

MONTHLY REPORT ON STATUS OF RURAL CONSTRUCTION PROGRAM  
for the Month Ending 31 October 1965

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This document contains the Unclassified reports of Provincial Operational Project Managers and Technical Divisions for the Month Ending 31 October. The reports are based on the summaries of the monthly reports submitted by USOM Provincial Representatives concerning items listed in the Rural Construction Budget.

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## PUBLIC ADMINISTRATION -

a. Areas of Progress Reported from the Field: In some provinces the Provincial Councils are being permitted and encouraged to participate in more and more Provincial matters.

In some provinces communications between Provincial, District, USOM, and MACV officials have improved. There is more interchange of opinion and information between local government officials and their U. S. advisors (military and civilian).

Several provinces are conducting training for village and hamlet and district officials, and this is reported to be effective and appreciated.

In some instances, cadre are reported to be working more effectively than before.

In most provinces and districts, the quality and efforts of top-level local government officials are now excellent. This was a major problem on which the U. S. and USOM have concentrated considerable efforts. The quality of top-level men has improved. But in almost all provinces, districts and other local governments there are few competent subordinates below the top levels of Province or District chief and some section heads.

The Ministry of Interior, having studied losses of local government officials to the enemy and to the military draft and having discussed needs with Province Chiefs and other local government officials at a recent conference on problems of local government, has asked the Prime Minister to increase the input of trainees into the regular program of the National Institute of Administration (NIA) by 100 percent as soon as possible. Inasmuch as all graduates of the NIA in recent years have been assigned to Interior for duties in Province, District, and small city offices, this would help considerably. However, effects would not be felt immediately since it takes several years to train a good career local government generalist.

The Ministry of Rural Construction has given priority attention to the training of rural construction cadre and is studying ways to realize functions and remove inequities between various types of cadre. The NIA is training its recent graduates (now local government officials in Provincial or District offices) in pacification work.

A conference of almost 100 local government officials (including 46 Province Chiefs) held in Saigon during October, made the patterns of difficulties and needs clear to the Prime Minister, the Chief of State, and the Minister of Interior.

The "Return to the Villages" movement, in the I Corps, continues to be effective.

PUBLIC ADMINISTRATION (cont'd)

In III Corps, General Nguyen Bao Tri, Corps Commander, has simplified and standardized Province reporting procedures to achieve uniformity in reportage on hop tac matters. He has also created a committee at the regional level to coordinate matters of social welfare, chieu-hoi, and rural construction within III Corps.

b. Problem Area Reported: Problems in local administration continue to follow a familiar pattern. Personnel are being lost to the enemy and to the military draft. Command questions between GVN military and civil authorities often impede effective action--particularly between the Division Commander and the Province Chief. Price rises are raising the costs of construction work and skilled labor beyond present budgeted sums for rural construction work, and budgeting and allocation of budgeted amounts lags behind inflation. The omnipresent shortcoming of GVN administration continues to be the unwillingness of Provincial and District and central official to release money, to authorize expenditures, and to use discretionary funds. U. S. civilian advisors are generally program-oriented and want the Province officials to spend in order to get things done. The Province officials, from the Chief town, are generally audit-oriented and loathe to spend a piastre until all papers are in order.

c. Headquarters overview: There is no particular evidence that the central government is addressing itself to the problems described under b, above. PAD and other Divisions of USOM continue to recommend increased production of trained men, increased in-service training of existing local officials, and increased use of procedural manuals. But the central government seems to be overwhelmingly concerned, at this point in time, with the struggle against higher and higher prices, a matter of considerable concern in Saigon and in other urban areas.

CADRE -

Very active planning for reform characterized rural construction cadre activities in October. On the GVN side, the new Rural Construction Minister and his staff worked overtime preparing and revising proposed policies. One draft decree promises to bring about the long sought unification of RC cadres. Another sponsored by the Prime Minister promises to provide fringe benefits for all cadre.

On the US side the planning effort was likewise intensified. Interagency collaboration on cadre organization and training was facilitated by a special Work Group. Headed by one of the Senior Liaison Group it includes members from the Embassy, JUSPAO and MACV in addition to USOM.

With this concentration on planning there has been a postponement of the cadre supervisory training anticipated in the August report. However, a limited amount of field training continued in several provinces. Also the pacification indoctrination program of the National Institute of Administration (see September

Report) was completed after quite a successful month. The Rural Construction Ministry handled its week of the seminar well despite its other pressures. As an aftermath, those participants who are considered eligible are being interviewed to select the best for promotion from Deputy District Chief to District Chief. Thus we may see the beginnings of a gradual return to civilian leadership at this key level. Also about a dozen of the 65 participants are transferring to the Ministry of Rural Construction.

Reports from Province Reps continue to show considerable variations but a low average performance of cadre. The best way to give some indication may be to paraphrase a few excerpts. There are extremes and we will start with a few of the more discouraging situations:

"Of 256 hamlets targeted for 1965, only 67 are secure under GVN control ... Four new hamlets were pacified to everyone's relative satisfaction. On the other hand, VN inspectors claimed 50 other hamlets pacified apparently using a relaxed 4-point criterion instead of the standard six .... No progress has been made in joining NLH with GAMO cadres .... During October there were 7 cadre casualties plus a hamlet chief and assistant. The essential prerequisite of security was lacking. Cadres often spend little time in their assigned hamlets, especially at night. Mobile Action Cadre are still ineffective and worthless. Actually, it is most difficult to find something positive. Problems remain the same: lack of personnel due to draft and small wages; inability to live and sleep in hamlets due to inadequacy of security forces. Motivation on the part of leaders at every cadre level is lacking of the more encouraging example. Fired and inspired by recent military successes, the cadres have shown a markedly changed attitude. They have shown more decidation and seriousness.

"Inspection team agreed the 12 hamlets in 3 villages they inspected all meet pacification criteria. Eight more hamlets completed, bringing total to 45, the highest yet for one month. The province is on schedule. Of 143 hamlets programmed for '65, 104 have been pacified and 39 more are due by end of year. Of 257 hamlets in the province, 224 have met 6-point criteria and 16 under construction. Despite loss of Mobile Action Cadre, hamlet and village councils trained to perform the MAC function are doing fairly well. With the cutback of cadre we are doing a better job with what we have so the cut did no harm. Rural Health and NACO are doing a very fine job.

"Mobile Admin. Cadre operate together effectively with PATs, Census Grievance Teams & Armed Propaganda Teams in pacification efforts. The large training course included several categories of Cadre: Mobile Action, GAMO, Psy-War, Nat'l Police, Rural Health workers. Province is sincerely if slowly trying to weld all groups into some sort of cohesive whole. In two areas cadres were used in unusual display of org. and teamwork."

Several reports mentioned the work of the special Survey Cadre which have been trained under JUSPAO leadership. For example, two Hamlet Survey Teams completed training and conducted surveys in 6 hamlets. Reports provided

## CADRE (cont'd)

valuable info in September. Again in October they provided very useful information for cadres and GVN officials. The Province Chief intends to see that district chiefs and others follow through on the data and recommendations of survey teams.

## PROVINCIAL SELF-HELP -

After hovering at the 50% level of satisfaction (as expressed by our provincial representatives) for many months, the 1965 Self-Help Program finally began to tip slightly in our favor in October with 25 prov. reps. reporting satisfactory progress during the month. The returns were widely scattered enough to represent a trend, in my judgment. Thua-Thien in Region I reported a decided increase in projects, Phu-Yen in Region II -- which had no program at all until a few months ago -- now reports 42 approved and many underway. Also in Region II, Lam-Dong's program has started to move, with the arrival of the first cement shipment since July. Long-An province (Region III) reports its education program on self-help is finally starting to pay off. Hau-Nghia, which had only one project in all of 1964, completed three projects in October alone. Gia-Dinh has already completed 180 projects and spent 5,500,000 ps. on its 1965 program to date and expects even better results during the rest of the year because of the approaching dry season. Region IV provinces are particularly optimistic: Kien-Hoa reports nearly every GVN-controlled hamlet has at least one self-help project and that old problem, release of funds, has finally been overcome. In Vinh-Long interest in self-help is still high; Ba-Xuyen expects to complete most if not all of its 150 projects this year. The latter province reports the 30,000 ps. limit per project has been an obstacle; however, the GVN has now agreed at the Saigon working level to raise the limit next year to 50,000 ps. A total of 204 self-help projects, were completed in Vietnam in October, including 53 classrooms, 46 wells, 26 bridges, and 7 markets inter alia.

Again in October the biggest problem in self-help was funding procedures, with complaints being registered from Binh-Dinh, Darlac, Khanh-Hao, Binh-Thuan, Long Khanh, and Bien-Hoa. The Central finally released funds (for 50 projects) to Binh-Dinh during the month. The funding difficulties in Darlac, Khanh-Hoa, and Binh-Thuan are not easy to understand since the neighboring provinces of Ninh-Thuan and Tuyen-Duc have very successful programs. Only Pleiku and Phu-Bon (cement) and Phong Dinh (rebar) report commodity shortages as hampering their self-help programs. With the approval of the GVN, USOM/Saigon sent self-help flip charts in Vietnamese to each province in October as training aids in cadre orientation programs. This should assist in overcoming another major obstacle in the program, misunderstanding on the part of cadre who have a hand in implementing it.

## SUPPLEMENTARY PROVINCIAL DEVELOPMENT -

The 1965 Supplementary Provincial Development Program continued to

stumble along in October with only a few projects actually underway in a handful of provinces. Gia-Dinh completed a road project and has two markets and a road repair project in the construction stage. Chong-Thien reports two markets underway, and Vinh-Long is building a new ferry boat and expects to start on a bridge and a market when materials are secured. There are two markets under construction in Vung-Tau, where a hamlet electrification and two roads are also projected under this program in '65. Kien-Giang is building an old folks' home, but work on three cisterns and a water control project has not yet begun. Kien-Phong still plans to build a market and docks this year. No work has started on approved projects in Quang-Tri and Long-An. Phu-Bon complains that requests to Saigon for projects have remained unanswered since May. (The GVN denies this complaint, saying it told Phu-Bon to present its projects for approval to the budget team that visited the province in July. It also says all requests received from Mar. to Aug. in Saigon have been answered and, since August, provinces have been told to put such requests in their 1966 budget plans). The GVN/Saigon seems intent on having no Supplementary Provincial Development Program as such in 1966, and is particularly opposed to giving provinces SPD funds to administer on their own. The Government apparently will follow the same procedure as in 1965, i. e. approving projects on an individual basis during the year and adding them under other items of the rural construction budget (e. g. "road and bridges"). Although the GVN described a USOM draft basic guideline paper on SPD as "interesting", it advised shelving it until after 1966.

#### TRANSPORTATION SUPPORT -

The news from the provinces on this item of the rural construction budget continued to be good in October. Bien-Hoa and Pleiku received additional new trucks in October. Quang-Nam and Ba-Xuyen began construction on new warehouses, Bac-Lieu's is nearing completion, and land-clearing has begun for the Long-Khanh warehouse. The Central has started to deliver commodities to Ninh-Thuan Province in Region II by junk direct from Saigon, and the province seems quite happy with this new service. Some of the old problems -- drivers' salaries, VC attacks, and POL shortages -- continue to bother a few provinces. Gia-Dinh and Phu-Yen are unhappy about drivers' salaries; my GVN counterpart informed me recently that salaries would be raised 10%, i. e. to 2200 ps. per month. The VC attacked USOM-supplied provincial trucks in Phong-Dinh and An-Xuyen during the month and damaged both trucks extensively. VC interdiction of roads into Phu-Bon and Quang-Duc has resulted in extremely short supplies of POL.

#### CHIEU HOI -

a. Quy Chanh Conventions. - A convention of I Corps Quy Chanh was held in Quang Tri on 23 October. Approximately 450 ralliers from all I Corps provinces participated and about 2,000 local villagers observed the activities. Gen. Thi, Minister Chinh and Mr. Eich officiated.



