CASES IN VIETNAMESE ADMINISTRATION

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CASES IN VIETNAMESE ADMINISTRATION

John D. Montgomery

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Preface to the Vietnam Studies Publications

In 1955 Michigan State University began a program of technical assistance to the Government of South Vietnam, supported by a contract with the predecessor agency of the United States Agency for International Development. Through this program Michigan State University provided technical advisors in the broad field of public administration, including police administration. In recent years, most of this advisory service has been devoted to strengthening the teaching, in-service training, and research programs of the National Institute of Administration, an agency in Saigon created by the Vietnamese Government to strengthen the public service generally.

Members of the Michigan State University group have included specialists in the field of public administration, police administration, economics, anthropology, psychology, sociology and other special fields. In the course of over seven years of technical cooperation in Vietnam, members of the Michigan State University group have contributed a large number of surveys and studies of various types, training documents, and reports containing recommendations on various administrative problems.

This document is one of many prepared in Vietnam as a part of the work of the Michigan State University group. It was written for a specific purpose and under particular circumstances and should be read with these qualifications in mind. It is being reproduced and made available at this time for the use of the Agency for International Development, and is not intended for general circulation. We suggest that this study be used with the understanding that additional materials are available from the earlier MSUG studies which appeared in mimeographed form, and that it fits into the broad context of a technical assistance program as part of the U. S. foreign aid program in Vietnam.

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Acknowledgements

Most of these cases were gathered through the cooperative efforts of the Case Development Seminar established at the National Institute of Administration on January 22, 1958, with the support of Michigan State University funds. Members of this group who have faithfully contributed to this enterprise are Mr. Pham Dang Sum, Miss Phan thi Ngoc Quoi, Mrs. L. T. Bach Lan, Mr. Tran Qui Than, Mr. Pho Ba Long, Mr. Tran Ba Thach, Mr. Buu Khai, Mrs. Phung Ngoc Cam, Mr. Bui van Hoat, Mrs. Nguyen Thai, Mrs. Nguyen thi Nghiem, Mr. Du Phuoc Long, Mr. Tran Ngoc Phat, and Mr. Bui Quang Khanh; and Professor Joseph J. Zasloff and Mr. Tham Huy Trinh of the Faculty of Law, University of Saigon. I am especially grateful to Mr. Pham Dang Sum, who translated the introduction and took editorial responsibility for the Vietnamese versions of many of the cases in this volume. Mr. Dang Duc Khoi translated the essay "The Teacher."

Professor Zasloff, Smith-Mundt Professor of Political Science at the Faculty of Law, was the first professor in Saigon to introduce the case method of instruction systematically, using many of the cases in this volume. To him and his adventurous students I am grateful. I am also grateful to Professors Truong Ngoc Giau, Vu Uyen Van, Bui Quang An and Tran Van Dinh of the National Institute of Administration, who are now using or are planning to introduce the case method during 1959.

The development of these cases involved not only the weekly seminar meetings (62 of which were held by June 1, 1959, as we go to press), but many interviews with civil servants and members of the public. To those who freely gave their time and thought to supplying information and checking the facts relayed here, we are deeply grateful.

Mr. Nghiem Dang, Deputy Director of the NIA, not only made valuable suggestions for case topics, but also aided in arranging interviews and in many other ways. His consistent support of our work has been most encouraging.

Three of the cases presented herein are adapted from American sources and reprinted by gracious permission of the publishers: "Indonesian Assignment" from Harold Stein, Ed., Public Administration and Policy Development, *Harcourt, Brace & Co. and the Inter-University Case Program, 1952.*

"Student Strike at an Asian University," adapted with permission of George Mannello, the author, from Bulletin *of the American Association of University Professors, June, 1957.*

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J.D.M.

Introduction

The case method of instruction is admirably suited to demonstrating both the uniqueness of a nation's administrative experiences and the universality of the fundamental problems of government.

There have been serious studies of administrative activities in many times and places, but thus far, few universal principles of administration have been discovered beyond the most obvious rules of human relations. Managerial skill seems to require more than a knowledge of the few principles that can be taught with certainty. The administrator must understand the exceptions, the corollaries, and sometimes the inappropriateness of the folklore of administration as it has developed in his nation's traditions.

It is said that the life of the administrator is composed more of action than of reflection. But in most cases, such actions involve a special analytical process known as decision-making. The administrator has to apply rules of law or administrative regulations to special cases; he must allocate and assign resources for the accomplishment of given tasks, and prepare staff papers, recommendations, programs, orders, exemptions, and explanations. He must be capable of creating and adhering to a routine, yet be prepared on occasion to resolve complex personal tensions and conflicts within the administrative apparatus.

These processes have been examined thoughtfully and repeatedly in the hope of discovering "principles" or "elements" of administration. As a result of these labors, scholars and teachers have presented the administrator with all kinds of advice, ranging from Confucian concep-

tions of the role of the mandarin to Gulick's precise administrative rules and Simon's criticisms of them. Experience has not dealt kindly with the theoreticians of administration, however. The more firmly the rules are stated, and the more neatly they are arranged in Cartesian geometric patterns, the surer is their eventual collapse. A student of the history of administrative "sciences" is almost driven to an existentialist rejection of everything except concrete and present experience. In practice as well as philosophy, experience in administration is more durable than theories and principles. Axioms that do not seem to conform to the "common sense" of a situation tend to be ignored in practice, however sacrosanct their authority.

What can take the place of axioms, then, to serve as precepts for administrative decision-making? The administrator relies upon what he calls "judgment." But "judgment" is too obscure a concept to be cited to serious students as a standard for administration. It is often a product of fragmentary or incompletely examined personal experience. It carries a *mystique* of its own that is often incommunicable. It constantly threatens to deteriorate into individual caprice, and there is sometimes no way of preventing the degeneration of "judgment" into petty "despotism." The question remains, then: How can individual judgment be developed in such a way as to provide a responsible basis for decision-making?

The effort to rationalize and to standardize "judgment," to give it transferability and precision in content, is found wherever public administration has become a subject of academic study. The British approach, like that of the traditional Chinese, was to offer civil servants a literary, historical, and philosophical education designed to develop a class of well-rounded, well-informed and well-intentioned administrators. In contrast, the French and Germans have tended to train their civil servants by way of the law, so that they are capable of making fine distinctions in analysis. This teaches them to proceed logically to the resolution of problems of government and to regard administration as a politically neutral skill in interpreting laws and decrees. The current approach in the United States, on the other hand, has reflected the preoccupation of American social scientists with "behavior." It rests upon the observation of the bureaucracy at work, the examination of the decision-making process, and the definition of principles and hypotheses based on the pragmatic test of what "works" and what "doesn't" in the management of public affairs.

The case method of teaching is an expression of behaviorism in the social sciences and pragmatism in philosophy. It is almost universally used

in the study of management in the United States, although it is by no means the only method used in either the classrooms or the research bureaus of American schools of public administration.

Actually all of the major approaches described above are simultaneously used in most modern nations now. Civil servants everywhere are expected to have a good general education, some knowledge of law, and a capacity for practical judgment based on direct and indirect observation. Even the stoutest advocates of the case method concede that it is not a substitute for learning; it is only a means of tempering it with wisdom.

A case is essentially the history of a single administrative decision, action, or operation. It is usually not fictional, although in its presentation it often seeks to retain elements of immediacy and drama so that the reader may better identify himself with the individuals or organizations involved. Nor is it a complete record of events: it selects the relevant, and therefore gives a more streamlined, orderly presentation of facts than is generally available to an administrator in the midst of the fray. It is concerned more with performance than legality, action than background, decisions than routines.

The present series of cases has been developed under the auspices of the National Institute of Administration, and with the cooperation of Vietnamese Government agencies at all levels and of certain technicians at the United States Operations Mission. Wherever members of the Case Development Seminar have gone, the way has been paved for them by letters of introduction from the Presidency or from the ministries concerned. Province chiefs and civil servants at all levels, up to and including ministers of state, have submitted cheerfully and sometimes repeatedly to interviews, and they have generously opened their official files to our scrutiny. Often they have personally reviewed the final products, the cases presented in this volume, and they have as often made helpful suggestions in the interests of completeness and accuracy. Many have expressed enthusiasm over the project, and have volunteered additional case materials which are now being followed up.

It cannot be said that the Vietnamese Government official is indifferent to the need for greater analysis of the role of administration in building the Republic. The experiences of the Case Development Seminar suggest that the arrogant complacency of the mandarin and the haughty superiority of the colonial administrator are no longer—if they ever were—the prevailing attitudes of the higher civil servants in Vietnam. Officials, being human, are not always eager to review their errors in public; but they are often quite prepared to review the recent

past, to explain their part in it, and to admit the possibility that certain of their decisions would not be made the same way if a similar situation presented itself in the future. And what they have learned from their experiences can be in part transmitted to any reader who is willing to participate vicariously in the incidents recounted here.

And yet cases are not presented as either models of perfection or glaring examples of faults in administration. They simply describe what happened, usually from several points of view. Where possible, enough information is presented to enable students to play the roles performed by the original protagonists in the case, to recreate the different frames of mind then current, and to understand the points of view that are represented. Some of these cases can almost be dramatized in the classroom, with arguments rehearsed, alternative courses of action weighed, and decisions made once more and tested in the light of their probable results. Other cases may be used simply to provide background reading or to illustrate an assigned topic. Sometimes several entire class sessions can be devoted to student discussions and debates over the questions suggested at the end of this volume or others posed by the professor; sometimes the professor himself may prefer to discourse on a case to illuminate its meaning for his subject; again, sometimes written analyses and reports may be required to insure that each student can properly apply the principles that may be involved. The usefulness of the case approach to administration is limited only by the resourcefulness and originality of the professors and the students.

There are no "right answers" provided in these cases: in them, as in administration itself, the ultimate correctness of a decision must be ascertained in terms of its results, as weighed in the professional judgment of the participants and the observers of the event. The professor has no more information about a case than the students have. His claim to preside over the discussion is based upon his powers of analysis, his judgment, and his maturity and experience.

Two essays have been included to illustrate the philosophy and use of the case method. One of these, "The Teachers," is in the form of a mythical Socratic dialogue explaining the dialectics of the case method and discussing its limitations and special virtues. The other, "A Class Criticizes the Case Method," describes an actual—and typical—incident in which a group of students express their frustration at being exposed to the case method after a lifetime of instruction by more traditional processes. Their increased appreciation of the subtleties and advantages of the method may be inferred from the professor's handling of the

situation. Both of these should be carefully read by students who feel confused or discouraged after their first exposure to a case.

There are many possible ways of classifying the cases in the present series. They are arranged in this volume roughly in order of increasing complexity, although an effort has been made to group them according to subject matter as well. Only two cases ("Employee Suggestion Plan at STANVAC" and "The 'Monkey-Baby' Story") concern private enterprises primarily, although several others involve cooperatives or competition with or among private enterprises ("Reorganizing the Fishing Cooperative on Phu Quoc Island"; "Activating the Nuoc Mam Producers' Cooperative"; "Exporting Fish from the Ca Mau Cooperative"; "Competition at the Cai Rang Cooperative Rice Mill"; and "Planning the Municipal Market at Dalat"). If the cases were classified according to governmental activities, a different arrangement would be indicated, somewhat as follows:

Agriculture and Fisheries: "Intervention of a District Chief"; "Technician's Dilemma: The Kenaf Fiber Case"; "Competition at the Cai Rang Cooperative Rice Mill"; "The Cai San Tractor Loans"; "10,000 Dike Builders: Community Project at Ha Lien"; "Resettling the Highland Tribes at Binh Tuy"; "Reorganizing the Fishing Cooperative at Phu Quoc Island"; "Activating the Nuoc Mam Producers' Cooperative"; "Exporting Fish from the Ca Mau Cooperative."

Education: "The Classroom-Laboratory Controversy"; "the Elementary School at Vinh Xuong"; "Developing In-Service Training Programs in Long Ah and Ba Xuyen Provinces."

Refugee and Resettlement Administration: "Technician's Dilemma: The Kenaf Fiber Case"; "Administrative Planning for the Cai San Resettlement Project"; "The Cai San Tractor Loans"; "The Commissar and the Law: Deviations from the Civil Service Regulations"; "Boundary and Land Questions at Tan Mai Village."

Administrative Planning: "The Decision to Introduce Mechanical Accounting in the National Budget"; "The 'Monkey-Baby' Story"; "Administrative Planning for the Cai San Resettlement Project"; "Planning the Municipal Market at Dalat"; "The Classroom-Laboratory Controversy"; "The Elementary School at Vinh Xuong"; "New Leadership at the Vietnam Press"; "Exporting Fish from the Ca Mau Cooperative."

Local Government: "Intervention of a District Chief"; "The Cai San Tractor Loans"; "Boundary and Land Questions at Tan Mai Village"; "10,000 Dike Builders: Community Project at Ha Lien"; "Resettling the Highland Tribes at Binh Tuy"; "Planning the Municipal Market at

may be used repeatedly to illustrate different aspects of administration. Indeed, the more complex cases become more meaningful with repeated use, as the student becomes more familiar with the facts and their interrelationships.

Professors and students will perhaps find the questions appended at the end of this volume useful in preparing for classroom discussions, provided they realize that these questions are by no means exhaustive and that many other (and perhaps more important) questions are also posed by the cases. If the reader is sometimes confused by the sequence of events or the relationships presented in a case, he may find it convenient to prepare chronological tables or organization charts. Occasional outside reading or research may also be indicated to clarify obscure points.

A final methodological question remains to be discussed before the cases can be left to speak for themselves. What do administrative cases of this type "prove"? Can the amassing of case upon case provide data from which a science of administration (in the sense of hypotheses, verifications, and laws) be developed? It must be conceded at once that neither these cases nor any similar collection can be demonstrably regarded as "typical." They do not represent in any statistical sense a "random sample": on the contrary, they contain a "built-in bias" because they were selected and developed largely as a result of accidents of opportunity, time, and interest. This may tend to produce a cumulative impression of Vietnamese administration more sanguine than many of its close observers would be prepared to accept. Important factors of Vietnamese administration may have been entirely overlooked in these samples; certainly a number of less successful examples of management have been omitted as being relatively fruitless for classroom use. Some of the cases may seem to be little more than administrative vignettes, others perhaps more detailed than appears necessary (depending upon the use to which they are put). No general theory of Vietnamese administration preceded or governed the selection and preparation of these cases, which are among the first descriptive studies ever made of administration in this region. Moreover, important political problems involving the uses and abuses of power and the competition for position have been deliberately passed over in selecting and developing these cases. In any event, even apart from these defects, it cannot be assumed that the mere accumulation of cases, however numerous and well presented, will eventually produce the logic and order of science. Man has no basis—given the existence of free will—for assuming the universe of social behavior to be that orderly (except in a global statistical sense of little practical use to the administrator facing a unique situation). At any rate, no such science has

developed in countries where the case method has been in use for decades, and it is probable that a science could be developed out of examples of this kind only in the most impressionistic sense.

Nevertheless, our collective knowledge of practical administration and theoretical social science is advanced by the study of such experiences, and individual judgment can be immeasurably enhanced by it. It may also be predicted that as the techniques of case gathering and the acceptability of the case method itself become more widespread, other subtler and more sensitive areas of Vietnamese Government will be successfully invaded by the case method, and more knowledge about the mysteries of political science can be placed at the disposal of the public servant.

In short, the case method by itself can accomplish little. Only its imaginative, persistent development and practice can bring it to its full usefulness in the study and teaching of public administration.

PART I

VIETNAMESE ADMINISTRATIVE CASES

Intervention of a District Chief: The Construction of Dap So Dam

In the southern part of Central Vietnam an immense area of uncultivated land stretches out along National Route No. 1. Sea water has periodically invaded these parts for many generations, sometimes rendering them untillable during the rainy season, while during the dry season they constitute a useless desert. To protect its people against these extremes of nature, the government has built many dikes against the sea and dams to divert fresh water to the farmlands.

Tu Bong, located in Van Ninh District, Khanh Hoa Province, is 70 kilometers from Nha Trang on National Route No. 1. Although rarely invaded by the sea, it is often threatened by drought. Its farming families live comfortably on an average of 3 to 5 hectares each of fertile rice fields. In good seasons a rice surplus can be produced for sale, but because of the long dry season the harvest has been more often bad than good. The drought sometimes lasts for months, during which time the River So, which flows through Tu Bong, is completely dry. A generation ago local citizens, under the direction of a Committee for Crop Protection, built a dam there to keep fresh water from flowing to the sea, and dug canals to conduct fresh water to their lands. Because the dam was improvised with meager finances and inadequate technical knowledge, it frequently needed repairs, and during the war it finally collapsed. In 1955, when peace returned, the people returned to their villages and requested the government to build a new concrete dam. Because of other national priorities this request had to be denied.

In June 1955, Mr. Tran Ngoc Nghi, newly appointed chief of the district, forwarded a request for assistance in building this dam to the province chief and to the chief of the newly established Rural Engineering Department of that sector. The latter, Mr. Nguyen Cong Huan,[1] an agricultural engineer, was known to be very enthusiastic about community work projects. He had had an opportunity to study agricultural community projects in other parts of the world. As head of the Rural Engineering Service in Khanh Hoa and Binh Thuan, he had developed many well-known agricultural projects, including the Ha Lien Dike and the Hoa Huynh and Ham Rong Dams.[2] Each of the projects he supervised required him to visit the area personally and prepare plans himself for submission to the Department of Agriculture in Saigon.

PLANNING THE DAP SO DAM CONSTRUCTION

After a preliminary visit, Mr. Huan prepared a general plan designed to provide Van Long Hamlet and its neighbors (District of Van Ninh, Province of Khanh Hoa) with a complete system of irrigation. It included (a) a large dam (the Dap So Dam) at the mouth of the River So; (b) an aqueduct which would distribute the water to the canals; and (c) four canals through which the water would flow to the rice fields. The Dap So Dam would prevent river water from flowing unused to the sea by storing it in a deep reservoir, which in turn would irrigate nearby rice lands during the dry season. It was to be erected of stones on the site of the old dam, 10 meters below the mouth of the river, and was to be 40 meters long and 1 meter wide. The foundation was to rest on numerous bamboo pilings 3 meters long and 10 centimeters in diameter, brought in from Phu Yen, 75 kilometers from Ninh Hoa and 30 kilometers from the location of the dam. The stone aqueduct, 10 meters long, was to be divided into two channels. One of these was to be 2 meters wide and 1.20 meters high, the other 1 meter wide and 1.30 meters high. This system would benefit 14 hamlets, irrigating a total of 2,150 hectares of rice fields. The four canals would total 21 kilometers in length, including Canal So, Canal Long Hoa, Canal Nhan Tho, and Canal Tien Ninh. The first three of these were already in existence and required only to be enlarged and deepened. The fourth, 5 kilometers in length, was still to be excavated.

The total construction costs by private firms would be at least 1,750,000 piasters[3] for materials and labor. But in view of Khanh Hoa's

[1]Mr. Huan was a descendant of Nguyen-Cong-Tru, a famous pioneer who lived during the dynasties of Minh-Mang and Thieu-Tri (19th Century).

[2]See "10,000 Dike-Builders at Ha-Lien," elsewhere in this volume.

[3]The official rate of exchange equates 35 piasters to the dollar. The "free-market" rate is about 72 to the dollar.

enthusiastic public response to the proposal, Mr. Nguyen Cong Huan decided to assign only the technical phases of the project to private contractors under government financing, including the building of the dam and the water pipe, leaving the remainder of the construction to be performed by volunteer youth organizations in the district as a community project. All operations would take place under government direction, with the district chief designated to evaluate the work and authorize payment. The Department of Rural Engineering would render technical advice to the district chief, who was to be responsible for general supervision of the project. Local rice growers would be responsible for maintenance and repairs.

In proposing his project to the Department of Agriculture, Mr. Huan asked for 750,000 piasters from American aid funds for the following purposes:

1. Construction of the dam	591,125	piasters
2. Construction of the pipe	85,094	"
3. Construction of stone locks at the opening of each canal	46,800	"
4. Emergency funds	26,981	"
Total	750,000	

In the meantime, the province chief named the following committee to direct the work: the district chief as representative of the local government; representatives from the General Directorate of Budget and Foreign Aid and the Department of Rural Engineering for the sector; and representatives of the rice growers.

After receiving the approval of the province chief the project was transmitted to the Directorate of Budget and Foreign Aid in Saigon on May 2, 1957, which approved it in October 1957. To express their satisfaction, the inhabitants of the region on their own initiative built a 5-kilometer road through the rice fields to facilitate the transportation of materials from the national road to the site. This task required 7,000 men working for 20 days under the district chief's guidance.

PROPOSALS FROM THE COMMITTEE FOR CROP PROTECTION

In early November 1957, Van Ninh District Chief Nghi was officially informed that the construction of the dam would begin in a month. District Chief Nghi came from a family of agriculturists, and was young and popular among the farmers. He had served as district chief since June 1955, after working in a number of administrative positions at the province headquarters. As soon as he received the completed dossier,

he called in representatives of youth organizations, rice growers, senior citizens, and hamlet officials to advise them on the project.

As Mr. Nghi summarized the events that followed, "I wanted everyone to understand the usefulness and importance of the work we were about to tackle. I explained to the local representatives that since everyone would benefit from the project, I hoped everyone would work enthusiastically for it. I explained that the dam would keep the water from flowing to the sea, the canals would conduct the water into rice fields regularly, and that from now on we would no longer have to be afraid of drought or of bad harvests. More than 2,000 hectares of rice fields would be protected and the double harvest would eliminate a hunger that has haunted 10,000 of our people for generations. Moreover, 200 additional hectares of land would be irrigated once Tien Ninh canal was completed. I asked them to express their opinions freely, explaining that although I was responsible for the project I would welcome ideas from any group and especially those of the agriculturists because they were the ones who would take the direct responsibility for maintaining and repairing the dam and canals."

A long-standing committee called *Huong Yen* or Committee for Crop Protection, composed of planters and experienced proprietors, met frequently to discuss local problems. Its members were elected to coordinate all services relating to agriculture, participating in the selection of irrigation pump operators, guards, canal workers, and others. When the Dap So Dam project was brought before it, the committee made two suggestions. The first dealt with the location of the dam, which they proposed moving 15 meters below the old site because the current was weaker there and because this would make it possible to enlarge the capacity of the reservoir above the dam. The new location of the dam would not change its physical aspect, and therefore the cost in materials and labor would remain the same. The second suggestion dealt with the wooden pilings to be used below the dam foundations. According to the plan drawn by Mr. Huan, bamboo pilings 5 inches in diameter and 3 yards long would be brought from Phu Yen and pounded into the earth to provide a solid foundation. This was a common method, used in many villages. But local experience had revealed that the bottom of the River So was stony in places. Under these conditions bamboo pilings would split if hammered to a depth greater than one yard. Moreover, in some places the river bottom was soft, and longer pilings might be necessary. The committee accordingly proposed to use lengths of *Danh Moc* wood,[4] which was found wild in the forests near the proposed canals. This

[4] A general term meaning De luxe timber.

wood was very flexible, capable of withstanding the effects of long submersion, and not susceptible to splitting even under continued pounding. It could be cut in pieces of 4 or 5 yards, driven into the earth until it would not go farther, and cut off so that the rest could be used again. In this way less labor and materials would be necessary, yet the dam would be better built.

"I gave special consideration to this committee's proposals," recalled Mr. Nghi. "To my mind they were based on experience and were realistic; they would help us build a solid dam and a good system of irrigation. As the administrative head of the district, I thought it was my duty to achieve the assigned goal, which to the agricultural technicians was but one of many problems in the district. They would leave when the work was done, whereas I would live with the project. I felt I should do my best to devise ways of building a solid dam which would last as long as possible with a minimum of maintenance. The technician had many projects to design, and he had no opportunity to study the special characteristics of the regional soil and the local climate. In short, the committee seemed right; but I decided to check, anyway. I went to the River So to measure the strength of flow of water at different locations, and examine the nature of the soil at the bottom of the river. I consulted some of the older members of the committee in private. After this I decided that the use of pilings made of *danh moc* would save 10,000 piasters for other public uses.

THE DISTRICT CHIEF'S ALTERNATIVES

"My problem now was how to realize these suggestions. In my mind several possibilities appeared: to take the responsibility on myself to change the original plans; to discuss my opinion with the chief of the Rural Engineering Department for the sector, or with his representative; or to present my idea to the province chief and let him take the responsibility. It would not have been wise for me, I thought, to adopt the first alternative, though I could do so both as the government's representative and as the chairman of the committee responsible for the construction. I felt that the location of the dam was a technical problem, beyond my responsibilities and competence. As far as the pilings were concerned, however, this did not seem very important technically, but it would involve the financial aspects of the project. The funds reserved for buying bamboos would quite properly be used for cutting *danh moc* pilings. Even so, if I acted on my own responsibility my motives might be distrusted.

"The second alternative, to discuss the change with the chief of the Rural Engineering Service, would protect me from all responsibility. Everything would be fine if he would accept the proposals of the Committee for Crop Protection. On the other hand, if for fear of losing face he declined the suggestion, what could I do? This seemed to me the probable outcome, and it would still leave me having to decide whether to accept technical theories or real experience.

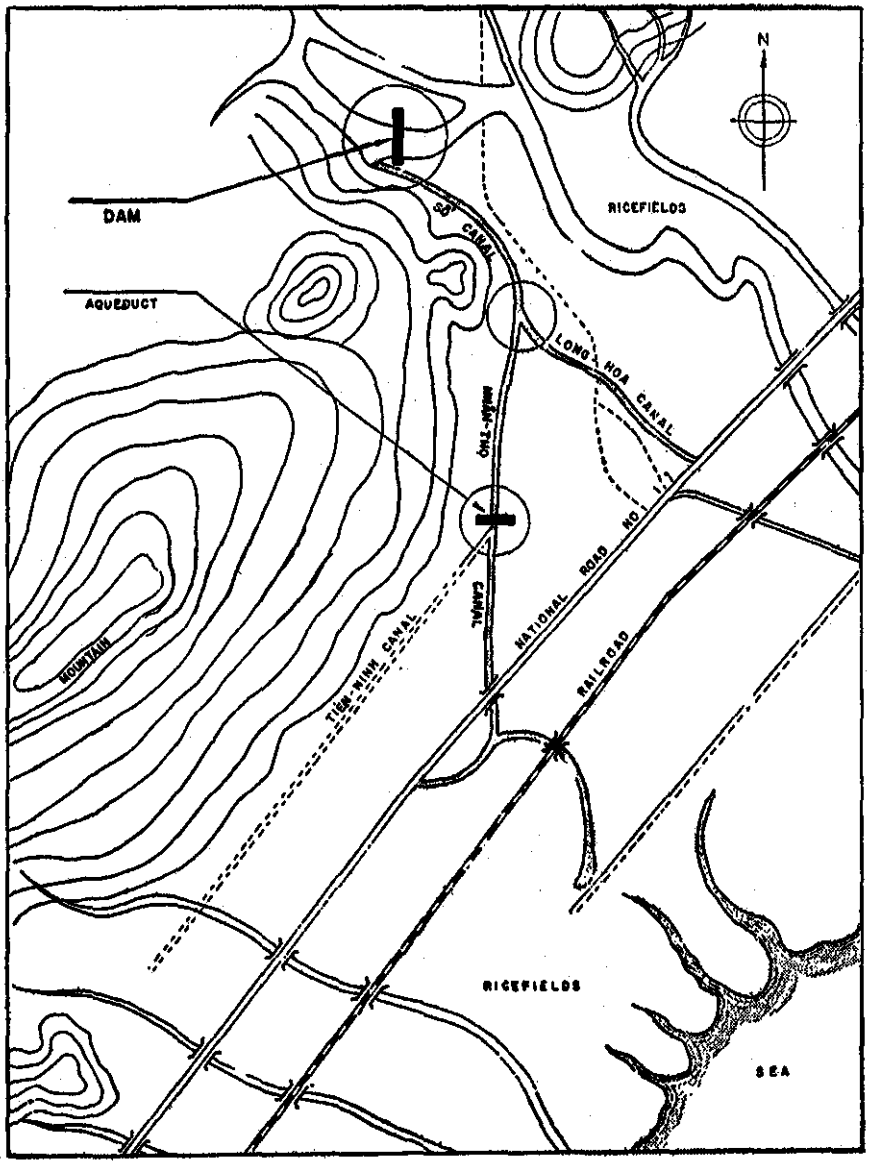
"The third alternative was to present all the suggestions to the province chief and wait for his decision. This would relieve me of all responsibility. It seemed to me that this was the best solution.

"I therefore went to the province chief. As it happened, that same day the province chief had learned that the Hoi Xuong Dam, built a few months earlier also under the supervision of engineer Huan in the Rural Engineering Service, had collapsed under the pressure of strong currents. Perhaps he was discouraged by that news; anyway, he told me to follow the proposals given by the Committee for Crop Protection if I could assure him that they would result in a better and more permanent dam.

"Although I could now start the project in accordance with the suggestion of the Committee for Crop Protection, as duly authorized by the province chief, I still thought it was wise to inform the local representative for the chief of the Rural Engineering Service of the changes. The latter, whose wife was a local inhabitant, gave his enthusiastic approval, but advised me to tell Mr. Huan. So when I saw him, I told him about the change in the position of the dam, which was a technical question on which it would be wise to consult him. I did not mention my meeting with the province chief. Mr. Huan, after a careful study, agreed to move the dam 15 yards below the location proposed in his plan. I thought it unnecessary to tell him about the change in the materials used for pilings, since his representative was informed of this. Moreover, these pilings would be covered by cement, and therefore would be inconspicuous. I was afraid that if I mentioned this change as well, Mr. Huan might resent the fact that two important parts of his plan were changed.

"The project finally began on December 6, 1957 and required two months. As everyone understood its usefulness they all contributed enthusiastically to it. Now and then Mr. Huan inspected the dam, but I do not know whether he was aware of the use of *danh moc* pilings or not; he never mentioned this to me. Our relations remained excellent. I myself am very happy that the project could be carried out according to the committee's idea. The Committee for Crop Protection worked hard, and encouraged the young participants to do likewise. They also helped the

THE DAP SO DAM IRRIGATION SYSTEM



contractors recruit numerous local workers who were loyal and efficient. Thanks to this, the dam and canals were carefully and quickly built; moreover, although the project was estimated at 750,000 piasters, only 723,000 were spent. The money we saved by using the *dahn moc* pilings could be used to make the reservoir deeper. In this way a larger volume can now be stored, and the flow of the stream, thus weakened, does little to ruin the dam. Thanks to the deepening of the reservoirs and thanks to the young people's efforts, the water level in the canal was raised from 70 centimeters to 1.30 meters in height, almost double the original plan.

"In the Ninh Hoa District everyone is proud of the Dap So Dam: while the provincial dams need to be repaired many times, Dap So Dam has not used a penny for repairs. Formerly the canals required about 30,000 piasters for repairs each year, but this is not necessary for the Dap So system. Even if the dry season lasts for months we have enough water for our fields. When the Dap So Dam was inaugurated on February 17, 1958, I felt an inner joy. I do not know whether another district chief would have acted as I did, but I feel grateful that God gave me the vision to find a way of making this decision for the benefit of our farmers."

The Decision to Introduce Mechanical Accounting to the National Budget

National independence found Vietnamese budgetary and accounting procedures obsolescent, confusing, and inadequate to the needs of a modern state. During 1954, according to a Vietnamese Government study, nearly a tenth of all the statements prepared in departmental accounting offices had to be returned because of procedural errors arising from the complex and archaic methods in use. It was also difficult to control the regularity and continuity of expenditures. At the end of February 1957, for example, a single account had over 500 million piasters left unspent, with no one aware of its existence. All calculations had to be performed by hand, which made it impossible to prepare monthly budget statements or maintain current accounting. The national budget could not, in short, be reliably used as an instrument for programing the government's activities in conformity with the national needs.

The General Directorate of Budget and Foreign Aid was established on April, 24, 1957 by incorporating the Administration of Foreign Aid with the Budget Directorate and the Directorate of Obligations Control, all formerly of the Department of Finance. The new agency was placed in the Office of the President, and Mr. Vu Van Thai, former Administrator of Foreign Aid, was made its general director. Mr. Thai

was a French-trained engineer with a reputation as a dynamic and progressive administrator who was willing to make hard decisions and take the responsibility for their consequences. He was young, but he enjoyed the confidence of the President.

As a result of his experience as Administrator of Foreign Aid, he had already learned of the difficulties involved in the use of slow and inaccurate hand accounting methods which did not afford an adequate basis for managerial control. He had already begun to introduce mechanical accounting there, but the results were not as satisfactory as had been expected because the hand accounting method was still in use in most phases of the work and in other governmental agencies.

In June 1957 he decided to expand the accounting procedures of the Administration of Foreign Aid and introduce mechanized accounting throughout the entire national budget. This decision may be considered one of the most important in the history of Vietnamese budgeting. It involved changes both in procedure and basic accounting methods, and it aroused controversies which are still warmly debated.

The International Business Machines Company (IBM), which had subsidiaries both in France and Vietnam, was prepared to provide the necessary equipment and servicing. The Vietnamese branch had already been performing accounting services for large business and governmental operations in Vietnam, renting data processing equipment to any private or public users whose operations justified their use. After a study of the available equipment, Mr. Vu Van Thai decided to rent from the Saigon office of the company 4 perforators, 3 verifiers, 2 selectors, 1 reading machine, 2 tabulators, 2 adders, and the necessary copying machines, in addition to those already in use at the former Administration of Foreign Aid.

The use of the proposed accounting equipment would involve the preparation of "punch cards," perforated in such a way as to permit sorting and classifying the information they contained. Additions and subtractions could be made instantaneously within any given classification. Accounts could thus be rendered current within a week after the end of each month; agencies could be given statements showing the balance of all appropriations, allotments, obligations, and expenditures, both for the total year to date, and for the previous month. For the first time, it would be possible for those concerned with budget planning to know accurately how much had been actually spent as well as how much had been appropriated in the previous year. Similarly, actual revenue collections for the previous fiscal year, by each source, could now be prepared. All this

information could be made available accurately and within weeks rather than months or even years, as before.

The introduction of mechanized accounting could also be the occasion for other innovations in budget procedure. First, uniform budgetary accounts could be introduced for all government agencies, following a logical and consistent structure. Second, by recording transactions promptly, completely, and accurately, overexpenditures of funds could be mechanically controlled. At any desired time, special tabulations could be run off showing the total appropriation for the year, the total released by allotment, the total obligations entered against the allotment, the unobligated balance, and the total liquidated obligations (i.e., completed transactions). Third, a new system of classifying the government's financial operations could be devised, showing how much had been spent during the last fiscal year, how much was currently being spent, and what expenditures were planned in the next fiscal year, according to each of the following categories:

1.) Functional use (for example, for health, education, welfare, agriculture, security, general government, defense, etc.).

2.) Economic character (for example, for capital investment uses, current operations, debt service, direct transfers to the private economy, etc.).

3.) Administrative organization responsible and accountable for the funds, in whose name the budget account had been set up (for example, the Education Department, NIA, etc.).

4.) Object of expenditure (for example, employee compensation, goods and services such as rent, telephone and postage, water and electricity, transportation, etc.).

These considerations convinced Mr. Thai of the value of introducing the new accounting procedures.

Mr. Thai was aware that the introduction of mechanized accounting machines to Vietnam, an unindustrialized country where the population was not accustomed to large installations of mechanized equipment, would encounter many obstacles. There was a shortage of technicians and accountants; except for Vu Van Thai himself and Le Van Kim, an engineer who had been a former technician in the French subsidiary of International Business Machines, there were no specialists available to the government except six newly trained machine operators at the former Administration of Foreign Aid. Moreover, the cost of machine rentals, electricity, the purchase of special forms, and the salaries of the 26

employees required to operate the equipment would cost nearly 400,000 piasters a month. It would also be necessary to deposit 1,570,769 piasters with the IBM Company and spend an additional 165,000 piasters per year for the training of additional technicians.

Resistance to the proposal was almost immediate. A high-ranking government official stated that it would be impractical and foolish to use mechanized accounting machines because they were too expensive in comparison with the volume of work involved. He compared the introduction of mechanical equipment in the Vietnamese budget to installing air-conditioners and telephones in a noodle cart.[1] Moreover, some employees within the Directorate itself and accountants in various other departments objected to the change. The natural reaction against such a fundamental change was complicated in this case by fear on the part of government employees that their jobs might be forfeited to the new accounting machines. Others, who were not expecting unemployment, nevertheless resented the necessity for learning a new and possibly difficult technique. Mr. Vu Van Thai was aware of this resistance to the proposal, but was firm in his decision to proceed.

As a means of softening the effects of the innovation, one of Mr. Thai's assistants suggested that the equipment be introduced gradually. He argued that this would afford additional time for training technicians and would avoid or minimize fear of the new equipment. He suggested two possible means of introducing the techniques on a gradual basis. One was to use Saigon as a pilot center, by introducing mechanized accounting to the municipal budget for a two-year period during which the procedures would be perfected. It could later be determined whether or not it would be advisable to introduce these methods to the national budget. The second proposal was to introduce the machines in certain departments or activities of the government only, retaining traditional methods in the other functions or agencies during the trial period.

After considering these suggestions, Mr. Thai rejected them as too indecisive and tentative. He was in favor of a dramatic, almost revolutionary change. "I decided to introduce electronic accounting machines by a sudden process," Mr. Thai was quoted as having said, "because I wanted to create among bookkeepers and accountants a powerful psychological impetus to recognize the need for a complete change in working methods if they wished to remain in the government service. National administration must be reformed by decisive steps which give government employees an incentive to improve themselves as rapidly as possible.

[1]Noodle vendors in Vietnam use a portable stand resembling the popcorn wagons in use in the United States before the war.

Otherwise, the new method, by a slow and gradual process, would succumb to routines and to the power of inertia. Little by little old habits and customs would invade the new techniques and absorb them into the context of tradition, thus killing the reform and reducing our zeal. We must expect complaints and criticism, but the old method of national accounting is like the rotted fabric of an old dress: even mended it cannot render service much longer. We will have to make a new dress if we are not to expose our backs to the sun."

Having made this decision, Mr. Thai asked Mr. Kim to set up a training program for the new IBM technicians. Due to the highly technical nature of the work, only 6 employees could be trained each time for a period of 6 months. By March 1958, 18 technicians were qualified. A group of students from the National Institute of Administration was sent to the General Directorate of Budget and Foreign Aid for a month's apprenticeship, during which they classified the accounts in the 1957 budget under a new code system patterned after a standard system recommended by the United Nations. Although this arduous task required overtime work at night and during holidays, morale among the students remained high because they thought of themselves as pioneers contributing to a new and worthwhile government project.

A small brochure explaining the new method of budget execution and procedure was distributed to various government agencies so that they could prepare their own technicians for their part in the new system.

