

Vietnam Bulletin

VOL. V, NO. 15

APRIL 12, 1971

A WEEKLY PUBLICATION OF THE EMBASSY OF VIET-NAM.

WASHINGTON, D.C.



Mechanization of the Farm

[REDACTED]

VIETNAM LAND-TO-THE-TILLER PLAN UNPRECEDENTED

[REDACTED] March 26, 1971 marks the first anniversary of South Vietnam's revolutionary Land-to-the-Tiller program. During the first year of the program the Government granted 210,000 hectares of land free of charge, to 162,341 farm families. By 1973, 300,000 former [REDACTED] farm families will have received titles to more than a million hectares (2,500,000 acres) of rice land; and farm tenancy, which has plagued this nation for generations, will have come to an end.

When President Thieu first enunciated his concept of the Land-to-the-Tiller program in September 1968, the Government of the Republic of Vietnam was faced with a long standing problem of social injustice which demanded solution if the pacification program was to be effective. The practice of tenant farming which, in effect, made the tenant farmer a slave to the land and to a continuous cycle of poverty, had to be abolished.

The Viet Cong, in their bid for power, had used the injustices which grew out of this system as a weapon to build up hatred against the government which they called a "lackey" of the landlords. They used the tenant farmers natural desire for land as a lever first to gain control over them and then to exact economic support for the Communist cause. In return for their "gifts" of the land the Viet Cong extracted taxes comparable to rents paid the most demanding landlord.

The pacification program was progressing rapidly. More and more former Viet-Cong-controlled areas were coming under government control. For farmers living in the contested areas it was also a period of personal crisis. In addition to the Viet-Cong distribution program, many peasants were tilling, rent free, land of owners who had fled to safer areas.

For the individual farmer, whose whole history and future is tied to the soil he tills, the question was simple but basic: "Can I keep this land or must I go back to paying exorbitant rent?" whatever his natural allegiance may be, he would most likely give his support to the side which would guarantee him social justice and the right to own his own land. The drastic situation required drastic action.

Land reform is not new to Vietnam. Early measures were aimed at securing rural areas after the chaotic years of World War II and the Viet Minh revolution against the French. The first effort came in June 1953. It limited land rents to not more than 25 per cent of the crop. The second, in 1955, obliged landowner to work lands abandoned during the war or have them turned over to local farmers who could purchase them on liberal terms. A 1956 ordinance limited land holdings to 100 hectares of which 30 hectares could be cultivated by the owner, the rest by tenant farmers. All in excess of 100 hectares was expropriated -- paid for by 10 per cent cash and the rest in 12-year 3 per cent interest bonds -- and sold to tenant farmers. A total of 425,000 hectares was expropriated from 2,035 landlords. During this period the Government of the Republic of Vietnam, with financial assistance from France, also purchased 245,000 hectares from 430 French landowners and sold it to farmers.

By the time of the promulgation of the Land-to-the-Tiller program in March 1970, these land reform measures had provided [REDACTED] farmers with ownership of 385,808 hectares. With exception of the years 1962-67 when the program was interrupted by November 1963 overthrow of Ngo Dinh Diem, distribution of lands had proceeded in an [REDACTED]

orderly, though painfully slow, fashion and had reduced land tenancy from 77 per cent to 60 per cent.

Viet Cong land redistribution practices are rooted in those of the Bolshevik Revolution of 1917 as modified by the Chinese program of Mao Tse Tung and the North Vietnamese. Those programs divided society into five classes: landlords, rich peasants, middle peasants, poor peasants and workers. In his drive to destroy the North Vietnamese land ownership and the political power of the old landlords, Ho Chi Minh developed and "onion peeling" process of removing one layer after another of power in the countryside by systematically destroying some people and driving out others. It is estimated that 100,000 people lost their lives in this drive for political power and that a million people fled to South Vietnam during this period.

Because of their incomplete mastery of the countryside the Viet Cong did not dare follow to their logical extreme the policies carried out in North Vietnam, but they followed the same general principles. They assassinated or drove out the upper two levels and sought to win over the others through a combination of intimidation and rewards.