CHIEU HOI (cont'd)

A provincial convention of Quy Chanh was also conducted in Vinh Binh during the month. Several other provinces have conventions scheduled for November.

b. Armed Propaganda Platoons. - These platoons continue to demonstrate outstanding work. The Hau Nghia platoon on one operation killed 9 VC, wounded 4, and captured 3 weapons. The Binh Duong platoon was ambushed by two VC companies, losing 8 KIA and 1 MIA. No weapons were lost and it was reported that the VC suffered 80 KIA and/or WIA in this action. One member of the platoon reportedly killed 18 VC. The Vinh Binh platoon conducted an ambush resulting in 14 VC KIA and 1 captured.

c. Construction of Chieu Hoi Centers. - Progress continued on new buildings for the center in Kien Tuong with about 75% completion reported. Construction of the Ninh Thuan center is awaiting arrival of cement. In Binh Thuan, construction of a new center has been postponed in favor of a long term lease on present buildings which, when renovated, will be adequate. Plans and land acquisition for centers in Long Khanh and Vinh Binh have been completed with construction scheduled to begin in November.

d. Number of Returnees: Number of returnees for this month was 1,211 (35 day reporting period).

a. Cadre. - Several provinces (Bac Lieu, An Xuyen, Phong Dinh, Kien Hoa, Binh Long, Tuyen Duc, Darlac, Phu Yen, Binh Dinh and Quang Nam) report shortage and/or lack of competence of Chieu Hoi cadre. Additionally, many reports again point out the low salary (1,100\$VN) for district cadre.

b. Facilities. - Lack of adequate facilities in many provincial centers continue to exist. In some provinces (Pleiku and Darlac), the Chieu Hoi centers have been used to temporarily accommodate refugees. There are presently eleven provincial centers without even one typewriter. Action is being taken to correct this situation.

c. Funds. - A shortage of funds exists in some provinces. In most cases this is due to an underestimation of the number of returnees for this year. A few provinces report lack of funds to purchase POL for the newly delivered Tri-Lambrettas.

Analysis. - Despite the many unsolved problems within the Chieu Hoi program, the number of Quy Chanh continue to increase. Except for the August 1965 total of 1,571 (includes 898 KKK), this month's 1,211 is the largest number of Quy Chanh since the inception of the Chieu Hoi program. It should be noted, however, that this month's total included five weekly reporting periods (35 days).

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Funds to increase salaries of Chieu Hoi district level cadre to 2,200\$VN per month has been requested in the FY 66 budget now under preparation. Approval of this request appears favorable.

The shortage of current funds as reported has been taken up with Mr. Bich, Director of Chieu Hoi, who promises to take immediate action. Progress will be monitored by the Chieu Hoi office of Provincial Operations.

Five typewriters were procured through USOM channels to help alleviate the shortage of this item. This is just a "drop in the bucket" against the total requirement. Mr. Bich promises that he will ask for sufficient funds in next year's budget to meet this need.

### MONTAGNARD AFFAIRS -

Negotiations continued during October between the GVN and FULRO (Front Unifie pour la lutte des Races Opprimees), with the objective of convincing the FULRO leader Y-Bham that he should return with all his followers to support of the GVN. The Province Chief of Darlac Province, who is conducting these negotiations for the Government, estimates that approximately 6,000 troops with their families follow Y-Bham. In the last exchange between the FULRO negotiators and the Province Chief of BanMeThuot, FULRO withdrew its demands for autonomy and put forward eight conditions, all of which the GVN has indicated it will grant, except the request for recognition of the FULRO flag. This response of the GVN has been communicated to Y-Bham and the Government is now waiting his next move or his return. These negotiations are discussed in more detail in separate classified reports.

The encouraging progress in these negotiations is partly off-set by a new development reported during the month. In Phu Bon Province the USOM Rep reports that FULRO has begun to organize a sub-rosa unit exactly paralleling the provincial governmental structure. Province officials became aware of this development and arrested a large number of Montagnards.

The Provincial Citizens Councils, which were created to advise Province Chiefs on local Montagnard matters, met during October and once again presented their aspirations to the Government. All indications are that the Montagnards are still asking for the same things which were granted in principle at the Pleiku conference in 1964, but which have still not been implemented by the Government. Montagnard leaders privately express their frustration, even despair, at the inability or unwillingness of the GVN to carry out even the most rudimentary programs of Montagnard development which they have promised time and time again.

The inability of the Government to use the roads seriously cripples its rural programs. In spite of resounding victories over the Viet Cong in several



MONTAGNARD AFFAIRS (cont'd)

battles, it is sadly true that the GVN controls only province capitals and some district towns, but little if any of the territory in between. Consequently, even when, by prodigious airlift efforts, foodstuffs and relief materials reach province capitals, the local officials are unable to make further internal distribution. Two examples of this dwindling of visible government can be cited from the October reports.

In the province of Darlac, all ten of the existing Montagnard boarding schools have been closed because the contractors are unable to purchase adequate foodstuffs in the market at prices commensurate with the fixed amount allowed by the Ministry of Education. This is due partly to inflation of prices throughout the country and partly to the restricted communications. Even if adequate food at reasonable prices were available in the capital cities the contractors cannot make deliveries to the districts without paying VC taxes, raising the prices still higher, or risking VC confiscation of trucks and cargoes.

The second example can be found in Kontum Province, where 1,600 Montagnard refugee families are located at Dak To and are reported to be near starvation, while the provincial warehouses in the capital town are bulging with commodities.

Both these situations are currently being corrected, one by the provision by USOM of air transport to the Province Chief of Kontum, and the other by negotiations between the Chief of USOM Education Division and the Minister of Education aimed at increasing the allowance for food and granting more fiscal flexibility to the Province Chiefs in the management of such affairs.

At the request of the II Corps Commander, Brig. General Vinh Loc, USOM during provided blankets, cooking pots, rice bowls, canteens mosquito nets and uniforms to the 367 FULRO (Front Unifie pour la Lutte des Races Opprimees) retrainees at Duc My training camp, as well as 2,250 blankets and 50,000 pounds of PL-480 foodstuffs for the FULRO families, the Truong Son members and their families (armed propaganda teams) and the Montagnard refugees in Darlac Province.

The II Corps Commanding General also requested USOM assistance in the construction as rapidly as possible of Montagnard boarding houses in seven Highland provinces promised by the GVN in October 1964. Accordingly, three meetings were held during the reporting period with the Directors of Primary and Secondary Education, the Director of Montagnard Affairs, representatives of the Ministry of Rural Construction, USOM Education Division and USOM Provincial Operations to discuss needs, province by province. A field trip is tentatively planned for this entire group from November 15 through November 20 to visit the provinces concerned. Each province has been requested to prepare plans and estimates of costs and materials required. A consolidated plan will then be submitted jointly to the Ministry of Education, Ministry of Rural Construction and the USOM Program Office.

## MONTAGNARD AFFAIRS (cont'd)

During the National Revolution Day parade on November 1, the population of Saigon had their first sight of Montagnard in their native costumes. Three contingents of Montagnard Home Guard from the provinces of Pleiku and Kontum, wearing loin-cloths and armed with cross-bows and spears, participated in the parade. In addition, forty delegates from Montagnard provinces and ten of the FULRO re-trainees were guests of the Government for the parade.

In the provinces the return of Truong Son trainees to their villages is having a noticeable good effect. The Truong-Son Plan is designed to produce trained and motivated groups of armed propagandists who live in the villages, help the villagers with improvement projects and defense of the villages, and serve as sources of intelligence on enemy activities in the area. The program began in May and the first trainees have now been in the villages for only a few weeks.

Montagnard training centers are all now in operation following the belated release by the Ministry of Rural Construction in September of the funds budgeted for 1965.

Most provinces report that the relief supplies released by USOM through the Directorate of Montagnard Affairs have now been distributed to Montagnard refugee groups which are not being reached by the program of the Ministry of Social Welfare. Seventy-five sewing machines were provided by USOM to the Director of Montagnard Affairs and are now in process of distribution.

The major problem areas during October appear to have been:

1. A shrinking of governmental activity outside province capitals and district town;
2. Continued inability of the GVN to use the road net, even for internal distribution of relief supplies delivered by air;
3. GVN reluctance to put substance behind its Montagnard development programs;
4. Gradual inflation, which makes GVN allowances for boarding schools, scholarships and refugee relief inadequate.

## SUMMER YOUTH PROGRAM -

During October only scattered SYP activities were reported from the provinces. In I Corps, Quang-Nam, Quang-Tin, and Quang-Ngai reported last flurries of student activity as SYP groups received long-delayed commodities. In the other three Corps areas, the only provinces who reported on work camps during the month were Binh-Dinh, Vinh-Long and Dinh-Tuong.

Despite the termination of the SYP, there is still some interest on the part of province youth for engagement in social activities, Tuyen-Duc, Dinh-Tuong, Kien-Tuong, Phong, Lam-Dong, Bac-Lieu and Quang-Nam report

## SUMMER YOUTH PROGRAM (cont'd)

either on non-SYP work camp activities or at least an interest on the part of students to keep something going in this area. Wherever possible, province representatives are supporting these projects.

### Review

There is little doubt that the SYP spurred provincial youth interest in social activities and it will be interesting to see if this desire continues. Meanwhile, in Saigon a certain number of work camps or social activities carried out by youth are still on-going. The New School Movement carried out its first work camp in October; the High School Movement for Social Action built a latrine in a primary school area; the 8th District Project continues; NVS is training a new class of recruits who will work in refugee areas; the Voluntary Youth Service held a week long camp in Tuyen Duc Province; the Buddhist Student Association (in cooperation with the SYP) is still deeply involved in the Vlien-Hoa-Dao construction of three dormitories for 400 war orphans; a small group is developing plans to continue social work in the Gia-Dinh refugee community where the National Liberty Youth Work Camp was held; and plans are still under-way to develop a federation of youth organizations sympathetic to social activities. The USOM is supporting specific requests from the various youth groups for commodities, transportation and technical support.

## SOCIAL WELFARE -

The distribution of USOM commodities to the needy, particularly the refugees, has generally increased in volume and efficiency during the month. Transportation remains a serious difficulty in many areas, but increased use of airlift (Pleiku and Vinh Binh) is relieving the problem to some extent. Pleiku reports an apparent increase in favorable Montagnard attitudes, as evidenced by increased numbers of Montagnard refugees.

The resettlement of refugees is moving ahead at an encouraging rate in some provinces (Quang Nam, Phu Bon, Dinh Tuong, and Phong Dinh). Dinh Tuong reports that 1,042 refugees were resettled during the month of October. Improved military security has enabled Phu Bon to resettle 94 refugee families in their original hamlet. Most consideration at various levels is being given to the important need for vocational training; Quang Tri reports the recent completion of a badly needed vocational training center.

There are still a considerable number of reports concerning excessive limitations and delays in the distribution of the 7\$VN daily refugee allowance and the 3,500\$VN (maximum) resettlement allowance. (Pleiku, Kontum, Quang Tri, An Giang, Binh Duong and Binh Thuan). Quang Tri reports that province requests for extension of the one-month limitation on the temporary subsistence allowance go unanswered by Saigon. Other delays in payment

SOCIAL WELFARE (cont'd)

are attributed, for the most part, to insufficient numbers and insufficient experience or training of social welfare cadre. In Binh Thuan 1,646 families relocated in 1964 are reportedly still awaiting relocation payment.

Many refugees who fall into the Social Welfare Ministry's category of "Refugees in Temporary Shelters" are in fact neither registered nor in government shelters, in Quang Nam, 30,000 out of 35,000 refugees are "uncontrolled", and in Danang 5,000 out of 10,000 refugees are "uncontrolled". Many, but by no means all, of these refugees are in remote districts difficult to reach for security reasons.

Lack of adequate security in same areas is severely hampering or preventing the resettlement of refugees in various provinces (Binh Long). Quang Tri reports that resettlement areas have no available land nearby for cultivation by the refugees.

There has been misunderstanding at the province level as to the availability of funds for the construction of temporary refugee shelters. Some provinces have felt it necessary to request specific prior authorization.

Some provinces (Kontum) have considerably greater need for assistance in the construction of temporary refugee shelters and important additional facilities, such as sanitation facilities and schools, than has been met heretofore. The problem of sanitation is one which is widespread in many of the refugee centers.

VC activity has resulted in numerous indemnification and need for emergency assistance claims (Go Cong, Kien Hoa, Quang Duc and Phu Yen).