In spite of these efforts, the program continued to encounter criticisms. Many of these resulted from the alleged increase in the number of copies of forms required to accommodate the accounting procedures. Because of the coding needs of the keypunch equipment, some forms had to be prepared in 4 or 6 copies instead of 3. In addition to this problem, some discrepancies arose in the application of code numbers to similar items used in different departments. Uniform practices in coding among the different departments did not appear overnight. For example: Books purchased for the primary schools to be distributed as prizes were first classified as "gifts" in one agency and as "magazines for schools and government offices" in another. Per diem expenses were classified as "special expense" in one department, but listed under a different code in the General Directorate of Budget and Foreign Aid. Another problem arose out of the decision to prepare payrolls mechanically in the General Directorate rather than in individual departments. At first this resulted in a delay in the payment of civil servants, some departments receiving checks as late as the 20th rather than the 5th of the month. A final complaint centered around the charge that the concentration of accounting

functions in the General Directorate of Budget and Foreign Aid gave its director too much controlling power over the departments' activities.

These criticisms were taken in their stride by the members of the General Directorate. They explained that experience would eliminate coding errors; that the delay in payment of government employees had been only temporary; that the concentration of functions enabled the Directorate to render greater service to the departments who were interested in improving their managerial controls over expenditures; and that the Directorate was responsible to the President as well and could now offer him services necessary for intelligent budget planning for future years.

At the end of a year's operation, the General Directorate was able to point to time savings in accounting reports; readily available data on salaries and on the budget situation; and new personnel statistics resulting from mechanized processing of civil service census data. Government accountants had made a laudable effort to keep up with the new situation. Some of them had been promoted to a better position thanks to their initiative and suggestions made toward improving the new method. Mr. Thai pointed out that none of these advantages could have been demonstrated by a piecemeal introduction of the new system.

At the end of 1958, plans were under consideration for the installation of an enlarged electronic data processing center to service not only budgetary but also other government statistical functions. This would have required the outlay of many millions of piasters, and Mr. Thai began to consider how to apply the lessons from his previous experience to introducing this equally revolutionary managerial device.

The Monkey Baby Story

PRESS CENSORSHIP VERSUS SELF-RESTRAINT

For ten days Mr. Hoang Nguyen, Director of the Press Service at the Department of Information and Youth, had been waiting for the assignment that he received on the morning of February 24, 1959. A growing pile of newspaper clippings lay on his desk requesting departmental action in a matter under his jurisdiction; his recent social life had been filled with conversations about the irresponsibility of the press, mingled with speculations and doubts about the "story of the week"; and finally, ten days after the story had broken, the Secretary asked him to find an end for what he playfully called "this monkey business."

THE FACTS

The story originally appeared on the first page of the February 14th issue of *Saigon Moi*, the most popular,[1] but not necessarily the most distinguished, of the Saigon daily newspapers. The story, in the sensational language of a reporter signing himself "Le Huong," told of an 11-year old girl from Tan Thuan Tay Village (Cao Lanh District, Kien Phong Province) who had been stolen by an "evil monkey" while walking with her parents through the woods. For nine years she had lived in a cave, tended and fed by the monkey. She had given birth to a child "with a human face and a monkey body" after three years. Although she had

[1] Its 1959 claimed circulation of 55,000 was more than double that of the next three most popular newspapers, *Dan Chung* (24,000), *Tieng Chuong* (24,000), and *Caoh Mang Quoc Gia* (22,000).

attempted to escape several times, not until she was twenty had she succeeded in eluding the vigilance of her captor by swimming to an old woman's boat slowly moving downstream. By this time, the story continued, she had forgotten how to talk, but she managed to make herself understood, and eventually returned to her parents, to whom she related the story. Her neighbors were so inquistive that after a short time she had run away again, leaving behind many credulous witnesses.

For four days this story ran serially in *Saigon Moi*. Readers began a lively debate over its authenticity, some comparing it to the ancient legends of To-Vu, the shepherd who had married a gorilla, and of Mac Dinh Chi, whose mother had lived with a monkey.

Rival newspapers soon attacked this "unbelievable" story and demanded an investigation. The second largest newspaper, *Tieng Chuong*, criticized the *Saigon Moi* for having published an unscientific story, and presented interviews with physicians and university professors denying the physiological possibility of sexual cohabitation between the different species. This, it continued, was an insult to mankind, an assault on the doctrine of personalism,[2] and an offense against morality and religion. On February 26, 1959, *Dan Chung* wrote: "*Saigon Moi* has published certain stories tending to sensuality and obscenity which can only injure the morality of the younger generation. They are a reproach to Mrs. But Tra, who is the editor of *Saigon Moi* and the President of the Vietnamese Women's Association, and who either purposely or innocently is suggesting to the youth of our land an immoral view of love." *Tieng Chuong*, resuming the attack, concluded that the story was an example of irresponsible journalism designed to increase circulation, resembling earlier stories from the same source[3] and other sales-stimulating "gimmicks."[4]

Gladly entering into the fray, *Saigon Moi* defended itself by quoting "Le Huong" as confirming the story and asserting that many witnesses at Cao Lanh had seen and talked to the girl. On February 19, *Saigon Moi* offered to publish complete verification and pictures "in a few days." A number of "scientific works" were also cited (including Hilaire Cuny, *L'hybridation homme-singe est-elle possible?* relating a similar phenomenon described as having occurred in 1897), supposedly based on Darwin's theory of evolution. Further "evidence" included a description of a "monkey man of Saigon" with a human face but hairy limbs. No

[2] A philosophical moralism of Catholic origin espoused as an official doctrine by President Ngo Dinh Diem. Its principal tenet related to the value of the human person.

[3] On June 16, 1956, that a woman in Nha Trang had given birth to a boy with a dog face, which, on investigation by other papers, proved false. On April 10, 1958, that the legs of a certain Miss Gan, who had been murdered by her employer, had been found on Cap St. Jacques. Miss Gan was found to be still living, and never to have visited Cap St. Jacques.

[4] Including pictorial supplements and other devices which had succeeded in increasing sales from a reported 20,000 per day at the beginning of 1958 to a maximum of 80,000.

disrespect to the honor of womanhood was involved, *Saigon Moi* concluded, since the girl was the innocent victim and "it was only the unknown monkey whose honor was involved."

Saigon Moi's success in keeping the story in the newspapers by these devices occasioned even more vigorous criticism from the other newspapers. While *Saigon Moi* was printing pictures of monkeys and extracts from books and articles about them, its principal rivals were publishing cartoons of a fat and blowsy Editor But Tra at the *Saigon Moi* office surrounded by laughing monkeys. *Dan Chung* showed a picture of the "monkey man of Saigon" and confirmed that he was a human being (citing the fact that many foreigners were hairier than he). The managing editor of *Saigon Moi*, son of Mrs. But Tra, was quoted in rival newspapers as stating that it was foolish to write only about politics and art in the press, since the readers preferred more "extraordinary subjects." He was said to have likened his readers to the Long Tong fish, which is baited with dung. Serious newspapers, which had heretofore remained aloof from the charges against *Saigon Moi* now appealed to the government, and especially the Department of Information and Youth, to investigate and report the facts. "Because of its obligations toward education and the dignity of womanhood," *Tin Moi* wrote, "the government should require *Saigon Moi* to produce whatever documents it has." *Ngon Luan* pointed to the greater resources at the disposal of the government, urging it to investigate and verify this story. In its issue of February 23, 1959, *Cach Mang Quoc Gia*, a semi-official journal,[5] accused *Saigon Moi* of "obscurantism," "diverting the Vietnamese people from their revolutionary struggle against Communism," and "dishonoring the Vietnamese press."

It was time for action.

THE OFFICIAL DECISION

Mr. Hoang Nguyen, on whose desk the problem rested, was a former journalist himself. He had a reputation for fairness toward the press, although his responsibilities as censor had compelled him to take drastic action several times in the past. After discussing the matter with the Secretary, he felt that the "monkey baby story" had no place on the front pages of the Saigon newspapers. Both feared that the Communist press north of the 17th parallel would exploit it to the detriment of the government and people of South Vietnam. "As soon as the original story was published," he stated, "I telephoned Mrs. But Tra to ask whether

[5]Journal of the National Revolutionary Movement, political movement officially headed by President Ngo Dinh Diem.

or not the story was true. She replied that her reporter had sworn that he had interviewed several witnesses at Cao Lanh. I reported this at once to the Secretary. I also wired the local Information Service for a report and asked Mrs. But Tra to exercise discretion.

"In spite of the clamor in the press, I felt that the episode should be treated fairly and objectively. The investigation didn't produce any results, but since Mrs. But Tra had insisted that the story was true, what basis did I have for intervening To be sure, the Directorate of Press Service has the authority to suspend a newspaper, but this applies only when pro-communist stories or news detrimental to the Republic are published, or when the newspaper fails to print the names of the editor-in-chief, the managing editor, and the printer.

"The fact is," Mr. Nguyen continued, "that *Saigon Moi* did not violate the regulations. Consider the charges that the Cao Lanh girl story was unscientific, anti-personalist, legendary, or even indecent: these are no grounds for suspension. Scientific circles do not state definitely that such an event is impossible. Since the monkey, not the girl, was at fault, the story contains no immorality which can be considered an offense against the human personality. It sounds apocryphal, but the editor and reporter have pledged its truth. And worse stories have been told before. Perhaps *Saigon Moi* did exaggerate it; I think the other newspapers probably objected to it because of the competition. My own guess is that there would have been no such ferment of criticism if the story had appeared in a newspaper of 2,000 or so circulation. Anyway, the caricatures and attacks on Mrs. But Tra from the other newspapers have not exactly improved the spiritual condition of the Vietnamese press.

"Nevertheless, I could not continue to remain indifferent to the public clamor. I had to find a solution which would end the controversy and yet not violate the freedom of the press. I considered sending a note to all editors asking them to stop publishing such recriminations, but I thought if I did the newspapers would accuse me of acting arbitrarily and interfering with their freedom. Moreover, this would not resolve the underlying problem of stopping the reporting of false stories and public insults.

"Another possibility would have been to send a warning to the *Saigon Moi* or even suspend it temporarily to calm the public agitation. This would certainly end the "monkey baby" controversy. But I felt that I had no basis for such a severe disciplinary measure. To take such a step would mean that the Press Service had been influenced to act against one particular newspaper by its competitors.

"It seemed to me that the best solution was to refer the matter to the Press Self-Disciplinary Committee, which had been set up in 1958 at the suggestion of the Department of Information and Youth for just such purposes. It included all the Vietnamese-language newspapers. Its function was to keep track of news and articles published by its members and to act to protect the interests of the press. It met at the invitation of its president, who was changed annually on a rotating basis, or at the request of any member. It aimed at solving the problems of the press by self-discipline, thus reducing the need for external interference. Any action it took would be acceptable to us. And no one would argue that the Secretary of Information was imposing his will upon the press.

"I discussed this proposal with the Secretary, who agreed. Then I mentioned the idea to the editors, trying to avoid the impression that this was an order. They liked the idea, and decided to go ahead with it."

THE DECISION OF THE DISCIPLINARY COMMITTEE

On February 25 the newspapers represented on the Disciplinary Committee received an invitation sent out by *Cach Mang Quoc Gia* to meet on February 26 for the purpose of "discussing the story concerning the alleged cohabitation between a monkey and a human being, published by *Saigon Moi.*"

At the meeting February 26 all Saigon newspapers were represented, as well as the Press Directorate. The *Cach Mang Quoc Gia* reporter presented the charges against *Saigon Moi,* summarizing the criticisms already published by the other newspapers. Mrs. But Tra defended her position, arguing that if any "fault" were involved it was merely an "error of judgment" in accepting the reporter's statement that he could present proof. She stated that she was continuing to investigate the facts.

The *Cach Mang Quoc Gia* representative then proposed a threefold disciplinary measure: (1) to require a public retraction and apology from Mrs. But Tra; (2) to suspend *Saigon Moi* from the Disciplinary Committee; and (3) to request further administrative action from the authorities. The committee rejected the third proposal after a brief discussion. Mrs. But Tra declined to print a public retraction and apology on the ground that she had no apology to make to her readers, especially since the matter was still under investigation. This left only the second measure, and all papers agreed to suspend *Saigon Moi* from the Disciplinary Committee. A three-month suspension was proposed, but this was rejected as offering the offender an extended period of freedom from the discipline of the committee. A symbolic 15-day suspension was

then agreed. All newspapers, including *Saigon Moi*, were required to publish the following notice on February 18th:

Decision of the Press Self-Disciplinary Committee:

Whereas, a series of articles about cohabitation between a girl from Cao-Lanh and a monkey was published by the *Saigon Moi*, containing a number of errors injurious to the reputation of the national press,

Whereas, the said *Saigon Moi* has admitted to error and agreed to discontinue said reports,

And whereas, the Press Self-Disciplinary Committee must carry out a minimum of disciplinary measures to prevent recurrence of such actions,

Therefore be it resolved: that the *Saigon Moi* be suspended from the said committee for 15 days beginning February 26, 1959; and that this decision be published in all Saigon newspapers.

Done in Saigon, February 26, 1959
The Self-Disciplinary Committee of the Press

Members of the Committee agreed that they would publish no more articles or cartoons about the episode, and Mrs. But Tra agreed that even if her investigations revealed evidence supporting the account she would not publish it.

All newspapers represented on the committee duly printed the decision on February 28. In addition to the decision, however, *Saigon Moi* also published the following report of a resolution which Mrs. But Tra had submitted to the committee but which it had rejected:

In its effort to cooperate with other newspapers interested in raising the standards of journalism, *Saigon Moi* presented the following resolution to the Press Self-Disciplinary Committee:

1) That newspaper managers and editors refrain from public displays of hate and vituperation;

2) That the members collaborate professionally on matters useful to the sciences, to society, and to culture;

3) That the committee recognize the rights of professional competition while rejecting illegitimate commercial tricks;

4) That the press as a whole recognize its function as a fourth estate, requiring no interference from the authorities in its internal professional affairs.

We hope that this constructive proposal will be approved by the entire committee.

"The Management of *Saigon Moi*"

AFTERMATH

Mrs. But Tra interpreted the action of the committee as the direct result of commercial rivalry. "I voluntarily admitted my mistake in order to end the conflict, because the eleven other newspapers were against me.

As I pointed out to the committee (whose president is the son of the editor of *Dan Chung*) the Saigon papers carried a story several months ago about a monkey-like boy in Central Vietnam who lived on fruits and climbed trees. The newspapers—including *Dan Chung* and *Tieng Chuong*—published a photograph of the boy and asked if he were the fruit of a union between a woman and a monkey. One man offered to pay 100,000 piasters for the boy, but his parents refused. They printed that, too. I asked the committee why it had ignored this episode and punished me, but they paid no attention to my question. I think that the published decision of the committee deliberately used the phrase "cohabitation between a girl and a monkey" instead of "monkey rapes woman" as we published it, in an effort to make our report seem scandalous. I had asked the privilege of approving the wording of this decision before it was published, but was refused.

The statement about readers being like the Tong Long fish reportedly made by my son was a pure figment of the imagination. My son has enough intelligence not to say such a thing even if he thinks it.

"I still think the story was true. The only reason we have not been able to produce the girl is that the rival newspapers have warned her away. Every means of discrediting me has been used. Instead of encouraging me as the first Vietnamese woman editor, they are vilifying me."

Saigon Moi lost the extra circulation stimulated by the "monkey baby story," and it suffered some loss of prestige; but at the same time, as one editor said, it was relieved of the necessity of publishing further evidence to support the original story.

New Leadership at the Vietnam Press

On the afternoon of May 5, 1957, Mr. N.T. received an executive order from President Ngo Dinh Diem appointing him Acting Director General of the Vietnam Press. The President himself had left Vietnam for a two-week visit to the United States and Mr. N.T. knew he was going to have to rely upon his own resources in resolving the difficulties that confronted him in his new post.

In spite of his youth, Mr. N.T. had both experience and professional qualifications for the appointment. He had university training in law, letters, and political science, both in Vietnam and abroad, and had served in the Office of the President in 1954 and later in the Department of Information. In early 1956, Mr. N.T. founded the English language *Times of Vietnam*, becoming its first editor and publisher.

Mr. N.T. realized that the Vietnam Press would present problems of personnel and organization more severe than any he had previously experienced. Its former director, C.V.C., had been elected to the National Assembly in February, 1957, and felt himself unable to fulfill his dual role any longer. His responsibilities at the Vietnam Press had become increasingly burdensome, and he feared that conditions were deteriorating because of his necessary absences. Mr. N.T. later stated, "I had wanted time to work out a new reorganization plan for the Vietnam Press before actually starting work and had hoped that Mr. C.V.C. could

continue to serve for a little longer so I could make my plans for the future. However, as things stood I had to start managing the agency right away (May 6, 1957). The routine work of publishing two bulletins a day in Vietnamese, French, and English had to be continued (each of these was about 100 pages long), and I knew I would also have to find ways to improve this routine."

The Vietnam Press Agency, originally related to the *Agence France Presse*, had been operating as the official government news agency since 1951. During the six years there had been seven Directors General. "When I took over in May 1957, problems were legion," Mr. N.T. recalled. "In retrospect now one can logically analyze and identify them in orderly fashion, counting them out one by one. But in May 1957 I was confronted by all of them at the same time, in a very confused and disorderly way.

"I must say in all fairness to my predecessors, that they have in varying degrees worked to improve the agency and raise it from the status of a foreign-controlled to a truly national organization. But because of the frequent changes in leadership, no previous Director General had time to implement his views and reorganize the agency.

"We didn't even have adequate quarters. We were housed in two small buildings a block apart (124 and 136 De Lattre de Tassigny), which meant time wasted in communications and loss of control of the staff members' time when they passed from one office to another. Our equipment was inadequate, and we had no reference service. Personnel files were practically nonexistent and no records were available showing the organization of the agency, or even the assignment of responsibilities among employees. Apparently each Director General carried such information in his mind, leaving nothing after his departure.

"Then—and even more serious from my point of view—I confronted a disorganized and splintered group of staff members. Some of the inefficiencies caused by our physical situation were exaggerated by personnel difficulties. Sometimes the chaotic conditions obstructed our work, perhaps even deliberately so. I started out with the intention of keeping the old working system going, so I could observe it for a while and not risk a decline in our rate of production.

"I soon began to observe that some elements were afraid of losing their jobs when C.V.C. left. Some staff members, even those in key positions, had been appointed as a result of outside pressures. In some cases they were conspicuously incompetent. When I came in, they seemed to lose their bearings. They became irresponsible in their attitudes

and some of them seemed to think the best way to consolidate and protect their position was to attack me.

"The employees seemed at odds with each other, constantly accusing their fellows of various errors and faults. I tried not to take sides but felt myself submerged in a sea of controversy just the same. Some even tried to sabotage my work, cleverly and subtly. Once they published a decree from the Vice President, leaving half a page blank, hoping to annoy the authorities so that I would be blamed for insolence or incompetence. In a news summary published May 23, 1957, they omitted some important news and just reported my appointment as Director General, hoping that whoever read that issue would think that I considered myself more important than any other news of the day. The same bulletin reported a joint declaration after the Presidential trip in the United States with an intentional typing error that could not have been more embarrassing. The stencil (which was later corrected before release) read, '. . . et le Vietnam contribue à la *défaite* commune du monde libre (. . . and Vietnam contributes to the common *defeat* of the free world)' instead of '. . . à la *défense* commune du monde libre (to the common *defense* of the free world).' In another instance I had already encountered this same kind of sabotage. On a stencil (also corrected before release) of the news bulletin of May 19, 1957, a typist had made the following error: 'President Ngo Dinh Diem's departure for Saigon via Hanoi[1] is planned for Tuesday . . .' instead of '. . . Saigon via Hawaii . . .'

"Facing sabotage of this kind I found it was necessary to act. I realized that perhaps some mistakes of that kind might have been unintentional; even so, in the working conditions of Vietnam Press they could not be tolerated. Employees who were either too absent-minded or bent on sabotaging the work had to go.

"The sabotage was also carried on by rumors designed to sow doubt and distrust in the minds of my staff. It was rumored, for example, that I would be removed from office because I didn't get along with the chairman of my board of directors, and that the National Revolutionary Movement was proposing someone to replace me. In fact, the Secretary of State for Information, who was chairman of the board of directors of Vietnam Press and with whom I had had the opportunity to work a while at the Department of Information, had always been clearsighted and fair. He continued to lend me the necessary support whenever needed.

"A number of specific actions were undertaken by opposing elements among the personnel to make my situation at Vietnam Press unbearable. These moves seemed desperate and excessive; but they reflected the

[1]Hanoi is the capital of Communist Vietnam.

psychology of those who tried to counter any new leadership at the Vietnam Press. One evening, for instance, some of the malcontents visited staff members' homes and forced them to sign a petition against me which was later sent to the Presidency, the National Assembly, and a few other places. In another instance, Mr. X, one of the senior staff members, gave one of the typists who was about to resign a document on the organization of a technical agency taken from a semiofficial magazine. It was typed with no indication of the author's name or the name of the magazine, and when the typist gave it to one of my reporters, he published it in the documentary section of the bulletin, thinking it had been received from one of the ministries. A few days later, the editor of the semiofficial magazine sent me a letter saying that he intended to sue for plagiarism. By a strange coincidence, Mr. X and the editor of the semiofficial magazine have business relations and are even related to each other.

"At times the sabotage was not active, but passive. For instance, Mr. X, who was in charge of accounting and financial matters, neglected to prepare an application for our regular government subsidy in spite of the fact that I asked him to do so, knowing that funds for only a few months' operation were left. His purpose in this seemed clear: to create discontent and possibly revolt among the employees whose salaries would not be paid on time."

Mr. N.T. had brought with him five new employees upon whose loyalty he was sure he could depend in confronting his complex new assignment. These five employees replaced some who had resigned because of sickness or for personal reasons. One was appointed to the key position of Chief of the French Section. Others were deployed to increase the staff of the Director General's Office or to start new activities such as those of the Document Section. One old-line employee recalled that all six of Mr. N.T.'s predecessors had done likewise: "Every new Director General has always introduced some new reforms and eliminated outworn customs. It seems to be a tradition in Vietnam to have a turnover in personnel every time there is a change in administration. This does not always please the incumbents, even though they expect it. When Mr. N.T. brought in the new employees, some of the oldtimers were afraid they would be laid off. This didn't happen, as it turned out. They simply had not understood that it was Mr. N.T.'s intention to expand the work force rather than to replace current personnel."

Mr. N.T. had also observed that difficulties attended his effort to introduce new staff members. "The malcontents annoyed the employees whom I recruited, in the hope of discouraging them from continuing with

me. In this they were partly successful, because some of the young and capable ones could not endure their petty-minded truculence and quit after a few weeks or months.

"The malcontents even sent an anonymous letter to the employees which was later published by a rather irresponsible opposition newspaper (see Appendix I), and submitted a motion to the National Assembly, the Presidency, and some other places requesting the government to appoint a new Director General to replace me. Mr. X. and Mr. Z., plus a few others whom I still retain at the agency, were the ringleaders of this opposition and they hoped to discredit my leadership and create the impression that the entire staff was against me.

"Part of the personnel problem was created by an inadequate organization. There was no personnel system. Recruitment depended upon personal contacts. Salaries were inappropriate to abilities and responsibilities, and created jealousy and unhealthy competition. In order to protect themselves from criticism, employees influenced each other to conceal mistakes and protect themselves against their supervisor. In spite of the obvious need for reorganization, many opposed any changes that they felt would injure their personal interests.

"Because of the inadequate supervision, the capricious salary schedule, the absence of sanctions, and irrelevant assignment of work and responsibilities, even the good staff members were for the most part passive workers, indifferent to constructive changes requiring training and efforts beyond the existing routines.

"Nevertheless, I was patient about these shortcomings, until after the return of the President from his visit to the United States. I then sent a confidential report to him informing him just what the conditions were at the Vietnam Press and proposing a reorganization. As a result of this report, I was granted an interview with the President, who gave me the necessary authorization to proceed with the reorganization.

"Soon after this interview, I sent a memorandum to all Vietnam Press employees (see Appendix II) explaining my proposal to change the working conditions and asking for constructive opinions from the employees.

"The response to this memorandum convinced me that the majority did not accept the opinions expressed in the anonymous letter which had been previously sent in the name of all the employees at Vietnam Press. They all signed a motion (see Appendix III) supporting my proposed changes.

"I also decided to invoke the ultimate disciplinary sanction as an example to the others. Mr. C, the typist who had made the errors on the President's state visit, was reprimanded for his action, but he was foolish enough to urge other typists to sign a motion refusing to take a typing exam I had ordered. On May 19, 1957, I terminated his employment as of May 25. I also appointed a new accountant to replace Mr. X. He was Mr. D., an older employee who had seniority, a professional knowledge of accounting (he had previously been an accountant at the Vietnam Press), and the esteem of the employees. Mr. X. presented his resignation on grounds of ill health."

He was able to find another position without much difficulty. "I left the Vietnam Press many years ago and have no desire to go back," he said. "I quit because of sickness, that's all. Anyway, I had great esteem and loyalty for Mr. C.V.C. and I stayed as long as he did. When he resigned, I resigned as well. And in the meantime, I have found private employment which suits me better because it is less exacting."

"I tried to avoid firing Mr. Z by assigning him to the Research and Documents Section," said Mr. N.T., "but he still tried to force other staff members to oppose my administration. As a kindly gesture toward him I asked him to resign to avoid being discharged. But he refused to resign. Nevertheless he remained at home on grounds of illness until I was finally forced to terminate his employment. He received all the allowances due him under the labor law, and then protested his discharge by writing letters to everyone he could think of. I could see nothing unfair about his treatment, as I had tried to leave a door opened to him until the last, but somehow Mr. Z thought it better to continue to oppose me as an employee than to obey me."

Mr. Z retained bitter memories of his relationships with the Vietnam Press. "I do not hesitate to express my opinion about what happened to me at the Vietnam Press. During the last five or six months of Mr. C.V.C.'s tenure, I was the chief editor. Most of the power of the Director General had been delegated to me. Mr. C.V.C. had some ideas of reorganizing the agency, but I explained to him that I was familiar with the existing work procedures and the staff, and he agreed to let me carry on without making any changes, so long as I reported to him. When he wanted anything done, he just told me. His intentions were always good. He organized weekly meetings for the staff and encouraged them to exchange their ideas and experiences. His tenure was the golden age of the Vietnam Press because the employees developed a team spirit and could work freely as professional men.

"For my own part, I believe in letting the reporters write as freely as possible, rather than requiring a certain quantity of work each day. Some days they would write nothing, other days a great deal. The quality of the articles we published was high. Since the readership of the Vietnam Press represented a mixed audience, the bulletins of the Press had to appeal to many types of users and we needed to encourage each employee to express himself in an unstandardized form. I think the diplomatic corps and the government officials were very pleased with my work. I, in turn, was gratified by the quality of our work and by Mr. C.V.C.'s confidence in me.

"When Mr. N.T. took over, however, he brought in many new employees and laid off many others.[2] Of course, I was his main victim. He practically doubled the number of personnel of the Vietnam Press, without any improvement in quality of work. There was an increase in quantity, but it seemed to me that the important question was whether the news was essential, and not how thick the news bulletin was. But Mr. N.T. was smart in consolidating his power with the authorities. He also had more resources than the other Directors General, because he knew how to ask for them and because he was good in planning ahead. He seemed to want to change everything, establishing a new personnel system, reorganizing the system of receiving and distributing news, revising news commentaries, etc. But to me, the center of gravity of the Vietnam Press is the editorial staff. With Mr. N.T., each employee had to be on time: he even installed a time clock to insure this. In my opinion, that injured the self-respect of the staff and impaired their news-gathering opportunities. Mr. N.T. controlled them too closely and emphasized mere mechanical production too much. Every day, they had a certain 'piecework' objective, and could pay little attention to the quality of their work. I used to follow their work schedule and reprimand those who were neglecting their responsibilities. I got results as good as his. My approach was psychological, and Mr. N.T.'s mechanical.

"So far as the mistakes in news reporting were concerned, it was I who discovered them. Laying off Mr. C was fair enough, I suppose, but I think he should have been given an opportunity to make up his mistakes.

"Then there was the question of the anonymous letter. I admit that it was exaggerated and in some cases entirely wrong. It had no value. Mr. N.T. thought I was its author, but I wasn't. I am not afraid to acknowledge my ideas.

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[2]The total number of employees at Vietnam Press when Mr. N.T. took over was 99 (May 31, 1957). On June, the total was 104. On July 31, 100, and on Aug., 4, after Mr. Z's departure, 99 once more.

"Finally, Mr. N.T. ended my employment with no reason or explanation. A person having status and responsibility like mine cannot easily find another suitable appointment. I became very depressed, and spent a lot of time thinking over what had happened. I guess my mistake was that I was too rigid.

"I know that Mr. N.T. took away my rice bowl, but I am not angry about that. I admire his talent for organization. I suppose he felt it entirely legitimate to lay me off because I disagreed with him, and if he wanted to apply his program, I had to be eliminated. So far as I know, Mr. N.T. didn't have any other victims after I left, but if I were still working at the Vietnam Press and had all the resources Mr. N.T. commands, I could have done as much as he has. Although he was always formal and polite, he tried to understand the difficulties of others, and he was a hard worker. I think he was trying to impose his authority as quickly as he could, and at the same time to impose admiration for his new program. Perhaps after a while he will find other ways of gaining the respect and affection of his staff."

As to the "psychological approach" of Mr. Z and his own "mechanical approach," Mr. N.T. stated: "It is very easy to coin words, but much more difficult to act consistently with them. But I see no contradiction whatever between the two approaches, if one assumes that they exist anywhere in clearcut form. In the management of any organization the two approaches have to be combined. At Vietnam Press in May 1957, the main trouble seemed to be that everything was approached in the "psychological" way and nothing was "mechanical." For instance, employees could produce as much as they saw fit; there was absolutely no objective control. As a result many times reporters stayed home for days and did not deliver either news or interviews or documents (news can vary from day to day, but interviews, features, and documents can be prepared any time). Moreover, employees who were protected by Mr. Z were left alone and reported as doing well, whereas others who did relatively more were often reprimanded by Mr. Z. In a word, the psychological approach of Mr. Z offered a basis for personal favoritism.

"On the other hand the mechanical approach undoubtedly has its own pitfalls, too. Nevertheless it forces the employees to produce at least a minimum which can be relied on and then of course checked qualitatively."

Mr. N.T. felt that subsequent events vindicated his decisions and that the course of action he followed had brought improvements to the management of the Vietnam Press Agency. It wasn't yet a "golden age,"

he admitted. "Much has still to be done before Vietnam Press can fulfill its important functions as a national news agency. Improvements are slow in coming because they depend on improvement of personnel. No machines can ever replace the human brain in writing news stories."

On November 18, 1957, Mr. N.T.'s provisional appointment was terminated and he became Director General of the Vietnam Press, an indication of approval by the President of the Republic.

APPENDIX I

An anonymous letter distributed to employees of the Vietnam Press. It was mentioned but not quoted in *Thoi Luan* and *Tu Do*.

June, 1957

"Vietnam Press: S.O.S.

A Report on the Present Situation at the Vietnam Press Since the Appointment of Mr. N.T. as Director General.

The employees of the Vietnam Press have been living in a state of depression and concern because of their lack of confidence in the actions and attitudes of the new Director General.

All of us feel that the present order is too rigid. It is intolerable, a thousand times worse than in Le Doan Mau's time, a million times worse than under the French regime. A few of the employees have been so discouraged and angry that they have attacked the government and the republican regime. The Director General is anti-personalist.* Whenever we write, translate or type an article on personalism, we simply laugh ironically and shrug our shoulders. Yet we are told that the Director General is a trusted favorite of the President, and that even if he attacks the integrity or dignity of his staff, we cannot complain.

As proof of this condition, the following circumstances can be reported:

First, employees are required to punch a time clock.

Second, in addition to a heavy schedule, employees are required to take turns remaining in their offices at unreasonable extra hours, such as noon to 1:30 p.m., or 6 to 9 p.m.

Third, employees are not permitted to rotate their work to have weekends and holidays off.

Fourth, employees must submit daily reports of their work hour by hour.

Fifth, they must also submit weekly reports of their daily work.

Sixth, all employees were required to submit to examinations, though most of them have worked in the agency for many years without fault.

Seventh, the Director General brought in about fifteen new employees from his circle of friends at salaries upward of 15,000 piasters without submitting to examinations. These were arrogant to the older employees, whom they despised. One girl, for example, notorious lover of an American, opened her purse on arrival at the office and 'ordered' another staff member to pay the cyclo driver who had brought her.

Eighth, it is well known that the translation examination had been shown to one employee in advance. A very poor clerk-typist whose brother knew the right people was given special protection.

Ninth, the test results were not published, and many employees complained that grading was unfair. Many good typists with years of experience would be unemployed if the test results were followed.

There were and will be many other such painful episodes if the authorities do not interfere. Continuance of the present situation can only be destructive of government policy.

Approved by all Vietnam Press personnel.

*A philosophical moralism of Roman Catholic origin espoused by President Ngo Dinh Diem and other high officials in the government, based on respect for the human "person."

APPENDIX II

Memorandum to all Vietnam Press personnel from the Director General.

July 9, 1957

With the intention of improving working conditions and the standing of the personnel; of assigning work justly in accordance with ability and output; of organizing the administrative services at the agency more systematically; and of improving the format and style of the daily news bulletins: I sincerely request each of you to present your ideas to me frankly and fully. I hope all of you, according to your responsibilities and technical qualifications, will enthusiastically express your constructive suggestions on these objectives.

Your responses should be placed in a sealed envelope and sent directly to me by July 30, 1957. All reponses will be considered confidential and will be retained in my office. If they are brought up for discussion I will not disclose the author's name.

If it is inconvenient for you to express your ideas in a letter, you are invited to see me personally at my office.

Attached to this memorandum is a recent anonymous letter alleging that it was approved by all Vietnam Press employees. In order to clarify the matter and help the responsible authorities take action against dissident elements, please indicate whether the ideas expressed in this letter are those of all employees, or only of a few malcontents. After you have read this letter, please sign your name on the enclosed form under the column "agree" or "disagree" according to whether ideas conform to yours or not.

I think these problems can be resolved by frank and open discussion. Only such a democratic procedure will clarify the situation and make the employees' wishes known.

I hope each of us will have enough self-respect to express his opinions openly.

Director General
N.T.,

APPENDIX III

Decisions taken by Personnel of the Vietnam Press.

We, the staff members of the Vietnam Press, recognize the fact that some elements in this office have engaged in unconstructive activities, spread false rumors which are detrimental to the reputation of the agency, and placed obstacles in the path of reform and reorganization of the agency. Moreover, they have abused our very names by publishing harmful statements attributed to us, using opposition papers for the purpose.

We feel that we must rectify these falsehoods in order to protect the reputation of the agency and ourselves.

Realizing the need for reorganization and recognizing the progress already made, we are agreed:

1. To respond enthusiastically to the proposed reorganization and reform in working procedures, to improve production in quality and quantity, and to accept personal responsibility as is suitable to each of us;

2. To cooperate fully in the healthy effort to eliminate colonialist and royalist vestiges of special privilege, personal preference, a disorderly spirit, lack of discipline, and irresponsibility.

3. To support the struggles against division, to promote cooperation, and to adopt a mutually helpful spirit toward our common work in order that the Vietnam Press may continue to progress.

Copies to Secretary of Information and
Youth, Chairman, Board of Directors;
Special Secretariat at the Presidency;
Office of the Advisor at the Presidency;
National Assembly Secretariat.

Reorganizing the Fishing Cooperative on Phu Quoc Island

Phu Quoc is a triangular island in the Gulf of Siam near the Vietnamese mainland. It covers an area of 660 square kilometers, being 40 by 27 kilometers in over-all dimensions. It is about 10 kilometers from the continent and may be approached by air, ferry, and motor boat.[1]

Prior to 1945, Phu Quoc was an important trading center. Its sea products, its forestry, and its agriculture had attracted many venturesome entrepreneurs; but the political changes following 1945 scattered its commercial population and ruined its communications network. This in turn discouraged further enterprise and reduced the island's business prospects. What trade existed was oriented toward Cambodia, which was the nearest market that had remained at peace.

After Vietnam achieved independence, Phu Quoc was designated a district in the Province of Kien Giang. With the coming of peace, the population began to return, and was augmented by a considerable number of refugees as well. At present the population is over 10,000, about half of whom live by fishing. There are enough varieties of fish to permit a year-round livelihood for all, anchovies, tuna, megala spis, and cordyla spis being the principal catch. Anchovies are used in the making of nuoc mam, a rich and savory sauce the production of which provides an important economic resource to the island. Each year the island sells about 1,000 tons of anchovies and more than 3 million liters of nuoc mam (which is considered among the best produced in Vietnam) for 44 million piasters. The other fish are consumed locally or processed and sold to the mainland. The

[1]It takes 4 hours by motor boat from Phu Quoc to Ha Tien and Cambodia, 6 hours by motor boat or ferry boat to Rach Gia, and 36 hours by ferry or 1 hour and 15 minutes by airplane to Saigon.

population is prosperous but hardworking. Even the nonfishing population earns more than twice the average daily wage of unskilled workers in Saigon.

FORMATION OF THE FISHING COOPERATIVE

Near the end of May 1955, Mr. Pham Ngoc Dong, Director of the Ocean Fishing Service in South Vietnam, and Mr. Nguyen van Tich, Head of its Socio-Economic Bureau, flew to Phu Quoc to make an economic survey of the island with special emphasis on the prospects for increasing the output of fish. They interviewed representatives of every administrative and economic level, from the wealthy *ham ho*[2] to the independent fishermen. The fishermen spoke of the difficulties in their livelihood because of the lack of facilities, and asked for financial help in purchasing additional equipment.

At this time the Directorate of Fisheries had an unsued fund of 5,500,000 piasters which had been originally given by American aid to provide for the settlement of refugee fishermen in Phu Quoc. Later the government decided against settling these refugees in Phu Quoc, and accordingly the funds became available to the Directorate of Fisheries for other uses.

In October 1955, it decided to lend enough money to the Phu Quoc fishermen to enable them to form a cooperative. The purpose of the cooperative was to coordinate the interests of the government and its own members in buying and selling products and lending and borrowing funds, and to perform other functions which would increase productivity.

The Phu Quoc Fishing Cooperative was formed on October 23, 1955. Its 100 members participated in a ceremony with representatives from the Directorate of Fisheries to inaugurate the first fishing cooperative in free Vietnam.[3] The new cooperative raised a capital of 55,000 piasters by selling stocks at 100 piasters a share.

At a general meeting of all members, a managing board of seven members was elected. This board was to function without pay, and most of them were members of the rich *ham ho*. Mr. H.T.T.,[4] the treasurer, and Mr. P.K., the chairman of the cooperative, were among the richest and most influential men on the island. Prior to the formation of the cooperative, the latter used to lend large sums, amounting to

[2] *Ham ho* is a Vietnanese word for producers of nuoc mam, of whom about 42 were members of the cooperative.

[3] In the prewar years, a cooperative for fishing and nuoc mam had been formed under French direction for the purpose of controlling Phu Quoc's nuoc mam production.

[4] Full names are being kept confidential.

several hundred thousand piasters, every year to the fishermen, accepting as payment the fresh catches which in turn they used in the production of nuoc mam.

Officials from the Directorate of Fisheries considered that the board contained too many *ham ho,* whose interests were frequently contrary to those of the fishermen they were to represent. On the other hand, those who had been elected to the board owned a majority of the cooperative shares. It could also be said that the fishermen themselves had neither the time nor the administrative experience to manage the cooperative. In any case, because the government wished to avoid creating or encouraging a class conflict, the Directorate officials hoped that these two interests could be harmonized within the cooperative itself. The *ham ho* members of the management board were very enthusiastic about the formation of the cooperative, and the fishermen themselves raised no objection.

