

# VIET-NAM

## INFORMATION NOTES

OFFICE OF MEDIA SERVICES, BUREAU OF PUBLIC AFFAIRS, DEPARTMENT OF STATE  
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### THE U.S. ASSISTANCE PROGRAM IN VIET-NAM

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The U.S. economic assistance program in Viet-Nam has been of major importance in the overall U.S. effort in that country. It is the largest, most complex, and perhaps the most challenging program administered by the Agency for International Development in any single country.

In the fall of 1968 there were nearly 2,000 AID employees in Viet-Nam working in Saigon and in the provinces. These included AID direct-hire employees, contract employees, and persons on loan from other U.S. agencies. An additional 5,000 Vietnamese and nationals of other countries were employed by AID to help in this civilian effort. Constantly exposed to the hazards of war, 31 of U.S. AID's personnel have been killed and 47 injured by enemy action since the early days of the program.

AID's objectives in Viet-Nam include helping the Vietnamese government to:

- Maintain economic stability and increase local production of goods;
- Alleviate the economic and social consequences of the war through the provision of food, shelter, and resettlement for refugees and evacuees, and medical assistance for civilian war casualties;
- Assist in the rural security and economic development program, designed to provide security and economic growth, in order to encourage the active support of the people for their government;
- Prepare the groundwork for a post-hostilities reconstruction.

#### MAINTAINING ECONOMIC STABILITY

With the growth of U.S. military forces in Viet-Nam, the addition and assignment of other free-world forces, and the immense military and civilian programs related to this buildup, strong inflationary pressures began to develop. Purchasing power increased while domestic production was interrupted and, in some important areas, was declining. Exacerbating the problem of increased demand was the war-induced disruption of agricultural production, transportation and distribution, plus a sharp falloff in available manpower.

AID worked closely with the Government of Viet-Nam in developing economic policies designed to overcome the inflationary pressures within the constraints of war-time conditions.

Stabilization measures which were put into effect included increased taxes, currency devaluation, Vietnamese and U.S. restraints on spending in Viet-Nam, and coordinated wage policies.

AID's primary weapon in combatting inflation and maintaining the stability of prices has been the Commercial Import Program (CIP) which, combined with imports financed by the Vietnamese, makes possible a level of imports necessary to meet effective demand.

The objectives of AID's Commercial Import Program are to help prevent consumer shortages, commodity speculation, and price spiraling, by insuring the availability of ample consumer goods and basic economic commodities; and to provide raw materials and machinery for domestic industry.



These victims of the February 1968 Communist Tet offensive are examining emergency rations supplied by AID and the Government of Viet-Nam at a temporary shelter in South Viet-Nam.

CIP functions as a supplement to the foreign exchange resources of the Government of Viet-Nam. Goods imported through the CIP are paid for by importers in Vietnamese piasters which are deposited into special "counterpart accounts." These piasters are then used for support of the Government of Viet-Nam's budget in projects and programs approved by the United States Government, as well as for administrative costs of the AID program in Viet-Nam.

The funding level for the Commercial Import Program has dropped from nearly \$400 million in fiscal year 1966 to the present annual rate of under \$200 million.

The Food for Freedom program (established under Public Law 480) plays a role similar to that of the CIP in the economic stabilization effort. Commodities imported under Title I of the program—rice, wheat flour, corn, cotton, tobacco, dried milk and other dairy products—are paid for in local currency, generating funds for U.S. needs and Viet-Nam's military and civilian budgets. Of a total \$216 million of Title I sales in FY 1968, \$113 million was for approximately 600,000 tons of rice.

Of vital importance to the operating efficiency of these economic stabilization programs is the port of Saigon. U.S. assistance has transformed this port from one of the world's most congested to one of the best in the Pacific area. Ships which in 1966 required up to 2 months for "turn-around" are now able to come in, unload, and reload in less than a week. At the same time, commodity loss rates now compare favorably with some of the best ports in the world.

## WAR RELIEF AND RESETTLEMENT

The war bears heavily on every aspect of AID's program in Viet-Nam, and it has necessitated the setting up of projects designed to alleviate the suffering of the civilian population.