Institutional assistance to orphanages, schools, infirm people's homes, rehabilitation centers, etc. is always needed in greater quantity. The ever-pressing need for such assistance should not be overlooked in the shadow of the more highly publicized and immediate needs of the refugees.

An extremely important area which should be given more attention after the immediate refugee needs for food and clothing are met is the need for employment and vocational training. Various provinces have mentioned the use to which refugee labor could be put in public works programs, such as road building; appropriate coordination between the ministries involved would provide both gainful employments for the refugees and labor for useful projects. More vocational training should be made available to refugees with appropriate potential skills both for the future economic strength which this would give the nation and for the immediate morale and occupational outlet for the refugees. There are too many refugees sitting around the centers doing nothing.

Most of the shortcomings noted in the previous section are receiving attention, even if solutions have not yet been found in all cases. The Ministry

## SOCIAL WELFARE (cont'd)

of Social Welfare is conducting an in-service training program for provincial team cadre, accommodating 50 persons, at a time, with seminar-type discussions for one week. The Ministry also plans to recruit 200 additional cadre, bringing the total to approximately 600. When these new cadre are recruited and trained, the problem of handling the refugees and other social welfare matters at the provincial level should be considerably alleviated. Considering the nature and extent of the refugee problem, the Ministry of Social Welfare has done a commendable job, even if not perfect, with the inexperienced and limited personnel available.

The Ministry and USOM are accelerating the program for the construction of temporary shelters for refugees. It is probable that a considerable portion of those refugees reported as "uncontrolled", or outside of government temporary shelters have found jobs and otherwise shifted for themselves to the extent that they would not live in government shelters even if more space were available.

The question of security is, of course, a military one. Unclassified reports indicate that secure areas may be expanded as a result of successful military operations during the dry season.

More assistance in the form of technical aid and commodities and equipment is definitely needed in the refugee centers, and also in resettlement areas, particularly health and sanitation facilities, schools, vocational training and job opportunities. Through the Office of the Coordinator for Refugee Affairs, USOM is gearing up to provide such assistance, but more inter-ministerial coordination and cooperation in the GVN for the establishment of an autonomous Directorate for Refugees will be necessary.

In cases of VC violence, the Ministry, in conjunction with USOM and the military, has provided commendably prompt assistance consisting of food, clothing, and medical supplies.

### Popular Force Training and Housing Support, Hau Bi Quan -

Nine provinces indicated that active training center and housing support was being rendered and significant progress being made. Of particular interest is the fact that 120 dependent housing units will be started in Dinh Tuong in November.

In support of PF dependents, training centers and housing, the following commodities have been issued:

Cement (bag)	2,740
Roofing (sheet)	3,261
Bulgar (bag)	529
Oil, cooking (can)	410

The Hau Bi Quan program continues to expand and six provinces reported on this activity. No definitive statistics or data are available from provincial representatives at this time since the program has just recently been initiated. Training generally is of a military nature which includes marching and group discipline. Hau Bi Quan cadre in Pleiku are receiving a twenty-day intensive political indoctrination.

Quang Ngai and Phu Yen reported commodity shortages. Conversations with Logistics Section reveals that commodities are in the pipeline for Quang Ngai but that off loading facilities at Danang have compounded the problem in the past. It is expected that commodities in bulk will begin arriving in Quang Ngai in the near future. The Phu Yen problem is a seasonal one. The only bulk means of delivery is by sea and offshore prevailing winds prohibit unloading at the present time. However, some commodities are being shipped by air.

Popular Force dependent housing and training center support continues at a favorable pace. Commodities utilized in these two endeavors considerably exceed usage in September. Home Guard progress is proceeding slowly. From a Headquarters viewpoint this is desirable since current doctrine is flexible and subject to change, and capabilities are limited. Future reports should be more definitive as test areas develop their courses of action.

#### CIVIC ACTION SUMMARY -

Civic Action gives indications of awakening, with nine provinces reporting some activity. Though still on a very modest scale, it does involve not only US military forces, but ARVN and RF/PF as well. Support provided by USOM has been in small amounts of cement, tools and paint for repair of schools, dispensaries, bridges and roads, and construction of a market and kindergarten as well as PL-480 food.

#### PUBLIC HEALTH Comments on Excerpts -

The improvements in the supply capabilities of the Saigon USOM/GVN health complex are reflected in the Provincial Representatives' reports for October. Difficulties still exist in two areas: (1) the traditional tendency of the Ministry arbitrarily to cut field requisitions down to what, under today's conditions, are inadequate monthly levels; and (2) the still inadequate USOM airlift capabilities, delaying some deliveries to provincial areas and allowing exhaustion of local supplies for purely transport reasons. Both problems are receiving attention and are steadily improving.

The reports make very clear the widespread eagerness with which the arrival of the MILPHAP teams is awaited. By December 1, the first six MILPHAP teams will be at their operating sites in Quang Tri, Quang Ngai, Pleiku, Vinh Binh and Bac Lieu Provinces. The second wave of six teams should arrive about February 1966.

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### HAMLET SCHOOLS (HOP TAC)

Five of the seven administrative units comprising the Hop Tac area appear to be very near schedule and all are likely to have the 1965 Hamlet School construction program completed by the end of FY1966. In the reporting technician's opinion, this performance is particularly outstanding in view of the serious inflation of the plaster in recent months. If the officials in Bien Hoa and Binh Duong can contrive a scheme soon for construction, the entire Hop Tac area will be ready to embark upon FY 1966 in January. It appears that Bien Hoa is very close to settling the matter soon, and if CRCC acts reasonably fast in allowing Binh-Duong supplementary funds, they, too, will have their house in order by January 1.

All other components of the Hamlet School program are completed in each of the administrative areas, i. e. teacher training, classroom teaching kits, and textbooks.

Badly needed in-service teacher education workshops were held in Gia-Dinh, Bien-Hoa and Hau Nghia. Workshops are planned in November in both Phuoc Tuy and Vung Tau. All of these workshops emphasize the textbook method of instruction.

From the October reports, there seems to be no recognizably serious or preponderant shortcoming in the Hamlet School program. Each province seems to have its own unique minor problem (s), except as mentioned above.

### HAMLET SCHOOLS (Region III Minus Hop Tac)

At this time, USOM aid has been withdrawn from Binh Tuy Province but will probably be restored soon.

The Ho Chi Minh trail runs through three of the provinces which adjoin the Cambodian border--Tay Ninh, Binh Long and Phuoc Long. Phuoc Long and Long Khanh touch the southern border of II Corps--one of the most active combat zone. Roads are interdicted and many areas are insecure within these provinces.

Despite these difficulties, the teacher training program for 1965 has been completed. By the end of November, workshops on the use of textbooks will have been held in four of the five provinces. Approximately 1,500 teachers in public and private schools will have been reached by these workshops. Text-book deliveries are moving reasonably well. In one of the provinces, the classroom construction program is on schedule and in another, Tay Ninh, 39 classrooms will be built from the money appropriated for 77, and in addition 22 self-help classrooms will be completed in 1965.

In Phuoc Long all construction materials be airlifted, but the 15 classrooms allocated to this province can be built if permission can be secured from Saigon to substitute wood for masonry walls.

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HAMLET SCHOOLS (Region III minus Hop Tac) Cont'd

In some provinces security conditions and the interdiction of road makes delivery of textbooks by surface impossible. To solve this problem, textbooks from Saigon are delivered to the provinces by helicopter and from there to district towns and villages on Saturdays and Sundays when helicopters are more readily available.

The local political situation in one province prevents the building of classrooms. If nothing can be done soon, the education advisor allocated funds to other purposes and will recommend that no classrooms be allocated to this province in 1966.

HAMLET SCHOOLS (Region IV)

Excerpts from the Provincial Representatives' reports for the month of October pertaining to the hamlet school program in Region IV, with the exception of Phong Dinh Province, show progress in school construction of 1964 and proceeding as well as may be expected, with continually rising costs of construction material and a shortage of about 700 hamlet school teachers. This means that any new classrooms completed will likely be without teachers. This is a prime factor affecting the hamlet school construction program in Phong Dinh Province.

A breakthrough was made in October in improving the classroom instruction program through a textbook workshop held by the Ministry of Education Instructional Materials Center in Saigon for fifty selected educators from the fifteen Region IV provinces. This activity should have a significant multiplier effect, in that these educators will return to their provinces and conduct textbook workshops with their teachers, thereby assisting them to make effective use of the millions of USOM-programmed free textbooks now being distributed in their schools. Mr. James Herbert, USOM Operations, should be commended for his fruitful efforts in getting the fifty educators transported to Saigon and returned to their stations as per the workshop proposal. He came to the rescue when it appeared impossible for USOM to handle their commitment. Much valuable experience was gained by the USOM Region IV Education Advisor which will assist in planning future long-range education activities.

A problem that is causing considerable difficulty is the lack of communication between the various USOM Divisions. When the USOM Province Representative in Phong Dinh Province was advised about the lag in hamlet school construction in his province, he informed the Education Advisor that the date for completion was extended from December 31 to March 31. Also, USOM Province Representatives have reported that they have been advised that there is an automatic increase in hamlet school teachers' salaries beginning with October. The Region IV Education had not been advised of this policy change.

HAMLET SCHOOLS (Region IV) Cont'd)

The long-standing problem of a hamlet teacher shortage of about 700 teachers still hampers the development of a good school program and long-range planning. The area has two of the three components of a good school: a building and pupils eager to learn, but lacks the essential component - the teacher. The solution to this problem is simple: approve the budget needed to train the teachers required. Qualified candidates are readily available and facilities are ready to begin training with two weeks' notice. Province officials have spent long hours in documenting their hamlet school teacher needs and expect Saigon to take quick action on the problem. The solution appears simple since it is reported that only 7% of the New Life Hamlet construction budget has been used by the provinces. The Education Advisor believes that the funds should be transferred immediately to train the teachers needed and make an impact on counter-insurgency efforts.

Many classrooms are still without classroom furniture and cannot be used for a school. For example, An Giang Province has a shortage of 2,000 pupil desks. With three pupils to the desk, 6,000 additional pupils could be accommodated in present hamlet school facilities if the desks were supplied.

In An Giang Province, Vinh Trinh Hamlet School, there are an estimated 200 refugee children who cannot attend school because of the seven classrooms in the school have no furniture. There is a staff of 11 teachers employed in the school. The provincial solution to the problem is to make the people pay for the furniture. This might be a good solution in a pacified hamlet where people have the means of earning a livelihood, but a very poor solution to 242 refugee families who had enough faith to leave VC controlled areas and settle along the main highway so they and their children could enjoy a better life. Again, the immediate solution to the problem is simple -- make refugee funds available for providing school furniture in present school facilities that will accommodate refugee children located near them.

The problem of increased hamlet school construction costs is frequently presented as the reason for not getting the schools built. Observations by the Education Advisor and his assistant clearly show that a weakness in the present hamlet school development program is the lack of a people-to-people approach that ties the hamlet into the school and gives the people a sense of belonging and the "our school" spirit, with less dependence on a central government to supply every need.

The point has been reached where a proposal needs to be presented to hamlets whereby they will provide a suitable school site and unskilled labor for building their new school if it cannot be built within the \$VN 50,000 per classroom budgeted. Evidence shows that there have been very few instances where the Viet Cong have damaged or destroyed hamlet schools built through self-help efforts of the hamlet people. In both Dinh Tuong and Go Cong Provinces, new school buildings have been damaged by the hamlet occupants because they considered it a government enterprise in which they had no part.

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## HAMLET SCHOOLS (cont'd)

It is evident that hamlets will be happy to provide the labor to build their new schools if encouraged to do so by province officials. Vinh Long Province continues to build and equip hamlet school classrooms at \$VN 26,000 to \$VN36,000 per classroom. Kien Phong Province has built new hamlet school classrooms for as little as \$VN 6,000, with the people donating all labor and some of the material costs. The strong parent teachers organizations in Phong Dinh Province have done an outstanding job in building hamlet schools and developing the grounds. Vinh Binh Province has raised funds through an active PTA organization to construct beautiful primary schools.