Theoretically, the cooperative was governed under Ordinance No. 24 of August 27, 1943, which provided that cooperative members could borrow sums amounting to ten times the face value of their shareholdings in the cooperative. The Directorate of Fisheries decided, however, to permit the lending of larger sums in order to encourage the cooperative's growth. This money was to be made available slowly, in accordance with the needs of the cooperative and its members.

At the beginning of 1956, the Cooperative borrowed 2,184,448 piasters at 5 percent interest for loans and operating expenses. These funds were used as follows:

Loans to members	1,300,000	piasters
Building of offices and storage facilities	170,000	
Purchase of truck	60,000	
Purchase of motorboat and sailboat	300,000	
Expenses of board, salaries of cooperative personnel, and office supplies	104,448	
Reserve	250,000	
	2,184,448	piasters

Applications for loans came from every sector of the membership: *ham ho,* net fishermen, and squid fishermen.[5] Because the loan funds were limited, the board gave priority to net fishermen on the grounds that the *ham ho* already had large amounts of capital, and the squid fishermen, who worked only two months a year, needed little capital. Borrowers were also classified into two kinds. Those who used an ordinary net could borrow sums up to 10,000 piasters for 18 months at 10 percent interest. Those who used special silk nets, which were more costly, could borrow up to 30,000 piasters payable in 3 years at 8 percent interest.

[5]Squid fishermen work at night with a lamp covered with a large piece of aluminum. The light draws the squid up, and the fishermen catch them one by one with a small net.

Repayment was to take place each time the borrowers sold their fish and at an amount equal to 10 percent of the total sale. The cooperative was to pay 5 percent interest to the National Agricultural Credit Office and retain the difference for its own operations.

Many of the major expenses the cooperative incurred during the early months of operation, such as the acquisition of the motorboat, sailboat, and the truck, were the result of a decision by the board, which acted without reference to the Directorate of Fisheries in spite of statutory requirements. The costs of the equipment were high, and neither the motor boat nor the truck were in good condition. The motor boat was bought from the treasurer's son-in-law. A wooden landing stage had been built by Mr. H.T.T., who had advanced 4,000 piasters from his own money and ordered the landing stage built without consulting the board, later claiming reimbursement on the ground that the construction was necessary to the cooperative. The landing stage was located in front of the cooperative office to facilitate the landing of boats and goods, but as members pointed out, Mr. H.T.T. used it himself most of the time as he lived only 100 meters from the office. The board nevertheless had acceeded to his request.

PROBLEMS IN COOPERATIVE MANAGEMENT

In spite of substantial operating expenses, the early cooperative activities were generally ineffective.

The new transportation facilities led the board to lower the nuoc mam transportation fees by 50 percent. Mr. Tich stated that this reduction benefitted only the *ham ho* members, since they alone used the cooperative transportation facilities. In fact, the remaining members sustained a cut in cooperative dividends because of the reduced revenues.

The cooperative was unable to collect its loans in full, especially those made for short terms. Only 3 or 4 of the 19 borrowers repaid the principal in full. The Head of the Socio-Economic Bureau at the Directorate of Fisheries stated that the composition of the board was responsible for the poor collection record, explaining that prior to the organization of the cooperative the *ham ho* themselves had been the principal money lenders. They therefore continued to receive each catch themselves as reimbursement for their own loans, leaving nothing for the cooperative.

The managing board did not organize the market as was originally planned. One objective of the fishing cooperative had been to increase

the price of fish by eliminating the middlemen. The board was to supervise the methods of buying and selling to protect its members from being forced to sell at too low a price. But the *ham ho* elements dominating the board were interested in keeping prices down, as a result of which the cooperative did not improve marketing operations.

The efforts of the cooperative in transporting fish and nuoc mam were not successful because the sailboat was too slow and no engine could be bought to supplement its speed. The motor boat used gasoline, which was more expensive than the diesel oil used in other vessels. The boat hull needed repairing. The truck was too old to operate efficiently. It was also charged that the cooperative personnel were overpaid.

Nevertheless, at the beginning of 1958, the cooperative had increased to 400 members. Some had been forced by the local government to join, and others had joined in order to borrow money. Few had volunteered for other reasons. The cooperative funds were short 400,000 piasters because of uncollected loans and other losses. The cash assets of the cooperative decreased to 10,000 piasters.

THE DECISION TO REORGANIZE

When informed about this situation the Directorate of Fisheries ordered a temporary stop in all cooperative activities and sent specialists to study the problem. After an investigation, two alternatives were considered:

1. To dissolve the cooperative, ask the local government to assist in collecting the loans, and refund the share values to stockholders.
2. To reorganize the cooperative and to continue its activities under more strict government control, after supplying the training and advice.

The first solution was immediately ruled out. Government policy was to encourage the formation of cooperatives throughout Vietnam in every branch of industry, and to dissolve a cooperative would contravene this policy and subject the government to severe criticism. Accordingly, the Directorate of Fisheries asked the local government to use its offices to secure immediate repayment of outstanding loans so that the cooperative could be reorganized on a sound financial basis.

Local action to collect debts was limited to warnings. It would have been theoretically possible to keep a few recalcitrants in custody, but

this would only have invited opponents of the Republic to engage in hostile propaganda. (In Phu Quoc there were still a number of underground communists who had recently returned from Cambodia.)

The Directorate considered the failure of the cooperative to be a direct result of the influence of the *ham ho* over the managing board. It began to seek means of ousting the *ham ho*. This was difficult, since the latter were the richest, the most influential, and the most powerful men on the island. They had been elected to their posts by the membership, and some had relatives who were highly placed in the local government. A sudden change of board membership would also damage the reputation of the cooperative movement.

To accomplish its end the Directorate therefore decided on June 17, 1958 to organize a special cooperative for nuoc mam.[6] The *ham ho* withdrew voluntarily from the fishing cooperative to join the new organization. It was decided that because of the conflict of interests no one could be simultaneously a member of both cooperatives.

On October 4, 1958, Mr. Dong, Director of the Fisheries Socio-Economic Service, and his assistant Mr. Tich, called a general meeting of the fishing cooperative during which the old management board resigned in a body. A new board was elected, all seven members of which were fishermen. The new cooperative board resolved to work diligently in the hope of regaining the confidence of the cooperative members and the government.

Perhaps in anticipation of their election, the new board members proposed a plan of action at the same meeting, which was immediately approved by the assembly. It included the following principles:

1. To lend money to needy members who had previously received no aid from the cooperative;
2. To buy such necessities as cotton, nets, silk, and tools and to sell them to members at or near cost;
3. To buy rice for sale to members;
4. To repair the two boats and use them for transporting the fish, salt, and nuoc mam to and from the mainland.

In order to carry out this program, the members approved the board's recommendation to borrow 300,000 piasters from the government to finance renewed operations.

[6] See "Activating the Nuoc Mam Producers' Cooperative on Phu Quoc Island," elsewhere in this volume.

Upon receiving the loan application from the cooperative, the Directorate decided:

1. To lend the cooperative the requested sum of 300,000 piasters;
2. To provide a 45 h.p. diesel engine at cost to the cooperative for the motor boat, and to sell the gasoline engine at auction. The boat hull was also to be repaired at a cost of 20,000 piasters to be borne by the cooperative. The Directorate would sell the cooperative a 60 h.p. engine to power the sailboat. At a meeting of the managing boards of the two cooperatives, the new Nuoc Mam Cooperative agreed to sign a contract offering the fishing cooperative a monopoly on transportation.
3. To recommend that the cooperative sell its truck because of high maintenance costs, on the ground that it would be unnecessary since there were many private trucks in Phu Quoc which could provide relatively more economical service;
4. To distribute *otoshiami* nets for the fishermen on a loan basis;
5. To establish firm controls over the use of funds. These consisted of the following measures:

   a. Limiting the amount to be kept at the cooperative treasury to 10,000 piasters. Sums in excess of this would be deposited at the office of the district chief;

   b. Allowing the managing board to pay out sums up to 2,000 piasters only. All costs in excess of this would be referred to the Directorate.

The Directorate also planned to send specialists on cooperative management, marine engines, refrigeration, and *otoshiami* nets to work with cooperative members on Phu Quoc for ten days. These specialists were members of a Japanese-American consulting firm under contract with USOM to advise the Vietnamese Government.

The managing board had also recommended the hiring of a full-time manager to perform administrative and technical functions for the cooperative; but the Directorate decided to study the cooperative's activities more carefully before giving its approval.

The Directorate accepted the fact that the first cooperative had failed, but it hoped that under the new conditions, with a stricter system of financial control and a new board membership, and with the advice and help from the specialists, the fishing cooperative in Phu Quoc would become a model of its kind.

Activating the Nuoc Mam Producers' Cooperative on Phu Quoc Island

Local legend associates the origins of the nuoc mam industry at Phu Quoc with the temporary residence of Emperor Gia Long on the island during the 19th century. The production of this racy fish sauce, a popular national flavoring used for almost all kinds of food in Vietnam, had been carried on in some families at Phu Quoc without interruption for six generations. For many years it provided the principal economic activity of the island.[1]

Among the 50 important producers on the island, only 5 were considered "large" producers (operating 40 or more vats and possessing a capital of 2 to 3 million piasters), 25 being of "medium size" (possessing 20 to 30 vats and operating with a capital of 1 to 2 million piasters), and 20 being "small" producers (with fewer than 20 vats and a capital of less than 1 million piasters).

The production of nuoc mam did not require elaborate capital equipment or a large work force. Even the large producers had only five permanent workers, warehouse, and vats. The process was essentially one of fermentation, 180 kilos of fresh fish being mixed with 110 kilos of salt and stored for a period of six months. Inferior grades of nuoc mam could be produced after only three to four months' fermentation, a practice resorted to only to supply urgent capital needs. Two other grades of nuoc mam could also be produced by adding salt water to the decomposed fish after extracting the first nuoc mam essence of six months'

[1]The total monthly production of 280,000 liters produced 30-44 million piasters' revenue per year, selling at an average price of 9 piasters per liter in 1958.

fermentation. These commanded varying prices, the original extract selling in 1958 for 20.5 piasters per liter, the second for 10.5 piasters, and the third for 7.34 piasters.

The larger producers of nuoc mam controlled their own supply of fish by owning several fishing nets (operated by 12 to 15 fishermen each) and allowing fishermen to use them in exchange for a share of the catch. Usually they supplied fishermen with rice before the opening of the season, extending credit which was reimbursable "in kind" during the fishing season. In such cases, it was not unusual for the producers themselves to go into debt to finance these operations. Smaller producers with no such resources had to obtain fish from the open market at higher prices.

When Vice President Nguyen Ngoc Tho visited Phu Quoc Island on May 15, 1958, he showed a special interest in nuoc mam production. One problem that concerned him was the widespread adulteration of the product by middlemen and retailers. Until 1956, nearly all of the island's output was sold to Phnom Penh, Cambodia. The closing of the Cambodia-Vietnamese frontier had forced the producers to sell in Saigon in competition with Phan Thiet nuoc mam, which could be transported to Saigon much more cheaply.[2] Although the quality of nuoc mam produced at Phu Quoc was considered superior to that of Phan Thiet in its nitrogen content and its flavor, when it was diluted with salt water to make prices competitive it lost much of its flavor and nutritive value and became subject to deterioration. It thus lost some of its competitive advantage over other products. Producers at Phan Thiet had once advertised in a Saigon newspaper calling attention to the evils of adulteration and requesting a government investigation. This temporarily reduced the practice, but when the advertisements were withdrawn and no investigation followed, the adulteration resumed unabated. The producers themselves had no adequate means for analyzing their products, which were therefore graded somewhat arbitrarily until samples could be submitted to the Pasteur Laboratories in Saigon. The problem of adulteration therefore seemed outside the immediate control of the producers in Phu Quoc, according to their leaders. The transportation and distribution of the ultimate product lay in the hands of independent distributors and agents, who also adulterated the product of other manufacturers. The Vice President's visit served to remind them that the government retained an interest in this problem. In the middle of June 1958, Mr. Nguyen Van

[2]Transportation costs were less between Phan Thiet and Saigon than between Phu Quoc and Saigon. By rail, a barrel of nuoc mam could be transported from Phan Thiet to Saigon for less than one-half piaster per liter, while transportation from Phu Quoc by junk and road averaged between 1 and 1.50 piasters per liter. In addition to this, the earthen jars which were used to transport nuoc mam to the southern provinces were unsuitabl for transportation to Saigon. The salt used in the processing of nuoc mam cost less than 1 piaster in Phan Thiet, and between 2 and 2.50 piasters per kilo at Phu Quoc.

Tich, Chief of the Socio-Economic Service of the Directorate of Fisheries in the Department of National Economy, convened the nuoc mam producers at Phu Quoc and explained the advantages of forming a cooperative to protect their mutual interests. A cooperative was duly established on June 17, 1958, and recognized by the Department on July 9, 1958.[3]

Forty-three of the fifty producers at Phu Quoc joined the cooperative, the others being located at distances inconvenient to its scene of operations. The cooperative was financed by the sale of 159 shares at 1,000 piasters each, each member subscribing between 1 and 10 shares. In the months following its organization, the members were convened three times by the Board of Directors of the Cooperative to discuss proposed projects (August 4, 1958, September 21, 1958, and October 6, 1958).

All projects subsequently proposed by the cooperative involved the expectation that funds would be supplied from governmental sources. Of its own initial capital, the cooperative had used about 20,000 piasters by November, 1958 for salaries and office supplies. It had incurred no other expenses and engaged in no substantive projects. On August 14, 1958, the Board of Directors prepared a memorandum setting forth a proposed plan for the expansion of the cooperative. Copies of this memorandum were sent to the Directorate of Fisheries, the National Agricultural Credit Office, and the Ministry of Economy "in order to elicit any suggestions or comments pertinent to this plan and so that these agencies will lend the funds necessary for its implementation." The proposals included the following items:

1. The erection of cooperative offices and storehouse in Phu Quoc for salt, rice, sugar, and empty earthen jars and barrels,[4] estimated at 800,000 piasters.
2. Purchase of two motor boats of 40-ton capacity, for carrying nuoc mam to Saigon and returning with salt, rice, sugar, barrels, and other commodities. Estimated cost, 800,000 piasters.
3. Establishment of a distribution outlet in Saigon. This office would receive nuoc mam from cooperative members and hold an exclusive franchise for the sale of all cooperative produce to wholesalers, who in turn would sell to retail shopkeepers. A commission of two percent would be charged on all purchases to cover expenses. Estimated cost, 2,500,000 piasters.

[3]For a history of its reorganization from the earlier fishing cooperative formed on October 23, 1955, see "Reorganizing the Fishing Cooperative on Phu Quoc Island," elsewhere in this volume.

[4]Each month the cooperative members used an estimated 300 tons of salt, 10,000 metal containers, 2,000 kilograms of sugar, and 20,000 kilograms of rice.

4. Purchase of three trucks for transportation between the Saigon outlet and the private wholesale distributors in Saigon and elsewhere. Estimated cost, 600,000 piasters.

5. Establishment of an analytical laboratory at the Phu Quoc Cooperative to classify and grade the products according to standard procedures before shipment. Estimated total cost, including training of a technician, 100,000 piasters.

6. Establishment of a low-cost loan fund of 5 million piasters to enable cooperative members to "equalize their investments" (i.e., remove the disadvantages of small producers working marginally) and increase operating capital. This would permit longer fermentation of nuoc mam, and thus improve quality and value of the product. It would also permit loans to contractual fisherman to assure a proportional sharing of the catch.

7. Establishment of a revolving fund of 5 million piasters to even out the abundance-scarcity cycle, avoid speculation, and permit the advance of cash to cooperative members upon the delivery of goods for sale.

The total amount of this request was 14,800,000 piasters. The president of the cooperative stated privately, however, that the cooperative urgently needed 500,000 piasters for advances to its members to be made upon the delivery of goods. This would relieve them of speculative price fluctuations and competitive pressures from middlemen. The rest of the plan was, as he stated, "visionary."

An official of the Directorate of Fisheries, summarizing his reactions to this memorandum, stated that "members of this cooperative do not seem to understand that a cooperative is more than a loan institution. After all, the Fishing Credit Office has only 43.5 million piasters available for all 77 of the Vietnamese fishing cooperatives. In any case, he added, "a loan has to be based upon a stronger demonstration of need and a better analysis of existing capital and resources than this memorandum presents. We cannot lend more than ten times the assets of a cooperative. The liquid assets of this cooperative are only about 150,000 piasters." No answer to this report was prepared at the Directorate of Fisheries.

Mr. Nguyen Van Tich, in discussing the government's point of view, suggested to the cooperative an alternative approach including three items:

1. Arrangement with a single trustworthy wholesaler in Saigon to resell nuoc mam to retailers. The cooperative would be

responsible for transportation from Phu Quoc to Rach Gia. The wholesaler would absorb transportation costs from Rach Gia to Saigon and make advances on the value of the products upon delivery. Full payment would be made when the product was sold by the wholesaler.

2. Standardization and registration of the cooperative trade mark, consisting of a brand label displaying a red or blue ribbon indicating the quality of nuoc nam, and the words "The Phu Quoc Nuoc Mam Cooperative." The product would be analyzed at Pasteur Institute and registered to prevent adulteration.

3. Arrangements with the neighboring fishing cooperative to rent its boats. These vessels, recently equipped with diesel power, could serve the transportation needs of the nuoc mam producers as well as the fishermen until sufficient capital could be obtained for the purchase of additional equipment.

"In general," Mr. Tich argued, "the cooperative itself must show an active concern in making the cooperative function before the government should intervene. It has proposed many changes in the program I suggested, some of which are unworkable. The cooperative must first demonstrate that it is clear and realistic in its planning before the government can reasonably consider it a sound investment of public funds."

The government's response was not communicated to the cooperative, however, since the Directorate of Fisheries regarded the cooperative's memorandum as a report rather than a request.[5] Cooperative members waited for four months for a response to their communication of August 14. One cooperative member stated, "We are working through 60 wholesalers now, and are not sure of a market. How can the cooperative expect us to market our produce with only one outlet? Moreover, if we all have to use the same trade mark, the higher quality producers will suffer from having their product mingled with inferior grades." As another cooperative official put it, "The government organized this cooperative; now let it do something to make it work." In the meantime, cooperative members continued to market their produce individually through private agreement with Saigon and provincial wholesalers.

[5]After reading this case, the Directorate of Fisheries wrote the Cooperative on December 1, 1958 suggesting that its proposals of August 14 be redrafted in the form of a request for a loan. As of June 1, 1959, the Cooperative had not replied.

Administrative Planning for the Cai San Resettlement Project

One of the principal results of the Geneva Agreements in July 1954[1] was the exodus of hundreds of thousands of Vietnamese from the Communist North to the independent Republic in South Vietnam. The unexpected numbers of these refugees soon overwhelmed Saigon's housing facilities, and in desperation the authorities decided to accommodate them temporarily in schools throughout the city and its suburbs. By October 1954, as the school year was beginning, the City Council was requested to restore school premises to their intended uses.

The government's plan to resettle refugees in farming areas (the majority of them were agriculturists) was impracticable at first because the fertile delta of the Camau Peninsula was still in the hands of rebel forces, while the highlands of Central Vietnam were still legally the private property of Emperor Bao Dai and were therefore not available for resettlement purposes. It was necessary to seek another temporary solution.

In the fall of 1954, government relief agencies began to establish improvised settlement camps along the Bien Hoa–Dalat road, in the western provinces, and in the Gia Dinh–Saigon region These areas offered security, but unfortunately, little opportunity for agricultural development. Temporary camps were nevertheless organized among groups of settlers originating from the same village in the north and professing the same religion.[2]

[1]The treaty ending the French wars in Indochina and dividing Vietnam at the 17th parallel.
[2]Over 90 percent of the refugees were Roman Catholics.

In each camp the government distributed land, funds for home construction, and farm tools, boats, nets, and handicraft equipment. In financing these operations the Vietnamese Government received assistance from USOM in an amount of 1 billion piasters. It also used some 350 million of the amount of 500 million piasters lent by the former Bank of Indochina. By the time of the first anniversary of the Diem administration (July 7, 1955), there were over 800,000[3] military and civilian refugees located in 192 camps and occupying 43,572 houses.

The establishment of these camps released the school buildings for educational uses, but it did not bring a permanent solution to the refugee problem. Comigal (the General Commissariat for Refugees) saw the need for creating economically independent villages that could be socially integrated into the life of the surrounding communities. By the fall of 1955 the Binh Xuyen and other rebellious forces had been overcome and the government had considerably strengthened its political power and administrative resources. It was soon able to inspire confidence among refugees to leave the cities and resettle in remote areas. By September 1955, Comigal was able to submit an over-all resettlement and rehabilitation program to the Prime Minister for his approval.[4]

The proposed program aimed at developing the waste lands in the western provinces and the highlands into permanent resettlement villages. A total of 167 projects were proposed, at an estimated cost of 1,043,861,103 piasters. In addition to these relatively small projects, two major plans were envisaged which would require the cooperation of several ministries. These were the Langa Center and the Cai San Project. The latter would require mechanical tilling of the land as well as the implementation of major land tenure reforms. It was designed to resettle 75,000 refugees from various temporary camps (USOM[5] Project Agreement 030-82-075, sub project 15).

Cai San is a large rectangular marshy area of about 77,000 hectares on the Camau Peninsula, bounded by the Rach Bia and Long Xuyen province lies on the northeast; the Rach Soi–Bassac Canal on the southeast; the Rach Gia–Long Xuyen Canal on the northwest; and the Song Cai Canal, near the coast, on the southwest. This area had been developed ten years earlier to produce rice for export, but during the War for Independence a large part of it, together with the rest of the Camau Peninsula, was abandoned, becoming a prey to wild, rank grass and rodents. The local inhabitants who remained had tilled only

[3]This figure, plus that of 74,411 refugees crossing the demarcation line after the end of the 300 days prescribed by the Geneva Agreements, makes a total of 887,895 refugees from Communism as of the end of 1958.
[4]Ngo Dinh Diem was appointed Prime Minister July 7, 1954. He was recognized as Chief of State in the Referendum of Oct. 23, 1955. He became President Oct. 29, 1955.
[5]United States Overseas Mission, arm of the ICA.

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a small proportion of land, organizing themselves into small villages and living in continual terror of the Viet Minh in the south and the Hoa Hao[6] in the north.

The Cai San area was chosen both to improve security in the region and to implement the land reclamation program. By re-establishing order in the whole territory the government expected to pacify a region where Communist secret agents still indulged in subversive activity and where the Hoa Hao still had its headquarters. The area would accommodate thousands of refugees who had been overcrowding the Ho Nai, Bien Hoa, and Cholon camps, providing them enough land and work for subsistence. Populating the area exclusively with refugees from Communism would automatically bar Viet Minh attempts at infiltration. At the same time, the development of the wastelands would provide enough rice to feed the population and ultimately contribute to a surplus for export, thus benefiting the national economy as a whole.

In early January 1956, a project was hastily drawn up to provide for mechanical tilling of the land at Cai San in the interest of speeding the land development program, to which the President had now given a top priority. The first project, recorded under USOM Project Agreement 30-82-075, stated for its immediate objectives "the temporary provision of facilities for an advance contingent of refugee workmen, and provision for permanent resettlement of 8 villages totalling 2,500 families (about 12,500 refugees), the mechanical clearing and sowing of 10,000 hectares of land, and the excavation of 40 kilometers of secondary drainage canals." A high official entrusted with the drafting of the project observed that "the whole thing was done hurriedly—within 3 days' time—submitted to the Minister at the Presidency for examination and approval, and transmited to USOM at once. Accordingly, it gave only a general outline of the work on the land."

Implementation of the Project was to be the joint responsibility of the Ministry of Land Reform, the Ministry of Agriculture, the Commissariat General to the Refugees, the Ministry of Public Works, and the Direction General of Planning, under the over-all supervision of Mr. H.V.D., Director General of Planning.

Comigal was to be responsible for the transportation and initial settlement of refugees, for providing tools and temporary shelters (with each family receiving 2,300 piasters toward its own home building costs), and for buying small boats to be distributed to refugees for transportation. It was also to build community centers and pay the community staff for 9 months; build a small infirmary and a maternity clinic and

[6]An armed rebel sect.

pay the nurses' and midwives' salaries for 9 months; provide 8 schools with 24 classrooms to accommodate 2,400 pupils and contribute to the salary of teachers for 9 months; and distribute a subsistence allowance of 4 piasters per person per day for the first 9 months of operation.

The Ministry of Land Reform was to be responsible for mechanical tilling and allotment of land. Each family was to receive four hectares of land. The Ministry of Public Works was to be in charge of excavating new canals and dredging existing ones. The spoil from canal excavation was to be utilized for the foundations of houses to be built above the flood line. These houses were to be located along the canals at a distance of 20 meters from the canal axis.

The Ministry of Agriculture was to distribute rice and vegetable seeds as well as poultry to refugees. A later amendment required the Ministries of Education and Health to help the project with education and health problems.

All of these agencies, except the last two, had representatives at Cai San to help speed up the resolution of various problems on the spot. The director General of Planning was represented locally by two assistants.

On January 17, 1957, the President of the Republic signed Administrative Order No. 233-TTP/KH appointing a seven-man Committee to direct the Cai San Project. The main responsibilities of the Committee members were outlined as follows:

1. Mr. B.V.L., Commissar General of Refugees and Rehabilitation, and Mr. T.V.L., Government Representative in the South, were charged with supervising the execution of the Presidential Orders and intervening, if necessary, with the provincial administrative authorities.

2. Mr. H.V.D., Director General of Planning, was in charge of the technical coordination of various subprojects submitted by the interested departments. He served as Administrator of the Project Budget.

3. Mr. T.V.H., Director of Cabinet at the Ministry of Land Reform, was in charge of land tilling and the maintenance of mechanical equipment.

4. Mr. D.V.S., Director of Reimplantation at Comigal, was in charge of the movement of refugees.

5. Mr. N.V.D., Secretary General at the Public Works and Communications Ministry, was responsible for the digging and dredging of canals.
6. Mr. V.V.K., Director at the Ministry of Agriculture, was responsible for the distribution of seeds, poultry, and livestock to resettlers.

As the first step in the implementation of the Project, Comigal placed an announcement in the newspapers. The notice in *Ngon Luan*, January 2, 1956 announced plans to resettle 100,000 refugees in Southwest Vietnam. The preliminary resettlement, a contingent of 2,500, would join an equal number of local residents in tilling the land and building houses for those to follow, according to the article. Three dredges had been sent there and they were to be followed by many other tractors and bulldozers, it continued, and land would be distributed in accordance with individuals' working capacity. There would be an average of four hectares of floating-rice[7] fields per family (slightly less for other types of cultivation); and best of all, other land developments were to follow. This would be a continuing interministerial program, it was announced, under the coordination of H.V.D., Director General of Planning.

This notice looked like a golden age for refugees. It attracted the attention of thousands of refugees who had been lying idle in camps for months, who now volunteered to go at once. Their number increased quickly with each passing day. According to an expert at Comigal "refugees began crowding the Comigal offices to apply for permission to go to Cai San. At first, Comigal asked the spiritual leaders of refugees to submit lists of volunteers for periodic approval. It had been planned to send the first contingent of refugees to Cai San as soon as the rainy season was over, i.e., in about one or two months, but the number of applicants was so tremendous, and their impatience so great, that Comigal was unable to stick to the original schedule and had to let them go at once. Many refugees went to Cai San on their own without even getting permission."

Because there had not been any previous preparation of the site, neither the Central Government nor local government could carefully organize the reception of refugees. The Director of Cabinet of the Land Reform Ministry, later declared: "When the refugees first arrived, they saw only an immense wasteland, full of high grass, without any housing facilities at all. They had to sleep along the main roads, to go without medicine when they were sick, and to do without proper food supply. During those first days, they seemed worse off than before. They felt

[7] A form of wet rice cultivation.

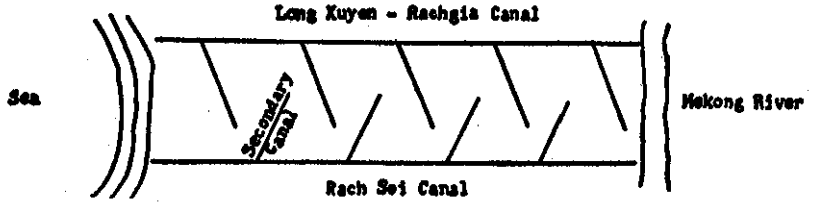
neglected. Every morning, when field representatives of the Central Government awoke, they found hundreds of refugees gathered in front of their offices, asking for accommodations, food, blankets, clothes, and medicines. The government lacked both the personnel and the means to cope with the problems. In addition, the area, being somewhat isolated, had no readily accessible source of food."

In the meantime, the rain poured down relentlessly, and water flooded the whole immense wasteland, so that it looked like a vast lake and became a breeding ground for mosquitoes.

The refugees felt depressed and even desperate because the rain made the building of houses and the preparation of the land so difficult. "Even when refugees had built foundations for temporary shelters," observed Father Do, the influential spiritual leader at Canal D, "they endured many hardships. As soon as a foundation was completed, the rain and early flood washed it away, and refugees had to begin the work all over again many times."

Canals were to be dug as soon as possible so that the water could flow off and permit the refugees to build their homes. These canals were to serve a triple purpose: first, as a means of transportation in an area where roads would have been impracticable and detrimental to cultivation; second, to drain the region in floodtime; and third, to irrigate it during the dry season.

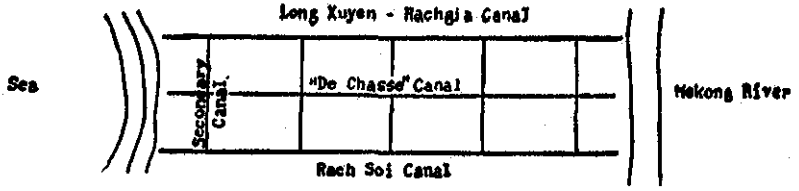
The Director of Planning and the Minister of Land Reform each drew up a plan for the digging of the canals. They differed on both the direction and disposition of the drainage network. Mr. D. wanted the canals to be dug on a zig-zag pattern as follows:



Houses were to be built along the secondary canals.

The Land Reform Minister was afraid that ultimately the secondary canals might be flooded and broken, thus doing great damage to the region. He proposed a grid pattern instead. The inhabitants favored this plan because they feared that houses built according to the

zig-zag pattern would be isolated and rendered incommunicado in the rainy season. Mr. T.'s plan was as follows:



Each regarded his plan as technically superior. This difference of opinion between responsible administrators in charge of the project, according to USOM officials, was the cause of a long delay in the actual digging of the canals.

In February 1956, Mr. D. went to France on leave. He was temporarily replaced as coordinator of the Project by Mr. T., who resolved the deadlock in favor of his own plan. When Mr. D. returned in March 1956, work had already begun on the canals. He was dismayed to see that the canal digging and house building did not follow his plan, and immediately suspended the digging of canals, ordering that houses be built across the fields on a zig-zag pattern.

This countermanded some of Mr. T.'s instructions. Mr. D.'s authority rested on the formal document which had appointed him as Coordinator of the Project. Mr. T., on the other hand, was still not willing to yield. Conflicting orders were therefore issued to the Public Works representative regarding canal digging, and the refugees themselves continued to prefer Mr. T.'s plan.

There were also delays in the payment of many Cai San workers. Some of the canal diggers stopped working entirely because they had not been paid for weeks. This had occurred because arrangemnts could not be made to dispatch money to Cai San in time during the absence of Mr. D., who was the Project Budget Administrator. The regular disbursing procedure was also slow because of communications difficulties, and insufficient funds were released on frequent occasions. Moreover, standard pay rates to canal diggers were not fixed, and payment was thus unpredictable as well as irregular. The refugees themselves became impatient at one point and the priests urged them to get mud for their foundations wherever they could, digging holes anywhere that was convenient and locating houses and schools, churches, hospitals wherever they thought fit.

The confusing situation weakened the morale of the civil servants working on the project, some of whom began to lose their zeal and enthusiasm. Refugees reported that some of the machine technicians often left their tractors running idly while they were away chasing rodents, on which a small bounty was paid.

In order to put an end to the confusion, Presidential Administrative Order No. 906 TTP/KH dated April 4, 1956, appointed a new Committee for Cai San, headed by the Minister of Land Reform. Some members of former committee remained and were assigned the same responsibilities that they had held before. The new Committee included Messrs. N.V.T., Secretary for Land Reform; B.V.L., Commissar General of Refugees and Rehabilitation; H.B.L., Acting Delegate of the Government for South Vietnam; H.V.D., Director General of Planning; D.V.S., Director of Resettlement at the Comigal; T.V.H., Representative of the Secretary for Land Reform; N.V.D., Representative of the Secretary for Public Works and Communications; and D.V.T., Director of ONEMAM (Agricultural Machinery Office). Secretary N.V.T. was designated on-the-spot Project Coordinator and budget administrator. Messrs. B.V.L. and H.B.L. were charged with "observing the implementation of the Project and were authorized to intervene with provincial administrative authorities whenever required." Mr. H.V.D. was requested to "observe the project implementation and to make useful recommendations to the President of the Republic." The responsibilities of other members of the Committee remained unchanged. The whole Committee was "under the supervision of the President of the Republic."

Upon issuance of this Administrative Order the new coordinator ordered the implementation of his canal digging and house building plan without delay. He also took steps to have enough money delivered to Cai San to permit timely payment of workers. Canal diggers, including a large number of refugees and local people, were paid 35 piasters for each cubic meter of land excavated.

In the meantime, tractors and buffaloes were sent from Saigon to Cai San to help till the land. By the end of June 1956, 80 percent of the houses were built, 7,000 lots of land assigned, 10,000 hectares tilled, 2,114 hectares harrowed and planted, and 14 canals dug over a total length of 168 kilometers. The Cai San Project had passed its crisis.

The Cai San Tractor Loans

Of all the resettlement centers for refugees from North Vietnam, Cai San is the largest and most famous. It is also the costliest, having absorbed nearly 245,800,000 piasters. The U.S. Government's contribution of 993,600,000 piasters under Project Agreement 030-82-075 was to cover the settling and integration of more than 800,000 refugees from the north. The Cai San project thus absorbed more than a quarter of the funds intended for this purpose, and provided for the resettlement of 50,800 refugees.

Cai San is a great rectangle 35 miles in length and 16 miles wide, extending over 77,000 hectares of the Camau Penninsula. It is situated 125 miles southwest of Saigon by road, and is bordered by canals on the east and west, the Bassac River (a branch of the Mekong) in the north, and the Gulf of Siam in the south. Because of the vast extent of the area, cultivation in the southern part is different from that in the north. The technique of transplanting rice is used in the north, while the periodic floods from the Mekong River, extending from July to September, makes it possible to raise "floating rice" in the southern areas.[1]

President Ngo Dinh Diem's decision to reclaim Cai San brought back into cultivation land that had been abandoned for nine successive years. The Vietnamese landowners who had cultivated it prior to 1946

[1]Floating rice grows as the water rises, and is sowed only once a year without necessity for replanting.

had used buffaloes and wooden plows in the timeless tradition of their ancestors. Between the outbreak of fighting in 1946 and the resettlement project of 1955, the land lay idle. Even in 1955 Hoa Hao bands still infested the region, where their chief, Ba Cut, had his headquarters. It was clear that fast new mechanical means of cultivation would be required.

The reclaiming of Cai San was a cooperative effort. Capital was supplied by the American aid mission, which seized President Diem's suggestion and put it into action so quickly that within weeks a million dollars were spent, and within months tractors and other equipment ordered by cable began to arrive. Manpower was supplied by refugees and the local population; the land itself was to be purchased by the Vietnamese Government with American aid, and the entrepreneurial role was played by ministries of the Government of Vietnam.

The refugees come to Cai San from temporary camps in the city of Saigon and Gia Dinh and Bien Hoa provinces, where they had been settled after the exodus from the north.[2] The priests who had let each community across the 17th parallel were the first to visit Cai San, after which family heads were invited to form a preliminary working party to prepare homes and fields for their families. It was planned that a network of parallel canals would be dug in time to irrigate the region during the dry season, to drain it in flood time, and to provide a means of transportation that would be essential for the delivery of materials and equipment for further development. The schedule contemplated the delivery of 100 tractors and accessories to be used in March, April, and May before the heavy rains started, and sufficient numbers of buffaloes to work during the rainy month, so that seeds could be planted in June.

Although original plans called for the settlement of selected farmers and heads of families who would prepare the site, in many cases they were so dismayed by the appearance of the unbroken land that they returned at once to the resettlements near Saigon or sought work in more settled communities nearby. Sometimes wives and children followed the workers too quickly and created additional problems of accommodations. At first the entire group settled along the main canal, where temporary quarters had been erected by the government. Among these families many were hesitant thereafter to move to the lateral canals where they were to erect their own permanent homes, and by April 23, 1956, only 29 houses had been constructed on the new canals for the more than 5,000 families that were already settled.

[2]See "Administrative Planning for the Cai San Resettlement Project," elsewhere in this volume.

Observers suggested that this was due partly to the refugees' disappointment in the appearance of the area, their distrust of its future, their discomfort at the primitive conditions of their rodent- and insect-infested quarters, and their reluctance to work after long unemployment and months of living in tents around Saigon and Gia Dinh. Some also pointed to an absence of leadership among the refugees. Many entertained a lingering hope that what they were undertaking would be temporary because they would eventually return to the north. The feeling of insecurity and the absence of a community center discouraged the development of a sense of permanence in their activities. In addition, the subsistence "dole" assured their survival without working (which was difficult in any case for lack of means). This "dole" was scheduled to continue for nine months until the rice planted by a government agency was harvested.

Plowing by tractors started in late January with eight tractors borrowed from the My An project of the Ministry of Agriculture. Mass plowing was scheduled to start in March before the coming of the wet season; but unfortunately the first tractors did not arrive until the middle of April 1956, according to Mr. Nguyen Van Vi, the local (Tan Hiep) district chief. Tractors and plows arrived by lighter and had to be assembled. The last group of lighters carrying 19 tractors and much essential equipment was delayed in arriving. Of the 100 tractors, only 63 could be immediately put into use. The remainder were unsuitable for plowing either because they came equipped with the wrong kind of tires or because of broken generators, inefficient fuel pumps, or other mechanical deficiencies. Replacements and spare parts were not readily available. There were not enough operators and mechanics to operate the contemplated three daily shifts. Buffaloes to be used in the rainy season did not arrive until the end of 1956. Cultivators had to work under difficult conditions. The whole area was covered with high coarse grass, and the soil was so hard after nine years of lying fallow that plowing was slow and difficult. The ground was not even and not infrequently tractors were mired in the mud. This immobilized the other tractors that were dispatched to rescue them.

The original project contemplated resettling 100,000 refugees (or 20,000 families) on 80,000 hectares. Only 37,000 refugees had been settled at Cai San by June 1956, however, even including many who had come into the area on their own initiative. The total area allocated to these refugees was 22,000 hectares, but the area plowed and prepared did not reach more than 11,000.