*This makeshift clinic in primitive surroundings offers the most modern drugs and vaccines to combat disease. AID nurses help to care for the civilian sick and wounded in Viet-Nam.*

More than one-fourth of the AID-supported personnel in Viet-Nam are engaged in civilian medical care and refugee resettlement programs.

## Medical Program

AID provides the funds and coordinates the efforts of 47 free-world medical teams in Viet-Nam and supports provincial hospitals and rural health facilities throughout the country. Approximately 4 million Vietnamese, including nearly 50,000 civilian war casualties, received medical assistance from the 1,200 AID-supported and free-world medical personnel serving in Viet-Nam in 1967.

Vietnamese medical facilities and personnel were inadequate even in peacetime to meet the medical requirements of the country. Thus, AID's health program focused initially on improving the capability of the Vietnamese to meet their need for trained personnel.

As the war accelerated, the emphasis shifted to include the care of Vietnamese civilians who were victims of Communist terrorism or were war casualties. AID and the Department of Defense have engaged in an unprecedented effort to improve and expand hospital and health facilities and to furnish the physicians and supplies needed to meet the existing emergency.

Since 1965 U.S. aid to the Vietnamese civilian health program has increased substantially—from \$5 million to nearly \$35 million annually. AID provides most of the supplies and equipment of provincial hospitals, local clinics, and aid stations. It has assisted in the construction of 29 hospital surgical suites in the past 2 years and in the expansion of the overall surgical and medical capabilities of 11 key provincial hospitals. The people of Viet-Nam have received more than 17.5 million preventive inoculations against cholera, plague, smallpox, and polio.

In the treatment of civilian war casualties, the Department of Defense works closely with AID in helping to staff the 56 Ministry of Health prefectural and provincial hospitals in Viet-Nam, and through emergency construction of hospitals in areas of greatest need. Wards in some U.S. military hospitals have been opened to Vietnamese civilians. Eight new hospitals in the rural areas are due for completion in 1968, and 18 now undergoing major renovations will be available before the year is out. U.S. provincial medical teams are today treating some 300,000 patients monthly, including outpatients; in 1965 less than 50,000 per month received this level of medical care.

Other steps to improve the medical care and treatment of Vietnamese civilians include:

- A U.S.-South Vietnamese program for upgrading electrical, water, and sewage systems in 18 provincial and three Saigon hospitals.

- The use of Korean and Philippine specialists to help overcome hospital maintenance problems.

## Refugee Program

Since 1964 more than 2 million refugees have arrived in areas controlled by the Government of Viet-Nam. At the start of August 1968 there were 1,237,000 persons in temporary refugee camps and scattered urban and rural locations. They were receiving war relief assistance from the Government of Viet-Nam with the aid of 116 U.S. refugee relief officers assigned to CORDS (Civil Operations Revolutionary Development Support) and some 700 persons working full time for the 25 U.S. voluntary agencies active in Viet-Nam. A substantial increase has been made in the personnel and resources assigned to the refugee program, and the U. S. financial contribution to this program in FY 1968 totaled more than \$56 million.

The Communist Tet offensive of February 1968 generated more than a million urban evacuees and created new problems for the Government of Viet-Nam and for the United States. These, however, have been overcome to a considerable degree. By the end of June the number of Tet evacuees nationwide had been reduced to 172,000, and all of the Tet evacuees in the Saigon area had either returned to their homes, had rebuilt them, or had been rehoused. This sharp reduction in evacuees was greatly assisted by the Government of Viet Nam's "triple ten" program under which families in need of rehousing were issued ten bags of cement, ten sheets of roofing, and VN\$10,000 (in Saigon and Hue) or VN\$5,000 (in the rest of the country) to rebuild or repair their homes. (The current exchange rate is 118 piasters per U.S. \$1).

In addition to the self-help rehousing program, the Government of Viet-Nam, U.S. AID, U.S. Army Engineers, and the Saigon city government are engaged in a mass program of building both temporary and permanent new housing in Saigon. So far, some 2,900 units of temporary housing have been completed. Another 500 are under construction, and still another 500 are in various stages of planning. Some 2,300 permanent housing units are under construction and another 4,000 are in the planning stage.