Viet Cong policy was to win support of the land poor and the landless peasants by giving them land to farm, thereby attaining their economic support or their recruitment into the Viet Cong cause. To avoid complications when the time came to collectivize the land, the Viet Cong never issued a deed of ownership to the new farmers to whom land was given. Their few attempts at collectivization went too far soon. With disastrous results; so the Viet Cong postponed further efforts along this line until they could gain complete control of the population. Their offer of land to the peasant was a temporary technique toward that end.

This, then, was the situation that confronted the Government of the Republic of Vietnam in 1968 when the pacification program began to pick up momentum. President Thieu's proposals to grant legal ownership (title) to the family actually tilling the land, no matter how they came into possession, had three major goals:

1. Provide social justice for the long suffering Vietnamese peasant.
2. Undercut the Viet Cong land program and gain the farmers' political support which was needed to establish government control of the countryside.
3. Provide the basis for a sound agricultural economy for which South Vietnam is best suited.

A draft law submitted to the National Assembly on July 2, 1969, underwent nine months of intensive debate before it emerged as the Land-to-the-Tiller Law. It was officially proclaimed by President Thieu in ceremonies at the Delta city of Can Tho March 26, 1970. In signing the law he said:

"From now on there will be no more farm tenancy. Each tenant farmer will become a landowner enjoying a prosperous life. I hereby proclaim March 26th "Vietnamese Farmers' Day" which will be celebrated solemnly every year hereafter."

The Land-to-the-Tiller law applies only to rice lands. It automatically terminated land rent. It provides former tenant farmers with title, at no cost, to whatever land they are farming. Limits are set at three hectares per family in the land rich delta region and one hectare per family in land poor Central Vietnam. Landowners

who work their own farms personally or with hired labor may keep up to 15 hectares, but no one can retain rice land for tenant farming. The Government compensates previous owners with 20 per cent cash and the remainder in government bonds bearing 10 per cent interest and maturing in one to eight years.

Landowner compensation is calculated at the equivalent of two and a half times the value of the annual yield in rice from the land. Annual yield is calculated at the average over the past five years, and the rice price on March 26, 1970 is used.

The total cost of the program over a 10-year period is estimated to be nearly 200 billion piasters, or about U.S. \$ 725 million. In order to help offset the inflationary effect of this high piaster expenditure, the U.S. Government subject to Congressional appropriations has promised \$ 40 million for imports during the first three years of the program. Ten million dollars was obligated in anticipation of passage of the law and the next \$ 15 million is being obligated this month in connection with the first anniversary ceremonies.

The Government of the Republic of Vietnam set its distribution targets high. There were a million hectares of rice lands to be distributed to about 800,000 farm families over a three-year period. During the first year, as the program got under way the objective was 200,000 hectares, leaving 400,000 to be distributed in each of the two succeeding years. The first step was an intensive training program of some 3,750 specialists to assist farmers in completing their applications for titles.

Three key new procedures were used to speed up the land distribution process: use of aerial photography to identify farm plots, decision on ownership at the village level, and computer processing of titles and compensation to former landowners.

In August 1970, five months after the enactment of the Land-to-the-Tiller Law, President Thieu awarded the first titles in a special ceremony at Bac Lieu province. In December, Prime Minister Khiem presented the first landlords with compensation checks in Go Cong province.

One year after the enactment of the Land-to-the-Tiller Law, the Government of Viet-Nam had surpassed its own goal of 200,000 hectares for the first year. Speedy new techniques combined with decentralized decision making had cut bureaucratic red tape and assured the individual Vietnamese farmer of rapid social justice based on the decision of his peers.

On the first anniversary of one of the most sweeping land reform programs ever initiated in any part of the world, the Government of Vietnam looks confidently toward the reestablishment of rural harmony and security based on a society of land owning farmers who constitute a positive force for national economic and political stability.

ASSETS FOR TOMORROW

By Phu Si

Its major airport is one of the world's busiest - if not the busiest. The capital city - 30 miles from the sea - handles more ships than any American port other than New York. It is second only to Holland in the relative extend of its navigable waterways.

The country is South Vietnam where the ravages of war have been offset to an enormous degree by unexpected dividends in economic development.