The coming of the tractors in May, however, had a marked effect on the refugees. It was to them a symbol of the government's determination to make the project succeed. The building of permanent houses by refugees speeded up, and by June, 80 percent of the permanent houses were completed. During the first year of resettlement the refugees themselves had not been asked to prepare the land, this having been designated a government responsibility. Most of their time was therefore spent in building foundations for their own houses (for which they were paid 800 piasters) and in doing some truck gardening. Upon their arrival each adult received 244 piasters as working capital, plus 4 piasters per day for subsistence during the first 9 months. Each family was also given three hectares of land and materials and money to build their homes, a boat for transportation along the canals, poultry and livestock, and farming tools, seeds, and rice plants. As of June 1956, expenditures on these items amounted to more than 30,000,000 piasters.

In spite of slow progress, the face of Cai San had been changed by June. The area was now traversed by 15 canals approximately 12 kilometers in length, located 2 kilometers apart. They were fed by the main Canal Rach Soi, which was a boundary of the project. Each of the lateral canals housed a separate community of refugees. The cost of excavating these canals was 50,805,026 piasters.

Agriculturally, 9,126 hectares of land were actually planted during the first year, producing a yield of 7,882.2 metric tons in February 1957, for an average yield of 0.86 metric tons per hectare.

Early in 1957, 466 buffaloes arrived. This was a disappointment to many of the refugees, who had expected five times as many. It was originally planned that 2,400 buffaloes would be provided so that one could be distributed to each 3 or 4 families among the 7,500 settlers. Even so, the problem of sharing the responsibility for keeping and feeding the animals that did arrive proved such a burden that in many instances the buffaloes were killed and the meat itself was shared. In other cases, buffaloes were rented or sold to more skilled local farmers, who had had some experience in using them.

At the same time, some 650 hand plows were also distributed, although they did not necessarily go to the families who had received buffaloes.

Using the animals, only 2,500 to 3,000 hectares could be harrowed. Yet a larger area had been allocated for 1957 (24,764 hectares as compared with 22,000 hectares in 1956) to accommodate a population which had increased from 37,000 in June 1956 to 44,000 by the end of the year.

Land preparation had started early in 1957. Only 87 tractors were operating because of maintenance problems. Plowing started in early March, but a month later nearly a quarter of the land that had been plowed was invaded by wild grass that grew to a height of some 37 centimeters, and heavy rains came unexpectedly early.

Faced with these difficulties, the refugees were again overcome with discouragement. On one occasion when a group of farmers was asked to cut the invading grass with tools already distributed to them, they flatly refused, demanding that the tractors be brought back to perform this task. In another instance, the tractors encountered a marshy area which made mechanical operation impossible, and a refugee community was asked to cut a small canal so that marshes could be drained and the area plowed. The same attitude was reported by government administrators: "We're not going to do anything for ourselves that the government can do." On this occasion the tractors were moved to another canal after plowing around the marshy area, and when the residents realized belatedly that the project management was not going to cut the required drainage canal, they themselves drained the area on their own initiative.

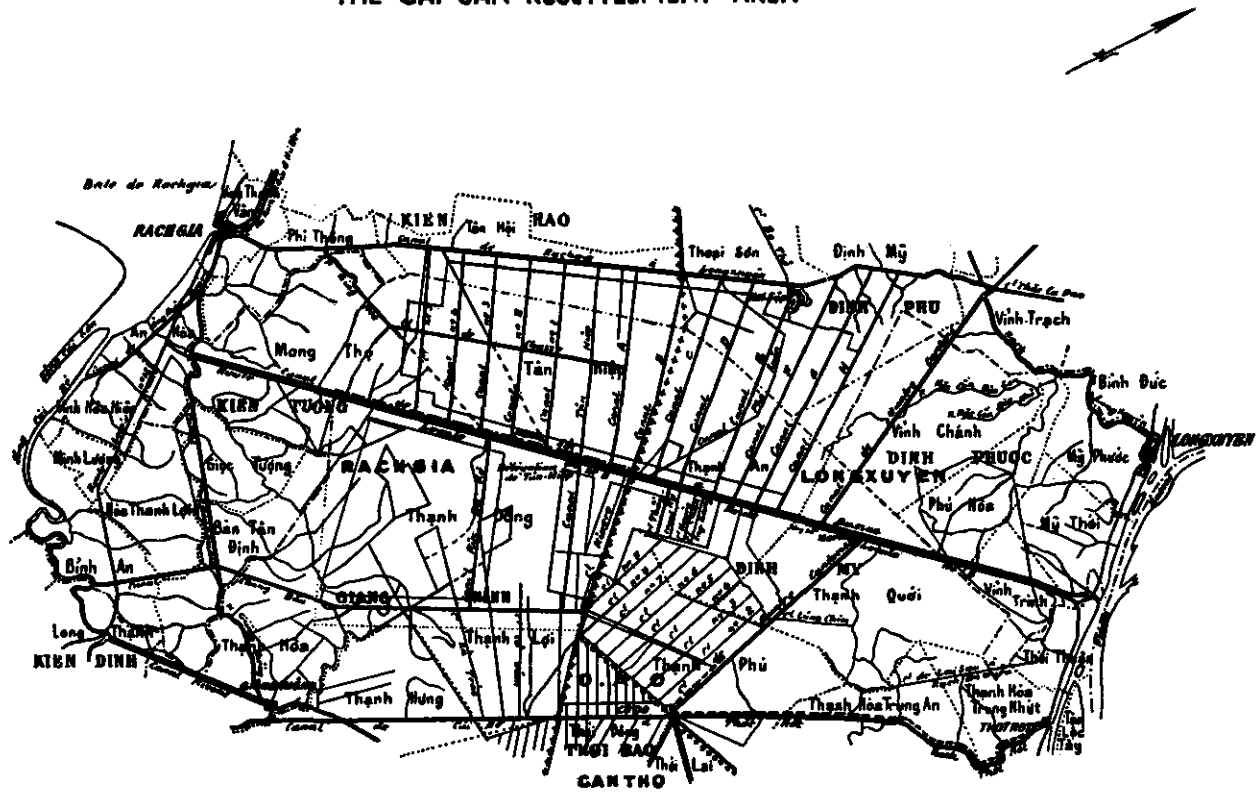
The refugees in Canal D later stated they had gladly cooperated whenever they were asked for help, and that the charges of laziness were untrue. They related one occasion when they had broken communal equipment in trying to extricate a mired tractor, and asserted that there were frequent instances of laziness on the part of the paid tractor operators themselves (who were said to have left the tractors running in one spot while they themselves went off in search of small game). Unplowed spaces between furrows, the result of careless workmanship, reduced productivity and left unbroken patches that became very difficult to work.

By the end of the year, the total area plowed and prepared was 17,000 hectares; the total area planted was 12,821 hectares; and 13,380.8 metric tons were produced, making an average yield of 1.04 metric tone per hectare.

The failure to make a better showing in an undertaking for which more than 200 million piasters had been provided, and in a field in which Vietnam was known to have been specialized before the war, was considered by local administrators to have been the reason why it was decided to integrate Cai San into the two provinces of Kien-Giang and An-Giang by December 1957, earlier than had been originally contemplated[8]. Indeed, one condition required for a refugee community to be

[8]This decision may also have been caused by USOM's withdrawal from direct administrative support of these projects.

THE CAI SAN RESETTLEMENT AREA



eligible for integration had been self-sufficiency, and it is clear that Cai San was not economically self-sufficient in 1957. After integration the refugees shared the privileges and duties of ordinary citizens, except that they represented a burden on the provincial budget because they were exempt from taxes.

In February 1958, the Commissar General of Land Development (successor to the Commissar General of Refugees and Resettlement) announced that one consequence of the integration would be the loss of the services of the tractors and operators that had plowed the Cai San fields free of charge during the first two years of the project.

This news came as a surprise to the project administrators and farmers. The province chief of Long-Xuyen (formerly An-Giang) Province called a meeting of the priests in order to find a solution. It was feared that with no further help from the government a great part of the area would have to be abandoned, and large-scale desertions from the project would result. After a lengthy and heated discussion it was revealed that the National Office of Agricultural Equipment and Material, which had taken possession of the plows and tractors, would make them available to plow the lands on a commercial basis, at 700 piasters per hectare. The services of few small private tractors were also available commercially at 550 piasters per hectare. When the refugees were advised of this, they agreed that these costs were too great to be borne by the community. Father Nguyen Duc Do, leader of Canal D, invited a representative of the National Agricultural Credit Office (NACO) to study the problem and make recommendations. The estimated costs of plowing 2,100 hectares in Canal D would be 1,470,000 piasters at the government rate, which was slightly more than the actual purchase price of four tractors. The NACO representative, Mr. Van, advised Father Do after making an investigation that the Fiat representative would not only be willing to supply the tractors at this price, but would also provide operators and mechanics to train the residents for the first few months.

In February 1958, shortly after being advised of this situation, Father Do called a meeting of the entire village to persuade the residents to adopt this plan as quickly as possible, so that plowing could begin in March. His proposal was that each family could apply for a loan of 700 piasters per hectare, under the NACO regulations. He added that if the loans were used to buy new tractors instead of hiring the available services, only two-thirds of the loan would be used and the remainder would enable them to buy seeds and maintain the tractor. This would leave them four valuable tractors as a community asset. To expedite matters he requested that the community give him full authority to

apply for the loans on their behalf, together with the responsibility for supervising operations.

When the meeting agreed to elect him as their delegate, Father Do immediately went to Saigon to see Mr. Tran Ngoc Lien, Director General of NACO. In his application he stated that he required a loan of 800 piasters per hectare, making a total of 1,680,000 piasters, plus an additional 320,000 piasters to cover various expenses during this season. Director Lien was favorably impressed by Father Do's reasoning and immediately sent a committee to carry out an investigation.

The committee's findings supported Father Do's proposal. Canal D was not in fact self-sufficient: the 700 families had only 50 buffaloes; last year's crop was poor, each family having harvested only 1,050 kilos; only 1/3 of the plowed area had been planted, and the crops suffered rodent damage from rats that infested the unused fields. Many settlers had already left the area to look for a living elsewhere. Time was short, and it appeared that only mechanical plowing could do the job before the wet season set in.

The committee recommended that a substantial loan be given immediately. Director Lien shared the view but feared that the refugees, who had been accustomed to receiving doles and other subsidies from the government, would not be willing to pay back the loan, especially since they could offer no security (even the land did not yet belong to them). The only loan guarantee would be the next crop, an uncertain prospect at best.

Director Lien nevertheless agreed to give a short-term loan of 1,600,000 piasters instead of 2,000,000 applied for. After reviewing the economic factors the NACO Director reasoned that loans would create conditions favorable to the formation of a cooperative. Father Do had already indicated his support of this proposal. No security was required except the tractors themselves, and the interest charge was to be one percent per month. Father Do would be responsible for the payment. One million ninety thousand piasters were committed to the purchase of tractors, and the remaining 510,000 piasters were issued to Mr. Van, NACO branch chief in An Giang Province at Long Xuyen, for release at Father Do's request to meet maintenance costs and other expenses. In addition to these two loans, NACO had also lent 350,000 piasters for the purchase of seed rice. The total of the loans was 1,950,000 piasters.

When the four tractors arrived at Canal D and began working in the fields, the effect was immediate. The refugees dropped their former indifferent attitudes and spent long hours working in their fields.

Many who had left the area had returned. By the end of June, the entire 2,100 hectares were completely plowed and harrowed for the first time in eleven years.

The news of the granting of 1,600,000 piasters to Canal D was received with relief by the whole area of Cai San. The other 14 canals applied for and received more than 8 million piasters in loans.

On Canal G, 300,000 piasters were borrowed from NACO, and the 230 families contributed 300 piasters each for the purchase of two tractors. No maintenance technicians were available for servicing them, however. In some of the other canals, on the other hand, the loans were applied for individually, money issued to each refugee, and tractors were hired for the season.

Other canals carefully watched the experience of Canal D, which, should it prove successful, might set an example for the biggest resettlement center in Vietnam.

Competition at the Cai Rang Cooperative Rice Mill

1.—ORIGIN OF THE CAI RANG COOPERATIVE

1. Background.

When Mr. Nguyen Van Hoi was appointed Cai Rang District Chief in 1953, he was conscious of a strong sense of obligation to protect the interests of the farmers, especially the small landowners and tenants, whose lives were a constant struggle with misery and want. During those days the farmers had nothing with which to build their lives but the strength of their hands. They could scarcely buy clothes, and even successful farmers sometimes experienced hunger between harvests. Most of them possessed no means for purchasing seed rice or fertilizers, much less to hire field hands. For these purposes they were obliged to borrow money at a very high interest rate and to repay their loans by selling standing crops. When they confronted a shortage of rice, on the other hand, they had to buy from the same moneylenders at what they considered exorbitant prices.

At that time the annual output of the Cai Rang District averaged 40,000 metric tons or 2,000,000 gia[1] of paddy rice. Half of this production was consumed locally, while the other half was sold to grain dealers

[1]A gia is 1.135 bushels.

at 25 piasters a gia. Four or five months after the harvest, the price rose to 50 piasters a gia. Mr. Hoi argued that under this system the rice dealers made an annual profit of 20,000,000 piasters, "while the farmers," as he said, "were underfed and badly clothed, and in some cases were even said to have committed suicide because they were unable to provide clothing for their growing children." Mr. Hoi was determined to find a means of diverting these profits to the farmers. He proposed borrowing from district funds to set up a rice growers' cooperative and appealed to the villagers to provide him with free labor to organize and establish it. In his effort to build support for it he called at every farmer's house in his district, explaining his purposes and urging them to join the cooperative movement. He also asked for assistance from the Department of Agriculture and the United States Operations Mission.

Soon thereafter an inspection mission comprising Messrs. Randal Stelly, a member of the United States Operations Mission, Nguyen Quang Luu, agricultural engineer and Phan Khac Suu, technical advisor at the Department of Agriculture, visited Can Tho. Mr. Hoi invited them to call for an on-the-spot inspection, and on May 18, 1953, the opening meeting of the cooperative was convened to establish the Cai Rang Cooperative within the framework of American Aid Program No. III VP 9-B.

2. *Purpose and Organization.*

The objectives of the cooperative as established in this meeting were to store and process rice for member farmers and to grant loans at a monthly interest of 1 percent to help them in the growing and harvesting of rice. It was hoped that the cooperative would later be able to buy agricultural implements, hybrid rice, and fertilizers for the use of its members.

The American aid involved a cash grant of 2,599,997.18 piasters and equipment worth 5,122,403.10 piasters, including five storage warehouses and a rice mill equipped with a 70 h.p. engine capable of processing 30 metric tons of rice a day.

After the cooperative was established, it was placed under the supervision of the Director General of Agriculture, where it remained until September 20, 1957. The original membership numbered 1,539 persons, who subscribed a total of 153,850 piasters to the operating funds. The cooperative included both small landowners and tenant farmers, who represented respectively 10 percent and 90 percent of the

total membership. The membership subscription was 100 piasters, for which each member was entitled to an annual interest of 6 percent arising from the fee contributed. Further profits were to be shared in direct proportion to the members' participation. The Cooperative's milling charges were 19 piasters per bag (as compared with the going rate of 20 piasters), although the costs were only 16 piasters. Proportionate refunds were also made from profits. One member received in a single year a return of 4,500 piasters from his transactions with the cooperative.

The open meeting of May 18, 1953 voted the regulations governing and designating the first management commitee, and on August 27, 1954 a second general meeting of members was convened to amend the regulations and to elect the new management committee. Early in 1954, the manager and the whole management committee were kidnapped by the Viet Minh[2]. Until they were freed as a result of the Geneva Agreement, government representatives had to manage the cooperative.

The current management committee derived its powers and functions from this second mandate. The manager worked fulltime at the cooperative, but the members of the management committee lived elsewhere, in some cases at an inconvenient distance from the offices. For this reason, attendance at executive meetings involved a loss of time for which they were remunerated.

The manager directed the work of the cooperative and collected loan repayments, being allowed a daily remuneration of 70 piasters. Members of the management committee had to work at farming or other gainful occupations, usually as tenant farmers. Many were so poor that they could hardly afford to travel and they regretted the loss of income involved in attending executive meetings. It was thus decided that the management committee should be allowed to retain 2 percent of the receipts as compensation for its work.

An auditor was elected by the membership to supervise the keeping of the cooperative's books, ledgers, and other documents produced under the management committee. He was also authorized to call for a plenary session in case of irregularities in the administration of the cooperative. In spite of his good will, however, the auditor could not often fulfill this responsibility because of his lack of familiarity with cooperative accounting, according to authorities at the National Credit Accounting Bureau and NACO.

The management committee also appointed a full-time cooperative manager.

[2]Communist underground.

THE ECONOMIC ENVIRONMENT.

Cai Rang is one of the most important sources of grain in the western part of South Vietnam. In addition to the cooperatives there were then privately owned rice mills in the vicinity and a score of rice merchants, most of whom were Chinese. Each of these had a capital of about 30,000,000 piasters and was able to purchase paddy (unprocessed rice) or standing crops and transport them by means of a fleet of barges and sampans that could reach almost every farm. A merchant usually hired from 30 to 70 agents, most of whom owned barges of several hundred to one thousand gia capacity, who visited their farm clients regularly. Each received an advance varying from 30,000 to 200,000 piasters, which was returned to the merchant every week and informally lent out again without even a written agreement. The barges went far into the countryside, even to insecure areas, to buy paddy and sell it to the merchants at 2 piasters per gia below the market price.

According to the cooperative management, these Chinese grain dealers offered serious competition to the cooperative's operations. They did 98 percent of the rice exchange in the area, while the cooperative operations, with only 2 percent of the total, hardly exercised any influence on the grain market at all. Moreover, the Chinese grain dealers were experienced and knowledgeable, with many local agents and an excellent transportation system. Because of their close communications with international rice headquarters in Cho Lon, they were kept informed of the fluctuations of the market prices, whereas the cooperative got no such information. Their credit system was almost infinitely flexible. For this reason they were not protected against their own agents or against natural hazards: if a barge sank in high winds and stormy weather, or if funds were embezzled by the agents—which happened with increasing frequency—they were resigned to bear their losses. But their flexibility also enabled them to purchase paddy at low prices. The cooperative, on the other hand, was not allowed to make advances without binding commitments and could buy only from cooperative members or other farmers who had taken the trouble and risk of transporting their paddy to the mill. Since most of the farmers lived far from the cooperative and possessed no boats, they were unwilling to run this risk. Travel costs or high winds could easily ruin them. Moreover, each day of travel meant sacrificing a day's work. Thus in most cases they preferred to stay at home and wait for buyers rather than transport their paddy to the cooperative, even if they had to sell their product at lower prices or get cheated by agents who gave short weights.

LENDING OPERATIONS.

From July 17, 1953 to December 1953, the cooperative granted 1,065,800.00 piasters in short-term loans to 1,334 persons. In 1954 and 1955 no loans were granted because of terrorist and subversive activities of the Viet Minh and Hoa Hao which made farming unsafe. In 1956, only 9,000 piasters were lent out to three cooperative farmers who had their paddy stored at a cooperative warehouse. In 1957, medium-term loans totaling 80,000 piasters were granted to a single member who was able to offer property as a security.

At first no investigation of the borrowers was made by the cooperative itself. Loans were granted to serve political (anti-Communist) purposes and were based on declarations made by communal councils or the cooperative representatives. Every member who had paid his 100 piasters' membership fee (a capital stock purchase) was entitled to borrow 800 piasters per hectare at a monthly interest rate of 1 percent. No member could borrow on more than 5 hectares. At harvest time, when members stored their paddy in the cooperative warehouses, they were entitled to additional loans of up to 80 percent of the current price of the paddy stored, to be returned after its sale (presumably after the seasonal price rise).

PADDY STORAGE.

Cooperative storage facilities were available to members who were delinquent in loan obligations and wished to use their paddy for security. Other members also used the facilities while waiting for a price rise. Otherwise, storage was available as necessary for milling (See Table I).

TABLE 1
Storage Totals, 1954-1957

Year	Customer	Total (in gia of paddy)
1954	4 cooperative members	50
1955	Cooperative members	19,000
1956	Cooperative members and others	19,300
	Military storage	16,000
1957	Unspecified	6,400

(Figures supplied by the Cooperative president)

Farmers frequently tended to hold their paddy as long as possible while waiting for the best price, which in turn tended to raise local costs above the current Saigon level. The official price was then 50 piasters per gia, but the market price varies from 56 to 57 piasters.

Relatively few members benefited from the cooperative storage facilities. The charge of 4 piasters per bag per season did not cover

operating costs, for the storage bags, costing 15 piasters, could be used only a maximum of 4 seasons. Thus the rice storage operations were conducted at a loss, according to a report prepared for NACO.

PROCESSING AND MARKETING RICE.

The construction of the rice mill was completed in December 1955. Its annual output thereafter increased as follows (in metric tons):

1955	171.7
1956	2,439.8
1957	5,069.9

The mill operated at capacity during the 3-month harvest season, with profits in March, April, and May, 1957 totaling 51,836.17 piasters. It operated at half-capacity for 4 months, and was literally idle during the remaining 5 months of the year. Rice processing services were available to nonmembers as well as members. Thus in 1956, according to the cooperative's figures, of the 3,903 metric tons of paddy rice processed, 7.8 percent belonged to coperative members, 6.2 percent to nonmember farmers, and 86.0 percent to Chinese grain merchants.

The processed rice and other by-products of the mill were of excellent quality. But the cost of diesel fuel oil was higher than comparative costs in the Chinese mills, which used chaff as fuel.

MISCELLANEOUS OPERATIONS.

In 1953 the management planned to manufacture agricultural implements to sell to cooperative members. This project was not, however, fulfilled.

In 1956, with the collaboration of the Cereals Bureau of the Ministry of Agriculture, hybrid seed rice was to be supplied to members, but the project came about too late to bring effective results.

In the same year, through the Director of Agriculture, the management received American aid for the purchase of fertilizers. Five hundred metric tons of fertilizer were distributed to Cai Rang, but because the fields at Cai Rang were not suitable for the fertilizers used, the project was unsuccessful.

II.—TRANSFER OF THE CAI RANG COOPERATIVE TO NACO

THE ORGANIZATION AND PURPOSES OF NACO

The National Agricultural Credit Office was established by Ordinance No. 67-DT/CCDD of April 1, 1957 to replace all existing farm credit

institutions, strengthen credit operations, develop the rural economy, and improve the national standard of living. Its motto, according to the director, was "to grant loans to the right person for the right purpose at the right time." Its interest rates were low, and loan priorities were assigned to land clearing operations and production increases and to the cooperative movement. Its functional activities included agriculture, cattle and poultry breeding, fisheries, forestry, and rural handicrafts.

2. DEVELOPMENT OF NACO POLICY ON THE CAI RANG COOPERATIVE

When the financing of the Cai Rang Cooperative was transferred to NACO on September 20, 1957, the Director General of NACO regarded the cooperative as a "burdensome legacy." The total loans granted from 1953 to December 31, 1957 were 1,154,800 piasters, but as of September 20, 1957 only 296,227 piasters had been collected. Cooperative officials complained that because they were not provided with sufficient working capital, they had to operate by fits and starts. NACO stated, however, that the cooperative was endowed with working capital of 2,000,000 piasters invested at the Agricultural Funds service. The management committee had done little to overcome these fundamental difficulties, which it explained in terms of the local security problem and the personal hardships involved in entering upon a more aggressive program. Local farmers, including even cooperative members, were indifferent to the cooperative movement, about which they had little information. According to the NACO survey, the absence of positive leadership and purpose had almost led to the disintegration of the cooperative, which, like an abandoned waif, was "born, but not reared."

Transfer to NACO did not immediately affect the operations of the cooperative. On December 6, 1957 the Cai Rang Cooperative submitted to NACO a project including a general list of sums required for the cooperative operations, including the following (in piasters):

Loan funds	1,200,000.00
Building of new storage warehouses	500,000.00
Rice mill expenditures	100,000.00
Purchase of paddy for resale to the Army	700,000.00
Total:	2,500,000.00

On January 1st, 1958, NACO sent a mission headed by Mr. Pham Hoang Huu to Cai Rang to make an accounting audit and to consider the proposals made by the cooperative. With the help of the cooperative management, the mission investigated each request, called the management committee into session to discuss its administrative work, and worked with the Chief of the local Agricultural Credit Bureau and the Cai Rang District Chief to evaluate the cooperative's proposals.

The mission's special report included the following recommendations:

(1) That the cooperative continue its lending operations by extending loans totaling 1,000,000 piasters to farmers during the year 1958. These loans were to be issued for two purposes: crop production and payment of wages.

(2) That the cooperative should be endowed with a fund of 700,000 piasters to be spent on the operations of the rice mill, especially for processing paddy for resale to the military.

(3) That the cooperative be allocated sum of 500,000 piasters to build new warehouses to store paddy sent by the Army.

III.—ARGUMENTS RELATED TO THE CAI RANG COOPERATIVE LOAN

On March 6, 1958 NACO Management Committee met to discuss the case of the Cai Rang Cooperative. The following arguments were presented to the committee:

GENERAL

In spite of its desultory operations during the past few years, the favorable geographic and economic situation of the cooperative indicated that the site had been well chosen and that in principle it deserved strong support. The Cooperative Management Committee had now had ample experience. They possessed good will and had worked out some promising proposals. In 1957 the cooperative signed a contract with the Army involving the purchase and processing of 30,000 gia of paddy every three months during 1958. The contract was to take effect on January 1st, 1958 and was to be renewable every three months thereafter with the mutual consent of both parties.

National economic policy should also be considered in the decision, since Vietnamese rice was costlier than its foreign competitors. Where a hectare in Vietnam produced from 1.2 to 1.5 metric tons, Burma, Thailand, Spain, Italy, and Egypt produced 2.5 to 4 metric tons per hectare. Exportation of rice therefore required a government subsidy at best.[3]

[3]This was accomplished by allowing grain exporters to convert foreign exchange 66 percent at the official rate and 34 percent at the free market price. Early in 1958 a surplus of 145,000 metric tons of rice scheduled for export was withheld by the government and sold in Saigon below domestic prices.

Cai Rang enjoyed every qualification for becoming a model cooperative, it was argued. It could serve as pilot operation where the future cooperative officials could be given on-the-job training and gain valuable experience; it could eventually become the head unit of the Associated Paddy and Rice Cooperative of the Province of Phong Dinh and neighboring provinces.

THE REQUEST FOR NEW STORAGE WAREHOUSES

On September 20, 1957 the cooperative had 4 storage warehouses, 1 used for broken rice (storehouse I), 1 for paddy bought for military sale (storehouse II), 1 for paddy stored by members (storehouse III), and 1 for farm implements and bran (storehouse IV).

Facilities for temporary storage of paddy rice awaiting processing were inadequate. This was said to be one reason for the uneven production rate of the mill.

THE REQUEST FOR NEW LOAN FUNDS FOR INCREASING CROP PRODUCTION

In 1953, the cooperative granted loans totaling 1,065,000 piasters to cooperative members. It did not extend any loans in 1954, however. Collection of the 1953 loans was said to be difficult because of the loose conditions under which they had been granted, as well as because of local security problems in the years following 1953. After the cooperative was transferred to NACO's jurisdiction, loan collection improved until over 50 percent (222,348.50 piasters) had been collected in 1957. By May 17, 1958, a total of 685,950.50 piasters had been collected. Some delinquent members still argued, as Viet Minh propaganda had claimed, that the loans had been originally described as bonuses. In some instances the accumulated interest equalled 50 or 60 percent of the original loans. The cooperative had once asked local officials to help collect the unpaid balances from farmers unwilling but able to repay loans, but this had created ill will and resentment. Indeed, scores of members had written to withdraw their membership. Some new applications were also on hand, however.

It was argued that the release of the cooperative's working capital, which had been deposited at NACO, would make it possible to continue to grant short-term loans for crop production and the payment of wages. Those operations would be of a great help to the great majority of cooperative farmers. Such loans would also assist serious and loyal cooperative members who had paid back previous loans.

The military contract would require funds to buy a reserve of 14,000 gia of paddy to be processed. The cooperative also needed a reserve fund of 200,000 piasters to meet operating expenditures for the two months following, while waiting for higher prices at which to market its product.

IV.—THE NACO DECISION

On consideration of these factors, NACO decided:

(1) To authorize the building of a storage warehouse of 30,000 gia (600 metric tons) capacity at a cost of 500,000 piasters. NACO recommended that the wood for its construction be bought from the La Son Socofor Cooperative in Saigon, another NACO-sponsored organization. Customarily plans for the construction had to be obtained from the Bureau of Construction of the Department of Agriculture. After authorization from the Department of Reconstruction, bids could be let.

(2) To authorize the release of 1,000,000 piasters for short-term loans for 1958-59, beneficiaries were carefully selected and adequate safeguards were provided. Full power to make the loans was vested with the management committee.

(3) To allocate 700,000 piasters working capital for mill operations.

By May 17, 1958, no loans had yet been made (the rainy season —sowing time—was just beginning) and the military contract had not been forthcoming because of the difference between the official price of paddy rice and that prevailing in Cai Rang.

The Employee Suggestion Plan at STANVAC

I. BACKGROUND OF THE COMPANY.

STANVAC in Vietnam is a relatively small branch of a worldwide operation with headquarters in New York. Its penetration of this area dates back to the 19th century, when the company carried lubricants and kerosene to China by means of clipper ships. A French firm, Denis Fréres, was its principal agent in Vietnam at the turn of the century, and the present Standard-Vacuum Oil operations in Southeast Asia began in 1933 as a result of a local merger between Esso (also known as Standard Oil of New Jersey) and Socony-Vacuum Company (which was itself created by a 1931 merger between the Vacuum Oil Company of England and the Standard Oil Company of New York). Each element forming the new company contributed a distinct operation: Esso supplied the production and resource development facilities, largely in Indonesia; and Socony and Vacuum contributed marketing facilities for kerosene, gasoline, asphalt, and for lubricants, oils, and greases, respectively.

These products had dominated operations in Indo-China in the early years, but industrial and diesel oil and fuels, marine fuels, and aviation gas were added during the years that followed. At the end of World War II, seven major bulk products and several hundred brands of lubricants and greases were marketed in the area, and the company

was beginning to find extensive new outlets for wax and asphalt. After World War II, the market began to expand rapidly, including such special items as products for paint, lacquer, and ceramics manufacturing; chemicals used in the treatment of wood and in rubber processing; plasticizing products; solvents and cleaning fluids; and detergents. More recently STANVAC considered adding the bulk handling of liquid petroleum to its services, replacing the more cumbersome and costly process of importing this commodity in cylinders from abroad. The present operation in Vietnam is almost entirely one of marketing, which includes shipping, handling, storing, and blending, as well as importing, petroleum products. The company engages in only such incidental manufacturing as is necessary to support these operations.

As the company's activities expanded to include large-scale storage and transportation, it became necessary to employ warehousemen, watchmen, guards, foremen, fitters, and merchant seamen capable of operating a fleet of tankers. By 1957 the company had over 30 storage points in Vietnam, the principal one being Nha Be near Saigon.

In 1958, STANVAC had about 530 full-time employees. These included 28 executives, of whom 7 were Americans, 13 French, and 8 Vietnamese. There were also some 75 employees engaged in accounting and another 75 in marketing. The remainder were operating and service personnel. More than 95 percent of these were Vietnamese; although there were also some Chinese, French, American, Philippine, and Indian employees. In December 1955 an Employee Relations Department was added to the existing Department of Sales, Finance, and Operations.

II. THE DECISION TO INSTALL A SUGGESTION PLAN.

One of the problems confronting the company after the establishment of the Republic of Vietnam was that of maintaining a stable price structure in the face of rising costs. The success with which the company met this challenge is revealed in the fact that except for tax increases there had been no raise in base prices since the piaster devaluation of 1953. Indeed, there were five major price reductions during this period in spite of increases in payroll (which constituted 40 percent of the total cost of operations in Vietnam) and in freight rates, building supplies, and tanker costs. Price reductions and cost increases narrowed the company's profit margin, but the management hoped to compensate for this loss by increasing the volume of its sales.

The need for reducing operating costs led the newly established Employee Relations Department to consider installing a suggestion box

plan for soliciting ideas from employees. This plan had been satisfactorily used in other units of STANVAC for many years, but had not been successfully employed in Indo-China. Although a similar program was put into nominal operation in 1952, no single executive was charged with responsibility for it, and it became inactive after a few months. Several suggestions had been received under it, but not all employees were acquainted with it because the announcements had been in French and were not widely publicized. Awards were also much less than under the 1957 plan.

On October 22, 1957, Management Circular No. 65 was distributed to all employees, announcing the adoption of the Employee Suggestion Plan, and offering a cash bonus for money-saving ideas. Suggestion boxes were placed in each work location, where employees could submit suggestions anonymously on numbered forms. The employee kept a stub for each form he submitted so he would be able to identify himself if his suggestion won an award. The boxes were emptied regularly, and suggestions were delivered to the Employee Relation Department, which passed them along to an advisory Review and Award Committee. Final decisions were to be made by the general manager.

All employees other than the general manager himself were eligible to participate, except that supervisors and other designated professional employees could not receive awards for suggestions directly related to their own immediate work. The latter could, however, receive awards for suggestions clearly outside of the scope of their duties. There were several categories of suggestions which could not be considered for awards:

1) Items that did not have a direct connection with company business.

2) Suggestions that pertained to a union agreement.

3) Ideas that were already being actively considered by the company.

4) Suggestions for which awards had already been made in the past.

5) Comments that were considered unconstructive complaints.

When two identical ideas were presented separately, the award was to be given to the suggestion received first. For joint suggestions, the awards could be divided equally among the employees involved. No award would be paid for a suggestion not adopted within one year.

A six-man Review and Award Committee considered each suggestion and made recommendations to the general manager, based on comments received from the various departments concerned. The committee was chosen to represent the several departments of the company, and included 4 Vietnamese, 1 French, and 1 American. It met twice a month. Awards could be made in amounts ranging from 300 piasters to 20,000 piasters, depending on the management's estimate of the savings the suggestion would bring. Awards greater than 20,000 piasters could be made with the concurrence of the New York office. Even in cases where no awards were to be made because of ineligibility, a record of the suggestions was to be kept in the employee's personnel file to be used in consideration of future merit increases, if the employee wished to identify himself.

Between October 22 and January 28, 1958, 25 suggestions were received, including 4 which were eligible for immediate award and 3 others which were still under consideration.

III. THE "EVAPORATION AND LEAKAGE CLAUSE" SUGGESTION.

One of the suggestions under consideration on January 28 was No. 0618, involving the negotiation of a new type of contract with the Vietnamese "Bureau of Independence."[1] This suggestion was received by the Employee Relations Manager on November 30, 1957. It proposed that all new contracts should stipulate the price of commodities as delivered into storage facilities in Vietnam, so that the ultimate buyer rather than the company would bear losses caused by leakage and evaporation. The uncertain element of this factor had resulted in undesirable cost fluctuations and had complicated the negotiation of the contract.

Leakage and evaporation were generally calculated at an amount of approximately one-half of one percent of the total volume. Under the previous contract (which was renegotiated periodically) this loss was borne by the company and absorbed in the total contract price. During a period of contracting profit margins, the suggestion contemplated that the customer should bear these losses directly rather than indirectly through a higher delivery price based on estimated losses. Thus, in effect, there would be two separate contracts, one of which would cover the cost of delivery into shore-based storage tanks, while the other would cover such storage costs as leakage and evaporation.

[1] A fictitious name. The actual identity of the customer involved is withheld for professional reasons.

Unknown to the employee, the Independence Bureau contract was already under negotiation, and, in fact a verbal agreement had been reached on November 23. At the request of the Independence Bureau, the company had in fact already proposed a provision similar to the suggested one, in a somewhat broader framework so that all the separate costs of storing, handling, and leakage would have been borne by the buyer, and the price of the product itself could be stabilized. Such a contract had also been in use between the Bureau and a competing oil company, and had the advantage of simplifying accounting procedures for the customer as well as reducing the seller's operating costs. Similar contracts had also been used by the STANVAC itself prior to 1955, but because of competitive conditions the leakage and evaporation clauses had not been used in the 1956 contract. On November 29, the verbal contract was confirmed by letter. The contract itself was executed on December 30, 1957.

Under the terms of Management Circular No. 65, the proposal was not eligible for award because it involved an idea already under consideration by the Company. In his comment on the suggestion, however, Mr. Strasburger, the sales manager (who was also temporarily acting as general manager), stated, "The suggested idea is excellent and I think should pay off as an encouragement to others provided it represented independent thinking (that is, was not based on the knowledge that the negotiation of such a clause was already under way)." Mr. Strasburger suggested that a substantial award be made.

On January 28, Suggestion No. 0618 was still under discussion in the Review and Awards Committee. Mr. Lenzi, the official who had been in charge of the contract negotiations, stated that the company had already been working on a leakage clause in the contract, and that if the suggestion had been received a year earlier, the company would have been able to profit from it. The final decision was against granting the award, however, on the ground that the suggestion was technically ineligible because it had not actually been adopted and would not bring any savings to the company; that if an exception were made, similar cases in the future would have to receive awards; and that in the absence of any actual savings realized as a direct result of the suggestion, there was no means of determining the amount of an award. Mr. Strasburger, on consideration of these arguments, accepted the committee recommendation, and agreed that no award should be made.

Mr. Hanson, Employee Relations Manager, announced the winning suggestions on company bulletin boards by number, and asked the

author of Suggestion No. 0618 to come to his office to discuss the suggestion. The next day Mr. Nguyen Thanh Van, a member of the Accounting Division of the company since 1952, appeared in Mr. Hanson's office and stated that he was the author of Suggestion No. 0618. Mr. Hanson explained the decision of the committee, quoting the original comments of Mr. Strasburger and giving reasons why the committee had decided not to recommend the award. Mr. Van was then given an opportunity to study the committee minutes and the other comments on Suggestion 0618. Mr. Van stated that he had had a similar experience in 1952, under the previous suggestion plan. The usefulnes of an earlier suggestion of his had also been recognized by the company although no award could be made because, unknown to him, the suggestion was already in use. He added that in making Suggestion 0618 he had known that a competing oil company had a leakage and evaporation clause in its contract with the Bureau of Independence, and that the STANVAC contract would be renegotiated soon under the competitive bidding system; but stated that he had not known that STANVAC was already negoiating a new contract that would embody provision similar to those he suggested. He had considered the possibility of adding an evaporation and leakage clause to the contract for several weeks before actually submitting Suggestion 0618. He hesitated to submit the suggestion, however, because he was not sure how useful it would be to the company and because he wanted to check several details involved. He had submitted his suggestion not so much in hope of winning an award, he said, as in the general interests of the company. Mr. Hanson assured Mr. Van that the company appreciated his cooperation and that a record of his participation in the suggestion plan would be noted in his personnel file for future salary review.