## RURAL SECURITY AND DEVELOPMENT

Rural Security and Development is a program for the achievement of security and the improvement of living conditions in the hamlets. It seeks to root out and destroy Viet Cong influence, restore public security, establish an effective political structure at the local level, and stimulate self-help and self-sustaining social and economic activities. The first Vietnamese Revolutionary Development (RD)



*Only twisted metal remains of the homes of 110 families after a savage Viet Cong mortar and rocket attack on the town of Tan Uyen in Bien Hoa Province in January 1968. Since this old woman walked along the devastated street, the rubble has been cleared and new homes have been built by the Government of Viet-Nam with AID assistance.*

teams, comprised of 59 men each, moved into the countryside in mid-1966.

AID's contribution to the RD program lies primarily in furnishing logistic support, advisers, and materials for such self-help projects as construction of classrooms, markets, village wells, roads, small bridges, and clinics.

In 1967 AID provided assistance to more than 11,000 self-help projects in the rural areas.

The bulk of AID's technical assistance program goes to support the Government of Viet-Nam's nationwide efforts in the fields of education, agriculture, industry, labor, public administration, public health, and public works. It also includes assistance in longer term planning for the postwar period.

## Education

One of the most challenging tasks facing the present government in South Viet-Nam is to provide universal free education for the people. In 1954 only half a million Vietnamese children were attending school, and most of these were leaving after the fifth grade. Education was limited largely to the cities, and to children of the well-to-do. When old enough to work, hamlet children traditionally joined their parents in the rice fields.

Today approximately 66 percent of school-age Vietnamese children are attending classes, compared to approximately five percent during the period of French rule. There are nearly 2 million primary schoolchildren, and the Government of Viet-Nam hopes to make elementary education universal by 1970. Currently:

- More than 10,000 AID-supported elementary classrooms are in operation.



*These bright-eyed primary schoolchildren attending a hamlet school in Kien Phong Province are typical of the nearly 2 million primary schoolchildren in South Viet-Nam. By 1970 the Government of Viet-Nam hopes to make elementary education available for all children.*

—The AID-supported program in textbook production has resulted in the printing of 14 million elementary textbooks of which 12,500,000 have been distributed.

—More than 11,500 teachers for the primary schools have been trained.

—Thirteen rural trade schools for elementary school graduates are providing new skills for the new society. By 1970 there are to be five more trade and technical schools with an anticipated enrollment in excess of 10,000 students.

—Six agricultural high schools with a student enrollment of approximately 2,700 are presently in existence. Planning for 1970 calls for an additional five schools and departments and 1,500 more students.

—At the college level an agricultural university and a technical and engineering center operating at Saigon will be expanded and improved with AID assistance.

Following the Tet attacks the great majority of the schools were closed. Some were damaged and many became refugee centers, but most have reopened and the 1970-71 target remains a realistic one.

In the shorter range, the fiscal year 1969 program calls for construction of an additional 3,000 classrooms, the training of 3,500 teachers, and the distribution of 1,500,000 textbooks.

## Agriculture

One of the most promising of the national development projects in the field of agriculture is the program which is designed to bring self sufficiency in rice production by 1970-71. Initial demonstrations of the "miracle" IR-8 rice seed developed in the Philippines have produced yields more than double the present average for South Viet-Nam. Priority is also being given to programs to increase the production of pork, poultry, and fish, which are

key elements in the Vietnamese diet and also in the rural economy.

Success in agricultural production programs could mean the elimination by 1971 of Vietnamese dependence on importations of staple food. These programs will mean increased income to the farmers and will strengthen the ties between the rural areas and the cities.

## Land Reform

AID provides continuing encouragement and assistance to the Vietnamese government in expanding and accelerating its land reform program. Land tenure and land administration, like agricultural productivity, are parts of a larger agrarian reform program. Legal right to land will not in many cases solve the farmer's problems unless at the same time he is paid a reasonable price for his produce, provided means of transporting it to markets, given reasonable credit terms, permitted to join in the more modern methods of utilization and control of water, and provided access to improved technology. The attack on all these problems constitutes a true agrarian reform, an attack which is being planned and implemented jointly by AID and the Government of Viet-Nam.

