

Program

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B. Project Assistance

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 100.8 | 17.5 | 83.3 |

1. Agriculture and Natural Resources

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 16.730 | 940 | 15.790 |

The majority of funds will be used in two major fields of activity:

a. Irrigation and Drainage

FY 1955, an 11,000 hectare project near Cocong in South Viet Nam is near completion and a 14,000 hectare project near Soctrong in South Viet Nam has been commenced. In the newly liberated areas of Tuy Hoa in Central Viet Nam, evacuated by the Viet Minh in the latter part of the first quarter of FY 1955, a rehabilitation project of 19,000 hectares has been commenced. One-half of this area will be completed before the end of FY 1955. In FY 1956 the projects mentioned will be completed and irrigation facilities in rice-deficient areas of Central Viet Nam will be surveyed and repaired to the extent funds are available. At a minimum, 30,000 hectares of land will be brought back into cultivation during FY 1956.

b. Agricultural Credit

Approximately \$10 million in local currency earmarked for agricultural credit funds to be administered through an agricultural credit association, which, due to lack of funds, has previously been practically inoperative. Cultivators in previous years have been unable to obtain at reasonable interest rates plows for seed fertilizer and have been paying usurious rates almost amounting up to 80% of the loan principal. Funds thus available to the Viet Nam Government administered in a joint agreed project will benefit a great amount of small cultivators already on the land and displaced persons and refugees from the North to be settled on land becoming available through land reform facilities. The remainder of the funds will be used for the purchase of fertilizer, agricultural tools, tractors for land clearing.

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2. Industry and Mining

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 1.265 | 1.125 | .140 |

The major activity in this category will be the completion of a micro-wave net in South Viet Nam. Project agreement for this undertaking signed in FY 1955. Funds for the completion of this micro-wave net which can be connected with Cambodia, Laos, and Thailand amount to approximately \$532 thousand. Balance of the funds will be used for pilot activities in Viet Nam, a country almost completely void of any industrial establishments. Should a survey programmed in FY 1955 of known coal deposits in North Central Viet Nam south of the 17th parallel prove that coal deposits are commercially minable, some of the funds will be used to undertake such an activity. Viet Nam, which consumes approximately 130,000 tons of coal annually, has become a coal deficit country with the truncation of the country due to the Geneva Agreements. In previous years, Viet Nam was a coal exporting country, mining its coal through a French mining corporation in North Viet Nam.

3. Transportation

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 16.895 | 6.665 | 10.830 |

In previous years throughout Viet Nam approximately 1100 kilometers of roads were maintained and repaired with aid provided to the Vietnamese Government. A considerable amount of this repair work was done in support of military activities prior to the Geneva Agreements. With the end of hostilities, prime emphasis has been laid both by the Mission and the Vietnamese Government to the repair of feeder roads in newly liberated areas to connect villages and hamlets with provincial and regional capitals. With limited funds available both to the Vietnamese Government and the U.S., a project agreement has been signed with the Vietnamese Government to undertake an engineering survey to establish priority road construction and road repair work. In FY 1956, 11,665,000, or approximately 80% of the funds programmed for transportation activities have been set aside to undertake such road reconstruction and repair activities. It is already

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known that a 23 kilometer road connecting Saigon to Bien Hoa, a road junction point connecting 8 major roads with all parts of South and Central Viet Nam, will have to be widened and reconstructed. Further, it is anticipated that roads leading north from Saigon connecting the Central Viet Nam regional capital of Hue will have to be repaired and bridges to be reconstructed. Preliminary estimates indicate that 70% of approximately 200 bridges have been destroyed during the war years. Further, emphasis of the FY 1955 program to repair feeder roads will be continued in FY 1956. Balance of funds will be used for two other major activities:

a. Inland Waterways in the Mekong River. Delta.

The numerous waterways act as traffic arteries to the major ports of Saigon and Cantho. These waterways, not having been maintained for the last 7-8 years, have accumulated a great amount of silt and often are not navigable for barges loaded with rice and other agricultural products to reach the major cities of South Viet Nam. With the arrival of four dredges programmed in previous fiscal years, this rehabilitation of waterways can now commence full-force. Funds programmed amounting to approximately \$2,500,000 will assist the Vietnamese Government to undertake this work at an accelerated rate.

b. Air Transportation

Approximately \$1,300,000 are programmed for FY 1956, a continuation of airport communications, ground control, and safety program commenced at the end of FY 1955. Saigon, a major international airport, has international air safety and air control responsibility taking over where international controls terminate from other Southeast Asia terminals such as Bangkok, Singapore, Hong Kong, and Manila. Existing facilities previously operated by the French are inadequate to fulfill this responsibility. The program for FY 1956 provides for the installation of modern safety communications and control equipment, provides for the training of a minimum of 35 Vietnamese technicians and qualified U.S. technicians to be furnished through a civil aeronautics authority. Both the Vietnamese Government and the U.S. Operations Mission consider this program of major importance since (1) it will train Vietnamese nationals to fill a void left by departing French Technicians and (2) assist the Vietnamese Government to assume responsibilities independent nations fulfill in this age of air travel.