IV.—THE "WELDING AND SCISSORING MACHINES" SUGGESTION

On December 20, 1957, Mr. Nguyen Van Tieu, a welder at STANVAC'S Nha Be Terminal, turned in Suggestion No. 0501. Mr. Tieu was a welder with 25 years of experience. He began his work at the Ba Son Arsenal, then moved to Société d'Oxygène et d'Acétylène, where he acquired his welding technique. At the 1941 Exposition, he was in charge of a cutting and welding demonstration which attracted the attention of Mr. P. Henry, current director of the Operations Department at STANVAC, who invited him to work for STANVAC at Nha Be. In 1948, he entered STANVAC'S employment. Soon after coming to STANVAC, he stated,

he had made a suggestion similar to No. 0501, but his supervisors were not interested at that time. When the suggestion-box system was introduced in 1952, he had repeated his suggestion, again without results. Before renewing his proposal December 1957, he investigated the machines he mentioned to see whether they were available locally and at what price. This suggestion comprised two parts, the first relating to welding equipment and the second regarding scissoring machines, as follows:

1. The present Nha Be Terminal uses two gas-operated Lincoln welders, involving a working cost of 75,500 piasters per year. If the company were to purchase a transformer with an intensity varying from 50 to 350 amperes, it would reduce gasoline costs and perform with equal efficiency.

2. Each month, the Nha Be Terminal consumed nearly 30 bottles of oxygen and 30 bottles of calcium carbide in producing acetylene for welding and cutting. If the company purchased a scissoring machine to cut sheet-iron under 10mm., it would save 5 bottles of oxygen and 4 bottles of calcium carbide each month. This would bring an annual saving of 31,680 piasters.

Under the prevailing procedure, Suggestion 0501 was forwarded at once to Pham Dang Sum, then Deputy Director of Employee Relations Department. Mr. Sum transmitted the suggestion to the Employee Relations Director, Mr. G. P. Hanson. In evaluating it, Mr. Hanson consulted the production experts in the Operations Department under Mr. P. Henry, Director, and Mr. J. Y. Pajot, who was Deputy Director and a member of the Review and Awards Committee. After discussing the proposal with Mr. Pajot, Mr. Henry rejected both parts of the suggestion.

At the same time, a copy of the suggestion had been sent to Mr. S. M. Strasburger, acting general manager. The latter's comment was: "Sounds good to me, but the experts (P. Henry, J. Y. Pajot, R. G. Kregel) will have to rule."

When the suggestion appeared before the Review and Awards Committee, it was decided that the suggestion deserved further consideration. Mr. Pajot and Mr. Nguyen Dinh Hoang, an engineer at Nha Be Terminal, were requested to reopen the question with the Director of the Operations Department. Mr. Nguyen Dinh Hoang was also asked to consider the financial side of the suggestion.

After a study of the suggestion, Mr. Hoang reported as follows:

1. If the two Lincoln Welders were kept, the annual cost would be 45,689 piasters. If a new current transformer was bought at 34,450 piasters, the annual outlay for electricity and maintenance would be 22,750 piasters. Thus, the firm would save 22,944 piasters in the first year and would recover the price of the transformer after 1 year and 5 months.
2. The second part of the suggestion, regarding the scissoring machine, cannot be adopted, as this equipment cannot cut pipes.

After making his report, Mr. Hoang, joined by Mr. Pajot, discussed the question with Mr. Henry. They accepted the first part of the suggestion dealing with the welding, and rejected the part relating to the scissoring machine, because it was not practical.

When the suggestion was examined for the second time, the committee followed the advice of the technicians and recommended an award of 200 piasters for Mr. Tieu. After the suggestion had been put to work for a year, if the savings exceeded the estimates, Mr. Tieu would receive a supplementary award.

Following the decision of the board, the Acting General Manager, Mr. Strasburger, called Mr. Tieu and four other award winners to his office and paid them for their suggestions. Mr. Tieu thanked the general manager and the Executive Board on the behalf of the employees. He also mentioned that the "suggestion box is a very good program," and he had "additional suggestions to make for the future." He stated that if his suggestion had been adopted before, the firm would have made a substantial saving. But he thought his previous supervisors believed that directions must come from above; and the subordinate should not make suggestions.

The interview closed with mutual expressions of good will.

Boundary and Land Questions at Tan Mai Village

FOREWORD

After the Geneva Agreement had been signed in July 1954, more than three quarters of a million refugees from Communist North Vietnam made their famous exodus south of the 17th parallel. Even in time of peace, a migration of such proportions would constitute a major economic and social problem. But in the newly independent Vietnam of 1954, financial resources, transportation facilities, technicians, and time (for many of the refugees decided to move when only a few months of grace remained) were severely limited and an inherently complex problem became a national challenge. The new government was faced with seemingly insurmountable technical difficulties in moving, receiving, and resettling this vast new population.

The establishment of new villages for the refugees introduced a whole new range of difficulties. Among these not the least important were social and economic tensions between the refugees and the local inhabitants. Often these tensions evolved into conflicts lasting for many months, during which the responsible authorities hesitated to interfere either by assuming a strong position that might offend one party, or by committing the government to serve as arbitrator between conflicting interests. In general, the government's objectives were to welcome and even favor the refugees who had so tragically left their cities and their farms; but it could not impose conditions likely to arouse envy or otherwise injure the prospects for unity among the refugees and their new neighbors.

Tan Mai Village illustrates two complicated community problems that were held in suspense for many months, and for which a solution was apparently to be found only with the passage of years.

RESETTLEMENT AT TAN MAI

Tan Mai Village was once a waste and almost desert land located 34 kilometers from Saigon, on the National Highway 15 in the canton of Phuoc Vinh Thuong, Bien Hoa Province. A few years after national independence, it had become a prosperous village: a thick cluster of houses served by a busy market, a dispensary, a school, a church, and even a cotton mill and a newly developed handicraft center.

The villagers were all natives of Bui Chu, North Vietnam. They numbered about 10,000 people, all Roman Catholics who had come south with Father Nguyen Khang Hy in July, 1954, soon after the Geneva Agreement. On their arrival, they were temporarily housed in public schools in Saigon; but after the long summer vacation, the schools were reclaimed for educational purposes in September 1954. The General Commissariat for Refugees and Rehabilitation (Comigal), which was already overwhelmed by the ever-increasing waves of refugees, had not yet devised a permanent resettlement program. It appealed to the spiritual or administrative leaders of each refugee group to work out suitable arrangements. They were to choose locations among the vast tracts of unused public lands suitable for resettlement centers, and to notify Comigal of their choice so that the necessary authorizations could be prepared. Such applications were invariably approved, largely because Comigal had no facilities for investigating the ownership and suitability of the lands.

Father Nguyen Khang Hy chose Tan Mai, a tract thereafter conceded to the refugees by Tam Hiep Village in October 1954. The refugees left the school buildings that had afforded them temporary shelter and moved their families and belongings to Tan Mai, where they began to build permanent homes. During this period, Father Hy continued to assume responsibilities of administrative, economic, and social leadership. He was repeatedly asked to represent the villagers and to organize and direct communal activities.

In 1955, a Resettlement Committee was elected to consider problems of individual land ownership and other administrative questions. Father Hy served as advisor. The committee chairman was a respected figure proposed by Father Hy. The committee itself derived its authority from special enabling legislation and it was responsible to Comigal for the organization and building of the camps, the distribution of subsidies and donations, and the carrying out of resettlement camp projects. It reported to the district authorities only in matters of a purely administrative nature.

Early in 1956 Tan Mai was made a separate village by ministerial decree. It was given a new name, Bui Tieng,[1] and its committee was dissolved. Local administration was now performed by an elective Communal Council under the Ministry of Interior. Comigal was officially relieved of administrative responsibility for Bui Tieng, which was then integrated into the local government structure of the nation.

Under its Resettlement Committee, Tan Mai Village had proved to be a dynamic community with many achievements to its credit and many difficult problems solved. But the transition to an integrated status still left other problems unresolved, including troublesome questions involving land rentals and village boundaries.

THE LAND RENTAL QUESTIONS

At the end of 1954, in answer to a governmental appeal to help and support the refugees, Mr. Ho Van The, Chief of Tam Hiep Village, together with the members of the Communal Council, had conceded to the refugees a stretch of communal land 7.06 hectares in area. Mr. Bui Truong Thu, a retired civil servant, personally placed a plot of 2.05 hectares at their disposal to be used rent free for two years beginning in October 1954. In addition to those two plots, the refugees signed contracts with private landowners[2] for the use of other lands at 1,000 piasters per hectare. But it was the land contributed by Mr. Thu which gave rise to the subsequent disputes.

Before the arrival of the refugees, Mr. Thu's land had been of no special value, being only of average fertility; but the Tan Mai market was built on a portion of this property, and its value increased to a point where its rental could no longer be calculated in terms of its agricultural productivity. The situation was further complicated by the fact that Mr. Thu's two-year concession was made with the understanding that no construction of any kind was to be permitted on his land, and that it would be used for only agricultural purposes. This agreement was respected until the end of 1955, when Mr. Thu died. Thereafter as the population increased and space became precious, 71 of the refugee families took the liberty of building houses on the land in question. Some even buried their dead on it. It was at this time, in search of adequate space, security,

[1] "Bui" was chosen in honor of Bui Chu, original home of the refugees; "Tieng" was the name of the former owner of the 7.06 hectares plot given to the refugees by the Village of Tam Hiep.

[2]

Name of Landlord	*No. of Hectares*
Ong Ty:	0.40
Ba Du:	1
Ong Niem:	2
Nha Chua:	0.50

The yearly rental was increased to 1,500 piasters effective 1958.

and convenience, that Fr. Hy moved the uncovered market to an area covering 500 square meters of Mr. Thu's land.

Mr. Thu's heirs (including Mr. Ho Van The, the village chief, and Thu's brother-in-law) observed the increase in the value of the land and asserted their rights to its recovery on the ground that the refugees had built their houses and the market, and had buried their dead, without the landowner's permission. This forced the 71 refugee families to negotiate for a lease.

The landowner's family offered to lease the land at 35,000 piasters per annum, with 3 years' payment in advance. After negotiations, they agreed to reduce the yearly rent to 25,000 piasters. The refugees still considered this too high and sent a petition to the Provincial Representative of Comigal to intervene on their behalf. The latter sent a note dated August 14, 1957 to the District Chief of Bien Hoa, confirming the necessity of building the market for the Tan Mai Resettlement on two grounds:

1. The market encouraged smaller merchants to come there to trade.
2. Revenues arising from fees imposed on market activities constituted an important financial resource to the Village of Bui Tieng.

In this letter, the Provincial Representative also agreed that the proposed yearly rental of 25,000 piasters was exhorbitant. He proposed the following alternatives:

a. that the landowner be entitled to from 20 to 25 percent of the market fees over a period of 10 years, after which the land occupied by the market would become the public property of Bui Tieng; or
b. that a committee be appointed to fix the land rent, which would be paid yearly out of market fees collection into the communal funds; or
c. that if the landowner were unwilling to accept either solution, the Department of Interior be asked by the province to requisition this plot of land for public use.

The representative concluded his note as follows: "Frankly, it is only because of the existence of the resettlement camp that the value of this land has increased. The landowner should be reasonable: he should refrain from taking advantage of the situation. I understand that the sale value of land here is only 3 piasters per square meter (i.e.,) 61,500 piasters in all)."

In October 1957, the district chief convened a rent-fixing committee, including representatives of the landowner, the Bui Tieng Council, and the Comigal representative at Bien Hoa. After some discussion, the two parties agreed upon a yearly rent of 17,500 piasters for the 2.50 hectares. When the council reported this recommendation to the villagers, the latter still deemed the rent too high and withheld their approval.

A few weeks later, Mr. Bui Truong Truyen, father of the late Mr. Thu, introduced a new representative, empowered to resume the rental negotiations. This representative, Mr. Thu's son-in-law, appeared in the uniform of a Lieutenant in the Civil Guard.[3] After some discussion the rent was fixed at 12,000 piasters for the land on which houses had been built and 1,000 piasters for the market site, totalling 13,000 piasters per year. According to some people in Tan Mai, the lieutenant threatened to drive away any family who would not pay its rent and indicated that he might send a regiment of armored cars to level the houses built on the land.

Suspecting the *bona fides* of the lieutenant, the committee asked the Security Service to investigate him. The results of the investigation revealed that Mr. Thu's son-in-law had falsely assumed his indentity as an officer during his courtship of Mr. Thu's daughter, and had retained it for his own convenience. He was arrested before the negotiations were completed.

At this point the Tan Mai settlers expressed willingness to sign a contract on the renting of the market site, leaving in suspense the question of the plot of land used for private construction. A contract for rental of market site was signed at the end of 1957 by the Bui Tieng Communal Council and representatives of Mr. Thu's family (consisting of Mr. Ho Van The, brother-in-law of Mr. Thu and Tam Hiep Village chief, and Mr. Luong Van Bien, Security officer of Tam Hiep and guardian of Mr. The's minor children).

This still left the contract covering most of the land unsigned. The Bui Tieng Communal Council explained their concurrance in the first contract on the ground that the market had the character of a public utility, a matter in which they were empowered to act. The village expected to draw out of the market fees an amount sufficient to pay the agreed rent (market fees now reached a total of 4,000 piasters a month). The other sites were described as a private matter in which the Communal Council had no power to act. The district chief stated that the council feared that it would either have to collect a high rent (which would in turn give rise to discontent), or run the risk of collecting an insufficient

[3] A para-military police organization attached to the Presidency but under operational control of the province chiefs.

amount (in which case the Communal Council would have no resources out of which to assume this added burden).

The district chief asked the 71 families of refugees who had built their houses to elect a representative to act on their behalf in the signing of the contract, but none of them was willing to assume the responsibility of collecting the rents.

According to the Tam Hiep Village Chief (a native of the South), this was a mere evasion. He pointed out that across the highway there was another plot of land[4] situated in the same region as Mr. Thu's land. The annual rent of each family lot of four by twenty meters was 500 piasters, a sum which they had been willing to accept and had paid regularly. The families who were occupying Mr. Thu's land, he stated, were asked to agree to an average of only 169 piasters yearly for larger plots of ground.

It was also said that the main reason why the Bui Tieng Villagers were unwilling to pay the rent was that they hoped by "watchful waiting" to exercise pressure on the fixing of village boundaries. Many believed that the longer they could keep the problem in suspense, the greater would be the probability that Mr. Ho Van The, village chief and brother-in-law to Mr. Thu, would agree to permit Bui Tieng to absorb Bui Chu and Phan Thanh Gian Hamlets (which were also occupied by the refugees). For this reason, the land rental and the village boundary problems were closely related.

The district chief shared the opinion that once the boundary problem was resolved, the land-lease problem could be concluded satisfactorily.

THE VILLAGE BOUNDARY PROBLEM

According to a Comigal official, as a rule settlers in a portion of land belonging to a village, canton, or district of their native country, become subject to the administration of the local authorities. The refugees from North Vietnam were permitted to retain a certain autonomy in many cases, however, because they were frequently more numerous than the natives of the villages into which they moved. Despite the fact that the refugees and their host villagers were fellow countrymen, they usually presented differences in language, traditions, and customs. Elements of rivalry and contention were present often enough to warrant the creation of tem-

[4]Which formed the Bui Chu Hamlet. See map.

porary resettlement committees subject to special regulations to administer local affairs in the refugee villages.

But this administrative statute could not continue in force indefinitely, he pointed out. Eventually the government had to determine whether to integrate the refugee village with its neighbors or to authorize the creation of new village units upon the fulfillment of specified legal requirements (such as minimum population of 3,000 or occupancy of a certain area of land).

Because Tan Mai Village numbered more than 10,000 people, its transformation into a new village to be known as Bui Tieng was approved by the Regional Delegate of the Government in January 1956, under Arrêté No. 2-HCSV/PI, dated Jan. 4, 1956. The Arrêté specified that Bui Tieng was to be a part of Phuoc Ving Thuong Canton, Bien Hoa Province. On October 19, 1956, a committee consisting of the Regional Delegate, and representatives of Comigal, the Province, Tam Hiep, and the refugees, was appointed to study "ways and means of improving the integration problem." At first this committee was of the opinion that Bui Tieng Village alone did not meet the requirements of a separate village because in spite of its numerous population its area was too small. Standing alone, it could not provide the communal budget with sufficient resources out of its sole source of revenue, the market fees. Therefore, the committee proposed the annexation of Bui Tieng to Tam Hiep.

The Tan Mai villagers were not satisfied with this decision, arguing that although the village area was small, it had abundant resources arising from handicrafts, commerce, market fees, and license fees, which would enable it to constitute an autonomous budget. They pointed to the fact that Comigal had taken steps to have USOM approve a project for setting up a cotton mill and developing a handicraft center in the village, involving over 2,000,000 piasters.[5] They addressed their petition to Comigal, to the Department of Interior, and to the Presidency, applying for permission to remain a separate village.

Officially, Bui Tieng still belonged to Phuoc Ving Thuong Canton, bordered in its length by the Bui Que Arroyo running 200 meters along National Highway No. 15 (beside Go Nong), while its width touched the limits of Ba Que. But practically, the boundary question was still unresolved. In addition to the plots of 7.06 hectares conceded by Tam Hiep Village for construction purposes, the Tan Hiep refugees had settled on two other plots within the limits of Tam Hiep, which were respectively

[5]This American aid project was implemented early in 1958. The Tan Mai cotton mill was considered one of the best equipped in the province.

called Bui Chu and Phan Thanh Gian (see map). These lands had been leased out to refugees at a rental of 400 to 500 piasters per year for a portion of 4 x 12 meters. Because of their location, population, and fertility, both Tam Hiep and Tan Mai wanted them to be included in their respective jurisdictions.

The Tan Mai group argued that before building their village they had applied through the Tam Hiep Communal Council for a total area of 50 hectares which was to include both the Bui Chu and Phan Thanh Gian plots. Tam Hiep did not forward the request to the government, and only the 7.06 hectares belonging originally to Mrs. Tieng had been ceded. Tam Hiep's position was that "Northerners and Southerners are fellow countrymen," and those who built their houses on the 7.06 hectares were to belong to Tan Mai, while the others would automatically become a part of Tam Hiep. Tan Mai had several times asked the Chief of District to arbitrate the conflict.

The population of Bui Chu was 900 people; that of Phan Thanh Gian 1,000. These settlers stated that they desired to become a part of Tan Mai (Bui Tiêng) rather than Tam Hiep for the following reasons:

1. Since these groups of refugees are not far apart, it would be administratively convenient for them to be in one village.
2. Their linquistic, cultural, economic, social, and spiritual interests united them with Tan Mai. Tan Mai had built a secondary school which refugees' children as well as native children could attend. Tan Mai had an orphanage, a first-aid station, a separate maternity hospital, and a self-sufficient economy.
3. For public order and security, Tan Mai had an efficient militia organization. The settlers feared that if they belonged to the large Village of Tam Hiep, which had many families of "elbow-bending" and "gambling-addicted" veterans; they might become victims of house breaking and robbery, and Tam Hiep would not be able to protect them.

These arguments were rejected by Tam Hiep Village for the following reasons:

1. Tam Hiep had already offered Tan Mai its communal land, which should be a sufficient concession for one village to make. To grant more would establish "a village within a village."
2. The argument presented by Tan Mai according to which "any land occupied by the refugees should be separated from the original territory" is indefensible. Why should they not follow

the general principle prevailing throughout the world by accepting the jurisdiction of the village in which they had built their homes? If they occupied all the land they wanted, they could eventually smother Tam Hiep Village itself.

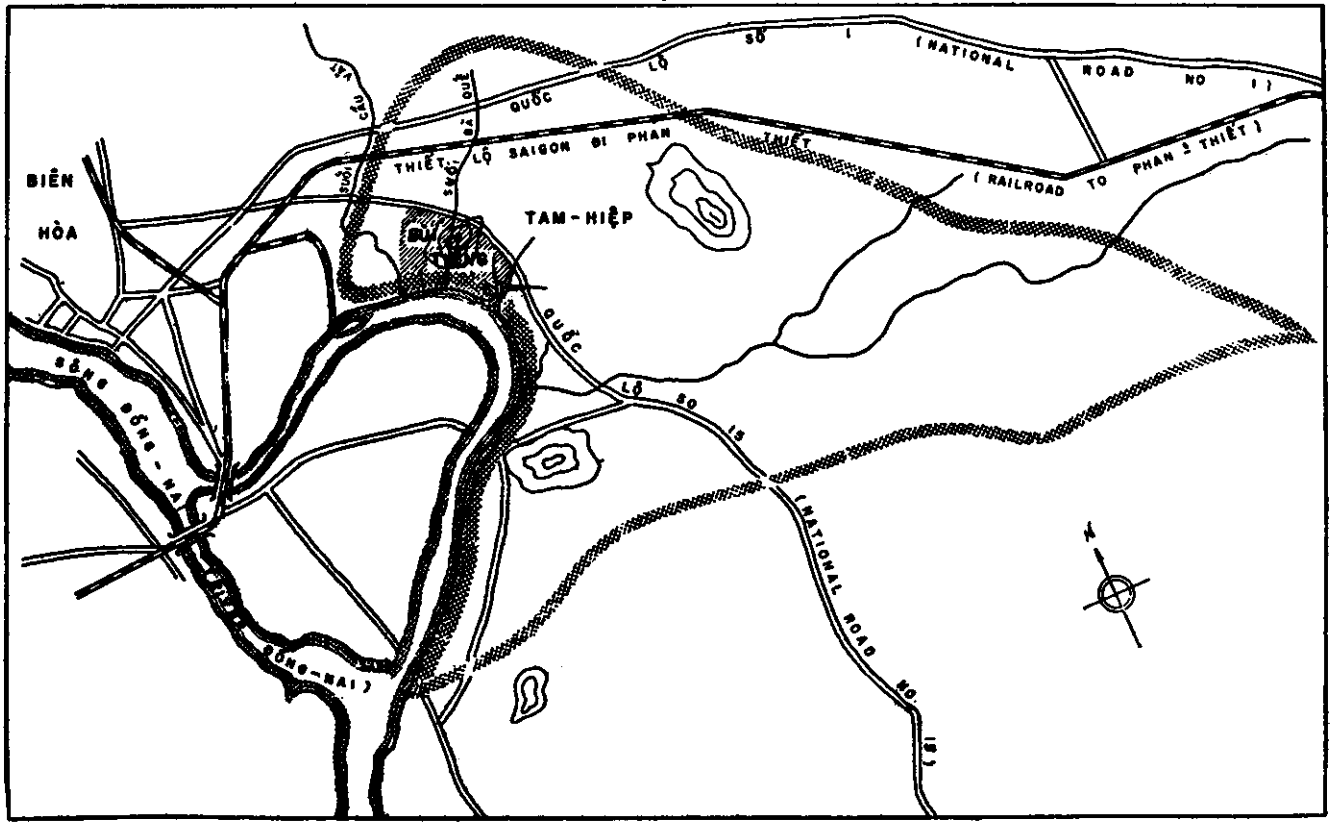
3. If the other side of the national highway was granted to Tan Mai, it would cut Tam Hiep off and thus make patrolling difficult, especially at night (see map).
4. At the time, the Tam Hiep population included 2,000 native villagers and 40,000 Northerners (former soldiers disbanded from the French army): all of whom were under the jurisdiction of Tam Hiep Village Council. If, in some future time, those soldiers were to combine with the Tan Mai residents and force Tam Hiep to merge with Tan Mai and submit to Tan Mai Village Council, the Tam Hiep element would become a minority in its own home.

The chairman of Tam Hiep Village Council sensed that the Tan Mai settlers would sign the lease on Mr. Thu's land at the price of 12,000 piasters, once they were satisfied with the boundary arrangements. But he was not willing to sacrifice communal land and "betray Tam Hiep's interest" for the sake of a settlement. Indeed, when he had proposed offering Mrs. Tieng's land to the Tan Mai resettlers, he had been criticized by his own villagers even though his proposal has been agreed upon by the council. Father Hy, on the contrary, accused the chairman of Tam Hiep Council of stubbornness. He thought that the chairman was relying upon his influence to force acceptance of his position (one of his sons was a district chief in another province and another a captain of the Civil Guards; one of his younger brothers was a school inspector, and another in the administrative service of the province; and he had relatives and influence at every level of the administrative service). Fr. Hy stated t if the problem was not settled, the refugees would appeal to the President.

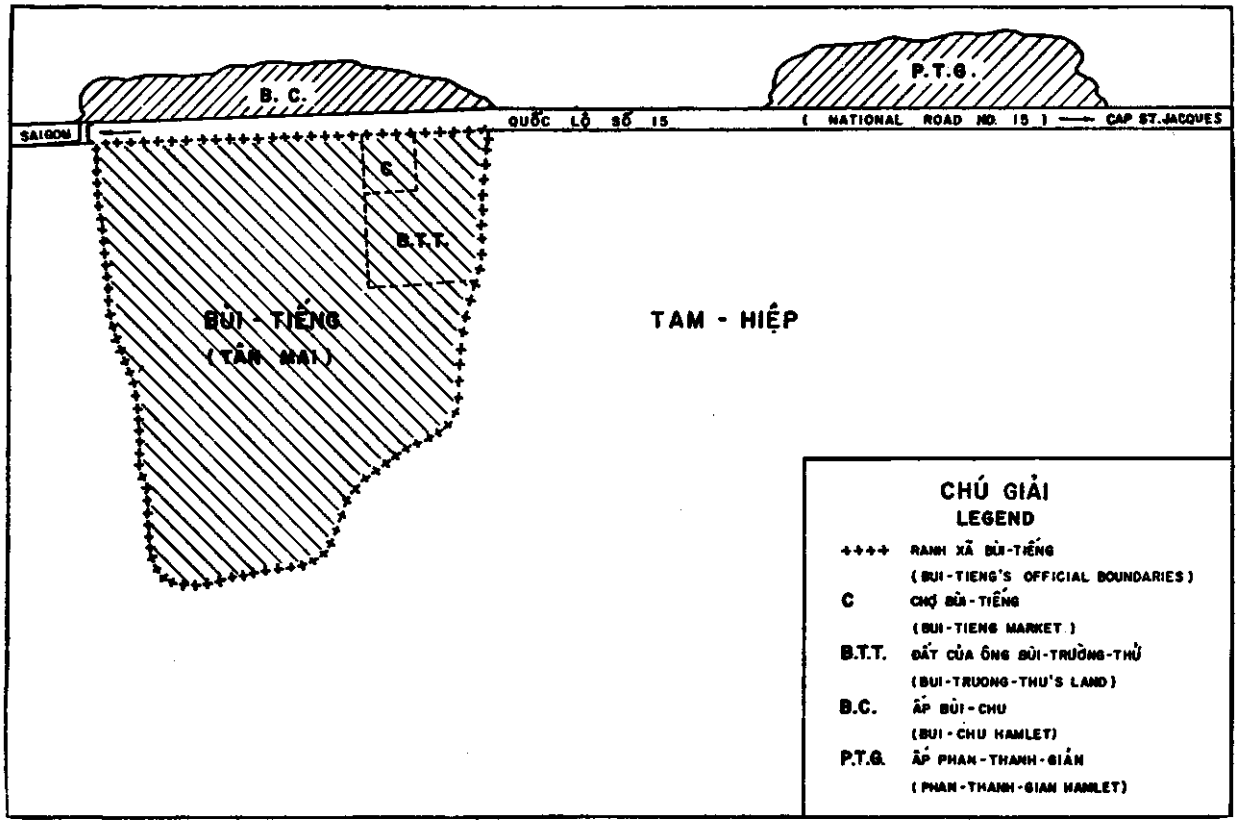
Bui Chu and Phan Thanh Gian Hamlets continued to pay their taxes to Bui Tieng. On Sept. 22, 1958, the district chief recommended to the Department of Interior that Bui Tieng be integrated into Tam Hiep. Three days later the Communal Council of Bui Tieng again sent petitions to the Ministry of Internal Affairs and the Presidency asking for separation. Father Hy enigmatically added that the conflict was motivated by personal interests rather than public considerations.

The Central Government continued to decline to interfere in the dispute.

(RESPECTIVE LOCATION OF TAM HIEP & BUI TIENG VILLAGES)



(RESPECTIVE LOCATION OF BUI CHU & PHAN THANH GIAN HAMLETS)



The Commissar and the Law: Deviations from the Civil Service Regulations

On April 23, 1957, a new agency was created which in 19 months was to resettle 85,000 persons in 46 new communities occupying 25,000 acres of newly cleared or reclaimed land. The machinery for undertaking this vast resettlement program was the General Commissariat for Land Development (GCLD), an agency directly attached to the Presidency. Its responsibilities included performing technical research and applying appropriate means to exploit the undeveloped lands in south and central Vietnam; transporting settlers to development centers, distributing land, and supplying available facilities for purposes of cultivation; establishing a basis for community development in the centers by increasing productivity and improving agricultural techniques; and coordinating with the Vice President for implementing all necessary plans for these purposes.

On the same date Mr. Bui Van Luong, of the Commissariat General for Refugees and Rehabilitation (Comigal), was designated head of the new agency. Comigal, which had been created on September 17, 1954, and which had been under Mr. Luong's direction since May 15, 1955, was being gradually dissolved as the refugees were absorbed into the existing governmental and community structure.

Mr. Luong expected to absorb some of the personnel from Comigal into the GCLD in the reorganization that would follow. A more immediate personnel problem, however, was that of absorbing the staff of the

Agricultural Development Directorate (ADD), which was the immediate predecessor of GCLD. Its Director, Le Thanh Cuong, was "a young, dynamic specialist in agricultural equipment," according to a GCLD official. "He had enjoyed the confidence of the President during the year of ADD's existence (it was dissolved a few weeks before GCLD was set up). It had an autonomous budget, which enabled Cuong to recruit his entire staff without dealing with the Civil Service Directorate at all. His special employment procedures permitted him to pay salaries far above the civil service scale. This meant that when we absorbed his staff into our agency, and subjected them to the normal government procedures, we had to make drastic salary readjustment, and either run the risk of losing valuable personnel or find some means of continuing their special perquisites."

Mr. Le Thanh Cuong had originally justified his special salary schedule in terms of the urgency of the project, the exhausting nature of the work, the unstable and insecure character of the employment offered by a temporary agency, and the shortage of competent personnel. In commenting on these circumstances, Mr. Hoang Ngoc Than, Director of Cabinet at the GCLD, recognized that Cuong "had sufficient reason for arranging high salaries for his technicians. Many of the engineers had just returned from study abroad, and deserved special consideration. Most of the time they had to work in the field under difficult conditions which justified extra compensation. But I can't see why the clerical and administrative staff, who worked much the same as their counterparts in other government agencies, should have received so much. Mr. Luong and I felt that at least this aspect of the old personnel policy would have to be corrected."

Accordingly, when all ADD personnel were absorbed by GCLD in May, Mr. Luong informed the clerical staff that their salaries would be readjusted in conformity with Civil Service regulations. This announcement resulted in many resignations, as had been expected. This did not, however, affect the working conditions of GCLD. In a few cases clerks were promoted to section chiefs on the basis of ability and educational qualifications; but by the same token some section chiefs who lacked the civil service qualifications were demoted.

"We applied the rules without discrimination," recalled Mr. Than. "I know that many employees felt these measures were too 'drastic,' and I can understand their feelings. But what else could we have done? To prolong the irregularities would have made it more difficult to correct later and would certainly have been a drain on our budget. The Presi-

dent's instructions were to exert every effort to economize on manpower and costs, and we adhered literally to this policy."

But the technicians posed a different problem, according to Mr. Than. They constituted a third of the ADD staff, and would be hard to replace "A decision to reduce their salaries to the levels paid technicians in other agencies would have resulted in mass resignations. This would have had serious political and economic effects for the nation, since Land Development was a high priority program of the Diem administration. Moreover, engineers and agricultural technicians in GCLD would probably have to spend 25 days out of every month in the field, sometimes doing heavy manual labor and sometimes dealing with Communist trouble-makers. Few of the salaries seemed out of line, and we decided not to make any reductions in technicians' salaries. In order to justify this decision to the Civil Service Directorate, we assigned special titles to those with the highest salaries (who, fortunately, were the most competent). These included the rank of Directors, Advisors, Special Project Officers, and Inspectors. Ordinarily these positions are also entitled to additional allowances in cash and in kind, such as personal transportation and housing, usually worth several thousand piasters a month; but in these cases we ruled that such additional allowances would not be made."

The absorption of ADD personnel having been accomplished, there still remained the problem of accommodating the Comigal staff, which was eligible for re-employment or release as the agency was gradually dissolved. Mr. Luong felt that these employees, who had already served under him in his former capacity, were also entitled to special consideration. Here the principle of selection—for there were by no means enough vacancies in GCLD to absorb the staffs of both ADD and Comigal—was that of seniority. "Those who had been longest with the agency," Mr. Than explained, "were the most competent and experienced. Since we could absorb only half of the Comigal personnel, we decided to take on the specialists and technicians whom we needed, and all of whom we could absorb, and then re-engage the temporary and contractual personnel on the basis of tests (in administration, typing, driving, or other skills). We deliberately set high standards for these examinations: for example, clerical applicants had to have ten years of education (certificate of *trung hoc de nhat cap*, equivalent to the French *Brevet d'étude de premier cycle*), which only a few could claim. This meant that most would be terminated, but they would have no ground for accusing us of favoritism or injustice. Those who passed the tests were paid under the Civil Service scale; those who did not receive a separation allowance equivalent

to one month's salary unless they were terminated for disciplinary reasons. This gesture was not required by the regulations, but it did much to preserve good relations with Comigal's former employees.

"We had thus adhered to our budgetary instructions and had regularized our salary schedule with that of other agencies, except for the technicians whose pay was justified on other grounds."

Because of the unusual character of the GCLD operations, however, other deviations from Civil Service regulations still had to take place. The Director of Administrative Services at GCLD argued that "There are instances when a footpath serves you better and quicker than the main road. In early February 1958, I remember, scores of laborers were needed at a center in the highlands to clear the ground. The work had to be done before the rainy season, and we were forced to hire them without the preliminary usual Civil Service procedures, including the affidavits,[1] political investigation, and budgetary clearance[2] that would have taken months to complete. The Civil Service Directorate was unhappy about this, but we had no alternative if we were to accomplish our mission."

Another Civil Service regulation that the GCLD considered "unacceptable" was the limitation on field trip per diem allowances to two weeks. This rule had been designed to discourage administrators from absenting themselves too long from their desks. According to Mr. Than, however, "This principle should not apply to us. Our technicians are expected to spend as much time in the field as possible. Our mechanics are expected to visit the centers to repair equipment and vehicles. But this regulation tended to return them to Saigon on the 14th day of their trip and to restrain them from making other field trips until the 1-week full-pay period had been exhausted. Since some centers were located 2 or 3 day's travel away from Saigon, the effectiveness of these technicians was greatly reduced. For this reason we suspended the application of this regulation to our technical personnel.

"Even in the matter of classification, Civil Service regulations could not be strictly followed. Each of our resettlement centers had a chief with the responsibility for supervising the entire project, helping farmers, conducting the population census, and reporting on all activiites of the center through GCLD channels. These responsibilities were imposed by law (Article 9 of Decree 976, October 4, 1957), and represented a vital element in the success of the field operation. The Civil Service Directorate

[1]Evidence of birth and identification is important in Vietnamese employment procedure to avoid Communist infiltration and misrepresentation.

[2]Before each individual is recruited, under the surviving French colonial administrative system, separate budgetary clearance is required to insure that an agency does not exceed its authorized strength.

suggested that these chiefs be paid according to their educational level, as was the case in all other Civil Service appointments. But because no special knowledge or background was required for center chiefs, the pay would vary between 3,000 and 4,000 piasters a month, which was not enough to attract personnel of the caliber we needed. The Director of the GCLD administrative services argued that a center chief was more than a regular clerical employee. He spent all of his time at the center, living under conditions approaching hardship because of the primitive circumstances of material life. The centers were often situated in malarial forests. Diarrhea was endemic to the entire region in most cases. Housing facilities were non-existent or inadequate, especially at first. And the duties performed by the center chiefs were equivalent to those of a district chief or engineer. We therefore settled on a flat salary rate of 7,000 piasters on a contractual basis. We realized that the Civil Service Directorate considered this a violation of regulations, but feared that any reduction in this figure would deprive us of essential personnel. Even so, we had received only *a few* applications from outside and had to train some of our qualified staff to serve as center chiefs."

Some of the decisions Mr. Luong brought to the President himself, who gave his full support. As Mr. Luong explained it "The President was the pioneer in the Land Development program and recognized that the urgent character of the work sometimes required one to cross the fine lines of normal government procedure. I myself, a career civil servant, am fully conscious of the need for adhering to rules and principles if one is to avoid caprice and intuition as a basis for administrative decisions. *Dura lex semper lex est.* In order to demonstrate our good faith to the Civil Service Directorate, we recruited only temporary employees throughout these direct routes, and invited the Civil Service Directorate to approve the application forms *nunc pro tunc.* The other categories of civil servants were processed according to normal Civil Service procedures prior to their formal employment.[8]

"Rigidity is a vice if carried to extremes, and flexibility has its place even in an apparently routine personnel function. That is why I decided that center chiefs should receive 7,000 piasters a month, the equivalent of a Saigon engineer's salary, and that our technicians should receive full per diem for their field trips. But it also explains why the normal pay scale and per diem regulations are still applied to our administrative and clerical staff."

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[8]Personnel at the GCLD were classified as follows (June, 1959):

Regular	80
Contractual	16
Daily	32
Temporary	2088
	2216

Technician's Dilemma: The Kenaf Fiber Case

Late in 1957 Mr. T. T. Trinh, a French-trained engineer in charge of the Technicial Division at the General Commissariat of Land Development, was considering the experimental introduction of a new fiber crop to Vietnam. The proposal, first suggested by an American technician, involved planting kenaf in the resettlement villages in the central highlands.

Vietnam's two principal industries, fishing and farming, required extensive use of fibers for nets and rice bags respectively. Although hundreds of tons of jute were produced domestically, this output had to be supplemented by annual imports of 5,000 tons of unprocessed fiber and of jute bags. An additional $50 million worth of textiles were also imported annually. An effort to reduce this drain on the foreign currency reserves of the nation had been started in 1956, when French planters began an annual production of 300 tons of jute suitable for making sandals. The use of the Land Development centers in South and Central Vietnam for producing other fibers could theoretically fill all the domestic needs and in time even provide an exportable surplus.

The General Commissariat of Land Development (GCLD) was established on April 23, 1957 under the leadership of Mr. Bui Van Luong, a dynamic, experienced administrator who, after leaving his post as province chief, had served with spectacular success as head of the refugee

resettlement program.[1] The ambitious Land Development program, originating with President Ngo Dinh Diem himself, was designed to resettle unemployed, landless, and unstable elements of the population in centers scattered throughout the vast undeveloped regions of the south and center. This would, it was hoped, develop the agricultural economy, extend help to underprivileged elements of the nation, and create centers of loyalty that would constitute a barrier to Communist sabotage and subversion in the countryside.

The planting of fiber crops in the centers had not been part of the original resettlement plan, which had envisaged the production of rice and vegetables as the agricultural basis for the communities. It was soon learned, however, that soil and climatic conditions and limitations in the amount of land available would make it impossible to support the expected populations with those relatively low-yield crops. In 1957, therefore, USOM proposed introducing the relatively high-yield kenaf fiber crops in the resettlement centers, but because the farmers had not been resettled until sowing time, it was clear that they would be too busy building houses to begin immediately raising a crop with which they were unfamiliar. USOM therefore agreed to postpone the introduction of kenaf and instead suggested an experimental planting at the Gia Ray experimental station of the Department of Agriculture. One hectare of kenaf was accordingly planted there, enough to prove that the climate and soil of Vietnam were suitable.