In fact the Saigon Government will have an invaluable head start in terms of material and human resources over most of the world's developing countries once peace is restored.

This conclusion has now been affirmed by a seven-man team of economic experts from Japan's Federation of Economic Organizations after a year-long study of South-Vietnam's economic potential. The Federation's managing director, Tetsuya Senga, now urges both the Japanese government and his country's private business sector to collaborate on a large scale in economic development projects with Saigon. He predicts a broad range of future joint enterprises in fisheries, forestry, agriculture and ship manufacture. More than 25 years of almost uninterrupted war has cost the Vietnamese dearly in blood and treasure, he points out. At the same time it has helped to create new national assets of great value for the future.

A massive rebuilding and resurfacing program, for example, has given the Republic more than 12,000 kilometers of all-weather highway and 8,000 more kilometers of improved rural roads. In the process Vietnamese engineers and skilled workers have sharpened their talents in the equally important art of building bridges. Work, for example, is already underway on a new highway bridge over the Da Nang River. It will eliminate an existing bottleneck on National Route One, the country's principal North-South artery between Saigon and Hue.

The new span towering nearly 25 meters over the low-tide crest of the river will be 18 meters longer than its predecessor with 40 spans across the main stream and its tidal flats.

Another legacy of war is the nation's network of first-class airports starting with the Tan Son Nhut facility at Saigon - now reputedly the world's "busiest. Today virtually every provincial capital has its own airport including excellent facilities at Can Tho and Nha Trang and not counting numerous military fields. These already give South Vietnam an aerial traffic capability unusual for any developing nation.

BIGGEST COMPLEX: But the Republic's biggest industrial complex is the Vietnamese Navy Shipyard at Saigon. Although rivalled by a growing steel industry, the shipyard is still the country's only truly heavy industry. It is also the nation's largest training school for skilled labour - a factor of vital importance in post-war development. For the shipyard will not only be the nucleus one day of a viable industrial center involving electronics, diesel engines, foundries, welding, refrigeration, carpentry, pipefitting, air-conditioning and numerous other specialties - it will also

inevitably contribute to the expansion of light industry in each of these skills.

At the moment the shipyard's primary mission is repairing war-damaged vessels. About 80 per cent of production time is consumed in this endeavour along with fleet resupply, refitting and maintenance. Last year the yard completely overhauled 23 large vessels and extensively repaired 265 other Vietnamese and foreign ships. But workers are also completing a five-year construction program on the last of 180 wooden junks. Hereafter the construction division will be perfecting ferro-cement building techniques and no more wooden boats are likely. Three cement vessels have already been completed; two more are almost done.

PORT EXPANSION: Saigon's rebirth as a major Asian port is already a familiar story. Last year the facility handled more than 5300 ships carrying 7.8 million tons of metric cargo and earning over U.S. \$ 4 millions in port revenues. By 1978 Saigon will be importing six million metric tons of cargo and exporting another 3 1/2 million tons annually around the clock. But the major rebuilding and modernizing now underway is also designed in preparation for the time when tourists and commercial goods will replace the cargoes of war.

Meantime, at Bien Hoa, 25 kilometers northeast of Saigon, another industrial complex is taking shape to challenge the Navy Yards. This U.S. \$ 17 million-dollar pilot industrial park, being built around an old colonial sugar refinery, already houses 23 new industrial plants. Another 26 are nearly finished, seven are under construction, eight need final approval and 20 more have applied. The showpiece of the area is the nation's first steel rolling mill opened late in 1968. Total private capital investment already exceeds U.S. \$ 100 millions, about a fifth of which represents foreign interests.

In the words of the Japanese economic investigators: "The future of South Vietnam is brighter than ever in large part because of the growing reservoir of industrial and mechanical skill acquired by Vietnamese young men and women in the armed forces. This base of skilled workers in the long run will surpass in importance even the geographic endowments, rich natural resources and the abundance of coastal areas in inland waterways."

It is the brightest by-product of a cruel and costly war.