An investigation in An Xuyen Province brought about a reduction in the requested price of \$VN110,000 per classroom by province officials to \$VN75,000, which educators believe is more than sufficient. It is a well-known fact that building costs have increased, but it has been proven many times over that hamlet school classrooms can still be built for less than \$VN50,000 if there are unselfish province officials and interest hamlet people.

In An Giang Province, which is reported to be the most secure in the Delta, there still remains 138 pacified hamlets without a school, and most of these will be willing to build a new school at \$VN50,000 per classroom if the opportunity were offered them. Self-Help hamlet school classrooms have been built much more rapidly in 1965 than the ones for which 50,000\$VN per classroom was budgeted.

The Education Advisor believes that the solution to this problem is simple - return to the original US aid concept of assisting people to help themselves. This was the core of our original US aid program. In other words, build hamlet schools where the people want them, will help build them, and agree to help maintain them after they are built. This will decrease a lot of the graft and worry with the present construction program. If a hamlet isn't willing to cooperate, construction should be in one which is interested. The long-range desirable results from this type of approach will be much more evident than in a program where everything is given to the people. No one really respects a donor who asks for nothing in return.

The following reports were not received:

Relocation

Agriculture

~~Public Works (Roads & Bridges)~~

PUBLIC WORKS -

The repair of the badly damaged Cau Lau Bridge on National Route #1 in Quang Nam Province, a combined effort of MPW and ARVN, is a typical example of the fine cooperation occurring in I Corps between the civil and military agencies. This combined effort has already resulted in a number of other vital bridges being repaired on National Routes.

Quang Tin Province is cited for effective action in the repair of roads and bridges damaged during the month by the VC and flood waters. This province is fortunate in having a highly qualified, aggressive province engineer. The satisfactory results obtained by the Public Works Office indicates what can be accomplished in those areas where effective leadership is available.

An expanded effort on road works is reported from Phuoc Tuy Province, with the return of good weather and an increase in the labor force, mainly women. Public Works is faced with a dire labor shortage and those areas willing to make full use of the woman labor force will be able to undertake a fuller work schedule.

Although hampered by budgetary, equipment, and security problems, the Bac Lieu Public Works is reported to be increasingly effective in its operations. Bac Lieu is a newly established province and has yet to reach full stature in its share of funds and equipment. But the province engineer is capable and interested and is gradually overcoming the problems.

A shortage of Portland Cement is reported from Quang Tri and Binh Thuan Provinces.

A shortage of asphalt cement is reported from Binh Thuan Province.

A shortage of road building aggregate and/or a prohibitive increase in the price of what aggregate is available is reported from Danang City, and Ninh Thuan, Binh Duong, Gia Dinh, Kien Phong, Kien Hoa, Vinh Long and Kien Tuong Provinces.

Lack of operable highway equipment is reported from Quang Tin, Quang Ngai, Cau Doc, and Bac Lieu Provinces.

Labor shortage is reported from Ninh Thuan and Long Khanh Provinces.

Lack of security is reported from Quang Duc, Long Khanh, Hau Nghia, Bac Lieu, and Dinh Tuong Provinces.

A Shortage of engineering knowledge and/or interest in effective operation is reported from Quang Tri, Quang Ngai and Ba Xuyen Provinces.

Action Being Taken to Overcome Problems.

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PUBLIC WORKS (cont'd)

**Portland Cement Shortage:** Cement is in short supply with Public Works. USOM has 1,000 metric tons on order as does MPW. Binh Thuan and Quang Tri Provinces have been given first priority for delivery expected early 1966.

**Asphalt Cement Shortage:** Proposed changes in AID import regulations have created a temporary shortage of asphalt. AID/W has been requested to permit a return to previous purchasing regulations under which a 5,000 M/T order is pending. MPW has been able to obtain limited quantities of asphalt and a request for shipment of 1,000 drums to NhaTrang was placed with USOM on October 27. Shipment is expected this month and, if security permits, a portion will be sent down to Binh Thuan Province.

**Aggregate Shortage:** Until recently, MPW depended mainly on commercial sources for aggregates. Under existing GVN regulations, the purchase of materials at inflationary prices is rarely permitted. Therefore, MPW will have to produce its own aggregate, and crushing operations are being expanded in the Saigon area and started in the Danang area. But lack of technical skill and manpower is hampering progress. USOM will recruit three specialists for quarry operations and is guiding MPW in establishing an incentive pay system to attract and retain personnel for crushing works.

**Shortage of Operable Highway Equipment:** MPW lacks the skilled manpower to repair the available equipment. USOM will recruit one additional equipment specialist in order to have one in each of the MPW Highway Division district. Every effort will be made to improve the movement of spare parts and tools to the field.

**Labor Shortage:** Existing GVN financial regulations are unable to cope with the competition for labor from commercial sources. The military draft has further aggravated the shortage. There is no immediate solution in sight.

**Lack of Security:** This is a function of the military sector.

**Lack of Technical Knowhow:** The military draft has cut heavily into the MPW engineering staff and many engineering positions are being filled by poorly qualified personnel. USOM will recruit seven additional specialists for road and bridges construction and maintenance to provide increased countryside coverage.

**Lack of Budget Flexibility:** The persistent efforts by USOM to establish flexibility of funds may have finally achieved the desired effect in the pending GVN FY 1966 budget. There is a firm indication that, for the first time, MPW will be permitted to transfer funds as required from dormant projects to active projects within the scope of the budget.

UNCLASSIFIED

REPORTS OF USOM PROVINCIAL REPRESENTATIVES (Region III)  
for the Month Ending 31 October 1965

TO: Distribution List Below

FROM: Reports Officer, MRCC (Provincial Operations)USOM

This document contains the Unclassified reports of USOM Provincial Representatives for the Month Ending 31 October 1965. The reports are summaries of the month reports submitted by each province and listed in order from north to south.

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October 31, 1965

LONG KHANH (19)

The price of essential goods has increased 20% to 30% during the month and it appears that the populace is quite disturbed about this inflationary situation. On the other hand, the failure of the VC monsoon offensive, as well as the successes of bombings and other operations of the Vietnamese Armed Forces, has been a real boost to their morale. No anti-US indications have been observed.

In general, the security situation has not improved from last month. The VC still appear on Highways #20 and #1 to collect taxes from trucks, buses and other vehicles. Plans have been made to retake several areas in the province during the coming dry season.

The economic situation is less favorable than last month. The GVN decree increasing taxes on imported items has resulted in an increased black marketing of most essential goods, and the cost of living has gone up. The soybean and rice harvest is underway and farmers are happy about expecting high yields and high prices.

The VIS distributed 30,000 copies of the provincial newspaper "Long Khanh of Today", and 10,000 propaganda leaflets throughout the province. About 6,000 posters were prepared and distributed on our bulgur distribution program. Milk, money and mosquito nets were distributed to refugees by the Social Welfare Service. Because of the poor security situation there are still 2,130 refugee families that have not been relocated.



October 31, 1965

PHUOC LONG (21)

Due to the relative inactivity of the VC, the population appears to be somewhat more stable and willing to remain in the area.

The security situation remains much the same. The VC control the province, except for small areas around the province and district capitals. There has been some improvement as the province chief has conducted operations into VC territory and destroyed defensive works and support bases in hamlet areas. Over 500 people were brought back into the secure area. This and the quiet attitude of the VC has had a heartening effect on the people. However, during the last week reports of large VC units moving in the province kept the people apprehensive. Vietnamese estimates ran to three regiments (hard cores). USSF estimates were much smaller and included the belief that most of the VC units were just moving through - on one direction or the other. Some sources feel that the province is now a VC R&R and that this accounts for their relative inactivity.

With the arrival of the convoy from Saigon late in September. The local economy got a good shot in the arm. Some goods still come over the road, even though taxes by the VC. These factors, coupled with USOM air support for critical commodities, have put the province into a reasonably good economic posture. Good rice sells for about 9 into 10\$VN per kilo and the people seem to have plenty to eat.

USOM projects remain few in number since the attack in May. Primary concern has been commodity and transportation support to keep the province going economically. There are indications that barring a worsening of the security situation more activity can begin in this area. Refugee support has been particularly good in this province.

BINH LONG (22)

October 31, 1965

There were no demonstrations against government policy within Binh Long during the past month. People thoroughly understand the present political situation. Morale of the people is high.

Security is considered good. Viet Cong activities decreased to the lowest level and it can be considered that their sabotage operation is no longer existing thanks to the large scale military operations and the improvement of hamlet defense systems.

Food prices are still high due to road blockades and the difficulty of getting food from Saigon.

Through the good psychological propaganda program performed during the month by Joint Psy War - Chieu Hoi Team, thirty two Quy Chanh (returnees) returned to GVN side along with 72 rounds of ammunitions and 3 Russian rifles.

USOM supported programs progressed considerably. Eighty per cent of most of the projects<sup>are</sup>/completed.

October 31, 1965

BINH DUONG (23)

The great majority of people in the rural areas are still "on the fence" and the GVN has still failed to establish communication with them except in isolated, short-term cases. The short-term contact established is due to the dedicated efforts of a few key government officials (military and civilian) and certain cadre members.

Security, Economic, Socio/Psychological and USOM Programs are all improving as the stepped-up ARVN and US military operations perform their clear and hold objectives.

(See classified supplement for details)

October 31, 1965

TAY NINH (24)

This reporting period witnessed a surge of action in funded school construction, which after more than a month in the doldrums, surged ahead with renewed vigor. The bottleneck which had previously existed in this area was explained first by the non-availability of funds by the Treasury, and then, when these were forthcoming, by a sudden penury of building materials. The latter shortage was not limited to Tay Ninh, being, in fact, country-wide. However, bricks were finally available in quantity before October had reached the midway mark, and work had resumed on the schools. Thirty-six classrooms have been completed, and work is continuing on forty-two more. By the year's end, it is hoped that the 1965 quota is excellent (77 funded classrooms) by 12, to a total of 89, the balance constructed from savings from the money made available for school construction for CY 1965.

The political situation continued to improve, with Major Trung now firmly in the saddle. Further gains were made with the Cao Dai, among whom the province chief has been able to rally still further support.

Very little major harassment was noted during the reporting period, with enemy activity unusually restricted. Our own action, however, was sharply increased, with a distinct upsurge in offensive operations, both in the air and on the ground. Indications were that the increased bombing of forested areas used by substantial elements of the Viet Cong had begun to take a toll on the morale of the enemy. The status quo was maintained, with the GVN side having the initiative but with no significant losses inflicted on the enemy, the efficacy of the bombardments in this respect being impossible to ascertain. Morale of RF/PF units remained excellent.

Cost of commodities, including food, has increased in price, some to as high as 100 to 150% of previous levels. Cost of rice is somewhat lower now (\$VN 100 per 100 kgs) because of recent rice harvests, and due to the vigilance of the Province Chief against speculation. There are no apparent signs that prices will revert to previous levels; the tendency is toward a much higher scale. Many construction materials are not available on the market; this has caused some stoppage of work on some funded projects.

The total number of hamlets which now meet the Six Point Pacification Criteria has risen to fifty-two, a significant increase over the previous two months. Hamlet offices were sprouting, with an increasing number of small communities requesting for this purpose USOM assistance in the form of

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TAY NINH (cont'd)

cement and roofing. Great credit is reflected on the efforts and initiative of Special Forces Captain Blaker, whose hamlets projects in Phu Khuông district have been a source of inspiration and an example which more and more communities are following. A new sense of civic pride, previously conspicuous by its absence in these communities, has resulted.

October 31, 1965

### HAU NGHIA

Two major Viet Cong attacks on the GVN location at Duc Lap within a single month (28 September and 27 October) left the population in Duc Lap village and at Bao Trai extremely apprehensive of the future. A follow-up visit to Hamlet Duc Han B (in Duc Lap village) by the VC on 28 October and the systematic destruction of 20 - 30 houses (for the third time in a month) has convinced many of the population that GVN cannot protect them. Evidence of this attitude is a refusal to rebuild their own houses, and what appears to be a gradual move of the affected population back to VC controlled areas. No anti-US sentiment has been observed, and no unusual political activity has occurred that was not VC-inspired. GVN officials are evidencing greater acceptance of the Ky government, but without noticeable enthusiasm.