After the success of this experiment, USOM presented 6,000 kilograms of kenaf seeds to the GCLD for further development. These seeds would be distributed to farmers by the GCLD, which would also provide general supervision and technical advice. After a careful study of the kenaf crop. Mr. Trinh was convinced of "the quality of the fiber, its usefulness to the Vietnamese economy, and its probable value on the international market," he said. "Kenaf is similar to jute and ramie, which we have already used here, but it is easier to grow than either of these and it can flourish on almost any soil. Moreover, its productivity per hectare is greater than that of jute.

"But the seeds and scientific information were not enough. The central problems were administrative: securing official approval of an experiment involving many families living in different regions of the country under all kinds of weather might fail; and, once approval was won, organizing a program many times larger than the original experiment."

[1] See "Administrative Planning at Cai San" and "Land and Boundary Questions at Tan Mai Village," elsewhere in this volume.

Mr. Hoang Ngoc Than, Chief of Cabinet at the GCLD, noted that "farmers, especially if they are resettled to start a new life under strange circumstances, like to stick to what they know: growing rice, corn, and potatoes, where a good harvest is almost certain if they follow their well-established customs. Kenaf was too new a crop for them and they were reluctant to plant it."

Many of Mr. Trinh's colleagues in the GCLD were also skeptical of the proposal. Criticisms were rampant, especially among those who were unfamiliar with the properties of kenaf: it would be difficult to grow; it would not be profitable; there was no reason to take such a risk when it was known that the settlers could safely grow food; corn and potatoes would bring in a crop in only a few months; perhaps the fiber would not bring the desired revenue; the technique of extracting the fiber was not understood by the farmers; the fertilizer requirement would reduce the profits; the problem of marketing the fiber was unsolved. These criticisms were presented to Director General Luong, who, however, withheld his judgment until Mr. Trinh had explained his position.

Several weeks after the USOM proposal had been presented, Mr. Luong called a conference including the Chief of Cabinet of the Economy Department, the Director of Planning, the Director of NACO, USOM technicians, and representatives of a local jute processing firm. Mr. Trinh was invited to present the economic, industrial development, and technical factors involved. He spoke of the shortage of foreign exchange and the farm income problem. After he was finished, he reported, "most of those who supported the proposal turned out to be the same engineers, mostly younger men, who had favored it in the first place. Among these, fortunately, was Hoang Ngoc Than. There were a number of senior officials who were cautious. Some, whose recent experiences had robbed them of their fighting spirit and intellectual curiosity, opposed any action at all, arguing that many years ago planters had introduced jute: therefore planters could just as easily assume the responsibility for introducing kenaf. Some regarded kenaf as merely a cheap form of jute. Perhaps they feared they would lose face if the younger engineers succeeded. And the jute processors were equally conservative, expressing the fear that kenaf fiber was too hard and would ruin their equipment. These arguments were carried to as high as the Vice President.

"At this point I saw that I was either going to have to drop the project or find some way of carrying it through. I would be acting irreproachably if I let it drop: my responsibility as Chief of the Technical Direction was primarily to study and recommend programs, not to fulfill them. But my conscience would not be satisfied with this abnegation

of responsibility when the nation needed fiber crops and I could so easily see that they were supplied.

"One possibility would have been to leave the whole matter to the Commissar now that I had presented my case. He might reject the proposal, but after all as head of the entire program his responsibility to the national interest was much greater than mine. On the other hand, in order to accept the proposal, he might very well have had to overrule most of his own staff, a responsibility which I was reluctant to ask him to undertake.

"So I finally decided to take matters in my hands, with Mr. Luong's permission, of course, and with the understanding that I would be out of a job, and my colleagues and supporters among the younger elements would be seriously embarrassed, if I failed. I still recall what Mr. Luong told me when we discussed the implementation of the project: 'You confirm my judgment, I made further studies of experiences with kenaf in India and Thailand and became convinced that failure was almost impossible.

"I had the right amount of support. Mr. Than backed me 100 percent. Mr. Dempsey brought a jute bag and a kenaf bag back from Thailand, filled both of them with rice, and test-dropped them from a height of 5 meters (only the jute bag burst). The Chief of the Agricultural Equipment Division at GCLD made extraordinary efforts to clear the land and prepare the soil for the plantings. Mr. Dempsey helped me convince the fiber processors that kenaf fiber was not coarse enough to ruin their equipment, and proved that the fiber was even stronger than jute (although not in all respects equal to it). Strangely enough, the psychology of these people led them to accept the word of a foreign expert where they might have doubted that of one of their own countrymen.

"After a few months of preparation, I ordered 160 hectares planted in kenaf in 1958. The settlers protested immediately, joined by their supervisors in the centers. Our field workers explained that although the cultivation was different from that of rice, it was not difficult, and that a well-prepared plot of ground would produce a very high cash yield. We tried to explain that this was not just a government program, but one that would benefit them. Sometimes when our efforts failed we had to resort to a 'if you work, you eat' policy.

"The farmers weren't the only ones that needed convincing. Funds were delayed because of government red-tape (involving studies of the current international prices). Foreign exchange was still being allocated for the importation of jute, and one monopolistic firm deliberately im-

ported cheap, low-quality jute in order to kill off the infant kenaf industry. Evenutally the Vice President stepped in and worked out a plan for progressively substituting Vietnamese kenaf for imported fibers.

"Certain facts about kenaf helped, and I kept pounding away with them. One hectare of rice could not produce more than 3,000-4,000 piasters, whereas one hectare of kenaf would bring in 11,000-12,000 piasters.

"At the end, when the harvest came, the farmers were the most satisfied of all. I arranged for transporting the kenaf to the Saigon processors, and the farmers realized the cash value immediately. An industrial fiber exhibit was organized in Saigon late in 1958. It succeeded in arousing great interest among the visitors. A few weeks after the exhibit closed, the GCLD received requests for kenaf seeds from all over South Vietnam —more, even, than had been anticipated. And in February 1959, GCLD announced its plan to cultivate 2,000 hectares of kenaf that year. The early resistance of certain of our own officials and among the settlers had been overcome. The problem now was to find funds enough for the vast project. Mr. Than and I decided to ask for help for the farmers from the National Agricultural Credit Office (NACO). NACO agreed to lend the settlers 3,000 piasters per year per hectare planted in kenaf. The farmers, knowing they had to repay the loans, began to use fertilizer more carefully than they had that first year when it had been passed out gratis. They also gave more time and effort to cultivation, understanding the outcome might result in big revenues for them.

"Mr. Luong was apparently satisfied with the results. On May 15, 1959, with his approval, Mr. Dempsey of USOM left for Europe to arrange exportation of 200 tons of Vietnamese kenaf. Arrangements were made with USOM to import over 200 decorticators and planting equipment which will reduce working hours from 300 to 16 or 17 per hectare.

"Kenaf was no longer an infant industry."

10,000 Dike Builders: Community Project at Ha Lien

Reconstructing Vietnam's desolated countryside after the restoration of peace required the use of scarce manpower and equipment. The assignment of these resources called for tact, ingenuity, and a willingness to establish priorities among a vast number of competing claims. In Khanh Hoa, a province lying between the sea and the Truong Son Mountains, many dikes and dams were in need of repairs, along with numerous other public works. Normally the reconstruction of these dikes was undertaken upon application by individual farmers to the village and then successively to the district, the province, and the Nha Trang Rural Engineering Sector.[1] Since 1956, Mr. Nguyen Cong Huan,[2] agricultural engineer in charge of the Nha Trang Sector, had the responsibility of studying and passing on proposed projects after they had been approved by units of the local government. Requests he classified "urgent" were transmitted to the Agricultural Directorate and the Department of Agriculture for possible consideration as American aid projects. He decided because of the

[1]The Rural Engineering Service was supervised by the Department of Agriculture. It consisted of four sectors:
a. The Sector of Hue, including the provinces of Quang Tri, Thua Thien, Quang Nam, Quang Ngai, and Binh Dinh.
b. The Sector of Nha Trang, including the provinces of Phu Yen, Khanh Hoa, Ninh Thuan, Binh Thuan.
c. The Sector of the Highlands, consisting of 4 provinces of the Highlands.
d. The Southern Sector, consisting of all provinces of the South.

[2]Mr. Nguyen Cong Huan descended from a 19th-century agricultural pioneer named Nguyen Cong Tru, who had developed the two districts of Kim Son and Tien Hai at Hai Duong Province in North Vietnam. A graduate from the Agricultural College in Hanoi, he had entered governmental service in 1933 and had traveled extensively to study agriculture and irrigation problems.

local importance of the Ha Lien project not to ask for the entire sum from American aid, but to devise means for implementing it jointly with those who would benefit from it.

Ha Lien, a region located near the sea, was periodically submerged under salt water during high tides. Only 40 percent of its population were fishermen, the other 60 percent being either landowners or farmers and wood-cutters. Mr. Millard Cox, an agricultural specialist assigned to the United States Operations Mission in Vietnam, considered these farmlands marginal because of the intrusion of alum and sea water which limited the yield of satisfactory corps to one every third year.

"A dike had been erected privately at Ha Lien in 1932, but the damage caused by high tide during wartime, when no repairs were possible, resulted in its eventual collapse," according to the Executive Secretary of the Village Council of Ninh Ha. "Rice crops were thereafter ruined by sea water and submerged by floods alternately. The population asked the French authorities to repair it, but without success. Under the Viet Minh[8] regime, the authorities repaired it 5 or 6 times, but so hastily and ineffectually that the dike offered little protection against the high tides. Toward the end of 1955, twenty landowners submitted an additional request for help to the new regime. It was approved and forwarded to the authorities through proper administrative channels."

PREPARATIONS

Early in April 1956, Engineer Huan began to study the construction of a new Ha Lien dike. "Before I can start work," he explained, "I have to see the location personally, learn something of the history of its operations, and then acquaint myself with the opinions of the population to see whether they would be willing to provide labor, financial assistance, or other resources. Only then can I work out the technical details of such a project. An operation like this includes two phases, the one requiring construction contractors, and the other involving the organization of a community project to provide an adequate supply of unskilled labor."

Administrative arrangements for financial support were completed under American Aid Project Agreement No. 30-12-046. This was approved by the government on April 9, 1956 and accepted by USOM on July 16, 1956. On July 23, 1956, a total budget of 320,000 piasters was granted for the purchase of materials and the construction of two control gates for the dike. These were to be constructed in stone and concrete, two and a

[8]Communists who occupied the area after the withdrawal of the French, some of whom went underground after the Republic was established in South Vietnam.

half by three meters wide. Six small concrete gutters half a meter wide were also planned, with wooden locks for the control gates and gutters. The same locks would stop sea water from flooding ricelands at high tide, and fresh water from flowing into the sea during the dry season. "Because of the violence of the sea water and floods during the rainy season, it was necessary to place heavy stones at both ends of the bridge to reinforce it. All of these operations had to be undertaken before the construction of the dike could begin," according to Mr. Huan.

No aid contributions were necessary for the portion of the project to be carried out under community development procedures. "It was necessary to cooperate closely with the village and district authorities, however," stated Mr. Huan. "I therefore presented the general outline of the project to provincial authorities in order to elicit their administrative help so I could schedule the technical and community phases of the operation consecutively."

PUBLICITY

Mr. Huan considered the possibility that this project might be resented as a form of forced labor. Every year intervillage community development projects were said to require 8 to 10 days' work from each member of the youth organization, not including the time absorbed by other village projects having only local interest. The total of such labor demands was still much less than in former years, Mr. Huan knew. "During the French occupation," one youth recalled, "we had to spend 20 days on *corvée* every month, and provide our own food at the same time. The French did not allow us to keep much of our own rice on hand for fear we would give it to the Viet Minh. Besides being underfed and working without any respite we were beaten and even threatened with death. When the French soldiers assigned us work we could not do, they would beat some of us to frighten others and to force them to do the work; once they assigned 9 men to move a big heavy safe, and when they could not move it, they shot 1 man, and forced the 8 survivors to do it. We had to repair roads, bridges, and water pipes which had been destroyed by mines; build blockhouses and fortresses; and carry war booty. Today we are reconstructing villages and contributing to the welfare of our neighbors. Moreover, now we do not have to work so hard. We still have plenty of time for rest and can enjoy what we are doing."

In spite of reassurances like these, Mr. Huan reasoned that in

[4]Men and unmarried women between 18 and 25 in most villages in Vietnam were automatically members of a youth organization which held regular meetings for political and civic instruction and the performance of community services.

order to gain complete cooperation from the people upon whose work the project would depend, it would be necessary to carry out extensive advance publicity on community development projects. "I decided to ask for cooperation through all the organizations and services available, such as Civic Action personnel, the local militia, youth organizations, and the district information center," he stated. "I trained the youth leaders and asked the district information center to organize meetings at which the farmers could discuss and criticize my project. At these meetings some said that this approach would fail, since the previous authorities had attempted it without success. Others proposed erecting the Ha Lien road first, before starting work on the dike. I let the people discuss these points and the youth leaders answer them before explaining to them the advantages of the dike. I emphasized the farmers' request for the erection of the dike to protect their ricelands and stated that if their neighbors had a spirit of mutual aid they could erect it themselves. I explained how mutual operations could be carried out by the villagers, and pointed out that if the people of each village helped the people in other villages, they would be helped in turn by the others, so that eventually the benefit would be general. Finally everybody agreed. At the beginning most people considered the community development operations as a form of *corvée*, and even now a few of them still think so. Most, however, have realized the value of the work they have done, and have changed their minds.

"After the campaign had been completed, I approached the local administrative service to explain the project. I planned to ask the village youth organization to hand banners in their villages months ahead in order to add to the publicity. I suggested the following slogans: *A patch of land is a piece of gold. Block salt water, give prosperity to the people. Sweat will give us a golden bowl.* I hoped the youth leaders themselves would sell the idea in their villages."

RESEARCH AND PLANNING

"On September 12, 1956," Mr. Huan recalled, "440 village youths, the district chief, and I attempted to dig and erect an experimental dike. I hoped that this experience would help the leaders supervise their own groups. We were able to move 450 cubic meters of earth. I took this as a sample in arriving at an average working capacity of 1 cubic meter for 1 person working one day. On December 12, one thousand youths built another dike as a pilot project on the same site. I invited the provincial representatives to assist in this operation, and to encourage the

youths, the representatives and I also started working with them. In order to secure data about the tides, I asked the villagers and fishermen for information. They answered that according to local legend, on the 15th day of the 7th month of the lunar calendar, the sea would overflow, and on the 20th day of the 11th month the water would withdraw again. I compared this saying with Navy reports and learned that on December 21, the winter solstice, the tide is at its lowest level in the year. The water rises to 70 centimeters at 8:29 a.m., then withdraws and rises again at 6:00 p.m.

"I also looked over the region to see if I could find a local shrub or plant which could hold up the earth of the dike. I found a kind of fern with deep roots that would not pierce the dike and would still hold up the earth. Farmers used to grow them around their rice fields. It was not injured by salt water.

"As to weather, I inquired for meteorological information from Saigon; their reply was 'cloudy, possible showers, cold'."

As a result of these inquiries, Mr. Huan decided to schedule the operation for December 21, 1956. The work was to be done in twelve hours. He decided that it would be necessary to build 2 dikes about 2,550 meters long, 1 meter high, and 3 meters wide at the base and 1 meter at the top. This would protect 550 hectares of land frequently invaded by salt water, and reclaim 200 hectares from the sea. The volume of earth to be moved for the construction of the two dikes would total 10,000 cubic meters. Assuming 1 worker could dig and dike an average of 1 cubic meter of earth in a day, it would require 10,000 persons to complete the job in a single day, before the sea could invade the site. "I considered this a conservative estimate," stated Mr. Huan. "An experienced farmer could dig and dike 2 to 3 cubic meters a day, if the soil was soft.

"After notifying the Ministry of Agriculture, the USOM representative, and the Province Chief of these plans, I asked the authorities of Ninh Hoa District to assemble 10,000 young men and women between 18 and 35 from the 128 hamlets (located in 28 villages) of the district[5] to participate in the dike construction on December 21, 1956. The district authorities agreed to protect the site against threats of propaganda or sabotage from the Communists."

A week before the work was to begin, members of village youth organizations were instructed to conduct an inventory of the village tool supplies and to borrow whatever would be necessary. Teams were placed in charge of liaison, health, and water supply. Mr. Huan asked the Navy

[5]The total population of the villages participating was 72,249.

to bring 30,000 litres of water by motor boat from Tien Du Island (about 3 kilometers away) and Ninh Ha village, using the services of 2,000 girls and 30 boats to bring the water from the sea to the working site. Leaders of the youth organization served as supervisors. The Rural Engineering Sector was to provide a surveyor and chief supervisor. On December 18, the final work assignments were prepared and the supervisors notified of the detailed work plans.

"D-DAY"

On the afternoon of December 20, young people from the farther points —as far as 15 kilometers away—began to gather at Ninh Ha Village. Where possible, public transportation was provided. Nearer villages had begun preparations at 1:00 a.m. in order to arrive at the working area at 3:00 a.m. December 21. A festival was arranged at Ninh Ha, where dinners were given, moving pictures were shown and taken, and a singing contest was held. "In spite of the cold and rainy weather, the participants were enthusiastic and gay," Mr. Huan reported.

At the working area, headquarters were set up for guests and members of the general committee, and a first-aid station and loudspeakers were installed. At 4:00 a.m. the supervisory team inspected the people of each village at their appointed stations.

Mr. Huan anticipated that to place 10,000 workers along the 2.5 kilometers would require five hours. He divided the dam into 28 sections (one for each village represented), the length of which depended upon the number of workers available (ranging from 70 to 300 men). Every section was marked with the name of the village. To help the illiterate locate their own sections, Mr. Huan used symbolic designs such as crabs, crayfish, fish, etc.

Digging started at 6:00 a.m. It was raining hard and the work was difficult and unpleasant. In muddy places, the earth sank in and the workers had to use tree branches to gain a footing. In spite of the difficulties, only half an hour's rest was taken for the midday meal. To encourage workers, members of the liaison team sang or made announcements over the loudspeakers every ten minutes.

Drinking water was a problem because the Viet Minh had circulated a rumor that water at Tien Du was unwholesome and malarial. Although Mr. Huan knew this was false, he added purification compounds to the water tanks for the sake of reassuring the others.

At 11 a.m. the guests and officials arrived, including the province chief, Mr. Millard Cox from USOM, the district chief of Ninh Hoa and

neighboring districts, military officers, and notables from other public and private agencies.

"The guests of honor also dug the earth to symbolize the community spirit," Mr. Huan recalled. "At 2 p.m. we asked the Air Force to make a survey, take pictures, and give us a report. The work had been expected to take from 6 a.m. to 6 p.m., but by 4 p.m. some villagers had finished and gone to help others who had more difficult tasks. A friendly rivalry developed and the best workers were congratulated or given symbolic presents such as honorary flags and woolen blankets. When the work was over, the workers felt that they had won the 'battle against the sea,' many pointing out that other difficulties compared to the tide were minor. When a village finished its section of the dike, a special commitee inspected it, and hoisted a flag if the work was satisfactory, or ordered it completed if not. At 4 p.m., three-fourths of the work was done. Hundreds of fern plantings were now made along the dike on the sea side to protect it. By 5 p.m. all the work was completed, and the 10,000 participants trod in Indian file along the dike to inspect their project and to tramp it down. The dike was inaugurated at once and officially transferred to local ownership. From then on the landowners were to be responsible for the repair and maintenance of the dike.

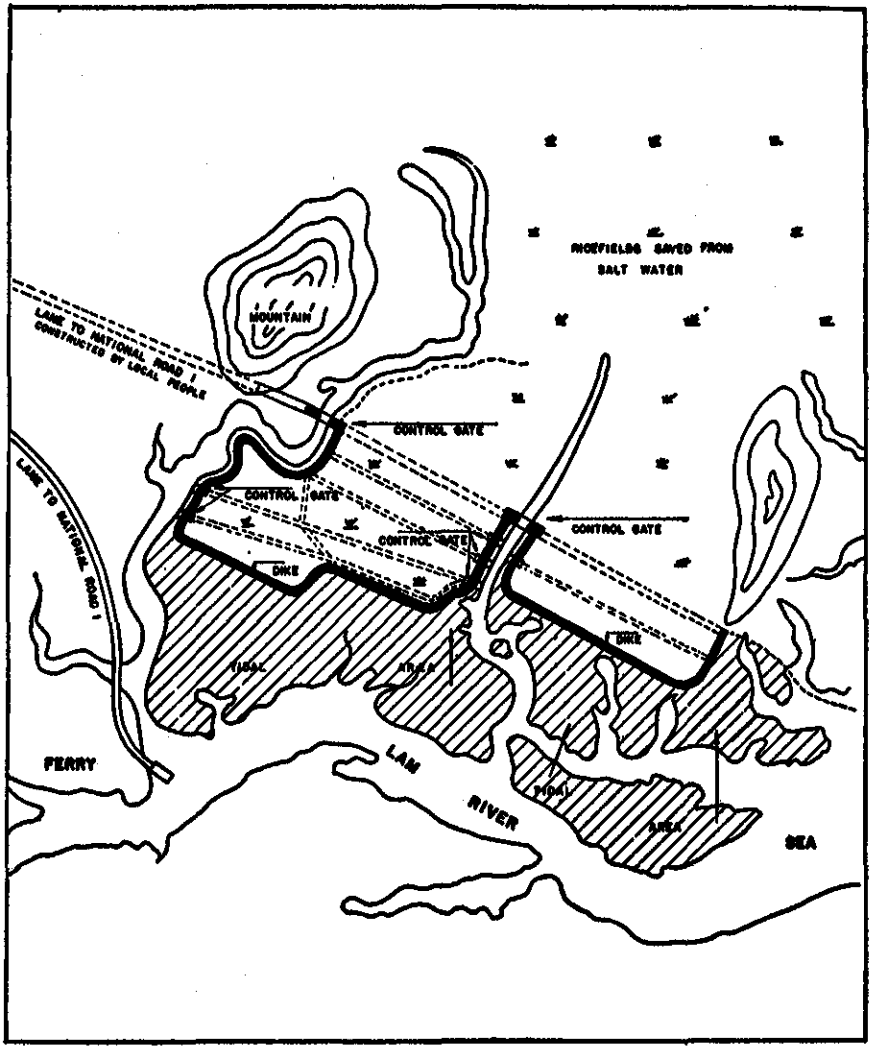
"The supervisory team spent that night at the dike to see how the high tide would affect it. The tide rose high, but did not overflow the dike. It stood firmly. We had done our work well."

Mr. Huan stated that cooperation among the villages had saved 500,000 piasters, assuming the average pay of 50 piasters per work day. "When the work was finished, the district chief suggested rewarding the workers. The riceland owners agreed to award them 1,000 piasters per mau* of riceland saved from the sea, but the workers declined out of respect to the mutual aid spirit," according to the Administrative Secretary of Ninh Ha Village. He added that his village had 519 mau of ricelands, 36 of which was reclaimed from the sea, producing 1,500 gia of paddy estimated at 45,000 piasters. Three hundred mau of village land were protected by the Ha Lien dike. Another 12 mau of lagoons were also saved for fish breeding, which itself yielded more than 5,000 piasters a year.

When the work was over, the workers received 55,820 piasters from American aid funds; and the Catholic Welfare Relief in Nha Trang distributed 5 tons of rice, 750 kilograms of cornflour, and 900 kilograms of butter from American surplus commodities. The military commander

*One mau equalled ½ hectare in Central Vietnam.

THE HA LIEN DIKE AREA



of the region presented woolen blankets, and the Province Chief gave 6 honorary flags and a sum of money.

Some farmers complained that only a few landowners would benefit from the ricelands they had recovered. But one answered, after the work was completed, "At least some farmers will have more lands to till. They will be able to improve their standard of living. This should please us as well."

A district chief said of the Ha Lien dike that it was a very good job, well planned and well organized, although the amount of ricelands saved from the sea was not as large as had been expected. On a chart, he pointed out, Ha Lien dike would protect 750 hectares of ricelands, but actually part of this could not be cultivated because of the continued presence of alum. "We still need a more solid dam here, as well as others in the same region, before the sea water can be conquered," he said. He pointed out that as it was it would be difficult to mobilize peasants again if the dike should break, since, after all, only a few riceland owners had benefited. Another high administrative official at Khanh Hoa Province agreed that Mr. Huan was successful in mobilizing the people and that building the dike in such record time was a worthy deed, well recognized by the population. But he feared that the dike had been built too hurriedly and was therefore not substantial enough to withstand the continued pounding of the sea.

Nearly three years later the dike was still standing, though its outlines were beginning to erode. Nevertheless, Sector Chief Huan himself considered the building of the Ha Lien dike—a difficult task which could have easily failed if it had not been well planned—an unqualified success. In spite of the difficulties—coordinating the operation, getting drinking water, and countering Communist propaganda—the farmers had not been intimidated or discouraged. Mr. Huan recalled hearing one of them remark after the Communists had uprooted the markers and surreptitiously distributed "Don-Work" tracts, "The sea itself is defeated. Communism is only man-made; let us go ahead."

Planning the Municipal Market at Dalat

Dalat is in the center of Vietnam's most attractive resort area, offering tourists a pleasant, cool climate, a selection of picturesque palaces, villas, and hotels, and a rolling countryside dotted with lakes and waterfalls. Its year-round gardens of flowers and green vegetables and its pine forests make it a luxurious picnic ground, and its resources in wild game also appeal to the huntsman. In view of this unusual combination of assets President Diem conceived the idea of developing Dalat as a cultural and intellectual center not only for Vietnam but for all Southeast Asia. This consideration has dominated city planning activities since the national independence.

From the time Dalat was founded in 1900 until 1950 it served as a resort city for the French Government officials stationed in Indochina. Few Vietnamese were privileged to settle there unless they were very wealthy or were working closely with the French colonial rulers of Indochina. Its population increased tenfold in 20 years, from 5,320 inhabitants in 1935 to 53,732 inhabitants in 1956.[1] Its area of 67 square kilometers remained unchanged.

[1]Population statistics: 1935, 5,320; 1943, 19,420 (the increase coming largely from French refugees from Hanoi and Haiphong); 1952, 25,041 (from the continued influx of Vietnamese refugees from Laos); 1956, 53,732 (from a new wave of refugees from the North); 1958, 67,220.

As a result of the 1942 and 1943 bombings in Haiphong and Hanoi, many French private citizens moved to Dalat. While the rest of the country was disturbed by the Japanese occupation from 1940 to 1945 and the political events that followed, Dalat was relatively calm between 1946-1950. After 1950 it became a settlement center for refugees successively from Laos and North Vietnam. Many of these newcomers lived in poverty beside the wealthy settlers. It was not long before the Viet Minh took the opportunity to infiltrate the recent arrivals.

In March 1951 a French Surêté Inspector named Haaz, whose abuses of power had earned him the hatred of Dalat residents, was assassinated without warning. The French Government retaliated by shooting a score of men and women who had been imprisoned on suspicion. The populace revolted in protest, and Chief of State Bao Dai with his entourage retreated to Nha Trang. Mayor Tran dinh Que was removed from his office and his powers transferred to a French official. Mr. Cao Minh Hieu was asked by Bao Dai to be the second Vietnamese mayor on May 27, 1951.[2] He accepted on condition that he receive full responsibility and authority for administering local security. After conducting a thorough house-to-house search for subversive elements, he gave freedom to many political prisoners arrested by the French, thus regaining public support. After 1952 Dalat was again secure, and refugees and others came in ever-increasing numbers to settle.

Problems of city planning were now foremost. The mayor began to think of redesigning the city with special reference to the plight of workers and vegetable growers. Arrangements were made to permit tenants to become small landowners,[3] on the theory that "once they had land to till, enough food to eat, and clothing to wear, they would lose interest in Communist promises," in the words of Mayor Hieu. Areas for the refugees were established at Anh Sang, St. Jean, Thai Phien, Da Phu, Phuoc Thanh (reserved for the veterans), Sao Nam, and Tay Ho. These areas were called "stopper hamlets" in recognition of their function of holding back the Viet Minh.

In September 1956 Mayor Cao Minh Hieu was replaced by Tran Van Phuoc, and the attention of city planners turned to improving Dalat's appearance for tourists, installing fluorescent lamps around the lake, and improving the surroundings of Cam Ly, Lienkhang, Gougah, and Prenn Falls. During this period a three-year plan was devised for

[2]Dalat had three Vietnamese mayors between 1950 and 1959: Dr. Tran Dinh Qué from Nov. 1950 to May 1951; Mr. Cao Minh Hieu from May 1951 to Sept. 1956; and Mr. Tran Van Phuoc from Sept. 26, 1956 to the present. Before 1950, all mayors were French.

[3]Property within the city could be purchased at auction. Properties outside the city could be acquired from the city, which gave pieces of land from 500 to 4,000 square meters for clearing. Land could also be bought for 2 piasters a square meter.

reducing the population of Dalat from nearly 54,000 to 30,000 or 40,000.[4] This was to be accomplished by moving the vegetable growers and occupants of temporary corrugated-iron-roofed houses to Dran, a neighboring district. The Province of Tuyen Duc was created on May 19, 1958 to accommodate this problem regionally by the Decree No. 261 N.V., incorporating Dalat, Djiring, and Dran District. It had an area of 5,067 square kilometers, suitable for the cultivation of rice, fruits, and vegetables, and for cattle and poultry farming.

THE MARKET PROJECTS

As in other cities and villages in Vietnam, the market place was an important community center. The original Dalat market was built in 1936 to provide a shopping center for its current population of 10,000. As the population increased, vendors were forced to set up stands on the pavements and streets adjacent to the market.

Former Mayor Hieu recalled that "traffic conditions around the market became so crowded that I finally had to order sidewalk peddlers off the public streets to avoid accidents. This forced them to move their activities to the square in front of certain shops adjoining the market (see Shops C on Map I). This in turn was sharply protested by the shopkeepers, who finally addressed a petition to the Bao Dai imperial cabinet. The Cabinet Secretary sided with the shopkeepers and ordered us to revoke the order. I tried to get a written order from the Cabinet Secretary so the city would not be held responsible for a condition that endangered both the peddlers and the general public, but no such order was forthcoming. I therefore required the vendors to remain in the designated area. But because of the influx of refugees, the number of vendors continued to rise, and it became increasingly obvious that new market facilities would be necessary."

In 1952 the city officials began to consider enlarging the market. Following their regular custom, tentative plans were repeatedly considered at the monthly meetings of the city council and the chief city administrative officials.[5] Three possibilities were considered:

1. Building neighborhood markets in addition to the present

[4]According to the urbanism plan for Dalat, residences were classified into the following categories: A—Houses to be moved, no more of which could be built; B—Houses needing improvements further building of which was limited; C—Villas and gardens to be protected, with future building controlled; D—Vacant lots reserved for the expansion of the city where building was to be permitted only if it conformed to the plan approved by the President; E—Old farmlands to be cleared or tribal villages to be rebuilt; F—Forests, reserved only for controlled wood cutting; G—Forests to be preserved and used for hunting.

[5]These services included: Cultural (Education, Information and Youth,) Security (Police Sureté, Civil Guard, Gendarmerie, Militia), Finance (Treasury, Taxation), Social (Social, Health, Sanitation, Civic Action, and Veterinary), and Economy (Public Works, Cadastre, Economics, Forestry).

market, in the newly founded hamlets such as St. Benoit's, Da Nghia, and Lo Gach;

2. Enlarging the present market;
3. Building a fish and vegetable market close to the present site, the latter to be used solely for bazaars and the sale of dry goods.

Some neighborhood markets were actually built, but shoppers continued to go to the central market, where a greater variety of goods was available. As a result, the neighborhood markets disappeared one by one.

Mayor Cao Minh Hieu and the city council met often to discuss these problems. At the council meetings of September 17, 1952 and September 30, 1953, plans for the expansion of the present market were discussed. (See Map II, attached.)

At the end of 1953, an annex to the market B and B′ was built with a corrugated iron roof to replace the lot A′ that had been designated for vendors. This was completed in 1955 and reserved for the vegetable sellers. It was only partially satisfactory, however, because rain made the annex too muddy for ready accessibility, and the vendors suffered losses in patronage during the wet season. Nor did the annex conform to later plans for beautification of the city.

THE MARKET EXPANSION PROJECT

Shops owned by private entrepreneurs entirely surrounded the municipal market (see Map II). Any enlargement would therefore require the purchasing of at least 12 shops (C), to provide space. The September proposal would give the market a T shape. The shops purchased for the expansion would be reconverted and used for restaurants, bazaars, and cafés. Another floor would be added to the market, and the walls of the shops in the center would be razed to provide two communicating passages to the market. An annex would be built on the present parking lot (H), connecting with the shops and the market.

Section (A) would be reserved for dry goods (materials, cosmetics, groceries, etc.) and (H) for fishmongers, butchers, and vegetable sellers.

The hill (I) would be cut in to a depth of 30 meters, and the soil removed would be used to fill the hollow at (K). The vacant lot thus created would be used for a road around the market and a series of 30 shops which could be rented by the city. This would double the size of

the existing market. As former Mayor Hieu stated it, "The cost of cutting the hill and filling the hollow would be about 3 million piasters. The estimated cost for enlarging the existing market, building an annex and a parking lot, and compensating the present owners would be about 12 million piasters. This would have been much too costly for the city to finance, however, and the project had to be abandoned." Indeed, when the purchase of private lands for the annex was discussed with the proprietors, they set a price of 6 million piasters (as opposed to 4 million which the city authorities considered the property worth).

Because of the cost of the project, shopowners around the market objected strongly. They also pointed out that the expansion would leave no room for a parking lot, which would complicate transportation and traffic.

THE NEW MARKET PROJECT

The city council met again on May, 1956. It was persided over by the Mayor and attended by 5 of the 9 councilors. The chiefs of services were also present as observers.

By now, the increased stability enabled the city government to consider beautifying the city by building a new market, paving roads in the business center, installing lights around the city lake, and improving sanitary conditions in the valley between the existing market and the Civil Guard quarters. This valley, an area of some four hectares, was used for vegetable growing around the edges, but was largely wasteland that served as a city dump. Its location in the center of the city made it an eyesore, and in a discussion of this problem it was suggested that the property might become the site of the new market.

The city council approved this proposal with the proviso that the municipal technical services, the National Directorate of Public Works for the Highlands, and the Directorate of City Planning and Public Building approve. Architect Nguyen Duy Duc and Chief Engineer Nguyen Ngoc Ky drew up the plans with the concurrence of the Secretary of State for Reconstruction and Urbanism. The four-hectare lot was large enough to build a market of 1,900 square meters and allow ample space for roads and expansion. Unused portions of the land could be divided into lots for sale to shopkeepers and others.[6] The present value of the land was 1,000 piasters per square meter. Thus, by selling

[6]Ex-Mayor Hieu and his former Deputy Chu Ngoc Lien hoped that the land would increase in value after the market was built. They also hoped that the property could be developed by a single group of enterprises so that economies in building the shops at the same time could be effected.

the lots, the city officials hoped to be able to obtain about 20 million piasters to help support the project.

Four considerations were presented by the mayor at the May 10, 1956 meeting of the city council:

1. Economically, the increase of the size of the shopping center would give entrepreneurs room for commercial expansion.

2. Socially, the city would be more beautiful if this hollow, then partially used for vegetable growing, were developed into an attractive market area.

3. Politically, it would help gain public confidence by providing work for citizens left unemployed by the withdrawal of the French Army.

4. Commercially, it would increase the value of the land around the market; it would add 10 million piasters to the city budget (in the hope that the lots could be sold for 20 million piasters, of which only 10 million would have to be used for the market).

Mr. Hieu summarized the project as follows: "The estimated expenditure for the building of the market would be 18 million piasters. Ten million of this would come from the sale of land, and 5 million would be borrowed from the National Civil Servants' Pension Fund. Alternatively, the city could request a 5 million piaster subsidy from the Central Government, or take 3 million from the municipal budget."

The mayor requested the city council's opinion on two points:

1. Should the new market be built on the recommended site?

2. Should the city be authorized to borrow 5 million piasters from the National Civil Servant's Pension Fund?

The city council's debate produced the arguments that: if each square meter were sold for 1,000 piasters, the total cost for a 5 x 20 meter lot would be 100,000 piasters. After the shops were built its value might be 500,000 piasters, but it would be imprudent to assume that 20 million piasters could be acquired from the sale of this land, because it might be necessary to sell the land gradually to permit businessmen from Dalat or other cities to buy and build shops as their capital became available.[7]

[7]According to Mayor Phuoc, the land sales could assume an increase in value because of the new market. He urged that it be sold to businessmen who could invest enough capital to build several shops at once for resale to shopowners, thus economizing on building costs.

Sentiment against raising taxes was also present.

In spite of these questions, the city council agreed:

1. To build the market on the suggested site;
2. To authorize the 5 million piaster loan;
3. To request the Central Government to subsidize the balance of the cost.

Architect Nguyen Duy Duc was asked to design a one-story market structure with a harmonizing concrete roof and large public staircases connecting with the original market. The plan was approved by the Secretary of State for Reconstruction and Urbanism. Mayor Hieu submitted this project to the President and requested a loan of 5 million piasters. While waiting for the approval, he was sent to another post in Saigon, and was succeeded on September 26, 1956 by Tran van Phuoc. Upon reorganization of the provincial government, Mayor Phuoc was designated Chief of Tuyen Duc Province on May 19, 1958, retaining also his functions as Mayor of Dalat.

Mayor Phuoc considered that the financing should be immediate rather than over a 3-year period, and sent the city council a letter on April 26, 1957, requesting permission to borrow 18 million piasters. It was approved by them, also by letter.

Shortly thereafter Mayor Phuoc received an unexplained order from the Presidency to redesign the project. On December 10, 1957 he wrote to the city council requesting that the loan be increased to 30 million piasters. This was also approved.

A meeting of city officials and notables to discuss problems of the market was held on January 22, 1958 to approve the new plan. The estimated expenditure for the final project was to be 40 million piasters, 30 million of which was to be borrowed from the National Civil Servant's Pension Fund.[8] A private contract for the building of the market was let on June 2, 1958, and the work was to be completed within 20 months thereafter.[9] The contractor was to receive a bonus for prior performance, and pay a fine for any delay.[10] The city was to supply steel and cement.

[8]This 30-million piaster loan with compound interest was to be paid in 15 years. Each year 2,891,000 was to be paid, beginning in 1959. The total repaid would thus amount to 43,500,000 piasters.

[9]Mr. Nguyen Linh Chieu, a Saigon contractor, won the bid at 20,210,000 piasters.

[10]The bonus amounted to 2,000 piasters per day, up to a total maximum of 100,000 piasters, and the fine, 4,000 piasters per day the first 2 months, 8,000 the 3rd and 4th, and 16,000 per day the 5th month. Delays of more than 5 months could result in cancellation of the contract.

The new plans called for a three-story market having a ground space of 1,600 square meters, and a height of 19 meters, with verandas 6 meters wide surrounding the building. It was to be 80 meters long and 30 meters wide at its greatest dimensions. The ground floor was to be used for fish, meat, and vegetable stands and for storage of goods; the second floor for haberdashery stands; and the top floor for outdoor entertainments and modern sanitary installations. There was to be a stairway with three landings and four 1-way stairways, which were to link the second floor with the market square. A freight elevator, counters, and plumbing would be installed, and a flying bridge would link the new building with the old market.