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4. Labor

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| .280 | 0 | .280 |

No activity in the field of labor was undertaken in previous fiscal years. The direct U.S. dollar component of this field of activity is included in technical cooperation. The local currency component of \$280,000 will be provided to the Vietnamese Government to establish, with the assistance of one or two labor specialists furnished by the U.S. to set up within the Ministry of Labor, classification of existing labor legislation - such legislation being based on French labor laws which par se are highly developed and in great technical detail but enforceable due to the nature of the Vietnamese economy and the Vietnamese Government structure.

5. Education

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 3.590 | 0 | 3.590 |

The direct dollar cost is shown under technical cooperation. In previous fiscal years intensive program was continued in which assistance was given to the following schools in Viet Nam: Public Works School, School of Radio Electricity, School of Maritime Navigation, Technical College, Industrial Schools and National Normal School. 600 elementary school teachers have been trained annually and 854 students have received technical training. Popular education and community schools received major emphasis and 120 adult education programs were introduced. 655 regular teachers participated and 3,465 part-time teachers cooperated in a mass education program. A total of 1,130,000 persons are presently enrolled in this type of mass education and it is estimated that through this joint Vietnamese Government - U.S. Operations Mission program, 460,000 people have been made literate. Technical aids have been furnished for school books, atlas, and maps, etc. and it is estimated that 1,500,000 school children have been benefited by this program. 78 new schools are now under construction in Viet Nam. The FY 1956 program is basically a continuation of previous years activities; major emphasis naturally will be laid in the areas newly come under the control of the Vietnamese Government. Survey trips in the areas, both in South and Central Viet Nam, indicate that a great lack of school facilities exists due to destructions on account of the war and a new awareness of the part of the population in education of their children and the possibility of adults to become literate increased the communal demand for educational facilities. School construction in Viet Nam

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cannot be compared with school construction in the Western countries. Schools on the village level are constructed by the Villagers themselves and are a simple type, mainly consisting of native material such as lumber, bamboo, and thatch. The education program foresees to provide native material only for such construction. A request by the Vietnamese Government to give assistance to the construction of a Vietnamese College is presently under consideration. The University of Hanoi, now having been transferred to Saigon, previously was a joint French-Vietnamese organization with its top administrative echelon occupied by French citizens. During the month of May this institution was turned over to the Vietnamese Government. Facilities in Saigon obviously are completely inadequate for such a Vietnamese National University and it is anticipated that during FY 1956 some assistance will be given to this new Vietnamese National University.

6. Health and Sanitation

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 1.850 | .560 | 1.290 |

The purpose of the Health and Sanitation program is to assist the Vietnamese Government to provide basic medical facilities and to teach and train additional personnel to fulfill this obligation of a Government. Thus, in previous years 36 insecticides spray teams worked in provinces of highest malaria incidents and it is estimated that at least 3,500,000 people have been affected by the activities of this spray team. These teams go into action after 12 malaria and intestinal disease teams have determined the need for spraying. Three malaria diagnostic laboratory units located in Saigon, Hue, and Nha Trang examine or check the blood smears taken by these 12 survey teams.

20 trained and equipped diagnostical teams treat approximately 30,000 people per month while first aid teams treat about 20,000 additional people each month. Treatment has been given to approximately 5 million people against small pox, 2 million for cholera, 100,000 for typhoid, and 50,000 for tetanus. 1,400 sanitary wells have been constructed and a large water system in the city of Hue nears its completion. 2,740 fixed communities and 350 refugee or emergency settlements have received first aid kits which serve from 500,000 to 1,000,000 people per month. Assistance was given in the construction of 200 health centers, 30 nurses have been graduated and 100 nurses are now receiving basic training in two nursing schools located at Saigon and Hue. Pediatric training was given to 12 nurses in cooperation with UN Programs. Since there is at present only 1 graduated civilian nurse for 20,000 civilians, the training of qualified technical personnel has major importance.

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Approximately 70 diagnostic technicians have been trained and health education classes have been given to 97 individuals. These individuals have been assigned to local communities and have already organized 166 local community health committees. A blood bank has been established at Saigon and a further will be established in Hue; 6 laboratories have been completed and equipped with diagnostic kits. FY 1956 program is a continuation of these activities with primary emphasis on areas turned over to the control of the Vietnamese National Government under the terms of the Geneva Agreement. The last of these territories was turned over during the Month of May, 1955.

