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Reflections about Agrarian Reform Support

Since our session last Tuesday, I have been having some second thoughts which I would like to put forward.

Time for Mission Decisions: It appears to me that the time has come when this Mission can see the outlines of the Government's proposed land transfer program clearly enough to decide if it will support administrative costs. A number of factors enter:

Is land transfer necessary? My opinion is that at this time, land transfer is not necessary; however, land transfer will become necessary for reasons of political stability within a short period, perhaps 5 to 10 years. We must realize that the President has been sold on the necessity for such a program now, and seems determined to undertake it. For that reason, I feel we should support land transfer at this time.

Is the proposed program sound enough (with changes which we can reasonably expect to secure) not to become a political liability. I think so. The only major concern I have is the 6-year repayment period which must be changed by an amendment to Ordinance 57. I suggest the repayment be effected by a fixed percentage of the crop until the debt is paid. This payment could still be made in cash. The problem of blocked accounts ~~is~~ a similar payment mechanism ~~which~~ may also prove difficult to work out. (C)

Can we support the administrative costs without committing ourselves to paying a portion of transfer costs. I think we can; we have maintained this distinction repeatedly in our conversations with the Government. This may, however, be an academic argument, since it seems to be agreed that in some form or other, at some time or other, we will support down payments to landlords.

In my view, this Mission has, in fact, decided to support the administrative costs of the land transfer program as it now shapes up, including changes and additions which we think we will be able to secure. If this is true, I suggest we admit it to the Government.

The Attitude of the Government has not been Uncooperative: This Mission has been concerned about the relationship between the Mission and the Government concerning land transfer. We have felt that it has not consulted us, nor taken our advice. I would like to suggest that this is painting the picture too black; the fact is, the Government did consult us, and, in the Government's view, tried to meet our objections. The meeting last August at the Maison Blanche was called upon the initiative of the Vietnamese. As a result of our criticisms, they did try to tighten their phrasing. They did not come up with precisely stated policy statements to guide administrators such as we feel necessary in the Anglo-Saxon legal tradition. On the other hand, they did recognize the existence of these problems and did specifically point to a mechanism

for handling them which was within their own legislative tradition. The single instance where we remain at odds is over the repayment period.

Since the appointment of Nguyen Van Cong as Secretary of State for Agrarian Reform, I have been extremely pleased at the cordial relationships which have grown up. The Minister^s asked USOM to help develop an administrative organization and frame a budget. He has dealt with us on a close, friendly basis. He went out of his way to call upon the Director and the Agriculture Office. This relationship convinces me that he is sincerely interested in developing a sound, successful program and that he will weigh our suggestions carefully and accept those he finds valid. I have enough confidence in his ability to think he will meet our objections to the program as it now stands.

This Mission Should Commit Itself to Support of Administrative Costs: It seems, if I read current attitude correctly, that this Mission will support land transfer administrative costs at some time or another. I suggest there are worthwhile advantages of control and counterpart working relationships to be gained at this point by taking a positive attitude and making an open commitment to support administrative costs. It would seem to me the following approach would be suitable:

1. Meet Secretary Cong with a definite "yes" for his budget and organization plan, or an alternative we are willing to support. (This meeting might be set between the Secretary, the Director, the Agriculture Officer, and the Agrarian Reform Advisor).

2. Recall that there are still some areas where this Mission is concerned for the success of the program as it now stands:

- a. Repayment period.
- b. Fiscal provisions and sources of funds for transfer payment.
- c. Vagueness in administrative regulations.

3. Suggest we release an initial amount adequate to re-establish the tenure security program immediately within the framework of the Secretary's proposed organization chart, and to enable key administrative personnel to develop in detail the fiscal provisions and administrative regulations. We would agree that, as program details are worked out so that the program can get underway, more money will be available up to the agreed-upon budget. (PPA and Pro-Ag formalities could be worked out at later meetings by the Agrarian Reform Advisor; a FY 1957 PPA would probably come to no more than 20 million piasters).

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