Construction was expected to take place under the supervision of the General Directorate of City Planning and Public Buildings. The Service of Highways and Bridges of the Public Works Department was to be responsible for supervising the building of roads, drains, and ditches.

According to city officials, the Dalat market would be a work of art: not only the most beautiful market in Vietnam, but also among the best known markets of the world. Mayor Phuoc added, however, "The new market is a commercial enterprise, not a charity organization; it will be developed by men with business experience." He himself had experience in building the Phnom-Penh market, and promised to devote special attention to such problems as stagnant and waste water and acoustics.

The city also planned to build a modern water supply and filter system; enlarge the municipal stadium; construct an outdoor swimming pool with water heating system; install electric lights along the suburban streets; and start work on buildings for the university. From the lake upward stores were to be constructed to harmonize with a master city plan.

THE CITY BUDGET AND FUNDS FOR THE MARKET BUILDING

The 1958 city budget (27,372,000 piasters) could be summarized as follows:

	Expenditures		*Municipal Revenues*
41.0%	economic	1.58%	license taxes
22.5%	management and administration	20.86%	real estate taxes
15.0%	public utilities	2.86%	rental of public land
8.5%	social welfare	10.00%	daily taxes
11.5%	police and security	14.60%	additional taxes
1.5%	miscellaneous	6.30%	excise taxes
		44.80%	national subsidies

A larger market was expected to provide increased revenue from the rental of stands and the issuing of licenses.[11] Taxes were already con-

[11]The cost of a license for each stand was 300 piasters. Vendors who sold vegetables and sat on the floor or were in rear areas were not required to purchase licenses.

sidered high by the business elements in the community.[12] Five years earlier, taxes and license fees were relatively low in comparison with incomes, but there were then fewer sellers and the buying power of the French Army was still high. The increased competition and the loss of a large consuming public were not expected to keep business at a satisfactory level.

Market vendors were informed of plans for the new market, which they regarded as a convenience for buyers. They were not convinced, however, that this was going to improve sales, since with the enlargement of facilities it was to be expected that there would be more stands. The fact of increased competition combined with expectation of a static or even reduced population was not considered a favorable factor.

Thus, the prospect of an increase in tax revenues and of market revenues was considered fragile and uncertain by the business elements. The main resources of Dalat were vegetables and tourism; but the local consumption of vegetables was limited, and tourism could not directly increase municipal revenues. (Tourists were relatively few in number in 1958, and those who came to the city spent their money in hotels and restaurants rather than in the market place or shops).

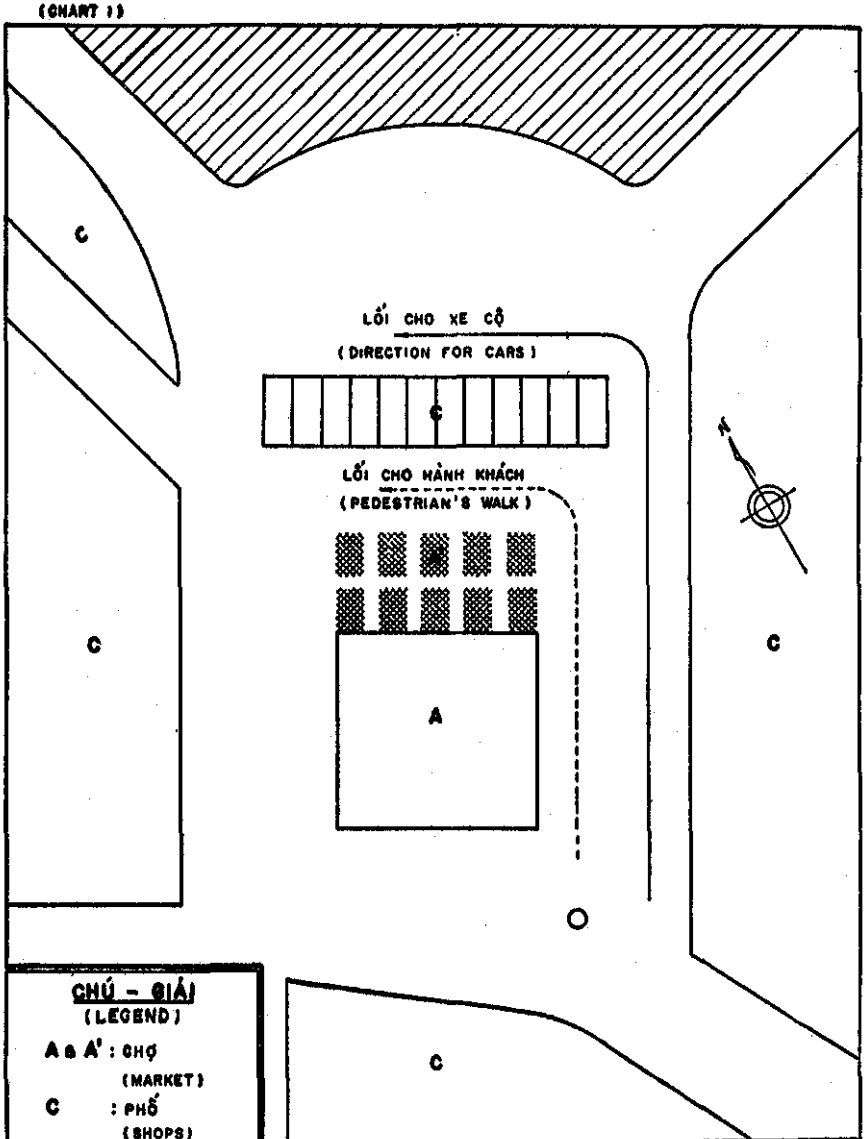
City officials, however, expected to repay their 43,500,000 piaster debt within 15 years. They argued that Dalat would attract many tourists who would be willing to spend money freely, and that Dalat as well as the national economy would be more prosperous. They expected tourism taxes, a 10 percent hotel tax, and a tax on consumption of electricity and on the use of the market to increase city revenues. As the mayor stated, "Building a market is a community project. Once built, it will benefit the residents as well as the government." He expressed confidence that in spite of some criticisms the program had encountered and the difficulty of borrowing the necessary funds, the judgment of the government would be fully upheld by the future usefulness of the market. "In the past, administrative experience has proved that building a market has never been an unproductive effort," he said.

On October 14, 1958 the cornerstone for the building was laid. A loan of 30 million piasters for the building had already been negotiated with the National Civic Pension Fund, and in a little more than a year and a half the city could reasonably anticipate completion of the new market.

[12]Each stand (1 × 1.8 meters) was to pay 70 piasters per week. Stands in the annex were to pay the same rate on a daily basis.

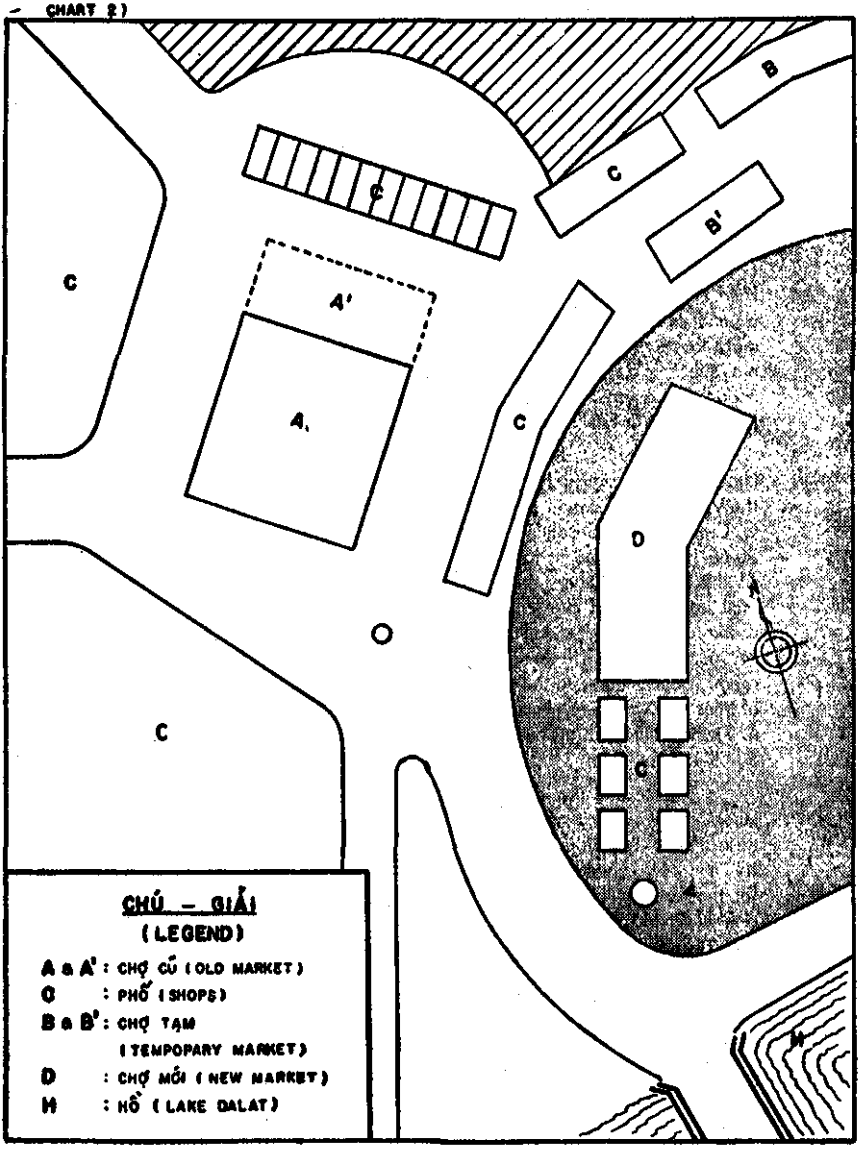
VỊ TRÍ CHỢ CŨ
(LOCATION OF OLD MARKET)

LƯỢC ĐỒ SỐ 1
(CHART 1)



VỊ TRÍ CHỢ MỚI
(LOCATION OF NEW MARKET)

LƯỢC ĐỒ SỐ 2
(CHART 2)



The Classroom-Laboratory Controversy

The almost explosive increase in high school enrollments after Vietnam achieved independence made it an urgent need for the nation to expand its school facilities.[1] Additional classrooms had to be constructed, more teachers had to be provided, teaching methods had to be improved, and adequate laboratories were called for. With the help of friendly nations the Vietnamese Government began to resolve the problems of providing these facilities.

One of the first of these efforts was American Aid Project Agreement No. 30-65-153, signed June 10, 1957 by Mr. Truong Buu Dien, Chief of the Vietnamese Education Department Foreign Aid Service, and Dr. Carl C. Cress, USOM Secondary Education Advisor. The purpose of PA No. 30-65-153 was stated as follows: "to assist the Vietnamese Department of National Education to enlarge the present secondary school facilities throughout the country. This assistance will take the form of constructing, equipping and staffing 115 additional classrooms in 30 public secondary schools. These additional units will range from 2 to 7 rooms, depending upon the classroom needs of the location. Eighty-two of these classrooms will be used as science laboratories" (PA 30-65-153, p. 2) and will be "furnished and equipped as science laboratories" (PA 30-65-153, p. 4).

[1]The number increased from 21,817 in the school year 1954-55 to 35,584 in 1956-57.

"The second phase of the project provides for the purchasing of laboratory equipment and classroom furniture for the 82 science laboratories. Thirty-four of these laboratories will be for physics, 24 for chemistry, and 24 for biology. At present there are no laboratory facilities for the teaching of science in any of these 30 secondary schools" (PA 36-65-153, p. 2).

The above classrooms were to be built in the following towns or villages:

Location	No. of New Classrooms	No. of Science Laboratories
1. Can Tho	4	4
2. Vung Tan	2	—
3. Thu Dau Mot	2	—
4. Tay Ninh	2	—
5. Tra Vinh	3	3
6. Soc Trang	3	3
7. Bac Lieu	3	3
8. Bien Hoa	3	3
9. Sadec	2	—
10. Long Xuyen	3	3
11. Rach Gia	2	—
12. Chau Doc	3	3
13. Vinh Long	4	4
14. My Tho	6	4
15. Ben Tre	4	4
16. Gia Dinh	4	4
17. Ha Tien	4	4
18. Ba Ria	4	4
19. Go Cong	4	4
20. Tan An	4	3
21. Ca Mau	4	3
22. Tourane	3	3
23. Nha Trang	2	—
24. Faifoo	3	3
25. Phan Rang	3	3
26. Phan Thiet	2	—
27. Hue (Ecole de la Citadelle)	4	4
28. Quang Ngai	5	4
29. Qui Nhon	4	—
30. Tuy Hoa	3	3
31. Bong Son	2	—
32. Darlac	7	4
33. Blao*	7	3
TOTAL:	115	82

*By later amendment, Di Linh would replace Blao for the same number of classrooms and laboratories, on suggestion of the Chief of Province of Lam Dong. Both Blao and Di Linh belonged to Lam Dong Province.

The Vietnamese Government's responsibilities were to provide the land sites and architectural services, and to pay the salaries of 115 new instructors for the classrooms constructed. Counterpart funds[2] were to

[2]Counterpart funds represent piasters generated by American military aid and deposited in the National Bank of Vietnam for use by the Vietnamese Government on projects agreed between it and USOM.

pay the local costs of construction of the classrooms and laboratories (estimated at 11,500,000 piasters, on the basis of 100,000 piasters per classroom of 8 x 9 meters) and to provide classroom furniture (estimated at 1,150,000 piasters, or 10,000 piasters per classroom).

A Vietnamese Government project manager was to be responsible for sending monthly progress and funding reports to the U.S. Technical advisor for USOM project control purposes. These reports would record (1) funds previously released to this project; (2) expenditures for the past month; (3) accomplishments; (4) anticipated progress for the next month, and (5) request for release of counterpart funds. Release of counterpart funds would be contingent upon receipt of this report. The project provided also for the ICA purchase of $119,000 worth of imported scientific and professional instruments, apparatus and supplies, chemicals and chemical preparations, and other commodities. Mr. Dien, who was designated project manager, had studied many years in the U.S. and spoke and wrote excellent English. He had an M.A. in Political Science and was familiar with the American high school and university systems.

On June 22, 1957, the cities and provinces concerned were advised by Education Department circular that the project had been approved. They were requested to prepare dossiers on proposed classrooms and send them as soon as possible to the department so that application could be forwarded to USOM for release of funds. Each dossier was to include a map of the proposed site, a plan of the classrooms to be constructed, and cost estimates. The first completed dossier reached the department in Saigon on August 13, 1957.

By December 1957, requests for fund release for the construction of 22 classrooms had been sent to USOM. Approval was granted immediately for 15 of these, and 1,500,000 piasters were released for the construction of 4 classrooms at My Tho, 7 at Di Linh, and 4 at Phuoc Tuy (Baria). The rest had not been approved by the end of the month, either because they did not reach USOM in time for the monthly release of funds, or because some were held up by the USOM Education Division.

In the middle of October 1957, Dr. Carl C. Cress was replaced as Secondary Technical Advisor by Mr. Starr M. King. Mr. King had been a science teacher in several American high schools for many years. He was eager, he said, to help the Vietnamese Government improve its science teaching facilities. He toured many different schools in Saigon and in the provinces as soon as he arrived, before he undertook any direct recommendations. His principal finding was that schools throughout Vietnam needed well-equipped laboratories. "Teachers and school

heads I have met all agreed with me on the necessity of laboratories for science teaching," Mr. King said. "Since Project 30-65-153 contemplated the construction of science laboratories for secondary schools, I considered it essential to emphasize that phase of the project. Although I felt that the project required some interpretation, I was of the opinion that its spirit should be understood as contemplating the construction of neither 115 classrooms and 82 laboratories, nor 115 classrooms alone; but 33 classrooms and 82 laboratories. The project even subdivided the laboratories into 34 for physics, 24 for chemistry, and 24 for biology. It also provided for the purchase of $119,000 worth of laboratory equipment and supplies. Naturally such equipment and supplies would not fit into small classrooms normally used as a laboratory. Obviously, it seemed to me, the intent was to provide an environment for experimentation."

According to Mr. Dien, however, the project provided for the construction of 115 classrooms, of which 82 would be used as laboratories. As he interpreted it, this meant that 82 of the 115 classrooms would be furnished with scientific equipment for use during certain hours; for other courses they would be used as simple classrooms. "To the Vietnamese," he said, "a laboratory means simply an ordinary classroom with a single demonstration table at which the instructor performs experiments before the students. In the Vietnamese secondary school, students do not perform scientific experiments themselves. A laboratory means something entirely different to the American.

"When prescribing 6 classrooms and 4 laboratories for My Tho and 4 classrooms and 4 laboratories for Gia Dinh, the project did not contemplate building 6 classrooms *and* 4 laboratories for My Tho nor 4 classrooms *and* 4 laboratories for Gia Dinh;" Mr. Dien pointed out; "otherwise we would have 115 classrooms and 82 laboratories in the project. The project should be interpreted as providing 6 classrooms, 4 of which would be used as laboratories at My Tho, or 4 classrooms, all of which would be used as laboratories at Gia Dinh." As evidence of this interpretation he cited construction costs, which were estimated at approximately 100,000 piasters per classroom regardless of whether the classroom would be used as laboratory or not. The funds allocated for furniture were also the same for classroom and laboratories. If separate laboratories had been envisaged, the funds would have had to provide two or three times as much. There would also have been a difference in size between laboratories and regular classrooms.

This was the interpretation taken originally by the Department of Education in requesting the provinces to prepare their dossiers. It was

feared that refusal to approve them because of Mr. King's interpretation would result in a loss of prestige for the department.

As of the end of 1957 fiscal year USOM had released in full the funds alloted to the 44 classrooms, about 30 of which had been approved by Mr. King. No laboratories were requested. In the meantime, laboratory equipment ordered from a New York chemical company had arrived in Saigon and was "languishing in the storehouse waiting for the laboratories to be built."

In an effort to clear up all misunderstanding and confusion created by the "115 classrooms" and to carry out the purposes of the 1957 project and the aims of USOM "to help Vietnamese secondary schools with more facilities in the teaching and studying of experimental science," Project Agreement No. 30-95-130, FY 1958 was signed in June 1958. In preparing this agreement, the Vietnamese Education Department representative was again Mr. Truong Bui Dien, and the USOM representative was its Secondary Education Advisor, Mr. Starr King. Plans were drawn up for suitable laboratory facilities, with funds provided to furnish and equip 45 laboratories and 71 classrooms. The building of a demonstration school in Saigon was also contemplated, again with the intention of emphasizing the need for more adequate facilities for teaching the sciences.

In fuller and more elaborate terms, the new agreement set forth a program to develop a program of science education in the *lycees* by providing:

1. "Laboratories designed to encourage students' participation in laboratory science.
2. "Equipment and supplies necessary for the introduction of such a program.
3. "Classrooms and furnishings to meet the growing demands and increased interest in education.
4. "A new demonstration school completely equipped and staffed to assist in the improvement and development of secondary education in Vietnam."

The project also contemplated the preparation of course syllabi which would furnish direction for the student's work in the laboratory. It provided as well for the further training and professional personnel in the U.S. and other countries.

In carrying out the project, USOM would have the following special responsibilities:

a. To construct science laboratory facilities for practical experimentation for as many secondary schools as possible. All schools would be considered eligible for at least one laboratory. Schools with an enrollment of 1,500 or more would be considered eligible for two laboratories. The total number of laboratories in this project was not to exceed 45, however.

b. To provide equipment and supplies for student use in the laboratory. Participation by the student would impart skill through experimentation and knowledge through observation and offer new experience for the Vietnamese science student.

c. To provide funds for the construction of approximately 71 classrooms for schools which were also building laboratories.

d. To provide locally manufactured furnishings for approximately 53 classrooms constructed by the Vietnamese Government and approximately 71 classrooms built by USOM.

e. For the demonstration school: to provide building commodities and equipment and the services of an American architectural advisor through dollar funds, and the services of a local architect, construction costs, and locally manufactured furnishings through counterpart funds.

It was specified that each classroom would be 8 x 8 meters and each laboratory 8 x 27 meters. Construction costs were estimated at approximately 100,000 piasters per classroom and 300,000 piasters per laboratory.

The procedure for release of counterpart funds was slightly changed: all requests from the Vietnamese project manager for commitment of funds for the construction of classrooms and laboratories were to be accompanied by a set of detailed plans which would show exactly how the classrooms or laboratories were to be built and where they were to be located relative to the remainder of the school building or buildings. No "model plan" would be acceptable unless it was actually to be used for the construction of specific classrooms or laboratories. All plans were to be approved by the USOM technician and the Vietnamese project manager.

In order to save time, Mr. King had a plan for a model laboratory drawn up (see p. 292), with all facilities for individual student experimentation: benches, water, work counters, instructor's desks, disposal pipes, closets, sinks, and other special equipment. This was approved by

Mr. Truong Buu Dien and the Ministry of Reconstruction and sent to the schools to guide them in the site location and cost estimates.

The schools were advised of the 1958 project by circulars dated September 20, 21, and 22, asking them to forward their dossiers to the department for classroom and laboratory construction as soon as possible. A complete dossier would include land site, plan (based on the suggested design), cost estimates, and proposed contract.

On October 18, the National Department sent Mr. King a note asking his approval for the construction of 4 classrooms at Truong Tan Buu Secondary School in Gia Dinh. The note specified that no laboratory was contemplated for this school. Mr. King replied as follows:

October 22, 1958

Dear Mr. Dien:

I have on my desk a request received October 18 for approval to build four classrooms for Truong Tan Buu Secondary School in Gia Dinh. The document states that no laboratory is contemplated.

Project 30-64-153 (1957) lists four classrooms for Gia Dinh. An official detailed list for all schools prepared May 31, 1958 includes four classrooms for Ho Ngoc Can Secondary School, none for Truong Tan Buu.

Since construction of laboratories is the major purpose of this project and the school proposes no laboratory, approval cannot be given for just classrooms. It is now almost February 1959 and in February 1958 all proposals in February 1957 were clarified to insure laboratory construction primarily.

Several visits have been made to both of these schools in Gia Dinh and laboratories have been discussed and the authorities there have indicated verbally their cooperation and their approval for one laboratory. Never has the question of classroom construction been proposed since there appears to be no room on the lot for more than one laboratory and only then if the remains of an old swimming pool are removed.

Now the documents deny the intent to build a laboratory and request classrooms. In conclusion I can say that four classrooms and a suitable laboratory would be approved if a proper place can be found for this much construction. However, this is unlikely and there remains only a chance that a laboratory will be approved if it is requested. I trust that eventually construction documents will follow the project requirements and requests will be made which can be readily approved.

Secondary Education Advisor
Very truly yours,
Starr M. King,

Mr. Truong Buu Dien's reply to this letter was in the following terms (in Vietnamese):

November 3, 1958

Dear Mr. King:

Project 65-153, February 1957 briefly stipulated that Gia Dinh Province would be granted 4 classrooms, but did not specify which school.

According to the Chief of Province of Gia Dinh, what Ho Ngoc Can Secondary School needed now was not classrooms but laboratories. Accordingly, he suggested that 4 classrooms be constructed for Truong Tan Buu Secondary School to be used as girls' school.

As far as the construction of a laboratory for Ho Ngoc Can School was concerned, and for which a sum of 800,000 piasters was reserved on February 1958,

the construction dossier and agreement will be forwarded to your office in the near future.

Your attention is also called to the fact that on May 31, 1958 our department did not send you any list of the schools that were to receive additional classrooms.

Truong Buu Dien,
Chief of Foreign Aid Service

The list referred to, according to Mr. King, was jointly prepared by himself and Mr. Dien late in May. It named the specific schools which were to receive classrooms. There were 2 schools in Gia Dinh, but the list specified 1 (Ho Ngoc Can) and made no provision for the other (Truong Tan Buu). If approval was given to Truong Tan Buu school request, Mr. King asked, where would funds be found if Ho Ngoc Can School also requested new classrooms? Moreover, because the site referred to in the above letter was inadequate, there would not be enough space for the laboratory at all if authorization was granted for constructing the classrooms.

"My letter," Mr. King explained, "was merely to call Mr. Dien's attention to the fact that schools not listed among those who requested the 115 classrooms were asking for classrooms which would increase the total beyond that number. It also called attention to the fact that after a visit and verbal discussion at the school, in which the laboratory was the sole topic, along comes a petition for classrooms never requested before and no laboratory, which struck me as inexplicable. This is not the first instance of a request for classrooms from schools never heard from before. I called attention to the fact that the school at Gia Dinh, which was included in the list, conceivably might invoke what appears to be its right to 4 classrooms. Then I would be stuck for 8 with funds for no more than 4. I would still make any rearrangement not to exceed the total of 115, but that was my limit, and if I didn't keep alert I would soon contribute to further confusion by simply approving requests."

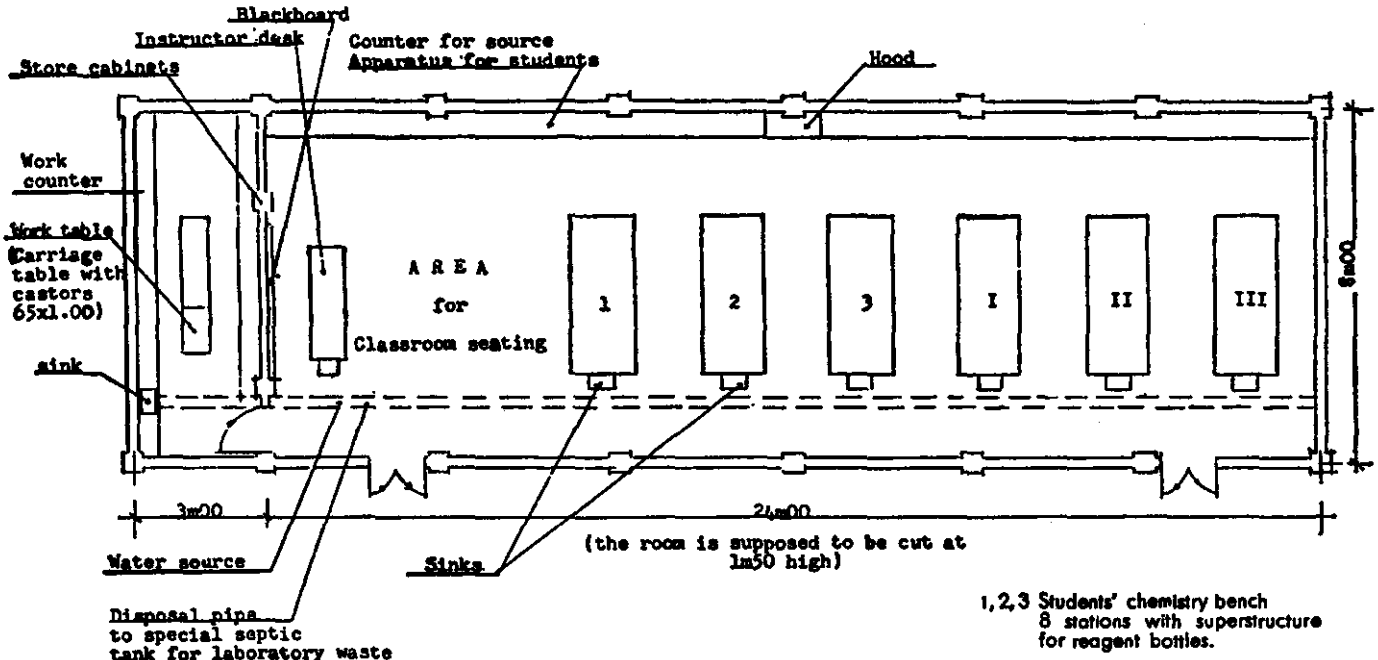
Mr. King revealed that requests for construction of laboratories and allotted classrooms, or laboratory construction alone, were approved at once, while approval of requests for classrooms alone were delayed. He feared that once the funds were released for the classrooms, the schools might not submit dossiers for the construction of laboratories.

"I am aware of the fact that Mr. Dien wanted as many classrooms constructed as possible," said Mr. King. "I tried to satisfy his needs and overcome the confusion created by the 1957 project by incorporating provision for these laboratories as a priority. The classrooms would then be approved as a bonus."

Mr. Dien said that if there were delays, American experts were often responsible for them. They had toured all the places once before

SCIENCE LABORATORY

(Plan designed by USOM Technician and Viet Nam Project Manager)



and yet they still held up the dossiers and wanted to visit each site again before making decisions. But the schools needed classrooms and could not wait; they were losing their original hope and enthusiasm.

Mr. King considered frequent visits to schools necessary for him "to learn first-hand what the school officials have in mind." "Otherwise," he added, "for all I know I might be approving construction of a building in a rice paddy, knee-deep in water, or where another building is already standing with no explanation for how this curious situation was to be resolved. When the first laboratory I approved was completed, before I learned about it, a permanent partition was built dividing it into two classrooms! Naturally I had no other alternative than to insist that the partition be removed."

In December 1957, agreement was reached on the construction of one laboratory in Gia Dinh for common use for both Truong Tan Buu and Ho Ngoc Can Secondary Schools. The building of classrooms was postponed until a proper site could be found. Laboratory requests under the 1958 project were beginning to arrive. Classrooms which were to be built simultaneously with laboratories were also approved.

It appeared that the purposes of PA No. 30-65-153 would be fulfilled.

Elementary School in Vinh Xuong

Toward the end of April 1958, an elementary school was under construction in Vinh Xuong, a district in the Province of Khanh Hoa. The school was located on a large park on the bank of the Nha Trang River, shaded by a grove of coconut trees. In contrast to the small, dingy houses of Ngoc Hoi hamlet nearby, the school, with its paved floor, its brick walls, and its 4 classrooms seating 70 pupils each, seemed all the more impressive. A handsome gateway was being built at the entrance; but work on the school itself was coming to a standstill for want of building materials. The building stood roofless.

THE MINISTRY OF EDUCATION

The Ngoc Hoi School was the first of 22 elementary schools to be built in Khanh Hoa as part of a 3 year project for erecting 1,300 schools throughout the 39 provinces of Vietnam (see Appendix I). USOM Project Agreement No. 30-64-152 (see Appendix II), signed by representatives of the Vietnamese and American governments on April 30, 1957, had provided for American aid funds to supply half of the building and maintenance costs for each school approved and built in accordance with approved plans. The other half of the costs were to be borne from Vietnamese sources.

Khanh Hoa and the other provinces were informed of these plans even before the agreement was signed. In Letter No. 18817 GDNGV, on

December 12, 1956, the Department of National Education announced that during fiscal year 1957 a total of 400 elementary schools were to be built with 50 percent USOM support. Twelve hundred teachers were to be recruited throughout Vietnam to accommodate these schools. The entire operation was assigned to the Elementary Education Inspection Bureau' which was to secure local authorities' cooperation in choosing the final sites, recruiting the necessary teachers, and helping organize the local building committees.

On July 2, 1957, the provinces were invited to submit plans to the Ministry of Education for the schools proposed under the revised program. These proposals were to include for each school:

(1) A statement of need

(2) Nomination of building committee members

(3) Estimate of costs

(4) Construction plans

(5) Map of proposed site

Khanh-Hoa province was authorized to build 22 schools comprising 66 classrooms. USOM would pay 100 percent of the cost of building 10 classrooms, and 50 percent for the remaining 56, totalling 1,900,000 piasters. The building committees (Item 2, above) were to include a representative of the provincial government, the reconstruction bureau, and the provincial elementary education bureau, and two representatives of the parents' association. They were to be in charge of building operations and the purchase of school equipment within budgetary limitations.

On February 24, 1958 the Ministry sent another letter announcing changes in the budget of the elementary school project. The reason for this was the necessity for building 100 more classrooms in the resettlement centers, a new program which was ordered by the Presidency and merged into the Ministry's existing projects.[1] Khanh Hoa Province was still authorized to build 22 schools containing 66 classrooms, but the USOM funds would now provide only 50 percent of the building costs (totalling $1,650,000).

The official in charge of this program in the Department of National Education was Mr. Truong Buu Dien, Chief Service of the Foreign Aid Budget. Mr. Dien was a young and active official who had completed his professional studies in the United States of America. He was supposed

[1]Resettlement centers referred to Land Development projects, not refugee centers. See "The Commissar and the Law: Personnel Problems at the Land Development Directorate," elsewhere in this volume.

to work with both the local authorities and with the Education Division of USOM. He noted that in the beginning of the program there were differences of opinion between the Vietnamese authorities and USOM about the allocation of funds for the building of the schools. The Vietnamese authorities had wanted to make allocation according to the financial ability of each province (some receiving full support, others 50 to 75 percent. Some provinces needed only funds covering expenditures for school equipment and teachers' salaries, and were willing to provide building costs out of provincial or village budgets). The American technicians wanted to make the allocation on an equal basis, that is, to assign fifty percent of the building costs in each case, as provided for in the project. (Exception would be made only for special cases, such as the building of schools at the resettlement centers.)

Another problem, according to Mr. Dien, was the fact that all school sites had been changed many times especially in areas where provincial boundaries were altered. Each change required approval by the Ministry and by USOM. Other delays were caused, at first, especially, by the time-consuming process of collecting the documents required for fund approval and release; the principle of releasing funds only after the building of the schools was completed; a three-month home leave for the American technician in charge of the project; the absence of American technicians in the provinces; and the lack of cooperation among local authorities, government technicians, and the local population. Even after a proposed school had been approved by the Ministry and USOM, it usually took months to secure budgetary authorizations and to transfer the funds to local officials.

After studying the problem of delays, he proposed some modifications of Project Agreement No. 30-64-152 which he believed would remedy the situation. Soon afterwards, on November 11, 1957, an amendment to the Project Agreement was signed (see Appendix II, below).

At the beginning of 1958, the Ministry appointed two traveling inspectors to improve the school construction program liaison between the department and the local authorities. This expedited the slow communication procedures that had previously characterized the administration. Nevertheless, while estimated expenditures amounted to 12,518,416 piasters as of February 13, 1958, only 1,275,000 piasters of the total aid funds of 57,785,000 piasters had actually been released. All the funds thus released had been transferred to the Khanh Hoa Chief of Province to be spent on the school building project.

USOM EDUCATION DIVISION

In November 1957, Dr. Robert Leetsma was assigned to the Education Division of USOM and entrusted with the administration of the school building project. He was very much interested in this project, which he described as the first important long-term education aid program undertaken here with U.S. aid funds. In order to carry out the project as quickly as possible, at the request of Vietnamese officials he promptly agreed to propose an amendment to the Project Agreement on November 17, 1957. The purpose of the amendment (see Appendix II below) was to increase the discretionary powers of local officials and simplify the method of releasing funds. Under the former system, when USOM received a school building request from the Department of Education, it almost always approved it and within a week sent all the documents related to the school to the Vietnamese Aid Government for the release of funds. But the release and use of funds thereafter involved long and difficult processes.

Between November 1957, when Dr. Leetsma was appointed to his post, and March 1958, USOM fund releases amounting to 25,237,500 piasters were approved and allocated as follows:

DATE OF APPROVAL	NUMBER OF SCHOOLS	NUMBER OF CLASSROOMS	PIASTERS
November, 1957	112	317	10,425,000
December, 1957	56	163	4,075,000
January, 1958	68	192	4,800,000
February, 1958	54	140	4,137,500
March, 1958	23	72	1,800,000
	313	884	25,237,500

But although over 25,000,000 piasters had been earmarked for fund release, the General Direction of Budget and Foreign Aid stated that by the end of February 1958, only 1,250,000 piasters had been spent. Dr. Leetsma discovered that there was a long delay between the release of the funds and the beginning of construction. He explained that Project Agreement No. 30-64-152 was being administered so as to encourage active cooperation of local authorities, but that this was a slow and cumbersome process.

Funds released by the General Direction of Budget and Foreign Aid were as follows:

MONTH	PIASTERS RELEASED
Feb., 1958	1,275,000
Mar.	4,346,000
Apr.	6,000,000
May	3,500,000
	15,121,000

KHANH HOA PROVINCE EDUCATION BUREAU

The Province of Khanh Hoa had a record of active participation in educational activities. In 1956, under the earlier Project No. 30-69-071, the Khanh Hoa authorities had advanced 300,000 piasters from the provincial budget to build 4 schools in the expectation that USOM would ultimately provide 720,000 piasters through the Department of Education for the building of 9 schools with 18 classrooms. But because of procedural delays, these funds had not been obligated during the fiscal year,[2] and the province did not receive the expected reimbursement. This meant a loss of prestige as well as funds, and it explained the great caution the provincial official displayed when they received the project for building 22 additional schools during fiscal year 1957. It was they who decided not to authorize the building of schools until the funds had been received from the Central Government.

In Khanh Hoa, the officials directly in charge of this program were the Deputy Province Chief and the Chief of the Provincial Education Bureau. The Deputy Province Chief, who had been at his post in Nha Trang for five years, was well acquainted with the aid programs.

Mr. Nguyen Huu Hoang, Chief of the Provincial Education Bureau of Khanh Hoa, had spent 35 years in teaching and educational administration. It was he who directly supervised the community participation in the construction of the projected schools and administered the funds on behalf of the province. He had planned for the construction to take place during the summer vacations so that the schools would be ready for the academic year beginning September 19, 1958. On July 27, 1957, he had presented a report recommending construction of the Ngoc Hoa school to the Ministry of Education, only 25 days after the program had been approved December 6, 1957. The Ministry also approved the detailed plans on January 3, 1958, and on March 15 allocated 1,275,000 piasters for the construction of 19 of the 22 schools planned for Khanh Hoa Province. Construction actually began April 5, 1958.

One of Mr. Hoang's first tasks was to convene the delegates of the Provincial Administration, the Reconstruction Office, and the parents' association to discuss the program. He hoped that an annual contribution of 50 piasters from each family member of the association would provide the school with a water closet and other improvements, once the organization had begun to function. But he feared that if old financial procedures still had to be followed, government funds would become available only on

[2]U. S. fiscal years run from July 1 to June 30. USOM funds may not be obligated after the end of fiscal year unless they are re-programmed for the following fiscal year by USOM-Vietnamese agreement.

the presentation of invoices, and it would be very difficult to meet his construction schedules.

Both the purchasing and receiving of materials and equipment for the Ngoc-Hoi school were performed under the authority of the province chief by a special committee, of which the district chief was chairman. The building committee had also been appointed by the province chief. It consisted of two sub-committees, one for Control (including one representative each for the province chief, the Reconstruction Agency, and the provincial education staff, as well as two parents) and one for Operations (with the building committee chairman himself serving as chairman, and additional members elected by Vinh Ngoc Village and approved by the province chief).

The building committee was under the chairmanship of Mr. Nguyen Tri Tin, Deputy Village Chief. It included a Deputy Chief of Committee and five advisors, all of whom were joiners and bricklayers who were directly involved in the purchase of building materials and in the construction of the school. Mr. Tin had originally estimated the school building costs at 180,000 piasters. Under the existing policy, the Vietnamese Government was to provide 50 percent of the total cost (i.e., 25,000 piasters for each of the 4 classrooms), and USOM was to provide the remaining 50 percent (i.e., 100,000 piasters). The part of the cost borne by the Vietnamese Government was to be provided out of local and communal sources, in the form of either materials or labor. Half of this, in turn, was to be provided by the Vinh Xuong District. Provincial authorities were still expecting funds from the national government.

