that we are wrong by trying to sell new ideas - but we are wrong if we go ahead with a program that has not been accepted by the Vietnamese.

Our programs that are carried over from year to year should be improved gradually by retaining the tried and proven good points and by modifying the weak points or failures. We make too many major changes often late in the year. Special program follows special program on an annual basis. Surely sometimes there must be something that is routine.

One suggestion is to channel all funds through the GVN annual national budget as regular budget support. Have no more special funds as the AAC with which the US can force its pet programs without regard to GVN desires or intent.

We accept that Vietnamization is inevitable and that it is necessary and our recommendations support it. The US is often guilty of over-reaction. A particular point to reinforce this statement is the Refugee Program.

There will be more international influence on the political side and on the economic side. Other nations and world organizations such as World Bank, Asian Development Bank and United Nations will become more involved. This is good and our presence and activities here must not deter such involvement.

It is easy to be critical for there is much to criticize. We were not assembled here to put a rubber stamp of approval on the status quo or to reaffirm that we are doing everything just right but we were to make a critical examination within the time available. This we have done. This report is not negative though it takes the US to task for some of the things that have happened and are happening - but we feel it contains some recognition of the problems and some positive recommendations.

We take encouragement in the progress made and we see the opportunity for more and feel that what we propose today are positive suggestions that will help make further progress a reality.

SPECIAL TOPICS PANEL

Please feel free to select any topics you consider significant in relation to the objectives of the Workshop. Several suggestions follow that you might wish to discuss but feel free to develop other subject matter:

1. At what juncture might our involvement in Vietnam reach the point of diminishing returns, i.e., is it possible that our continued commitment might constrain the GVN from fully asserting itself in the nation-building process?
2. How should we address ourselves to the growing urban problem?
3. Do you (NLD Advisor) feel that you are serving a useful purpose, i.e., would the situation in your province be materially different without the presence of an American advisor of your type? How valid is the Provincial Advisory Team concept, particularly in the NLD area? Do you have any ideas as to how our approach might be improved?
4. What do you consider to be the most important steps the GVN should take to develop a stable and viable Vietnam over the short term? Over the long haul?

BARTLEY, O. Aman, Darlac Province

DISCUSSION LEADER

BLISS, George, CORDS/PP&P, Saigon
COBERLY, CORDS/LOG, Nha Trang
DAVIS, J. B., ADDP/ADM, Saigon
HICKEY, Gerald, RAND Corp., Saigon
JULIAN, Ralph, LTC, Quang Duc Province
LABOMBARD, Gerry, Ninh Thuan Province
MARCUS, Randy, Khanh Hoa Province
NIBLO, Winfield, ADLD, Saigon
O'NEILL, Hugh, CORDS/SDD, Nha Trang
THOMPSON, G. Edward, ADCCA, Saigon

SPECIAL TOPICS PANEL

DISCUSSION LEADER

Mr. O. Aman Bartley, Darlac Province
Mr. Gerry Labombard, Ninh Thuan Province, Reporter

The Special Topics Panel discussed the three questions presented in ODO's paper to the panel.

1. Before Vietnam can fully assist itself in the nation building process, they must have trained personnel for national planning. These people shouldn't be trained in US but in an Asian country that is already developed. Also, an education system that will develop dynamic individuals to build their country is needed. Community schools are a start, but not the whole answer.

2. The urban problems are the same as the nation building problems. Persons trained for city planning and a tax structure to help to build the city without the assistance of the central government.

3. Is the NLD Advisor needed in the Province? This question only raises more questions. First of all, the role of the NLD advisor must be defined. Is he a data collecting, report writing machine, or an advisor? NLD advisors will say the first, not the latter. Does he contribute anything to the US Mission in Vietnam? Yes he does, but how much and is it worth the cost to protect the US investment with this type of organization man? If he does contribute as a generalist to the mission, when does his usefulness become a liability? After security in the countryside is adequate for the military advisors to leave the province, should he stay to start development once security has become assured? If the NLD advisor is to be a contributing factor to the US Mission, a more defined role should be made of his job, so that AID/CORDS, Saigon can make maximum use out of the NLD advisors.

For example, can NLD advisors be of any assistance to AID/CIP? If so, how? These questions, gentlemen, have to be answered by Saigon. For only they can decide when NLD is a liability, instead of an asset to the US Mission.

The main areas for NLD to work in are

1. Agriculture
2. Education
3. Youth

HIGHLANDS PANEL

Feel free to discuss any aspects of economic, political and social development in the highland areas of MR 2. What would be in the best interests of the GVN in these areas in the future and what might we do to assist them achieve their goals?

