



UNITED STATES OPERATIONS MISSION TO VIETNAM

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AMERICAN EMBASSY
SAIGON, VIETNAM

July 19, 1963

His Excellency Ngo Dinh Diem
The President of the Republic of Vietnam
Gia Long Palace
Saigon, Vietnam

Dear Mr. President:

During this audience you so kindly granted me on 27 May, you indicated that you were interested in seeing a report we had prepared on the Strategic Hamlet Program. Due to the length and detailed nature of the overall report, I have enclosed only a summary which gives a general appreciation of the current status and progress of the program. Should you wish, I will be happy to also furnish you with the province-by-province summaries. If you find this assessment of interest, we would be happy to continue to prepare such an evaluation for you on a quarterly basis.

Very sincerely yours,

Rufus Phillips
Assistant Director for
Rural Affairs/USOM

Enclosure

SUGGESTED PROCEDURES AND A PROGRAM FOR
STRATEGIC HAMLET ESTABLISHMENT AND DEVELOPMENT FOR 1963

A. Suggested Procedures

1. The Strategic Hamlet Program, in many areas, is rapidly entering its second phase -- Hamlet Development -- following completion of the Hamlet Establishment phase. To support the second phase, the Interministerial Committee has organized a Farmers-Workers Affairs Sub-Committee to plan, supervise, and support Hamlet Development. At the same time, the GVN and the US are in the process of agreeing to set up a joint fund for meeting the increased requirements and responsibilities of both phases.

2. In carrying out its responsibility for hamlet development, it is proposed that the Sub-Committee follow procedures similar to those already used by the Interministerial Committee for the Hamlet Establishment phase of the Strategic Hamlet Program, i.e., strategy to be established by Saigon with tactical responsibilities decentralized to the provinces. This would involve the preparation of Strategic Hamlet Development Plans on a province-by-province basis. First, the Sub-Committee would prepare general guidance for Provincial Development (or Farmer-Worker) Committees. This would be followed by on-the-spot visits by a delegation from the Sub-Committee, accompanied by USOM counterparts, at which time a Provincial Development Plan would be prepared. This plan would then be reduced to a Release Agreement for the use of funds from

the Special GVN/US Joint Fund and to specific directives to the Ministeries for portions of the plan which involve the use of Ministerial resources.

3. In addition to the above suggested procedures, it is also suggested that the new Sub-Committee might operate most effectively utilizing the Joint Fund if it also operates as a Joint Committee for Planning and Operations, having a Joint Advisory Board known as the Joint Strategic Hamlet Development Advisory Committee which will give advice and support to the Provincial Strategic Hamlet Development Committees formed to carry out Hamlet Development activities throughout Vietnam. This would be something similar to the highly successful JCRR organization on Taiwan.

4. This Joint Committee could meet regularly and also have a joint operating staff at the central level to make assistance to the province as quick and efficient as possible and to pool not only financial but technical and administrative support.

5. The idea is interesting and worth considering and might be instituted on a trial basis. It is understood that jointness means mutual understanding and cooperation, as well as compromise by both sides. It also should mean more sharing of responsibilities and less misunderstanding, with efficiency considerably improved as people work together with an open heart for a common effort.

1. To support the Government of Vietnam's Strategic Hamlet Program during 1963 and to enable it to move forward with proper planning and phasing, a suggested comprehensive hamlet establishment and development program is presented in Attachment A.

2. The Program is based on the GVN's Strategic Hamlet Program in which an approximate total of 11,000 strategic hamlets will be completed before the end of 1964, of which at least 8,500 hamlets will be completed in 1963.

3. The program covers the period from January 1, 1963, to December 31, 1963. It is developed in two sections, each consisting of several major categories. The first section is for Strategic Hamlet activities implemented through provincial and lower level government and the second section is for activities developed for the rural population and implemented from National Government levels.

4. Each section~~el~~ category comprises of related projects supporting particular phases of the Strategic Hamlet Program. The first major category in the first, or provincial local government section -- Hamlet Establishment -- consists of projects related directly to the construction, organization and formation of the Strategic Hamlets. the activities now being carried out. As Strategic Hamlets are established and completed under the first category the project activities of the second major category -- Hamlet Development -- should immediately by

added. These Hamlet Development activities will reach completed Strategic Hamlets through Provincial Development Committees with funds and material resources made available through the provincial government and its technical services. Special emphasis should be given to providing resources and funds directly to elected Hamlet Committees for capital investment at local level to provide permanent, productive, local revenue sources for financing continuing local government services and administration.

5. The third major category in this section -- Special Programs includes activities implemented at both national and local government levels such as the Returnee (Chieu Hoi) Program, Emergency Relief, etc.