7. Public Administration

| <u>Total Costs</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|--------------------|-------------------------|----------------------------|
| 4.290 | 0 | 4.290 |

During FY 1955, six project agreements were entered into with the Vietnamese Government. They are:

- a. National Institute of Administration to cover improvement of organization and management in the Vietnamese Government.
- b. Travel cost of Vietnamese students holding scholarships in the U.S.
- c. Travel costs of students returning to Viet Nam.
- d. Administration of American economic aid.
- e. National Institute of Administration for teaching and research.
- f. Training of civil servants.

Of these projects, the two covering the National Institute of Administration are the two most important ones. They are covered by a contract with Michigan State College and have absorbed approximately 80% of the funds programmed for FY 1956. This contract recently negotiated and signed by the Vietnamese Government and the Michigan State College during the month of May 1955 is supposed to run for a minimum of two years. The project for administration of economic aid amounting to approximately \$1,000,000 will, if at all possible, be either absorbed in FY 1956 or be materially reduced, if at all possible. Negotiations with the Vietnamese Government to that extent are at present underway. However, due to the budgetary decision of the Vietnamese Government, it is not at all sure if the Vietnamese can absorb the administrative costs of the American economic aid program.

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Public Administration activities, primarily through the means of the Michigan State College Contract will reach a new level of activity in the FY 1956 due to the new complete political and economic independence of Viet Nam. For a long time a marked need for a public administration program has existed in the Vietnamese Government, to better its governmental services. However, the new defunct agreement with the French prevented the Vietnamese Government from hiring qualified technicians from countries other than France, and this great need never could be satisfied.

8. Community Development

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 2.700 | 0 | 2.700 |

In FY 1955 and in previous fiscal years, assistance was furnished under this category to communities and villages, which either were struck by disasters or by the affects of war. Thus a great number of people were assisted. Through the community development program, emergency assistance within 48 hours by commercial and chartered airplanes was given to a community of approximately 75,000 people. Under the community development program in 1951, a low-cost housing center in Saigon was constructed consisting of 1,000 units. This housing development is now operated as an administrative entity, furnishes housing to low-income people and to war veterans. In FY 1956, funds earmarked will be primarily used for disaster relief and for the continuation of a project agreement signed in FY 1955 to set up 21 modern village communities.

9. General and Miscellaneous

| <u>Total Cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 6.200 | 1.630 | 4.570 |

The Major activity under this category is mass communications. In previous fiscal years, assistance has been furnished to the Ministry of Information of the Vietnamese Government in the form of mobile-units, radios, pamphlets and the construction of radio facilities. The two radio stations of Saigon and Hue have been completely re-equipped with modern equipment, giving the Vietnamese Government facilities to communicate with its population. Pamphlets printed and designed by technicians of the U.S. Operations Mission in cooperation with Vietnamese counterparts have been instrumental in bringing to the population information about land reform projects,

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health and other governmental activities. In FY 1956, an accelerated mass communications and information program is envisioned. Additional mobile units, community radio sets and simple individual radios will be distributed throughout the country to give the National Vietnamese Government the opportunity to communicate with their people and to combat vicious and insidious propaganda from the North. Other costs apply to equipment and contract services, a small portion of which cannot be assigned to any particular project or category.

10. Refugees and Resettlement

| <u>Total cost</u> | <u>U.S. Dollar Cost</u> | <u>Local Currency Cost</u> |
|-------------------|-------------------------|----------------------------|
| 47 | 7.220 | 39.780 |

During Operation Exodus in FY 1955, approximately 660,000 fled from North Viet Nam and South Viet Nam in order to avoid living under the communistic rule of Ho Chi Minh. Additional people can be expected who will make their way by land, south as escapees. The Vietnamese Government has not the financial resources to assist these refugees through their own budgetary receipts. This program commenced in FY 1955. It is planned in FY 1956 to integrate these 660,000 people from the North within the Free Viet Nam economy. Nearly one-third of the total funds are for land clearing in order to settle a large part of these refugees on idle lands in order to make themselves self-sufficient. Another one-third of the funds programmed will be used in a short-term loan program, especially for the refugees to provide plows, work and breeding stocks, tools, seed, fishing boats, etc. to be furnished to make these people self-sufficient in a short period of time. Additional amounts will also be needed for direct relief; i.e., food, blankets, medical supplies, particularly for families who have arrived from the North during the first four months of 1955. In addition, families of demobilized soldiers and South Vietnamese who have been displaced from their homes during the war with the Viet Minh in the South, will benefit from this program. As of May 30, 1955, a total of 800,768 persons, both military and civilian, were evacuated. Non-French civilians amounted to 608,000; French civilians amounted to 38,000; Vietnamese military amounted to 59,000 and French military amounted to 96,000. The evacuation of these Vietnamese to the South was a joint enterprise by the Vietnamese Government, the United States of America and the Republic of France. The U.S., in FY 55 provided \$45,000,000. The Republic of France provided 11,000,000,783 billion francs, or \$33,000,000.

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