The most pressing land tenure problems in Viet-Nam are (1) to reestablish effective land administration in a war-torn countryside and (2) to deal equitably with the problems of land ownership and tenure rights. AID is helping the Vietnamese government on a priority basis to reestablish effective administration of the



*Mountain tribesmen work zealously to build schools in their villages. Here AID Province Representative Dan Leaty discusses a problem in construction with a mountain tribesman who is helping to build an elementary school in the province capital of Hau Bon under the AID-assisted hamlet school program.*

existing laws and programs and to improve its policies where this is required.

AID also provides assistance in such fundamental aspects of land administration as data collection, land surveying, aerial mapping, contract registration, and title issuance.

Since December 1956 nearly 715,000 acres of cultivable land have been distributed to new farm owners. More than 133,000 permanent titles have been issued confirming the ownership of land by villagers. In addition, 11,000 farm families living on state-owned lands as refugees, settlers, or squatters, now hold title to some 50,000 acres.

### Urban Reconstruction and Development

In the urban areas of Viet-Nam the buildup of military forces and the influx of population has created severe problems. Fleeing the insecurity of the countryside and attracted by employment opportunities in the cities, people have crowded into urban areas faster than facilities could be developed to provide necessary services.

The urban population of Viet-Nam has increased from about 15 percent of the total population in 1964 to close to 50 percent in 1968.

To cope with these new problems a new AID program—Urban Reconstruction and Development—was begun prior to the Tet attacks. This new effort brings together under unified management the major utility projects of the large cities and the water, electricity, and urban planning and development activities of the smaller provincial centers. It is through this program that AID channels its support to the Government's reconstruction activities.

Among the joint development planning efforts in progress during 1968 and planned for 1969 are, first of all, programs concerned with the rebuilding of war-damaged homes, bridges, and other structures. Expansion of power generation and distribution, other urban development projects for Saigon, industrial improvements, quarry development, and road reconstruction will follow.

### AID ORGANIZATION

To carry out this ambitious program close coordination with the U.S. Mission in Saigon and AID's Washington headquarters and numerous other government agencies is required. The American Ambassador is in overall charge of the U.S. effort in South Viet-Nam. Directly responsible to him is the director of the AID Mission who carries the diplomatic rank of Minister-Director and who is in charge of the Agency's entire assistance program. He oversees AID expenditures in Viet-Nam and works closely with the principal U.S. military commander in the country in carrying out the assistance program.



*Grain supplied under P.L. 480 helps feed the population of war-torn South Viet-Nam, in other times a food surplus country.*

The AID Mission in Saigon is responsible for national programs which require close working relationships with various Government ministries in Saigon such as education, health, and agriculture.

To improve the effort in the field, U.S. military and civilian operations in support of revolutionary development were integrated in May 1967 under the U.S. Military Assistance Command/Vietnam (MAC/V). The military commander's chief deputy for Revolutionary Development, serving with the personal rank of Ambassador, is responsible for operations of the organization which is called Civil Operations Revolutionary Development Support (CORDS).

CORDS plans and directs certain projects which receive AID funding—refugee relief, Chieu Hoi (the Government of Viet-Nam's "open arms" program designed to encourage Viet Cong defection), public safety or police work, and material support of the work of the Revolutionary Development teams.

CORDS responsibility also involves the coordination of all U.S. civilian staffs in the provincial areas. These staffs include the U.S. AID medical teams and educators, agricultural specialists, administrators and engineers operating in the provinces.

### Washington Organization

In order to more fully ensure that the costly and complex AID program for Viet-Nam receives the best possible management, the Director of the Agency for International Development established within AID headquarters in Washington a separate Bureau for Viet-Nam in May 1967.

Under the Assistant Administrator for Viet-Nam, the Bureau combines within one organization nearly all the AID functions concerned with direction and support of the AID effort in Viet-Nam.

The Bureau works closely with the Department of State (the parent organization of AID), the Department of Defense, the United States Information Agency, and the White House on Viet-Nam matters.

## FUTURE PLANNING

The current emphasis of the AID program in South Viet-Nam of necessity must be on short- and medium-term objectives. As progress toward achieving these objectives continues, the emphasis of national development efforts will be shifted toward more lasting economic and social development.

South Viet-Nam's government and the Agency for International Development already have each designated teams of economists and technical experts to develop plans and programs for the future and to tie present development activities to future needs. Toward this end the GVN is setting aside substantial funds to finance its postwar development plans.