PRESIDENT THIEU PRESIDES OVER FARMER'S DAY IN LONG XUYEN

Saigon, March 26. -"Since security has been restored throughout the country, the government has carried out a nation-wide five-year rural economic development plan starting 1971, and covering the fields of Agriculture, Fishery, Forestry and Animal Husbandry."

President Nguyen Van Thieu made the statement in Long Xuyen Friday morning when presiding over the Vietnamese Farmer's Day which marked the first anniversary of the promulgation of the Land-to-the-Tiller Law.

President Thieu made known that the five-year rural economic development plan centers on the three following objectives -- to satisfy national consumption demands of essential commodities, to increase the living standard of rural people and to decrease imports and increase exports.

According to the Chief Executive, to complete the three above objectives, the construction of the Agriculture and Fishery domain will be very great and will be decisive when considering the economic development of the Nation.

"In order to accomplish these objectives," the President said, "rural people must fully utilize their lands first by growing many crops on the same piece of land, and secondly by applying advanced cultivation techniques."

In addition, the government will center on the reorganization and creation of more agricultural associations at provincial district and village level, other cooperatives, 4-H groups to spur community development of rural people, President Thieu said.

The Chief Executive asserted that "on completion of the plan, the production value of the agricultural and fishery sector will be increased by 84 percent over five years time. Thus the average annual increase will amount to 13 percent".

According to the President, in the five year plan, aside from efforts in the areas of building of the infrastructure, opening of canals, research in crop production, and agricultural mechanization, the government has paid special attention to another important production supporting activity -- the establishment of rural banks, a draft-law on which was forwarded to the National Assembly last week.

Addressing about 5,000 farmers attending the ceremony, President Thieu officially announced the the three major points of the national economic policy as follows:

- First: Economic development must be carried out in parallel with the realization of social justice;

- Second: Together with the social justice and advancement, economic expansion must create a new society in which every citizen becomes well-to-do and the middle class is the majority.

Third: Once the citizens are well-to-do and properly fed, the nation will become self-sufficient, especially in foodstuffs. From there, agriculture, the very basic of the economy must be able to amply provides raw materials for light industry, thus leading to the nation's industrialization and modernization.

Earlier, in his opening speech, Land Reform and Agricultural Fishery Development Minister Cao Van Than said that since the promulgation of the "Land-to-the-Tiller" Law, 162,341 landless peasants have been made owners of 210,371 hectares of land. The figure exceeds the planned distributed land by 5 percent, he said.

Later, representatives of the local peasants and land-owners took turn praise the promulgation of the Land-to-the-Tiller Law which has helped improve the peasants' living standards.

On this occasion, President Thieu handed over cheques to the landowners as reparations for their expropriated ricefields and presented medals and certificates of commendation of outstanding farmers and rural cadres.

Particularly, four most outstanding farmers from the four Military Regions were presented with hand-operated ploughing machines at the same event.

Following the ceremony, President Thieu cut a traditional ribbon opening the 1971 Agricultural Fair held at An Giang stadium.

On display at the Fair were rice seeds, ploughing machines and other agricultural products sent in from 16 provinces in the IV Military Region.



NEWS IN BRIEF

PRESIDENTIAL PATRONAGE OUT

April 1, 1971 - An important article of the Presidential electoral bill was rejected last week by the Upper House when only 14 Senators approved the principle of patronage for Presidential and Vice-Presidential candidates. Of the 44 Senators who took part in the important debate last March 18, thirty voted against the article.

In its initial form, the Presidential electoral bill provides for the "introduction" of Presidential slates by a number of lawmakers. This particular clause has been attacked by anti-Government solons as un-Constitutional although most of its critics are of the view that something should be done to curb the inflation of candidates as was seen in 1967.

In accordance with the Constitution, the controversial article will have to be re-discussed in the Lower-House, which can reinstate the clause with a two-third majority. But since the House is being rocked by a series of unprecedented scandals, it appears unlikely that it will make an issue out of this point of controversy.

On the basis of his Constitutional rights, President Nguyen Van Thieu can also insist on the re-integration of the rejected clause but observers here appeared last week convinced that the President currently thinks that he can handle the situation without the patronage clause, which, thus, can be considered as definitely out.