6. The first category in the second section consists of -- Strategic Hamlet Plans - Nationally Administered. These are programs in support of Hamlet Development administered almost entirely through the Ministries of the Central Government. It by no means includes all such programs, only those which would be supported from the Joint Fund. It also does not include many on-going programs and projects not directly related to the Strategic Hamlet Program, such as national roads, provincial health facilities. The second and last category consists of Operational Support. This is support, mainly in the form of transportation, for the activities of both Hamlet Establishment and Development.

7. The entire program is based on the assumption that the primary objective of the entire counterinsurgency effort of the GVN is to reach its people and the plan seeks to concentrate

GVN/Foreign aid resources for maximum, political, social and economic impact on the population through the Strategic Hamlet Program at the local level. At the same time, it aims to increase and strengthen those central government services and programs in support of the Strategic Hamlets in order that these services may directly and reach/benefit the population.

8. It is designed to promote rapid improvement in local living standards, enabling the establishment of local, social and technical services and viable, freely-elected hamlet and village governments willingly maintained by the local people governed.

9. It is believed that full implementation of the plan will generate greatly increased attention and activity for rural improvement. At the same time it will provide the firm political, social and economic base in rural Vietnam from which favorable, annual growth rates, as well as peace and security, can be expected thereafter.

SUGGESTED ACTIVITY DESCRIPTIONS FOR 1963 PROGRAM FOR
STRATEGIC HAMLET ESTABLISHMENT AND DEVELOPMENT AND
ESTIMATED PIASTRE BUDGET REQUIREMENTS

I. PROVINCE AND LOWER LEVEL GOVERNMENT ADMINISTERED ACTIVITIES

A. STRATEGIC HAMLET ESTABLISHMENT

(Note: Figures in () are estimated CY 1963 of Budget Requirements from Joint GVN-US Fund. U.S. Dollars required are not estimated herein.)

1. Strategic Hamlet Construction Teams. This activity supports the training, equipping, and per diem of the Teams which undertake the establishment of the hamlets. It is anticipated that some 1500 Teams will be required throughout 1963. (Approximately 100,000,000VN\$ required in CY 1963.)

2. Training of Hamlet Youth or Militia. Training of Hamlet Youth is supported by a subsistence payment of 20 piastres per day for an average of ten days training. It is anticipated that over 200,000 Hamlet Youth will be trained in 1963, and that many of these will be retained in 1964, with increasing emphasis on agricultural extension training. (Approximately 40,000,000VN\$ required in CY 1963.)

3. Resettlement and Relocation. This activity covers both people resettled within the perimeters of the Strategic Hamlets and relief and resettlement for Montagnards. Expenditures are expected to be particularly heavy in 1963 and to taper off somewhat during 1964, and to be completed by 1965. (Approximately 300,000,000VN\$ required in CY 1963.)

4. Hamlet Executive Committee Training. This covers training expenses for a 10 day period for elected hamlet chiefs and committees at the rate of 20 piastres per person per day. In 1963 it includes the construction of four Provincial Training Centers, and an additional six Provincial Training Centers in 1964, as well as retraining of the committees. (Approximately 6,500,000VN\$ for CY 1963.)

5. Subsidized Strategic Hamlet Construction. This covers payment in rice, to be matched by PL 480 grains to hamlet people constructing hamlets in areas (such as Quang Ngai) where they are too poor to support themselves during this construction period. (Approximately 30,000,000VN\$ for CY 1963.)

B. STRATEGIC HAMLET DEVELOPMENT (to be Administered by the Provinces)

1. Self-Help. The Self-Help Program will make available to 8,500 hamlets in 1963 an average of 30,000 piastres per hamlet to be spent for materials for the construction of a social or economic development project decided upon by the hamlet people who will contribute their labor and locally available materials for it. This program will normally cover such items as roads, bridges, wells, and other small works. The continuance of this program on a regular basis is believed essential to the growth of hamlet democracy, as well as to the development of basic facilities for the hamlet. At the same time a need has developed for an emphasis on projects which directly contribute to generating hamlet income on a continuing basis. For this purpose it is recommended that a new activity be established to be called "Hamlet Capitalization." (255,000,000 VN\$)

2. Hamlet Capitalization. A program of Hamlet Capitalization would put at the disposal of every hamlet 20,000 piastres as a fund to be matched by a contribution of piastres from the hamlet itself. This fund would then be used to purchase fruit trees, fish for fish ponds, water pumps, a generator, or any other item of equipment or capital property which would generate continuing income for the hamlet. Since all hamlets are in dire need of the basic facilities and services which can be supplied through the Self-Help Program, it is believed better to create a separate fund to promote hamlet income rather than divert or channel Self-Help funds for this purpose. In the Hamlet Capitalization Project more guidance will probably be required from provincial level than for the Self-Help Project, which to be successful, must be based upon the choice of the hamlet people themselves. (170,000,000 VN\$)

3. Provincial Development Works. This activity would be supported by a fund to be placed at the disposal of the Sub-Committee on Workers and Farmers Affairs which could be drawn upon to support Provincial Development Plans. It is foreseeable that when the Sub-Committee goes into the provinces and plans with the Provincial Development Committee an overall program for the development for the Strategic Hamlets in the province, that the resources of the province and of the Ministries will not be sufficient for this task and that there will be special projects requiring special support. In particular, it is anticipated that this fund would go to support such works as local roads and bridges, small irrigation projects, drainage projects, etc. (200,000,000 VN\$ of which approximately 80,000,000 VN\$ would come from the Ministry of Public Works for provincial roads.)