Heavy rains and replanting has permitted an expected rice crop that will be larger than normal, but will be harvested late. Current rice prices remain stable, with average grade rice wholesaling at 305\$VN per 100 kilos, and retailing at 350\$VN. Commercial traffic continues to be delayed by road cuttings and blocks, but normally gets through. VC taxation extends to passengers now (previously only bus operation) with charges ranging from 5 to 25 piastres. Forty-three rice mills are in operation with 76,000 kilos of rice and 81,000 kilos of paddy exported during the period. Imports were principally POL, machinery, canned goods and manufactured items. Daily wages advanced about 15%, with male labor now bringing 80\$ daily and female labor 60\$ daily.

The GVN First PsyWar Battalion, augmented with Free World Teams and a Medical Team from the Philippines, arrived in Hau Nghia on October 25 and began activity the next day. The battalion breaks down into two elements and each element works a district. Thus far the team has worked Duc Hue and Cu Chi Districts and a special area around Duc Lap, following a large scale VC attack there. The team is scheduled for only two weeks in Hau Nghia. A low cost restaurant for government personnel was opened during the period in Bao Trai and has accommodated from 150 to 200 patrons a day at an average daily ration charge of 20\$. Some 37,800 \$VN was distributed to 79 families (590 persons) in connection with refugee relief programs, and 3,000 \$VN was used to purchase and distribute gifts to soldiers' widows.

October 31, 1965

GIA DINH (26)

As reported last month, a provincial meeting was held to fix prices for foodstuffs. Their suggested prices were as follows:

- grade "A" pork from 100\$ to 120\$ per kilo
- dried shrimp, grade "A" 90\$ " 100\$ " "
- paddy rice, 1.25% brain 80\$ per 40 kgs
- milk, canned from 16\$ to 17\$ per can
- sugar from 24\$ to 27\$ per kilo

Although an order was issued to the National Police Service and to district chiefs to watch prices, there is no way to control the price. For example, pork is selling at a minimum of 150\$ per kilo. The desperate need for condensed milk continues. The only authorized sales are for families with babies and then only one can each 15 days. Fines have been levied against several restaurants using it in coffee. 2,000 cases of milk (48 cans each) authorized for Gia Dinh with its almost one million inhabitants. The minimum price per can is 24\$VN.

After widespread speculation, rice prices have stabilized although they are somewhat above last year's prices. Inflation is responsible, in part, for this increase. In some areas the piastre value is about half that of six months ago.

The black market in National Lottery tickets has been stopped due to the Economics Service direct sales to retailers, thus eliminating the profit-making distributor.

A committee consisting of the Province Chief, Provincial Council, retailers and the Economics Service will take charge of the many requests received by the service for motorbikes and scooters.

Authorization for eleven small industries and handicraft operations were signed, among which was one for shoe polish manufacturing.

Fines for 18 economic violations resulted in a donation of 29,970\$ to the Social Welfare branch of the province.

Four applications for commercial loans totaling 100,000\$ were forwarded to Saigon.

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GIA DINH (cont'd)

Military units have just been discovered occupying USOM-built schools. This destroys our aims and efforts and will not be tolerated, except in ex-treme emergencies. It is hoped that instructions will be issued to prohibit such practices.

Personnel: The total cadre has fallen to 57 who are assigned as follows:

17 workers at the provincial headquarters and  
40 in 6 district offices: 1 chief, 1 assistant, 1 driver, 1 press center,  
1 clerk and 2 cadre.

There are too few cadre to move from village to village to reinforce local cadre in their task. The Service has requested Saigon for more cadre but it was refused.

The topics for propaganda for the month of October were:

- The encouragement of the formation of "GVN rear guard army"
- Explanation of the presidential mail box for the people's suggestions and complaints.
- The return of VC Regional Commissioner Nguyen Tien Dan to our side on 9/23/65 in Lam Dong province.
- The unsuccessful coup d'Etat in Indonesia organized by the Chinese Communists.
- The continuation of arrival of our Allied Forces.

Leaflets and posters - a/ 45,000 ministerial leaflets describing the slave life of the people under the Communist yoke and b/ 26,000 provincial leaflets explaining the organization of the "Rear guard army" and calling for return of Viet Cong were distributed throughout the Province.

VC activities: On 9/25/65, VC infiltrated the Tan Kien hamlet, Binh Chanh district and picked up 1 Ht-1, 4 loudspeakers, 2 telephones and 1 Arvin radio. They distributed leaflets, hung slogans and broadcasted in the farthest hamlets asking for Peace and Neutrality and encouraging the people to act against US and GVN. They continue to force people to kill all dogs because their barking has often alerted government forces at night.

October 31, 1965

The political situation in the province remains stable. The slow governmental building process continues. The Province Chief and his retinue actively toured the province for various functions during the month. He led a four day operation to evacuate 420 families from insecure Tam An Village to a relocation site in An Loi Village, Long Thanh District. The move was facilitated by the province's trucks and the vigorous presence of various cadre. Large supplies of food, tools, soap, cloth, and some money were provided during and after the relocation.

Price index remained fairly stable, although there is widespread talk of spiralling price increases. Top grade rice went from last month's high of 16\$VN per kilo to 15\$; low grade rice remained at 9\$VN. The price of pork went up to 150\$VN per kilo, whereas, salt, cooking grease and charcoal remained at previous levels. Building material prices continued their rise, paralleling the building boom.

The Security situation once again improved slightly, as a result of the American and Allied military operations in the northern districts. The number of VC incidents increased over last month's, but was still only half the former normal of June and July. Route 1 was blocked by the VC with felled trees three times during the month; Route #15 was cut in three places and there were periodic road-tax blocks south of Long Thanh District town.

The continued decreased activity of the VC and the increased activeness of the provincial government gave a slight boost to the psychological milieu. Nevertheless, our psychological health is impaired by fears of inflation.

USOM supported programs on the whole are progressing satisfactorily, but there are exceptions. Through three demonstration agricultural projects, the activities of the agricultural service and Chinese Mission, the recently implemented '65 pigcorn program, a wide range of farmers are being reached and assisted. Textbook distribution is now keeping pace with the books' availability, with over 118,000 having been delivered by pick-up, lambretta, and boat. The province is earnestly negotiating with several contractors for the 41 funded classrooms, after three earlier unsuccessful rounds of bidding. If the present efforts fail, we will resort to one of several other possibilities under consideration.

The very popular self-help program still suffers seriously under funding procedures which allow the release of only one million piastres at any one time. Before additional releases can be made, earlier projects must be completely vouchered, and audited. This has resulted in only 47 of 113 projects approved by the Provincial Committee being under implementation. The adverse effects, psychologically, that a waiting period of three or more months has on the citizens who are anxious to begin their project are increasingly evident. Whether the total 143 projects which have been allotted to the Province and which will soon be approved, can be implemented under this sluggish, unresponsive procedure, is doubtful.

Our city and district health facilities are being renovated through various projects, but there are still serious inadequacies of personnel, medicines, and number of health stations outside the district towns.

USOM is working now with all American military units on civic action programs with every indication that all units will expand their programs. Their contribution should be considerable.

PHUOC TUY (28)

October 31, 1965

The political situation continues to remain stable. Increased activity by GVN forces with relative good success has made the balance favor the GVN. On balance the trend continues toward the GVN.

Security continues to be a problem. Security in the more secure zones or areas seems to be improving, but hamlets and villages in fringe areas and in areas undergoing clearing are having their problems. Reports indicate that the VC are conscripting laborers for work in unknown areas for periods up to 30 days. Conscripting of large amounts of labor tend to indicate the establishment of a large network of tunnels and fortifications and/or area command and/or training facilities. GVN successes have improved the situation in some fringe areas, and the number of Chieu Hoi returnees is up, and the number of VC and suspects is up. Summing up the situation, security has improved in the more secure areas and some fringe areas, but VC conscription of labor in areas undergoing clearing could mean trouble in the near future.

The economic situation in the province remains little changed from last month. The prices have risen but not as much as last month. The rice price increased only slightly during the period, but vegetables rose about 25%. The price of other commodities indicates only a slight increase. Rice harvest will begin during the coming report period and the price of rice should abate somewhat, however, vegetables will continue high until after rice harvest and land and effort can be deferred to vegetable production.

Social/psychological trends continue to favor the GVN as the GVN forces have increased their operations with greater success. However, much could be accomplished by getting GVN officials out into the villages and hamlets. Psywar efforts by APA cadre and a squad of Chieu Hoi returnees have been effective, but VIS has been highly ineffective.

USOM supported programs are GETTING UP A HEAD OF STEAM.

VUNG TAU(28A)

October 31, 1965

The political, security and psychological situation remains unchanged. The economy improves with every new American arrival. The cost of living for Americans is comparable to the U.S. The Vietnamese say that the cost of living for ~~them~~ **is the highest at any major** area in Vietnam. Rents have increased 40%-100% in the last 6 months. Non-sea food stuffs have increased 5-10% in the last month. Sea food prices have risen slightly.

USOM has substantially increased its activities. This trend will continue sharply upward for the next several months. One of the main tasks developing is that of channeling the energies and resources of the many U.S. Army units into hamlet development projects.

It may prove possible to develop a constructive rivalry among the units in supporting hamlet improvements such as irrigation, land clearing, school building, housing, orphanages, drainage, etc. . .

October 31, 1965

LONG AN (30)

The Provincial Council continues to render a significant contribution to the administration of the province. During a meeting held of Oct. 15, the following subjects were discussed: public land taxes, house taxes, primary schools, provincial rural reconstruction council, transportation association, and NACO.

There is evidence that the Viet Cong are intensifying their terror tactics and activities throughout Long An.

A dangerous inflationary spiral, including the cost of basic food commodities, continues. The Province Chief has said that the cost of living has risen so much and so quickly, that it has had a pronounced effect not only on the lower class but also upon many middle class income individuals.

The Long An Social Welfare Service has paid subsistence money to over 9,000 individuals who have been classified as refugees. The validity of this many individuals meeting the criteria to qualify for assistance is questioned. The USOM Provincial Representative and Staff estimate approximately 5,000 "part-time" refugees. It would appear that there is at least a small degree of duplicity in this area since it is conceivable that some individuals may be receiving refugee relief, relocation payments, and/or Chieu Hoi assistance. Many individuals have come into the "secure zones" from Viet Cong controlled areas to receive emergency assistance of money, food, and clothing and returned to former locations shortly thereafter. Since it has been reported that the VC are experiencing food shortages in some areas, it would appear advisable to exercise strict controls over what, up to present, has been a very generous application of these public doles.

USOM supported programs and projects continue to be well received.

UNCLASSIFIED

REPORTS OF USOM PROVINCIAL REPRESENTATIVES (Region IV)  
for the Month Ending 31 October 1965

TO: Distribution List Below

FROM: Reports Officer, MRCC (Provincial Operations) USOM

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## GO CONG (29)

October 31, 1965

The overall consensus of those concerned is that the slow but steady progress in support of the GVN by the populace is still continuing. The greatest factors indicating this support are the increase in Quy Chanh and refugees during the reporting period. The appointment of a new Province Chief for Go Cong has in many respects instilled a greater impetus to established programs and has inspired the personnel responsible for successful program implementation. It is apparent that the present Provincial Citizens Council membership will contribute little to the overall progress of political trends, but the professional functioning of provincial administration more than compensates for this unfavorable condition. Under the guidance and at times the direction of the Province Chief, the approved methods and programs for strengthening the local GVN position continue. It is still felt that Go Cong has a long, hard road ahead in this phase of the total program, but progress of a desired nature is being made.

During the past month, VC activity increased considerably and confirmed reports indicate that it will continue and possibly increase, especially in provincial and district capitals. The newly appointed Province Chief has instituted a completely new program for security in all areas and at all levels, which to some extent has hampered progress in other province areas of government. It is felt, however, that the Province Chief is justified in his actions concerning security in view of the increased VC activity, both present and projected.

In general, an overall increase in prices for all foodstuffs is being experienced. This increase is estimated to range from 11% to 70% since the last reporting period. Construction materials remain about the same in price, along with some items classified as non-available. Contributing to this general increase in price for commodities is the inability to utilize Interprovincial Road #5 direct to Saigon. Certain portions of this route are completely controlled by the VC. Another factor is the inability of the Cho Gao ferry site to handle the enormous load of daily traffic between Saigon, My Tho, and Go Cong for the transport of necessary commodities.