SQUIRE, C. A., Pleiku Province

DISCUSSION LEADER

FIGUERIA, John, CDD/RDD, Saigon
LYVERS, Francis, Kontum Province
RALSTON, Robert A., ADDP, Saigon
RICE, Robert, Darlac Province
RIGGS, John, ADLR, Saigon
SALVO, Bernard, Tuyen Duc Province
SPRAGUE, Edward, Phu Bon Province
STANTON, Dean, CDD/LR, Nha Trang
TOLLE, Michael, Lam Dong Province
WEIR, Thomas, CDD/EDU, Nha Trang

7. The conception and implementation of a program encouraging Vietnamese migration into the highlands.

Form: Similar to Homestead Act.

a. Specifically free of past mistakes, such as the involuntary mass movements of people ill-suited to live in the highlands. It was generally felt that implementation of these four programs would allow a peaceful, orderly development of the highlands

8. What is envisioned in a parallel development of Montagnard and Vietnamese - the Montagnards somewhat slower.

Due to land projection, the Montagnards can develop at their own pace, perhaps even learning by example from Vietnamese neighbors.

Having generally agreed on goals and programs, the final question was the role of Americans in the process.

1. Topic comes up all through the discussion

2. No final answers, but a general consensus that our role most be more active, and direct in nature.

LOWLANDS PANEL

Feel free to discuss any aspects of economic, social and political development in the coastal and lowland areas of MR 2. What would be in the best interests of the GVN in these areas in the future and what might we do to assist them achieve their goals?

OWEN, Richard, Ninh Thuan Province

DISCUSSION LEADER

BAY, Clyde, CDD/AGR, Nha Trang
DAVEY, Gerry, Khanh Hoa Province
DAVIS, William L., ADPROG, Saigon
EWING, Eldon, Binh Dinh Province
LANGLEY, GLEN, CDD/AGR, Nha Trang
LEATY, Dan, Binh Thuan Province
MASHEK, Edward, CPT, CDD, Nha Trang
PIPER, Curtis, Cam Ranh
SAUERBRY, Max, ODO/LR, Nha Trang
SCHUMACHER, Ed, Lt, Khanh Hoa Province

LOWLANDS PANEL

Mr. Richard Owen, Ninh Thuan Province
Discussion Leader

Scope of Discussion: The discussion was restricted to the question of what role the US must plan in the development of the area after the wind-down is in full swing. In other words, what must USAID involve itself in during the coming months and years?

The Basic Problem Defined: The basic problem be one of increasing the economic growth of the area in light of the US withdrawal. Essentially it is a question of finding the best way by which the GVN can take up the slack after the US leaves. Specifically, it is a question of stimulating economic growth in order to insure economic, social, and political stability on the local as well as national level.

Problems Restricting the Development of the Economy, ie., The Development of the "Productive Sector"

1. GVN restrictions on the exploitation of resources, ie., lumber exploitation.
2. The military structure hinders the communication of developmental needs from the province to Saigon. The province chief is more worried about what the generals think of him than what many ministry people think of him.
3. The moral authority of the government is low. Even basic problems hinder development such as people tapping electric lines, thus partially destroying a city's electrical grid. The local law enforcement authorities are often times uninterested or unable to correct these violations.
4. A surplus urban population which will not be mobilized fast enough to avoid the myriad of socio-economic problems that will arise as the draw-down progresses.
5. Inflation
6. High Interest Rates
7. A glut of unskilled civil servants who will be released from service and who will be unwilling or unable to take up blue collar jobs.
8. Continued security problems.
9. Short sightedness of government officials, red tape, and a huge bureaucracy.
10. Corruption at local level.
11. Poorly motivated local officials
12. Lack of a complete infrastructure

Resources on Hand in the Development of Economic Growth

1. Relatively cheap electrical power will be on hand when security permits
2. Basic highway system is available
3. A few good ports and port facilities
4. Some exportable resources such as tea, livestock, sugarcane, bananas
5. Some resources for local consumption such as coral for cement, silica sand for glass

How do the Vietnamese Begin to Carry the Burden of Development? Who Becomes the Focus for Local Development

Some institutions are already available which could conceivably handle the various developmental operations of a given area. They are: the province council, the P&D Council, the services already involved in development such as Public Works. But these organizations lack the expertise for such complex problems. What can be suggested?

Suggestions and Recommendations

1. USAID must change its scope of work. Streamlining GVN administration and services must be a major concern of USAID. The GVN must be made more interested and responsive to local developmental needs.
2. More appropriate lending institutions must be set up at the local level. More funds must be made available to the private sector and these funds must be made more easily available.
3. More USAID specialists are needed at the local level to advise the services on questions of local development. The role of the CORDS generalist should be phased out.
4. Land distribution must be equitable and forthcoming to defuse the potential social problems caused by people trying to return to the land as the drawn-down proceeds.