4. Local Windmills. This activity will support the cost of purchasing materials for constructing 5,000 - 10,000 locally made windmills and pumps to be used throughout the provinces where there is sufficient wind. Windmills, which have been very successful in Thailand and Taiwan, can be expected to have tremendous impact in Vietnam when widespread use is made of them. (15,000,000 VN\$)

5. Fish Boat Motors and Facilities. A special program is envisioned for the fishing hamlets on the coast of Vietnam, including the construction of boats and fish boat landing facilities, as well as fish drying platforms. Also included in this is the purchase from abroad of fish boat motors, nets, and other equipment. A special program is necessary for the fishing hamlets which are not normally covered by existing economic programs. Earlier experience in Vietnam has already demonstrated the economic feasibility of this activity (13,300,000 VN\$).

6. Hamlet Schools. This is a special program to put approximately 1200 schools annually into Strategic Hamlets which presently do not have them. This program has already been submitted to the Interministerial Committee and has their approval for a first phase of 660 hamlet schools. A second phase of the same number is programmed for this year, with further phases in future years. Efforts will be made to have benefited Strategic Hamlets finance school teach costs through local PTA's. (80,000,000 VN\$)

7. Accelerated Village-Hamlet Health. This program will place in each Strategic Hamlet one medical kit and a trained hamlet health worker. Salaries will be paid by the province as part of the Provincial Strategic Hamlet Program. An attempt will be made to place as many of these workers on a

voluntary basis as possible by holding local elections for this position. This is an expansion and modification of the already existing program. (13,300,000 VN\$).

C. SPECIAL PROGRAMS

1. Chieu Hoi. This activity covers the reception, rehabilitation, and resettlement of VC returnees. It provides for the establishment of provincial and national reception centers, and for a number of VC rehabilitation and resettlement centers. It also covers the cost of feeding and transporting the returnees (72,000,000 VN\$).

2. Emergency Relief. This program covers the provision of relief supplies to victims of natural disasters, such as typhoons, fires, etc., and to meet emergencies arising from any sudden influx of VC war victims, not covered by funds provided for resettlement and relocation. (20,000,000 VN\$)

3. Miscellaneous and Contingency. This is a reserve fund to be used at provincial levels in support of the general program (local transportation is a large requirement) and for unforeseen contingencies. (104,000,000 VN\$)

II NATIONALLY ADMINISTERED ACTIVITIES

A. STRATEGIC HAMLET DEVELOPMENT

1. Fertilizer Program. This program provides for the distribution of fertilizer to Strategic Hamlets in central Vietnam, and will be repeated again in the Fall of 1963. (US Dollars) In 1963, some fertilizers may be sold at subsidized prices and plasters returned to Joint Fund.

2. Plant Protection and Pesticides Program. This is the already established plant protection and pesticide program, accelerated and directed at the Strategic Hamlets. (23,000,000 VN\$)

3. Livestock Development Program. This is the Pig and Poultry Production Program, the pig portion of which has two parts:

a. The provision of improved piglets on loan to families who do not already own pigs, along with cement for an improved pig pen and compost pit and the same of cornmeal.

b. The sale of cornmeal at low cost to families which already possess pigs. Sales proceeds will finance inland transportation costs for the corn and capitalization for farm cooperatives.

4. Rural Wells (Drilled). This is a program for the drilling of wells in strategic and combat hamlets. To support the program, well-drilling rigs are being imported and some local currency is being provided for the construction of local hand-operated well-drilling rigs, and for payments to well drillers. (15,000,000 VN\$)

5. Hamlet Communications Media. This is an ongoing program which has been stepped up in support of the Strategic Hamlets. Under this program about 5,000 community listening sets will be distributed to Strategic Hamlets and additional village newspaper, and mobile movie projection units will be distributed to the districts. Piasters under this program will go mainly for the payment of additional salaries and for equipment maintenance. (19,000,000).

6. Agriculture Production Support Program. This program consists primarily of four Action Plans designed to increase agricultural production through the expansion of rural credit facilities, construction of low cost irrigation projects, crop experimentation and crop diversification, general agriculture extension, and maintenance of agricultural equipment. This is essentially a continuation of existing USOM supported activities which are vital to Strategic Hamlet Development.