Although the Province Chief feels that security is of greater importance than social aspects of municipal government, he has made it a point to personally visit and discuss overall problems with all levels of provincial officials and citizens wherever deemed necessary. The Go Cong administrators, it is felt, are more than qualified and interested in continuing the progress obtained through the social and psychological programs approved for this fiscal year. The psychological attitude of the populace and the people responsible for government administration is good and should improve in time. It is further felt that the joint USOM/MACV personnel and presence

## GO CONG (cont'd)

contributes to the healthy conditions now prevailing in the province. The recently instituted English language program has been lauded by local officials.

Although some progress is being made in USOM-supported programs, it is not at a significant rate. Much greater latitude must be granted to the province to act upon its own volition for the successful accomplishment of approved programs. Central must relax to some extent its existing curbs, and allow for greater flexibility in order to immediately carry out necessary and sometimes mandatory actions. All too frequently the Province Representative receives word that lengthy delay should be anticipated due to limited response at Central level. It is hoped that USOM/Saigon will in the future be in a position to "run interference" in these instances on behalf of province requests.

KIEN TUONG (31)

October 31, 1965

On October 15, Colonel Minh departed Moc Hoa and Major Loi Nguyen Tan, former Deputy for Security in Dinh Tuong Province, took over as Province Chief. There seem to be some questions as to whether Major Tan is officially the Province Chief. Apparently his nomination by General Quang has not yet been approved by Premier Ky.

The Provincial Council continued to wait in "limbo" for the past month as the transfer of power slowed everything down. USOM has prepared a proposal to utilize the Council as a Self-Help Committee. This will be taken up with the Province Chief as soon as he disposes of some of the more pressing military problems inherent in a change of Province Chiefs. However, based on only short conversations, he has expressed interest in utilizing the Council more fully than it has been employed in the past.

The security situation during the past month has improved throughout most of the province. However, security along the La Grange canal is still quite touchy. About two thirds of the people in the area overrun by the VC on August 28 have returned to their homes.

There have been no major attacks during the past month.

The annual flood continues to dominate everything, with very little economic activity evident. Next month, when the flood begins to recede and the first rice harvest comes in, we expect to see some improvements. Prices for basic commodities have shown a general increase over the past month.

As evidenced by the return of families to the La Grange canal, the psychological situation is good. A real show of faith in the GVN came in a project we have been working on for some time. Three farm tractors have been operating in Tri Phap village in Kien Binh district, an area long under VC control. The owner of one tractor was contacted and persuaded to move his machine to a GVN controlled area. During the confusion of a recent air strike this project was successfully carried out. We have contacted the other two owners and hope to pull off another coup d'etat on the VC. These tractors have enabled the VC to keep large areas under cultivation while losing resident workers. This should really hurt them in their pocketbook. Major credit for the success of this project should go to Mr. Tran Huu Tam, our Area Specialist, who worked hard on it.

Implementation of USOM sponsored projects continued to be seriously hampered by a shortage of basic construction materials and the complicated and time-consuming procedures for approvals necessary for the implementation of Public Works projects that come under the Rural Reconstruction Budget. The vital necessity for centralized control of construction materials becomes more evident every day. Basic materials at reasonable prices must be made available to the province. Because of procedures, not one piaster of the twelve million allocated for Public Work projects has been released even, though one third of the bridge projects are complete. This happens when bids are solicited for a project. First, it is difficult to get bidders and when we do, we must submit the bids to Saigon. By the time the bids are approved, prices have gone up and the contractor is no longer willing to supply materials at the original bid price.

Most of this year was spent in getting approvals for Public Works projects, many of which, because of scarcity of materials and the flood, will not be completed by the end of the year. It is vitally important that these projects be allowed to run directly into 1966 without going again through the whole cycle of approvals.

October 31, 1965

KIEN PHONG (32)

There appears to be no change in the political situation. The Province Chief is liked by the people, and he has their support.

The last days of September and the first days in October saw a great increase in VC harassment. The nights were very dark and it was relatively easy for a few VC to harass outposts. The situation has returned to normal, and the province officials feel that, in general, security is relatively good. The major road from Cao-Lanh to Hong Ngu has been mined on two separate occasions, creating sufficient damage necessitating extensive repairs. As a result, traffic in this region, for all practical purposes, is limited to water. This is certainly not an indication of any increase in VC strength, as they were merely isolated actions which are causing a great amount of inconvenience.

The economic situation looks poor in that prices continue to rise geometrically. People, and particularly civil servants, are becoming quite vocal. The Province Chief called a meeting of province officials as well as merchants to discuss the problem. A number of proposed solutions were submitted, but none very practical. The mere hint of restrictions brought repercussions. The following day one pig was butchered at the Cao-Lanh market. A representative of the province was sent to the Ministry of the Economy, and he returned with the information that the Ministry is doing very little. The province plans to open a store selling edibles at the official rate in order to force the merchants to lower their own prices. It will be very difficult to control abuses in this program; however, provincial officials feel it can be done.

USOM-supported projects are progressing at a fairly steady rate. On October 12, 13, 14, some twenty three projects were inaugurated at Hong-Ngu. They had been approved at the end of 1964, but not begun due to a lack of materials.

DINH TUONG (33)

October 31, 1965

With the transfer of Aspirant General Nguyen Bao Tri to III Corps, the command of the Seventh Division and the Tien Giang Tactical Zone passed on October 9 to Col. Nguyen Viet Thanh. Col. Thanh is well acquainted with the Division and the Tactical Area, having served both as a regimental commander and as Go Cong Province Chief. In the past, he earned the respect of both his Vietnamese and American colleagues and superiors for his forcefulness, skill, and honesty. While General Tri's record here was remarkably good, as a Catholic and a protege of General Thieu he received some criticism for partiality. Perhaps not by chance, Col. Thanh, a Buddhist - was named as his successor. While it is still too early to say how this change will affect the provinces in the Tactical Zone, similar command changes in the past frequently brought changes in province leadership. Division commanders have maintained a lively interest in the administrative life of the provinces under their command, and frequently choose provincial chiefs with personal loyalty. Col. Thanh, in addition to his post in Go Cong, served previously as Province Chief of Long An and has considerable experience in civilian affairs. For the present, though, Col. Thanh is devoting his full attention to the division and military affairs.

The month of October was highlighted by GVN military initiative and included two division-scale attacks on Viet Cong concentrations. For the first time in many months, from September 30 to October 2, the Seventh Division attacked the seasoned VC 261st Battalion in its rest area south-east of Cai Be. Though losses to the VC were heavy, the Division did not leave unscathed. One American advisor and highly respected ARVN captain were lost.

A second engagement ending on October 21 took place northwest of Ben Tranh district against principally VC regional and village forces and netted some forty seven killed and fifteen captured. ARVN losses were inconsequential.

Viet Cong attacks during the month continued to decline in intensity and number. Last month there were 107 VC incidents and only 57 this month. There were no large scale post attacks; killings and assassinations stayed at roughly the same level, and road mining and road blocks decreased sharply. The greatly improved road security on National Highway #4 is principally the result of a special highway task force set up with armor support.

Military authorities attribute this remarkable decline in VC activity to a change of strategy. The VC appear to be regrouping and moving forces and recruiting main force elements from village guerilla units. Until this process has been completed, the VC will probably keep activity at a lower level.

Improvement of the provincial security situation continued to center on the completion of the security zone around My Tho. The period set for the completion of the hamlets in the zone came to an end during the month. None of the hamlets, for reasons mentioned last month, were finished and another month will be required to do so. Province and Division have agreed to the extension.

The principal economic concern during the month was the continued rise in prices. Completed market surveys for October 1 include the following items requested by Region IV, and in almost all cases prices have increased over those of Sept. 1.

Meat prices (pork, beef, fish, and chicken) have moved up the fastest - approximately 30%, according to the province's financial chief. Despite greatly increased provincial production and a 20% increase in exports to Saigon over last year, inflated prices and high demand in the Saigon market increased VC taxation on production, and increased fodder prices appear to be the main reason for local price increases. As a result on October 22 an emergency meeting was held of all concerned services to discuss meat - particularly pork - production. They discussed a variety of measures to control the situation, including a reduction of shipments to Saigon, limitation of slaughter in the province, introduction of a fixed price with Saigon's assistance, and a emergency production program. A special production committee was established under the chairmanship of the Animal Husbandry Service. The committee will study and make detailed recommendations on the selection and location of new breeders and breeding sites and on a program of increased production of pig fodder.

There was progress in small industry construction during the month. Four new factories were started, each employing more than ten persons.

Definite improvement in the psychological situation is becoming increasingly apparent as the monsoon season draws to a close. The clear failure of the Viet Cong to take the offensive, limited government victories in the province, and the improvement in the national political and military situation underlie this optimism. From a position of real pessimism three months ago, responsible citizens in outlying areas, particularly in the more critical districts to the west, report definite improvement.



Refugees in Cai Be report that other members of their families after the harvest will be joining them and state that this is the result of the Viet Cong's failure to carry out retaliatory threats and the government's ability to provide security. As opposed to past months, the refugees appear far more eager to seek permanent relocation and livelihood and await the return of peace in government controlled areas.

The most serious situation to develop during the month was that in Vinh Kim, district capital of Long Dinh. Vinh Kim, retaken last year from the VC, has been making a slow return to stability and prosperity. Because of the recent VC occupation the small town is easily terrified by VC threats. During the month, VC propaganda, threatening attack and retaliation, drove some citizens from the town and was partially responsible for producing a large number of Popular Force defections. However, the situation appears now to be returning to normal, thanks partially to the well-coordinated and effective activities of province, division, and IVS psywar services.

There was no particular change in the pace of USOM activities. Plans have been initiated for Popular Force and temporary refugee housing construction so that building should begin in the coming month. Relaxation of the financial restrictions on self help should help to stimulate activity. Under government orders self help projects may now be financed in advance and funded projects can be given to hamlets that have constructed a project in the past. This is good.

Relaxation of province's financial restrictions on the advance to refugees of relocation funds has permitted increased house construction. This office is currently working on plans to help with the construction of fish ponds and small animal husbandry projects for refugee support. In cooperation with the Vinh Long Training Center plans are well advanced for the selection and training of forty to fifty refugees in needed vocational skills.

Textbook distribution proceeded well during the month and hamlet schools operated at normal levels. New construction under the 1965 budget has been delayed, due to difficulties in finding contractors who will meet the VN\$ 50,000 ceiling on classroom construction.

The deputy chief of province for administration has designated additional office space for USOM personnel. The expected addition will double the present area of 280 sq. ft.

October 31, 1965

KIEN HOA (34)

The Provincial Council is making its presence felt more and more. If the Province Chief does leave, it is hoped that his successor will have the same interest in making the Provincial Council function. At the present time, however, the Provincial Council remains mostly advisory and ceremonial.

The security situation has deteriorated more rapidly this month than last. Four posts have been overrun, two hamlet offices destroyed, the main route bisecting the province from Ben Tre to Ba Tri has been interdicted, one of the two major bridges in the province was severely damaged, two district towns were badly harassed and we had almost 100 Ranger casualties from the 41st Rangers in an ambush in which two LCM's were sunk, but later recovered.

Activity on the ground was limited to an average of four to six PF or RF patrols of platoon size daily. Most of these patrols had negative results. Success in air strikes, although more difficult to evaluate, seems to have improved. One tendency noted was to report as VC casualties any person killed or wounded by air or artillery in VC-controlled areas.

The decrease in the security situation is due to VC initiative and not a weakening of the existing GVN position. The kill ratio for the month is at best 1 to 1. Considerably more minings have taken place and in late September and October more mines have been detonated or discovered on the main road to My Tho than in the previous two years.

The economic situation, as far as rice production goes, has improved greatly due to sufficient rains in September and October. It is hoped that a near normal crop will be harvested. The early crop in the two crop areas are the only significant loss. It is felt that most of this crop or a large part of it will move by illegal channels out of the province by boat from Thanh Phu, Ba Tri, and Binh Dai.