The AID-financed Development and Resources Corporation contract team and the South Vietnamese Post-War Planning Group, operating together as the Joint Development Group, have launched a planning effort designed to cope with the problems of economic development.

Among the projects under way are an investigation of Viet-Nam's industrial potential, and a comprehensive review of the problems of water control in the Mekong Delta area.

In human resources development, AID is financing a broad program of participant training designed to provide basic skills in a number of disciplines, including agriculture, education, health, public administration, public safety, trade union development, engineering, industry, and transportation.

Since 1951, AID has helped over 4,000 Vietnamese obtain training abroad both in



*Modern farming techniques are helping Vietnamese expand agricultural production. This Vietnamese farmer is using a new gasoline-powered plow provided by AID to till his land.*

the United States and in third countries. By the middle of 1969, AID estimates that about 1,000 more will receive training outside Viet-Nam.

Substantial numbers of Vietnamese have already received training in technical skills through their employment by the U.S. military and U.S. construction firms doing work in Viet-Nam.

The interdependence of the military and civil efforts in Viet-Nam cannot be overemphasized. Our success in helping the Vietnamese to build their nation is profoundly dependent upon the course of the military struggle against the Communists. Nation-building programs can go forward only when there is relative physical security. On the other hand, success in the military effort is dependent upon the cooperation of the people in the civil effort, for only through support for and identification with the national government by the people will the Viet Cong cease to be a threat to the independence and self-determination of South Viet-Nam.

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### PRESENTLY AVAILABLE ...

1. Basic Data on South Viet-Nam (Dept. of State pub. 8195) summarizes general information on the land, people, history, government, and economy of the country.
2. The Search for Peace in Viet-Nam (Dept. of State pub. 8196) reviews the efforts of individuals, governments, and international bodies to bring about a peaceful solution to the conflict in Viet-Nam. The policy of the Government of North Viet-Nam with regard to a peaceful settlement is included.
3. Communist-Directed Forces in South Viet-Nam (Dept. of State pub. 8197) seeks to answer such questions as: What is the Viet Cong? Who are its leaders? How is it related to party and government organs of North Viet-Nam? What are the Communists' objectives? Their strengths? Their weaknesses?
4. Free World Assistance for South Viet-Nam (Dept. of State pub. 8213) describes the scope of the international aid program for the Republic of Viet-Nam. It gives facts and figures about the contributions of 36 participating nations (U.S. aid is not included—a separate Note is to be devoted to that subject).
5. Political Development in South Viet-Nam (Dept. of State pub. 8231) discusses South Viet-Nam's steady progress toward an elected government and representative institutions at all levels of government.
6. Why We Fight in Viet-Nam (Dept. of State pub. 8245) describes the origin of the conflict and the principal reasons for U. S. involvement.
7. Viet-Cong Terror Tactics in South Viet-Nam (Dept. of State pub. 8259) describes the deliberate campaign of terror by which the Viet-Cong hope to break the resistance of South Viet-Nam.
8. National Reconciliation in South Viet-Nam (Dept. of State pub. 8260) describes the Chieu-Hoi, or Open Arms, program of the Government of South Viet-Nam.
9. Prisoners of War (Dept. of State pub. 8275) explains the special status of prisoners of war under the Geneva convention, allied treatment of prisoners and efforts to discuss with North Viet-Nam and the Communist National Liberation Front repatriation, exchange, and other matters pertinent to prisoners of war.
10. Legal Basis for U.S. Military Aid to South Viet-Nam (Dept. of State pub. 8285) discusses the well-established points of law and fact which are the legal basis for the U.S. military commitment in South Viet-Nam.
11. Opinions of Asian and Pacific Leaders (Dept. of State pub. 8363). The leaders of the countries most immediately concerned about the future of Viet-Nam express their views on: the U.S. commitment, the nature of the war, North Vietnamese and Chinese involvement, peace efforts, and regional goals beyond the war.
12. Wars of National Liberation (Dept. of State pub. 8384) discusses the origins and characteristics of national liberation wars, Soviet and Chinese involvement in Viet-Nam, and U.S. counterstrategy.

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