V.C. PROVINCIAL BOSSES SLAIN

April 1, 1971 - Two top members of a Viet Cong provincial administrative committee were killed last week. Only identified as Chin Ha and Ba Tang, one of them was the head of the "military proselyting commission" for My Tho City and the other a member of the enemy's provincial Committee.

It appears that the men were killed after Police, acting on the tip of a returnee, staged a raid on the village of My Phong just outside My Tho city. In this raid, a firefight developed, which resulted in the death of five Communists, including the two top members of the provincial Communist Party apparatus.

In addition, the operating law men also confiscated about ten pounds of documents, which might give the provincial authorities most useful information on the political organization of the foe in this all important province.

DEVELOPMENT BANK TO BE ESTABLISHED

A seminar was held Thursday March 18, 1971 at the headquarters of the Confederation of Industry and Handicraft to discuss the projected creation of an Industrial Development Bank. The leading speaker was Mr. Khuong Huu Dieu, Managing Director of the Industrial Development Center (IDC).

Mr. Dieu stated that the Board of Directors of the IDC had decided to change the IDC into the Vietnam Industrial Development Bank, and that the Minister of Economy had brought the matter before the Cabinet Council. Approval by the Prime Minister is expected shortly.

The Industrial Development Center was established in 1957 and since then has made loans totalling some 7 billion piasters (about US \$ 25 million). According to Dieu, the capital of the new Development Bank will include 49 per cent private contribution and 51 per cent government participation to be financed with foreign aid from the United States of America, West Germany, and France.

Mr. Dieu, future Managing Director of the new lending institution, also advised that the U.S. would use its influence to induce Japan to invest in this joint venture. Interest rates of the Vietnam Development Bank would be in the range of 6 to 28 per cent per annum. The Vietnamese business and industrial communities are reportedly highly receptive to the idea of creating a new lending institution.

RURAL BANK BILL

April 1, 1971 - Last Thursday March 18, 1971 President Nguyen Van Thieu introduced the Rural Bank Bill to the Legislative. According to the Bill rural banks are private enterprises operating at district level to further the following objectives:

- To promote rural development;
- To provide farmers, fishermen, lumber workers and small businesses with short-term loans aiming at improving productive activities;
- To provide banking services and to mobilize savings in rural areas for the purpose of developing the agricultural economy.

Rural banks are designed to supplement and increase the efficiency of the Agricultural Development Bank (ADB) which shall in the future focus on medium and long-term loans to finance large scale enterprises.

The Rural Bank Bill also provides tax exemption for five years to cover all kinds of taxes such as registration tax, business license tax, income tax, etc.

It is recalled that presently five rural banks are in operation and the Agricultural Development Bank is planning to assist in the establishment of several new ones in the near future.

VIET-NAM BULLETIN is a weekly publication of the Embassy of Viet-Nam, provided free of charge to all persons and organizations interested in VN. All inquiries and requests should be directed to VIET-NAM BULLETIN, Embassy of Viet-Nam, 2251 "R" Street, N.W., Washington, D.C. 20008. Tel: 234-4860.

VIET-NAM BULLETIN	
Name of person (or friend) or organization wishing to receive the Bulletin:	
<div>MR</div> <div>MISS</div> <div>MRS</div>	
Address:	Is it a new one? <div>YES</div> <div>NO</div>
STREET NO. APT	
CITY STATE ZIP	
Anticipated duration of stay at this address:	
Permanent <input type="checkbox"/>	Until

VIET-NAM BULLETIN		Vol. V, No. 15
		April 12, 1971
In this issue:		
Vietnam Land-to-the-Tiller plan		
unprecedented.....	2	
Assets for tomorrow.....	5	
President Thieu presides over Far-		
mer's Day in Long Xuyen.....	7	
Presidential patronage out.....	9	
V.C. provincial bosses slain.....	9	
Development Bank to be established	9	
Rural Bank Bill.....	10	

VIET-NAM BULLETIN

A weekly publication of the Embassy of Viet-Nam
2251 "R" Street, Washington D.C. 20008
Telephone: 234-4860

U. S. POSTAGE PAID Washington, DC Permit No.41866
--

BULK RATE

Vol. V, No. 15
April 12, 1971