The price of basic commodities have risen again in October. Wood is hardly available at any price.

The morale of the people remains high and that of the VC seems to be down, due mainly to air and artillery activity. GVN personnel seem to have maintained their morale; the apparent stability in Saigon contributes to this in large measure. More good GVN officials seem to be rising to positions of importance and have the interests of the people at heart. An Eastern Construction Company Filipino Civic Action Officer has arrived to augment the USOM staff. He will be working with Chieu Hoi and JUSPAO initially.

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KIEN HOA (cont'd)

Generally, USOM programs are progressing satisfactorily. Especially successful is the Self-Help Program, with 22 projects completed in October, bringing the annual total to 148 completed projects, just two short of the target for 1965. In addition, \$VN 479,000.00 has been released for 18 funded self-help projects so far. The total of approved projects is now 206, and presently under construction are 58 projects. We expect to complete about 350 Self-Help Projects in the 1965 program, both funded and non-funded.

The hamlet school program is well underway: of 76 classrooms, 3 are completed, 23 are 65% or more completed, 32 are 10% - 65% completed and 18 not started yet.

The Summer Youth Program, as a result of the Prime Minister's recent statement, is probably defunct. However, we still hope to hold it together as a Provincial Youth Program but finances will present a problem. The Animal Husbandry program has stopped cold. After all the financial paper work was completed for pigs at a government price, the suppliers claim they cannot deliver at that price.

Most other programs are inoperative or working at a low level except for the water pump and irrigation programs which are mostly completed and successful. The half million piasters for coconut seeds will, if approved, be spent instead for a rice seed program. The seed is to be distributed next year.

In general USOM programs are working more effectively but lack flexibility and impact due to the lack of a miscellaneous or contingency fund and to other financial procedure impediments.

October 31, 1965

VINH BINH (35)

On the political side, there were no significant changes or events for the reporting period. The Provincial Chief is not an active political leader nor has any political aspirations. He is a military man.

VC terroristic activities continued during the reporting period; Canned milk scarcity accentuated, encouraging black market practices. The most important hardware store had only six bags of cement in stock.

The price of rice during October was: 1 bag first class \$VN 1250, second class: \$VN 1005 - per bag; third class \$VN 800 a bag.

Kerosene: 1 liter \$VN 7.00; Lumber: first class \$VN 12,000; second class: \$VN 8,000. Cement: \$VN 155 a bag; Rebar: \$VN 15 per bag.

Total amount of rice exported during the month 1,066,800 tons. Total amount of hectares cultivated for 1965-1966 crop: 174,120.

Potential cultivable area: 257,869 Ha. Estimate of the coming year crop 278,592 tons of paddy rice. Human consumption: 224,187. Estimated export: 54,405.

The general consensus of opinion indicates that the social/psychological attitude of the people leans more and more to the side of the GVN than to the VC. The mining of roads by the VC seem to be the acts of desperation of a defeated cause. In doing so, VC try to psychologically give the impression to the people that still they are powerful and can defeat the GVN. The air power of the GVN is preponderant over that of the enemy and the only off-setting action which the VC can undertake is mining and ambushing the roads.

The USOM supported programs developed satisfactorily during the month of October. Documentation from district levels was received and a request was sent to Saigon for reimbursement of the imprest fund.

October 31, 1965

VINH LONG (38)

There was little change in the political situation during the month. The population appears content with the present situation. The province, under the direction of Lt. Col. Huynh Ngoc Diep, is attempting to satisfy the needs of the people. Progress is slow; however, the potential that exists for progress is greater than it was a year ago. If given the operational aspect of the province has been drastically reduced. Any small amount of decentralization that existed before has been removed and returned to Saigon. Programs are completely inflexible and officials have been informed that the slightest change requires Saigon approval. Saigon approval, to say the least, is slow in coming. So much time lapses between project approval and contract letting and the actual release of money that the contractor won't take the job because prices have risen so much. Restrictions imposed to reduce misuse of funds has resulted in loss of effectiveness in red tape. Since all provinces are different from a geographic, security, ethnic, and administrative standpoint, any program, to be effective, must allow the province to tailor it to its own needs. Provincial Committee approval should be sufficient for all but very large projects and very few projects are so technical that they cannot be handled by the services existing in province.

The security situation in Vinh Long was quiet and showed no change until the last week of the month. The first three weeks saw only small unit harassments on the part of VC. Airstrikes continued almost daily in VC base camp areas. In the early morning of October 24, a VC unit estimated at a platoon surprised a company of 9th Division troops stationed 2,500 meters from the Vinh Long airfield. The ARVN unit apparently had no sentries, as they were taken completely by surprise. Thirteen were killed, seventeen wounded and twenty-one are missing. Four M-79, one mortar (60M) and one machine gun were lost, along with thirty individual weapons. A relief force later encountered heavy contact with an estimated VC battalion. VC casualties are unknown.

The economic picture shows the same trend started a few months ago. The price of certain commodities, especially building materials, continues to inch upward. If the trend continues into next year, as it appears it will, construction programs will be seriously hampered. Lumber, in some cases, cannot be gotten, even if one has the money to pay the price. A solution to this problem would be to import wood into the Delta from neighboring countries (Thailand especially). Large barges could sail directly to many of the province capitals of the Delta. Listed below are spot prices of key commodities on the local market:

...../

VINH LONG (cont'd)

Rice #1 (25% broken)	VN\$ 1,000 quintal
Rice #2	" 700 " "
Sand (mountain)	" 250 / m <sup>3</sup>
Sand (river)	" 100 / m <sup>3</sup>
Stone	" 450 / m <sup>3</sup>
Gravel	" 800 / m <sup>3</sup>
Tile bricks (hollow)	" 1.80 - 2.00 ea
Tile (plain)	" 1.30 - 1.40 ea
Fibro cement	" 130 sheet
Cement (Taiwan)	" 140 / 50kg bag
Cement (Ha Tien)	" 110-115 / 50kg bag
Rebar	" 11 / kg
Canned milk	" Unavailable
Building lumber	" 9,000 - 10,000 / m <sup>3</sup>

The social/psychological situation remained unchanged in October.

USOM-supported programs, for the most part, moved ahead satisfactorily for the month. The Hamlet School Program is nearing completion and the remainder of the schools should be completed in November. Self-Help continues to move ahead, although the price scale had to be revised to parallel the commodity price the month. Hopefully a full time man in psy-war, information, and Chieu Hoi will accelerate these lagging programs.

October 31, 1965

The political situation in An Giang continues to "sail before the wind". In Hue Duc district, there was one change of government personnel which will enhance the support given by the people to the Government. A new District Chief, Major Pham Dong Nhac, has come into office, replacing Captain Van Trinh.

Major Nhac, a political appointee and member of the Hoa Hao religious sect, is noted for his political ability rather than his fighting ability. The previous District Chief was a Ranger, and felt that his sole responsibility was protecting the district from the threat of the Viet Cong. (The threat in reality is quite small).

The prediction here is that there will be a marked improvement in government supported projects in the area.

There is a continued upward surge in commercial building and new dwellings. Ambassador Lodge, during his visit to the province earlier this month, made the following statements in a press release:

"My visit to this province today has impressed me. One of the things that impressed me is the amount of new construction that is going on -- new commercial buildings and new dwellings.

"I was also impressed by the amount of consumer goods in the shops and the general look everybody has of having enough to eat.

"The new construction is a direct result of security achieved here, for when people feel safe they have confidence in the future. I've been told that the condition I've seen in this province today is also to be noted in other communities of this size in the Vietnam Delta.

"Frankly, this is a pleasant surprise. I hadn't expected to see this. I'm also impressed with the way refugees here are being handled, and anybody would be impressed by the hospital we visited where they can perform operations of a complex type. This is an enormous asset to the community. If you wake up with a pain in the middle of the night, it must be a wonderful feeling to know you have a place like that to go to.

"These are just some of my first hand impressions..."

Also there are indications that several individuals are interested in making investments in private industry. This would greatly assist the overall economic development of the province.

Some investments mentioned have been the purchase of a sand dredge, construction of a brick and tile factory, construction of a rice mill, and the purchase of a secondary crusher for the rock quarry in Mui Sap.

In a country where a very large majority of the people earn their livelihood from agriculture in one of its various forms, it is not unusual that there should be a continued improvement in methods and yield. Such improvements are at present very evident in the rice and corn crops.

Much of this is due to Mr. Fred Stone, the local IVS man, and the Agriculture Chief, Nguyen Van Trinh, with whom Mr. Stone works very closely.

Security remains excellent with the few VC in the province seemingly willing to devote their time to small scale harassment rather than risk operations which would probably provoke immediate retaliation "en masse" by local forces.

Perhaps the largest contribution to the psychological situation during the past month was the willingness of high ranking officials, both Vietnamese and American, to travel through<sup>out</sup> the province by various modes of transportation and without excessive security measures.

USOM/An Giang became hopeful when it heard that counterpart funds may be in next year's budget and also the possibility of an unforeseen expense fund for the Provincial Representative. Local programs will be more effective if both of the indicated measures become actualities. Programs already funded are progressing satisfactorily with great progress being made by the electrical cooperative.



October 31, 1965

KIEN GIANG (38)

A slight improvement in the political situation was witnessed during the month of October. The Province Chief travelled into areas in Kien - Luong, Ha Tien, Kien Tan, Phu Quoc and Kien An districts without incident. Three months ago, all of these areas were restricted. About 700 new refugee families moved into secure areas from VC dominated areas. There appeared to be less hesitation on the part of the people to talk and deal with province officials.

The security situation remained unchanged. A newly constructed self-help school was mined in Vinh Phu hamlet. Two military vehicles carrying supplies were mined on the Rach Gia - Ha Tien highway.

There was a noticeable upward trend in prices in the provincial capital of Rach Gia. The price of lumber rose approximately 1200\$VN per cubic meter to 9200\$VN, an all time high. Since July, 1965 the price of lumber has increased 3200\$VN per cubic meter. A slight price increase was noted in other commodities. The price of unskilled labor has reached 70\$VN per day as compared with 50\$VN per day in late August and early September. It is believed that the increase in wages has resulted from the large work force presently being utilized in the renovation of the Rach Gia hospital.

A slight improvement was noted in the social-psychological situation throughout the province. It is believed that this was due in part to increased psy-war activities on the part of province officials. The social problem witnessed as a result of the impact of some 9,000 refugees in September seems to have levelled off.

October 31, 1965

**CHUONG THIEN (39)**

The political situation in Chuong Thien province remains unchanged.

The security throughout the province appears unchanged. VC activity during the month was confined to minor harassment of the populace without any coordinated military offensive.

On the economic scene, all prices are slowly going up, but the price of labor remains the same.

The school program is moving well. USOM supported programs are moving faster than at any time in the past.

PHONG DINH (40)

October 31, 1965

Security is progressively and steadily deteriorating in the province. VC activity during the reporting period came to within a half kilometer of Can Tho. Two government officials were murdered by the VC within ten to twelve kilometers of the provincial capital. A welltrained, active VC unit is firmly ensconced in the vicinity of Can Tho.

During the month several outposts have been attacked and harassed by VC activity, but fortunately, through US military advisory efforts and that alone, some of these outposts are operational today. It appears to the USOM member that as harvest time approaches, the VC are initiating these harassing actions in order to "pin down" forces which could conceivably be used to liberate the "white gold". The pattern of attacks and troop disposition indicates that, the VC urgently need this year's rice crop, possibly as the medium of exchange for the new family of weapons introduced into this area.

An incident at the plant protection office which resulted in five vehicles destroyed is a further indication of decaying security. In this instance a police and PF check point and a watch tower manned by ARVN support troops were well within 200 meters of the location. Highway #4 Can Tho southeast to Ba Xuyen Province is negotiable but hazardous. Highway 40, south to Chuong Thien from the district capital of Cai Rang, requires a large military escort. The view expressed here may not necessarily agree with the military advisory staff; however, we feel that daily travel to most areas in the province provides a far better picture than that which can be gained from scattered military operations.

Complaints are rampant from all quarters concerning the high cost of living. In order to keep up with the economy, many citizens, especially in Can Tho, are renting their homes to US military personnel and living in housing of a lower standard. The logic behind this is that U.S. personnel will install more modern conveniences during their occupancy and after they leave the property owner will have improved living conditions, at minor personal cost. Civil servants who were formerly considered well-paid are being forced to accept a lower standard of living. People in rural areas are feeling the pinch due to the rising cost of cloth, sugar, condensed milk (when available), charcoal etc. The wholesale price of pork is fluctuating daily. On 11 October, a pig sold at the abattoir brought 5840 VN\$ per 100 kilo; on 24 October the price was between 5820 and 5850 VN\$, on 30 October the price was 5800VN\$. In June 1965, 60 pigs per day were being slaughtered in Can Tho, today it is down to 40 and may possibly reach a lower level.

The lowest quality rice is now 580 VN\$ per 100 kilo bag. Relocates and refugees who formerly bought rice are now willingly accepting bulgar wheat as a substitute item.

Merchants in the provincial and district capitals are complaining about the practices indulged in by Saigon merchants. For example a square meter of material that normally would sell for 500 VN\$ is sold for 1000VN\$; however the bill of sale will only reflect 500VN\$. The Saigon merchant pockets the rest. When the local merchant returns to this area the local economy prohibits him from selling at a price where he can realize a decent profit. So, all factors considered, including transportation costs, the local man just about breaks even.

It appears that stricter price controls are an absolute necessity and the sooner the better. Without these controls and enforcement thereof, inflation is here to stay.

USOM supported programs are generally making satisfactory progress, although the continued shortage of rebar is hampering the Self Help construction effort. Rural Health continues to make little headway. Technical assistance and guidance in the Chieu Hoi area has often been requested but has not been made available.

October 31, 1965

I. POLITICAL

While there is some evidence that the ethnic Cambodian community is not sharing equitably in the wave of prosperity which has swept the Soc Trang area as a result of defense spending, we see no indications that this is likely to create any serious political problems in the foreseeable future.

Relations between U.S. troops and the civilian population have been generally satisfactory in the past, and with the Soc Trang Airfield Commander and his Civic Affairs Officer now putting across a well thought out Civic Action Program, prospects are that they will improve rather than deteriorate as the complement at the airfield is increased.

II. ECONOMIC SITUATION AND TRENDS

High employment at the airfield continues to ensure relatively good times around the city of Soc Trang. In the outlying areas the rice crop is about two months from harvesting, and so far shows no sign of being other than satisfactory. Prices, however, are rising for building materials, cloth and for some foods. Price increases for crushed stone are causing particular problems in keeping to plans for building projects. Rice prices, however, are unchanged from last month.

In talks with local rice merchants, the principal concerns are as usual: adequate credit to bring the rice crop in quickly, and next in importance, adequate warehousing in Saigon. Rumor has it that warehousing is scarce this year and merchants are fearful that this will mean difficulty in moving the crop quickly into safe areas. They warn that overdependence on imported rice and a corresponding tendency to downgrade the importance of Vietnamese rice crop will mean that the VC will have greater access to the latter.

III. SECURITY

There were no major engagements between VC and GVN troops during this past month, and while there was a slight increase in the various categories of VC activity (attacks, terrorism, sabotage, propaganda, etc), the security situation remains good. Anti-aircraft fire reported by pilots has decreased, and VC efforts to organize demonstrations protesting bombings, artillery fire, and conscription have failed to materialize.

#### IV. USOM SUPPORTED PROGRAMS

With two months remaining in the year, Ba Xuyen's performance in implementing its VN\$45 million Rural Construction Budget is spotty. While the spending rate is fairly satisfactory with respect to such things as New Life Hamlet Cadre, relocatees, teachers and refugees, as well as several agricultural items and various other programs not involving construction activity, it is now touch and go as to whether or not the contractor for VN\$8 million in road construction will forfeit his performance bond in the face of the rising cost of crushed rock, which has increased in price by 25-30% during the past three months. This is the most costly single project in the Rural Construction Budget.

Although there are many complaints that self help projects, particularly school construction, are also lagging because of high costs, provincial officials are still hopeful that most of the program will be completed. These projects will bear close watching in the coming weeks of dry weather, as will the construction of the 29 programmed schools. The budget provides for VN\$1.4 million for the latter item and VN\$2.2 million for self help projects.

The province only last week received final approval of its request for a VN\$700,00 increase (to VN\$6.5 million) for irrigation projects and the Irrigation Chief has said that he is confident that he can now complete this work by the end of the year.

Prospects are now somewhat brighter for progress in carrying out the fisheries program (VN\$1.1 million) as well as the construction of the new Chieu Hoi center. Work has also begun on the provincial warehouse, but we are concerned that the Reconstruction Chief is not adhering to the specifications, and have requested that the Region IV Public Works Advisor inspect it.

Some headway is being made in expanding industry in Ba Xuyen. Programs for expanded production of bricks, dried fish, and ice are well along, and we are having talks on the building of a sugar refinery. Of great interest here is the possibility of obtaining a rural electrification cooperative if more are allotted to Viet Nam. Another key idea is the development of a port at Dai Ngai from which the Ba Xuyen/Bac Lieu rice surplus could be shipped directly to Central Vietnam.

October 31, 1965

AN XUYEN (42)

The political situation remains steady. There have been no major incidents or demonstrations. A district chief was changed in Quan-Long. VC propaganda seems to have swayed into an anti-province chief line, and this tactic is making limited gains but is not yet serious. Attempts are being made to counter this effort.

Security continues to be tight. District and provincial towns are still under danger of attack from large marauding VC forces. Two mines were found along National Route #4 just outside of Camau.

The economic situation has worsened perceptibly. Prices between August 12 and October 20 have skyrocketed:

Meat	Now VN\$100/kilo	up 67%	Sand	Now \$VN600/m <sup>3</sup>	steady
Chicken	" " "	" 80%	Brick	" " 3@	up 50%
Egg	" " 3@	" 20%	Lumber	" " 8/meter	23%
Fish	" " 50/kg	" 63%	Cement (local)	" 170/bag	26%
			Rice	" " 700/100kg	17%
			Gravel	" 1200/m <sup>3</sup>	steady

The Province Chief is attempting<sup>to</sup>/counter these price rises by forming a committee of merchants, which may manage to bring down some of the prices

The committee appears strong enough to forestall further deterioration.

There is no "winning syndrome" apparent in An Xuyen as yet.

Gains have been made in USOM programs. Self-help is picking up and school construction has started.

BAC LIEU (43)

October 31, 1965

There is evidence of an improved political situation in Bac Lieu during the reporting period. Several key provincial government officials have begun to take greater interest in their responsibilities, and by doing so, have allowed action to be taken to improve the political base. Morale is noticeably better, and at the present things generally seem to be on the upswing. In spite of recognition of the fact that the trend could easily reverse itself, it is a welcome sign to see evidence of teamwork among the members of the provincial government.

During the reporting period there was a sharp increase in VC activities of all types. There were thirty reported incidents of harassing fire and two attacks on Pho Sinh outpost. Ten acts of terrorism were reported which resulted in 28 KIA and 35 WIA. There were three reported kidnappings and nine road blocks. National Highway #4 was blocked seven times and Provincial Road #38 was blocked and cut twice. On October 27 a VC squad planted three mines and shot up an ARVN dependent housing complex a half kilometer from the provincial capital, resulting in 3 KIA and 3 KIA. One VC was reported KIA with no weapons captured.

Provincial intelligence sources anticipate an increase in VC activities, mostly of a terrorist nature, for the next few months.

Generally speaking, the economic situation is not undergoing the inflationary trend of previous months. Prices fluctuate mainly due to availability of a particular commodity. Ice provides a good example of this, the price varies from one to fifteen piastres per kilo, even in a period of 24 hours = all due to fluctuations in availability. At present, sand is 400\$VN/m<sup>3</sup>, gravel 1,500\$VN/m<sup>3</sup>, rock 500\$VN/m<sup>3</sup>, sawn lumber 9,000\$VN/m<sup>3</sup>, cement 160\$VN per 50 kg bags, and #1 grade milled rice 680\$VN/100kg.

An encouraging trend was demonstrated during the month when the people of Gia Rai district town showed their feelings by voluntarily raising several thousand piastres to give to the families which fell victim to a VC terrorist act near Gia Rai town. A mine was used to kill several persons and wound many more who were attending a wedding. Whether this was really a VC incident or simply the result of vengeance on the part of a rejected suitor is relatively immaterial; the spontaneous contribution by the local inhabitants is the real significant event.

By straightening out our financial methods, we are now in a better position to carry out rural reconstruction projects. Self-help was particularly crippled, but now is moving once again after almost two months of inactivity due to financial red tape. Almost 80% of our hamlet schools are complete.



Two well-drilling rigs are in the process of finishing up two new water wells in Vinh Loi city. New sites have been chosen and when the wells are finished, no time will be wasted in moving to new locations. Social welfare continues to drag along with relative ineffectiveness due to shortage of personnel. The officer in charge of the Rural Reconstruction Office is being reassigned to Division, and a slump in this area is expected until a new man can take hold. All in all, for the present at least, USOM supported programs are progressing at a satisfactory rate.

October 31, 1965

CHAU DOC (44)

In this month the Provincial Council did not deliberate on last month's top but unsettled agenda, namely, the creation of a Hoa Hao district and the secession of two villages to Kien Giang Province. This time, the Council members devoted their meeting to the socio-economic development of the province, such as the following proposals: (1) 1966 contracts for ferry boat service connecting An Phu and Tan Chau towns; (2) privately managed tax collection in provincial government-operated markets to increase collection; (3) construction of a public toilet and bathing facilities in the capital town; (4) building of new a canal and road in An Phu district; (5) setting up for a "surgical operation ward" in the provincial hospital, and (6) the creation of a special committee to be known as the "Committee on Support to Military Troops and Wounded Soldiers". It is hoped that by the next regular or special meeting the members will be able to arrive at a definite agreement on any of these proposals. In regard, to non-government political activities, only the Hoa Hao people seem to be the only active group in the province, but are far from being a threat to the political development and stability of this province.

Chau Doc experienced some increased VC activities in contrast to that of last month. Their targets mostly consisted of harassing military outposts along the Vietnamese-Cambodian borders through the use of small but mobile units, striking either simultaneously or at a regular interval. Road mining continued on all main roads in Tri Ton, Tinh Bien and Tan Chau districts and some ambushes were initiated upon GVN troops. On the GVN side, increased military operations were organized, but the degree of VC activities was not minimized.

In the coming month, and as the flood recedes, the VC will be able to mobilize more effectively again, and their activities will not likely multiply. Meanwhile, the province is organizing a new CIDG company to complement its unfilled authorized strength, while another two such companies are being planned from the remaining surrendered KKK, who are still awaiting orders from Saigon for their integration into the para-military.

Economic activities have been steadily increasing, especially in the agricultural field. Barring unforeseen natural calamities, crop (especially rice) production may give better yield this season. Livestockk(swine, poultry and cows) have been regularly shipped to Saigon in accelerated quantity, and the fish catch has been improving. In the marketing field, however, there

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CHAU DOC (cont'd)

was a sharp rise in essential and perishable commodities, Fruits, vegetables, fish, and meats have been greatly affected this month, and the people seemed to getting restless.

In the socio-economic development program, 42 additional Self Help projects have been recommended for approval to the Provincial Committee and by November the total number of additional Self Help projects will have been completed ---thus, for this year Self Help projects will total more than 200. More bridge projects and wells have also been approved. The 1965 hamlet school project is 95% completed, and the pig corn program, which was started only last month, is 85% complete. The health program was supported through the repair and construction of maternities and health stations. Only road construction projects have lagged behind due to lack of necessary construction equipment and their untimely implementation at the rainy season period. In general, economic conditions progressed and it is believed that this trend will continue.

There have been no unfavorable social or psychological developments in the province either directly or indirectly affecting the provincial, local and national governments, nor have there any anti-American trends noted. The recent spiralling of market prices of food and household items has, to some extent, upset the people, This is a result of the tightening of dollars initiated two months ago and the imposition of additional taxes by the national government on locally manufactured items. Also, merchants and speculators have tried to manipulate their prices to go along with those goods being levied with additional taxes; there are no tax personnel to control this matter.