As of the end of April 1958 the building materials alone had cost 170,000 piasters. Of this the village had contributed 45,000 piasters for down payment on purchase of materials, 50,000 piasters in the form of public land on which the school was being built, and 7,000 piasters for fencing and a flag pole. Unskilled labor had been contributed by the five hamlets of the Vinh Ngoc Village, which had also brought in bricks and cement for building purposes. Mr. Tin estimated that the village's contribution had totaled more than 100,000 piasters, and argued that it had already done more than was required.

As for equipment and furniture, USOM had committed itself to provide funds amounting to 7,000 piasters per classroom. Four teachers were also to be recruited, at an average monthly salary of 2,500 piasters. The latter costs were to be borne by USOM for the first 6 months and the national budget for the next 4 months. Mr. Tin feared that once USOM and national aid was withdrawn, the province would be hard-

pressed to pay for the 66 teachers hired for the new schools. Mr. Hoang suggested that if assistance could continue in gradually diminishing amounts for five years, the provincial budget would be able to pay the entire amount thereafter.

"We are still waiting for 20,000 piasters which had been promised by the district to finish the roof of the school," Mr. Tin stated late in April. At that time, according to him, the workers' wages had already run to 40,000 piasters, none of which had yet been paid. The community had already done its part, he argued, citing the facts stated in the paragraph above. "Payment of workers can be postponed," he added, "and brick and lime can be bought on credit; but the wood to make the beams and the wooden framework must be purchased from people of other villages, who do not want to advance us credit. In addition to the promised funds from the district, we are also anxious to get the sum of 100,000 piasters from USOM to pay for our various purchases of materials made on credit." He added: "If all the money had come in time, this school could have been completed within a month."

The school was completed on June 15, and was awaiting provincial allocation of credit for the purchase of furniture and the recruitment of its teaching staff for the opening of the school year. For reasons still not known by the villagers of Ngoc Hoi, district funds had not been augmented by either the province or the national government: but their children would have a school nevertheless.

APPENDIX I

LIST OF SCHOOLS TO BE BUILT WITHIN THE FISCAL YEAR 1958

PROVINCE	NO. OF SCHOOLS	NO. OF CLASSROOMS
(a) THE SOUTH		
Ba Ria	6	18
Bien Hoa	10	30
Cho Lon	5	15
Gia Dinh	8	24
My Tho	9	27
Tan An	5	15
Tay Ninh	8	24
Thu Dau Mot	7	21
Bac Lieu	2	6
Ben Tre	8	24
Can Tho	5	15
Chau Doc	16	48
Go Cong	1	3
Ha Tien	5	15
Long Xuyen	2	6
Rach Gia	4	12
Sa Dec	5	15
Soc Trang	7	21
Tra Vinh	3	9
Vinh Long	1	3
Vung Tau	1	3
Ca Mau	3	9
Moc Hoa	3	18
Phong Thach	5	15
Tam Can	5	15
(b) THE CENTER		
Khanh Hoa	22	66
Ninh Thuan	8	24
Phu Yen	29	87
Thau Thien	30	90
Quang Nam	19	57
Quang Ngai	64	192
Quang Tri	11	33
Binh Dinh	37	111
Binh Thuan	16	48
(c) THE SOUTHERN HIGHLANDS (PMS)		
Kontum	2	6
Pleiku	2	6
Donai-Thuong	4	12
Darlac	15	45
Dalat	4	12

APPENDIX II

SUMMARY OF THE PROJECT AGREEMENT NO. 30-64-152 (APR. 30, 1957)

A. GENERAL.

The expenditures estimated for the school building project in the fiscal year 1957 were divided into three elements: (1) Direct Aid ($242,677 to be spent on the purchase of materials and equipment); (2) 57,785,070 piasters from counterpart funds; and (3) 60,745,500 piasters from national, provincial, village, and hamlet budgets.

The objective over a 3-year period was to build 1,300 schools (3,900 classrooms). The above figures were to cover the construction of 400 schools including

1,200 classrooms in 1957. The cost of each school was estimated at 50,000 piasters, half of which was to be advanced by USOM, the other half by the Vietnamese Government.

In addition to financial aid, USOM was also to provide technical aid, and, when necessary, send selected Vietnamese civil servants abroad for professional study and in-service training.

The Department of National Education and USOM each were to appoint an official to administer the project jointly. Decision on the location of schools was to be approved by both parties.

B. Use of the Counterpart Funds

After the building of a school was undertaken by a contractor or its equivalent, 20 percent of the total cost of the school was to be released by USOM.

C. The Project Amendment

On November 11, 1957, USOM and the Government of Vietnam agreed to an amendment whereby a province could:

a. Estimate expenditures and apply for the release of all sums allocated for the building of the school.
b. After the school was built, estimate the cost and request funds for various school equipment and furniture, within the allocated limit.
c. After the school was furnished, estimate requirements and request funds for the payment of teachers for the following six months.
d. Request 100 percent aid by USOM if it did not possess sufficient means to carry out the building of the school. The number of schools receiving 100 percent USOM support was not to exceed 10 percent of the total number of schools provided in the project.

APPENDIX III

PROCEDURES FOR THE RELEASE OF AMERICAN AID FUNDS

Every month USOM earmarked credits from the counterpart fund deposited at the National Bank proportionally to the rate of the implementation and current development of each program, and consigned them to the Treasury. This enabled the agency responsible for implementing the program to obligate, and order the payment of, expenses involved in the program. This operation was called "release."

Upon receipt of the USOM reports of release, the General Directorate of Budget and Foreign Aid issued a receipt order at the Treasury and, at the same time, transferred the released credits into the accounts of various departments at the Treasury.

The Machine Accounting Center at the General Directorate of Budget and Foreign Aid issued monthly accounting reports on each program. On the basis of these reports USOM released credits for the program, taking into consideration the estimates as well as the balance resulting from the credits released during the previous months. In this way, it was not necessary for the departments to request credit release month by month, and the implementation of their programs continued automatically.

In addition to the monthly releases of credits, under exceptional or emergency circumstances, the disbursing agency could propose to USOM that extraordinary releases of credits be made. Reports of such actions were sent to the Directorate General of Budget and Foreign Aid.

In general, releasing operations should precede obligating operations. A *Credit release (giai-ngan)* on the part of USOM was not the same *as Release for expenses (giai-toa kinh-phi)* in Vietnamese budgeting. In the national budget, releases for estimated expenses were made every fourth month, and the disbursing agencies obligated expenses in proportion to these releases. On the part of American mission, credits estimated under Project Agreements were considered as duly released and the disbursing agencies obligated expenses in proportion to the credits estimated under the Project Agreement. Thereafter, USOM released credits according to the procedure described above to permit payment of the obligated expenses. Therefore, disbursing agencies were not supposed to wait for credit releases to prepare obligated expenditure; on the contrary, the obligation of expenses was to precede the release of credits.

Developing In-Service Training Programs in Long An and Ba Xuyen Provinces

The establishment of an independent state in Vietnam was warmly supported by the many thousands of civil servants who had held subordinate positions during the French and Japanese occupations. Their enthusiasm all but matched the dimensions of the tasks of political and physical reconstruction that lay before them. What was lacking, however, were the reserves of technical and administrative skills necessary in a modern self-governing nation.

Under ancient mandarinal traditions as well as those of the French colonial civil service, administrators had been recruited and assigned according to their levels of education, which were formally equated with levels of pay and responsibility. Promotion depended largely on seniority, with no systematic attempt to adjust for personal ability or nonacademic experience or to provide on-the-job in-service training.

The need for reorienting competent civil servants to the needs of an independent state aroused President Ngo Dinh Diem's interest as early as October 26, 1955, when he stated, "The democratic form of government, more than any other, requires each of us to develop himself intellectually and morally." This applied at all levels, as the President reaffirmed on August 27, 1957: "In order to progress, government officers must constantly keep learning."

Early in 1956, an interministerial council was set up to consider the problem of improving the performance of the existing body of civil servants. The council, taking into account the traditional attitudes of civil servants, recommended that as a preliminary step there should be a special effort to popularize the concept of training within the civil service. The council determined that this effort to gain the understanding and cooperation of the civil servant should mark the first phase of a long-range program of in-service training. At the start, the propagation of the training concept was carried on mainly by the National Institute of Administration and by foreign technical advisors.

At the same time the popularization program was being implemented, some training was also under way. There were some developmental activities for executive level personnel. Specialist training of various kinds was also introduced or increased, especially for accountants, school teachers, statistical clerks, midwives, and other technicians. Aid grants for observation and study tours were increasingly used. And several individual government agencies organized and conducted training courses for their own personnel, offering general cultural and political information and instruction in certain clerical functions.

In spite of their relative isolation from the main currents of administrative reform, the provinces also became interested in in-service training. Presidential exhortation was an important factor in creating their interest. Moreover, as civil servants were transferred from Saigon to the provinces and as graduates of the NIA were assigned to provincial positions, they brought with them a sense of urgency in using systematic in-service training as a means of improving work performance.

Two of the first provinces to establish training programs were Long An in the summer of 1957 and Ba Xuyen a few months later.

IN-SERVICE TRAINING AT LONG AN

In the summer of 1957, parts of the Province of Cholon (Duc Hoa, Ben Luc, Can Duoc and Can Giuoc) and the entire Province of Tan An (Thu Thua, Tan Tru, Chau Thanh) had been merged to form the Province of Long An. The new province included 450,000 persons living in 101 villages and constituting 7 districts. There was no industry in Long An, but it was in a prosperous agricultural region. It was located one hour by bus from Saigon.

The new province chief, Major Mai Ngoc Duoc, formerly chief of Quang Ngai Province, began to express an enthusiastic interest in

developing an extensive program of social services for the public. He arranged for the daily distribution of milk to underprivileged children, encouraged nurseries and kindergartens, organized a school lunch program, set up a low-cost public cafeteria, and even began a public library. He placed a high priority upon improving the public relations of the provincial government. He organized a Civil Servants' "Epuration Movement" to denounce dishonest and unworthy people in the administration and to encourage adherence to the laws, and he placed suggestion boxes at many street corners in which each citizen could address petitions and complaints to the personal attention of the province chief (who alone kept the key to the boxes).

To improve the functioning of his administration he decided to open an in-service training course for his officers. He explained the need for an in-service training class as follows:

"Nowadays civil servants are no longer considered ordinary employees, as they used to be under the French domination. Now that our country is independent, civil officers need a new spirit, that of the responsible citizen. We must therefore help them understand our government policies, which they represent to our citizens. And in specialized and technical knowledge, we must recognize frankly that they need to learn much more."

All officials below the secondary level of education, regardless of their classification[1] (except laborers and messengers) could enroll in the training program. There were 80 applications, of which 46, including 8 women, were selected for the first class. Many of those chosen were considered the least able civil servants, but this was not the sole basis of selection: indeed, an effort was made to communicate a sense of pride in being chosen. According to the chief, there had been a unanimously favorable response to the program. He explained his approach as follows:

"We had to play a psychological game. The most important thing was to give civil servants a feeling of freedom in learning. Thus they were not required to participate in the in-service training program. Before informing them about the opening of the course, we did our best to make them feel the need for enlarging their knowledge."

The course was scheduled to last four months. Classes were held from 3:30 to 5:30 on Wednesday and Friday afternoons. The Tan An School for Girls served as the temporary training center for want of

[1]That is, whether temporary personnel, daily employees, contractual workers, or under the cadre system.

other quarters. Mr. Le Phu Nhan, an NIA graduate who was appointed deputy province chief on July 7, 1958, was placed in charge of the program.

Long An began to consider establishing a permanent training center with facilities for housing and dining as well as classrooms, in the absence of lodgings in Tan An. To realize this project Long An proposed to budget 250,000 piasters from its own sources in 1959, provided the Department of Interior approved the plan. It also appealed for 400,000 piasters from the American-financed in-service training project, administered through the NIA. Its request was approved in December 1958.

In the meantime, the first course in Long An started on August 20, 1958. All civil servants were required to attend lectures in the following fields:

1. General civic education.
2. Political and administrative organization of Vietnam, with emphasis on the basic organization of hamlets, villages, cantons, districts, and provinces.
3. Human relations and public relations.
4. Correspondence and filing.
5. Security.
6. "Technical" lectures in economics, finance, or administration.[2]

The teaching was performed by the province chief and his deputy, chiefs of service, bureau heads, and special lecturers from the NIA. Placards bearing slogans were used as teaching devices, and the walls were decorated with mottos.

Much of the material presented in the lectures was new to the trainees, who encountered some difficulty in taking notes. Habits of obedience prevented them from complaining about the speed of the lectures at first, but later they requested mimeographed copies of lectures at the beginning of each course, and their request was granted immediately.

To ascertain the results of the course, Professor Cao Huu Dong of the NIA In-Service Training Section, visited Long An on October 23, 1958 and asked the trainees three questions in class:

1. Did the trainees understand all the lectures completely?

[2]A summary of the topics covered in these lectures appears in Appendix I.

2. Did the trainees receive lecture materials?

3. Did the lecturers assign homework?

For (2) and (3), all the responses were affirmative. For (1), however, some negative answers were given.

The trainees also supported the idea of establishing permanent quarters for the training center where they could live together and exchange ideas during the training period.

Long An also planned to offer in-service training classes for village officials as soon as funds and suitable location could be arranged.

IN-SERVICE TRAINING IN BA XUYEN

Ba Xuyen Province was formed by a merger of Soc Trang and Bac Lieu. On April 1, 1957, it included 700 hamlets, 66 villages, and 7 districts, making up a population of 535,000. Its principal industries were rice milling, fruit cultivation, and salt manufacture. Geographically speaking, Ba Xuyen is located 5 hours by bus from Saigon, with another hour or two usually lost at the My Thuan and Can Tho ferries. There are telephone connections between Ba Xuyen and Saigon.

In winter 1957, the idea of training was introduced in Ba Xuyen by Lieutenant Colonel Le Quang Hien, province chief. Thursday afternoons, which had formerly been reserved for political orientation courses, were now occupied with instruction in politics, administrative organization, and the discipline and status of civil servants. These were the first steps toward setting up an in-service training program. At the same time, Colonel Hien released a number of civil servants who were no longer qualified to serve the public, and employed in their place new recruits who could benefit from the training.

The second steps undertaken were the formal opening of in-service training courses for village officials on January 27, 1958. A special one-week course was offered thereafter for officials in charge of village finances, police, and public records, in turn. The brief period of one week was adopted both to conserve costs and to avoid long absences on the part of village officials. Each training section included 30 persons selected on the basis of their performance, their willingness, and their interest. Selection was thus a matter of pride.

The training program was discontinued when Colonel Hien was called to another province. In April 1958 he was replaced by Major Tran

Thanh Ben. Mr. Le Cong Chat was assigned the post of deputy chief, and the in-service training resumed. Major Ben followed his predecessor in sending a number of senior civil servants to the Central Government for reassignment. A refresher training course for village officials was opened on August 11, 1958 as the first of 8 sessions designed to train all 250 village officials of Ba Xuyen. Participants chosen by the district chiefs in sections of more than 30 received 4 days' training from Monday mornings to Thursday afternoons. This left the balance of the week for local duties and involved a minimum of interference with government operations. But it also reduced the training time available. In answer to a complaint about the shortness of the 4-day period, an official of My Xuyen Village said: "Training courses were organized according to a circular system. A participant was not limited to one course, but, like a revolving wheel, would have another chance when his turn came again. In my case, for example, last year I had the opportunity to attend courses three times. So far I have been in one section already and I am hoping to be able to join in another if possible this year."

In spite of its brevity, the program included both general and technical subjects.[8] Soon after the opening ceremony, all participants were photographed and presented with identification cards which afforded both a souvenir of participation and a method of checking trainees' attendance. Every evening participants were invited to tea at the province chief's house, where they discussed the day's lectures. This served as a psychological incentive to those who wished to attract the chief's attention.

The chiefs of service and other provincial officials served as lecturers. An effort was made to present the lectures in a simple form so that they could be understood easily. A discussion period took place after each lecture, and teaching materials were distributed to participants in mimeographed form. Often these materials were borrowed by prospective trainees in order to prepare themselves in advance for the courses. The deputy chief suggested that second-year students from the NIA be asked to volunteer to serve on the teaching committee. (He observed, however, that in the past students who were sent to Ba Xuyen for practical work had been reluctant to leave Saigon.) He also suggested that, if possible, a group of professors be sent from the NIA to teach for a week so that other lecturers could profit from their method.

The chief intended to use the training period as an opportunity for village officials to meet each other, to live together, and to exchange experiences.

[8] See Appendix II.

The meeting place at Ba Xuyen had room for 300-500 persons. Trainees lived in a bungalow-hotel at no cost to themselves. In response to an appeal by the province chief, a few private families accommodated trainees at their own homes. Each trainee was issued 15 piasters per day for food. Though this amount was insufficient, the participants, many of whom belonged to prosperous families, did not complain.

Expenses were covered by the village and provincial budgets, more prosperous villages contributing larger sums to the financing of the training program. Ba Xuyen completely supplied and organized its program, resolving all difficulties within the capacity of the province. The deputy chief felt that the province could not afford to wait for help from the Central Government. "Our aim," he said, "is to accomplish our objectives within our own resources."

The training class for provincial civil servants began on September 15, 1958. It was of 2 weeks' duration, the civil servants rotating in groups. The least qualified were generally enrolled first.

The program included general and technical subjects[4] in addition to visits and practical work assignments in appropriate offices during the afternoon. Trainees were examined at the end of the course. Floating and daily personnel who received high grades were to be promoted by the province itself, and officers of the cadre system who performed outstandingly well were to be recommended to the Central Government for promotion.

Within a matter of months after the introduction of in-service training in Long An and Ba Xuyen, other provinces in Vietnam were beginning to set up programs of their own. Whether Long An or Ba Xuyen would provide the pattern to future programs was not clear, but it soon became apparent that the provinces had much to learn from each other's experiences in in-service training.

APPENDIX

I. The technical lectures at Long An included the following topics:

ECONOMICS:

Land reform, cooperatives, activities of the National Agricultural Credit Office, antismuggling activities, the Five-Year Plan, transfer and settlement of refugees, exploitation of land, business activities.

FINANCE:

Budget, bargaining, auction, ordering and receiving of goods, verification of orders, and public lands.

[4]See Appendix III.

ADMINISTRATION:

Building permits, driver's licenses, cinema licenses, development of community activities, trade unionism, concession of public lands, vital statistcs, law enforcement, and duties and responsibilities of village council members.

II. *The refresher training course for village council members at Ba Xuyen included these topics:*

Monday	Traitorous Communism in Vietnam Improving Vietnamese living standards
Tuesday	Policy of National Revolution Land reform Registration of deeds Government declaration of April 26, 1958
Wednesday	Problems of Vietnamese National Treasury Village security Youth activities Problems in taxation Problems in agricultural credit Anti-Communism denunciations Economic problems
Thursday	The citizen's duties and rights Police administration Vital statistics records Art of supervision Problems in finance

III. *In-service training for provincial civil servants at Ba Xuyen presented lectures on the following:*

General organization of public services
Economic principles
Provincial budget
Presidency, Ministries, and Regional delegations
Execution of the provincial budget
Principles of taxation
Judicial organization in Vietnam
National Assembly and the Constitution
Economic situation in Vietnam
Land reform
Local government: provincial powers
Village administration
Vital statistics
Village budgets
Tax collection
District and canton chief
Exploitation of village resources
Agricultural credit
Security
Working methods
Organization of hamlets
Hamlet welfare administration
Organization of self-defense militia
Correspondence and documents
Cooperatives
Improvement of living standards
Political education
Filing
Reconstruction of villages and cities
Registration of deeds
Treasury problems
Duties and rights of farmers
Civil servants' duties and rights

Exporting Fish From the Ca Mau Cooperative

The Ca Mau Fishing Cooperative was a strong and prosperous one. It was organized by the Directorate of Fisheries in August 1956 for the fishermen who lived in the marshy, malarial villages that surrounded the Ong Doc River on the eastern coast of the Ca Mau Peninsula. Because of recent occupation by Viet Minh troops, the area had been considered unstable and insecure until 1956. In spite of the rich resources in fish (polynemus, threadfins, and pomfret), the fishing industry was so disorganized that operations were unprofitable prior to the formation of the cooperative. Fresh fish were usually discarded except for the threadfin, the bladder of which was sold at 85 to 115 piasters per kilo. Dried fish were occasionally prepared and sold at marginal prices, but the absence of storage and transportation facilities made the sale of fresh fish impossible except for occasional smuggling operations with privateers from Singapore.

On his visit in August 1956, Mr. N.V.T., Chief of the Socio-Economic Service of the Directorate of Fisheries, decided that conditions of security were sufficiently restored to permit the formation of a fishing cooperative. This would, he hoped, increase production and advance the interests of the fishermen in other ways as well. "I had very carefully studied this question," he said, "and was able to explain to local authorities and fishermen how marine products could become a great resource for them and also bring important foreign exchange to the government.

So far as I knew, no one had showed any interest in organizing a company for improving the productivity of the fish industry or for exporting the catch, and I decided that with government assistance a cooperative could achieve the same results.

"At my suggestion, the Ministry of Economy approved the establishment of the Ca Mau Fishing Cooperative on August 8, 1956. An aggressive and active fisherman, Mr. H. V. D., was named first president. After he had learned what cooperatives could do, he expressed enthusiasm about its future prospects in spite of its modest beginnings (75 members and a capital of 12,000 piasters). Like some of the other fishermen, Mr. H. V. D. had at first feared that a cooperative might be only a means for establishing government control of the sale of fish so that heavier taxes could be extracted from the fishermen themselves."

The first important success of the cooperative was arranging a loan from National Agricultural Credit Office in 1957 of 1,500,000 piasters, and again in 1958 of 3,200,000 piasters, for the purchase of nets and boats. At the same time, the Department of National Economy instructed the regional customs service at the An Xuyen Province to assist the cooperative in facilitating export procedures. Mr. T. reported that "the loan to fishermen represented an important instrument for gaining their confidence. In a matter of only a little over two years the membership increased to 638, and the subscribed capital to 39,500 piasters. Much of this success must also be attributed to Mr. H. V. D., whose skill as a fisherman and whose personal qualities had won him the confidence of his fellows."

The organizing of a fishing cooperative did not at first solve the problem of marketing. Members continued to sell to private buyers until early 1957, by which time the Directorate of Fisheries was able to set up a contract between the cooperative and the Singuanhuat Fishing Industries of Singapore, a company which was introduced to the Directorate by the Vietnamese Consul. A contract was signed in April 1957. The contract with the Singuanhuat Fishing Industries set prices at 1.23 Straits dollars per kilo of threadfin fish and 1.30 Straits dollars per kilo for fresh pomfret. The company itself agreed to supply 25 boats to transport the fish between Singapore and the mouth of the Ong Doc River, and to advance 500,000 piasters to the fishermen against future catches. There was a loss of 200,000 piasters after the first year's operation, and the government had to subsidize operations at three piasters per kilo of exported fish. "This loss was caused by our lack of experience, the low price of fish, and the cost of setting up our equipment. Moreover, we

had to pay 6 percent production tax and 5 percent pacification tax," explained Mr. H. V. D.

In October 1957, the National Exchange Office made an important concession to exporters by Circular Letter No. 48, which authorized the exchange of foreign currency at 35 percent on the free rate, and 65 percent on the official rate.[1] This, in effect, brought an increase in price to the fishermen of over 4 piasters per kilo, more than the amount of the previous government subsidies.

The contract with the Singuanhuat Fishing Industries was renewed in 1958 at the same prices. Because of the exchange rate concession, not only were government subsidies dropped, but the cooperative had a 500,000 piaster profit. The 1957 exports of 228.8 tons brought in 230,570 Straits dollars, which had amounted to 2,601,381 piasters; but in 1958 under the new exchange rates the 490,508 Straits dollars received for the export of 398.78 tons brought in 7,596,822 piasters.

Later in 1958 two other companies, Koong Kwang and Heng Kee, began to express an interest in purchasing fish from Vietnam. These companies signed a contract with the Rach Gia Cooperative, a smaller organization near Phu Quoc Island, and about 17 tons of fish were sold under these contracts. These contrats were not renewed because of the small productivity at Rach Gia, and Mr. T. began to consider offering these companies a contract with the Ca Mau Cooperative.

The Directorate of Fisheries decided as a result of these expressions of interest that a single contract for 1959 should be let on the basis of competitive bidding. This would avoid creating a monopoly, the government hoped. Mr. T. suggested that bids be opened to any company which could supply a banking guarantee, professional references, fiduciary references, and a deposit of 1,000 pounds at the Vietnam Consulate in Singapore. At the same time, the government announced that the 5 percent pacification tax would be eliminated in 1959, which would further improve the earning capacity of the cooperative.

The bids were to be opened on December 11, 1958; but on that date only the Asian Produce Agencies, previously unknown to the Directorate, had submitted a bid. It was accordingly awarded a one-year contract which was signed on January 9, 1959. "This company had announced itself as having a capitalization of 100 million U.S. dollars, with activities in trading rice, rubber, and copra, throughout Southeast Asia. This was its first commercial relationship with Vietnam, and its first entry into the fishing business.

[1]This meant that 35 percent of the fish could be exported at about 72 piasters per U. S. dollar, while the other 65 percent was exported at 35 piasters to the dollar.

"The decision to enter into competitive bidding was the occasion for optimism during the first weeks of 1959. The resulting contract with Asian Produce Agencies was for 1.25 Straits dollars per kilo for threadfins and 1.32 Straits dollars per kilo for pomfret, which looked very good indeed. In addition, the company offered to send a 100-ton refrigerated ship and six motorboats to collect the fish. The company also agreed that if it failed to provide adequate facilities to transport the fish during the surplus season it would accept dried fish.

"I was nevertheless greatly concerned about the contract," stated Mr. T., "because the Vietnamese Consul in Singapore had not reported on the company's credit rating. Moreover, I though bidding should have taken place between August and September of the previous year in order to allow time for negotiations before the fishing season was upon us in January. I also felt that representatives of the cooperative should have been sent to Singapore to observe and control the bidding procedure, and that the company should submit a bond or warranty document from a reputable bank as well as a recommendation from the government at Singapore. None of these took place.

"The advance from the company, consisting of the 500,000 piasters required in the bidding, turned out to be a check issued on insufficient funds. As a result, I was not surprised when the Vice President and Secretary of State for National Economy had to call an interministerial meeting on January 31 with the Vietnamese Consul in Singapore, a representative of the Asian Produce Agencies, and a representative of the cooperative, all present. The Vice President announced his decision to nullify the contract. The Asian Produce Agencies representatives asked for a delay until February 3 for payment of the check, but this was refused as too great a risk at the height of the fishing season. At the same time, the Vice President invited the Singuanhuat Fishing Industries to negotiate a new contract on February 4, 1959, with provisions similar to those of the 1958 contract. Prices were less than the Asian Produce contract, but we reduced the risk of losing fish already on hand, since we knew that Singuanhuat was ready to begin operations promptly.

"Our first venture into competitive bidding was a failure because the company was unable to supply the financial guarantees. I hope, however, that this experience will not be repeated. I'm happy to learn the Vice President is considering sending cooperative representatives to Singapore next year to investigate thoroughly the credit and various guarantees of the bidders."

Resettling the Highland Tribes at Binh Tuy Province

The Province of Binh Tuy, created on January 24, 1957, was situated in a fertile region endowed with an abundant supply of fish in its rivers and coastal waters. Its wooded mountains enclosed a rich valley of 15,000 hectares washed by the La Nga River. These resources had been almost unexploited since Emperor Gia Long had used the valley 170 years before as a supply base in his historic battle against the Tay Son troops. Now, with an ambitious program for land development[1] occupying a high priority in the nation's political and economic aspirations, a systematic effort at exploiting the resources of Binh Tuy was in order.

Lieutenant Colonel Le Van Buong, the first province chief of Binh Tuy, estimated the population of the region at nearly 20,000 Vietnamese lumberjacks and fishermen and 6,000 nomadic Highlanders. The latter, an aboriginal people, subsisted on wild game and a primitive form of agriculture. The development of the forest and agricultural resources of the province required the conversion of tribal customs to some form of stable community life and the adoption of modern methods of cultivation.

The Highlanders lived in about 40 different tribal groups, each speaking its own language. Very few could understand either French or Vietnamese, and the literacy rate was negligible. Property ownership was unknown among them, their land boundaries being designated by the horizon. They measured linear space by walking while smoking, estimating the distances by counting the number of times they had to refill their

[1]See "The Commissar and the Law," elsewhere in this volume.

pipes. Each year they burned over 66,000 hectares of forest to clear the land for one season's cultivation, using the ashy residue as a natural fertilizer. They carefully dug shallow holes in the ashes with wooden or stone instruments and planted their seeds. Six months later, they harvested their scanty crops and prepared to move to an unburned forest area.[2] "Their lives were plagued with hunger and disease," Colonel Buong related. "Their undoubtedly high mortality rates were never computed because they did not record or even count their ages. They were exploited by itinerant salesmen, who exchanged a pretty ring or bracelet for a fat pig; worse still, they were exposed to Communist propaganda against any of our efforts to better their lives."

It was clear that continued nomadic destruction by the highland tribes would eventually deplete the forest reserves of the province, while at the same time valuable human resources were being idly wasted by hunger, disease, superstition, and ineffective use of tribal labor. Economic as well as humanitarian reasons prompted the government to make every effort to resettle the Highlanders into land development centers in the fertile valley of the La Nga.

This was not a problem to which a military solution could be found. Apart from considerations of human decency which would have ruled out such a solution, strategically the Highlanders were almost impregnable, living in small, scattered temporary villages, armed by Communist guerrillas, and naturally suspecious of any approach by outsiders. The Communist infiltrators "looked and lived like the Highlanders themselves, spoke their languages, and seemed content to leave their way of life unchanged so long as they were unfriendly to us," according to Colonel Buong. "It was the friendship of the Highlanders that the government had to win, not their fear. Nor were we trying to enslave them to any particular ideology. We wanted them to come freely to our centers, and freely remain. Yet we knew that even with this simple objective the government would be promoting the greatest revolution in the history of these people. We knew that their first reactions would be important. We wanted them to carry out the revolution voluntarily, not to be its agent ourselves.

"Probably my principal problem would be, in the broadest sense, communicating with them: not only telling them what I wanted them to do, but letting them know that our intentions were not to absorb or destroy them but to enable them to have a better life. Only 1 or 2 of my staff could speak any of the tribal languages, and even by using all our

[2]These forests replaced themselves every year thanks to favorable climatic conditions. The annual value of timber lost to the national forestry was 1,960,000,000 piasters, according to Col. Buong.

resources, we could communicate with only about 5 groups. This meant that we would have to visit each of the tribes regularly, give them medicine and foods, learn their customs and languages, and study their religious beliefs and social structure. While we were doing this, it was important that we try to gain their confidence and sympathy.

"One of the most significant things we found was their deep, superstitious belief that their ancestors controlled their destiny. This discovery was to provide a key to our approach. They placed their fortune their health, and even their lives, in the hands of their ancestors, who spoke through the tribal seer or shaman. His word was law, and could not be questioned in the slightest degree. He was the intermediary between the past and the future, the dead and the living. Once after months of persuasion we failed to persuade a tribe to move into the valley where they could easily raise pigs and grow rice, because they said their ancestors would not permit it, and would kill them if they went. They never mentioned the Communist propaganda that told them to 'stay in the mountains and fight concentration in villages,' but we knew this was an important force to deal with.

"We built a few experimental camps on the hillsides to attract their attention. We invited them to visit the campus, or to settle there temporarily, with the understanding that they could leave at will. We gave presents to the seers, and paid them special attention, urging them to support our invitation. Finally they did as we asked, and reported that their ancestors gave their consent to the experiment. It was almost like a miracle—half of our problem was solved.

"We tried two different approaches, both of which proved successful. Sometimes we invited whole families to come in and build houses and gardens on a community project basis. Sometimes we invited only the young men to come and do the building so that their families could follow.

"We found it best to locate the camps near the mountain places the tribes already knew, so that the sense of the unfamiliar would not overwhelm them. Sometimes we found tribal hamlets already in existence near suitable rice fields. We tried to make these model villages and invited other tribes to move in too. We learned that we could not mix the Highlanders with Vietnamese settlers because the latter were too often tempted to take advantage of the ignorance and backwardness of the tribes. We worked closely with the seers and the tribal chiefs, letting them participate with us in suggesting solutions to the problems. We plied them with gifts and succeeded in moving the ancestral spirits to the new

development centers. This eliminated the annual pilgrimages to tribal ceremonies in the mountains, which had lost time and exposed them to Communist propaganda. All of this took us about a year."

During the first year's experimental period of operations, Colonel Buong was trying not only to win the confidence of the Highlanders and the support of the seers but also to develop a cadre of qualified assistants recruited for the General Commissariat of Land Development. These were to work at each of the 4 highlander centers of 1,000 settlers that were being established in 1957-58. It was important, he felt, "to avoid the empty promises of the Communist propagandists. When we promised something, we delivered. We were on time for our scheduled visits; we brought the medicines or gifts we promised, and we kept our agreements. We felt that our actions spoke louder than our opponent's words.

"After less than a year (November 23, 1957) we were able to regroup the Highlanders into the first of the permanet settlements deeper in the valleys, where a decent livelihood was possible. From then on our problem was to teach them improved agricultural methods. We moved slowly, allowing them to mingle their old methods with the new, with innovations timed gradually so as to minimize the psychological shock. Their first rice crops were therefore smaller than those of the nearby Vietnamese centers. Teaching them to plow was a subtle and difficult process, for they believed that putting iron into the ground injured the spirits of their ancestors. Their simple wooden implements were ineffective, however, in the hard, unused ground near the resettlement centers. So we told them not to do the plowing themselvs, but to let us do it. Then they predicted that our staff would die soon afterwards as punishment for stabbing the Spirit of the Land with a metal spear; but when nothing happened to our men they began to doubt their old superstitions (it's a good thing our staff members were healthy and didn't get sick at the wrong moment!)

"They were afraid of motor noises, so we patiently invited them to come and touch the vehicles. The braver ones came first, and it was not long after that before some of the Highlanders were asking for a ride. In some centers they are now driving the tractors themselves.

"Our success in changing the habits of these people is to the credit of the hard and patient efforts of our field staff. They worked 24 hours a day, learning the tribal customs and trying to serve as experts on everything, driving tractors, giving innoculations, farming, and administering justice according to the old tribal practices. With the help of the General Commissariat for Land Development we set up three-month literacy

courses offering vocational training for barbers, carpenters, tailors, blacksmiths, and clerks. Pregnant women, who had always gone alone to the banks of a creek to give birth unaided, gradually accepted care from our nurses, who with gifts and sympathy had won their confidence.

"We had some disappointments. We hesitated to introduce kenaf[8] for fear the crop might fail and undo all our hard work. And even if it succeeded, we feared that the Highlanders' unfamiliarity with the uses of money would give them a feeling of uncertainty when they saw no rice or cereal crops that would be immediately useful. We dared not move too fast. Sometimes the young men who were released from the restraints of their matriarchal traditions began to lord it over their wives. We tried to implement the government regulations against drinking by not permitting Highlanders to keep rice in excess of basic needs; but we could not enforce universal military training or the new monogamous Family Law. And some families quit the centers and went back to the mountains; we let them go, as we had promised. And we are glad to report that some of them decided to return.

"Each family received one hectare of land, a house, a garden, and a buffalo, with papers of ownership to be delivered later. This replaced the old custom of ownership 'as far as the horizon,' but they seemed satisfied when we gave them government subsidies during their first six months (6 piasters and 500 grams of rice daily per person). They were paid extra for road construction work, and we protected them against carpetbaggers. Even after a year and a half we still keep four highland resettlement centers separate from the two Vietnamese centers. We allow the tribes to retain their own chiefs instead of appointing one for each center. Eventually this, too, will change.

"Our main hope is, of course, in education. The children are intelligent and will soon forget the ways of their parents and grandparents. Now they cut their hair and save their money for colored attractions. They are learning to read, and want to learn arithmetic. Some of the older ones are learning simple accounting and bookkeeping under the guidance of our field staff.

"Within two more years we hope to bring all the Highlanders together into a single city, with a modern market place and an airport. For a while we'll keep out Vietnamese businessmen, until the Highlanders are able to hold their own.

"In another generation the tribal customs of the Binh Tuy mountaineers will be only a memory."

[8] A fiber crop commonly used in land development centers. See "The Kenaf Fiber Case," elsewhere in this volume.

PART II

MATERIALS FROM OTHER SOURCES

Indonesian Assignment[1]

I.—INTRODUCTION

This case involves a decision by a junior government official at the American Consulate General in Indonesia in 1946. In reading the case, the following factors might be noted as of particular importance: the uniqueness of the post and its charged political environment; the close relationship between the official and his immediate superior, the Consul General—coupled with his remoteness from the parent central organization in Washington; and finally, the clear relationship between the official's background and principles, and his decision. These factors in the case may be useful in throwing light on the intimate connections and interplay between informal and environmental influences in the process of decision-making.

At the time these events occurred, the situation presented a real and embarrassing dilemma to the official, whose responsibility it was to make the decision; yet to the reader the decision may seem obvious, easy, or perhaps both. If this is the reader's impression, the writer can only plead that perhaps it is attributable to the anatomy of retrospection and

[1]The following account is autobiographical. It is condensed from Harold Stein, Ed., *Public Administration and Policy Development*, Copyright 1948, 1949, 1959, 1951 by the Committee on Public Administration Cases, Copyright, 1952, by Harcourt, Brace & Co., Inc. and reprinted with their permission.

to the web of words used to describe the case. For retrospection and description can at best only partly recapture the feeling of uncertainty and discomfort confronting the individual when a decision is taken.

II.—BACKGROUND

Indonesia in 1945

On August 17, 1945, three days after the Japanese surrender, the Republic of Indonesia proclaimed its independence from the Netherlands. During the six-week hiatus between the formal surrender announcement and the arrival of British reoccupation troops to accept the Japanese surrender in Indonesia and release Allied prisoners, the Republican nationalists consolidated their forces. When the first British troops arrived, a Republican national administration was actively functioning.

The British reaction to this unexpected and unprepared for turn of events was confused and confusing. British relations with the Republic remained on an uncertain basis: the British sought to avoid antagonizing the Dutch or the Indonesians, while at the same time refraining from commitments to either. The Dutch reaction was initially one of incredulity, and later of hostility to the "Japanese-inspired" regime. After their severe deprivations both in Indonesia and Europe during the war, the Dutch longed for a return to the "good-o'd-days," a return which the Republic was dedicated to prevent. Even liberal Dutch elements, cognizant of the need for change, regarded the Republic as a menace to the kind of gradualism and moderation they had in mind. The Republican attitude at the time was marked by the deep-seated distrust of Dutch intentions, characteristic of the long-time nationalist movement; by uncertainty toward the British; and by a naive faith in the United States, attested to by the myriad quotations from Lincoln and Jefferson painted on signs and buildings throughout the capital city.

The interest and concern of the United States in Indonesia was economic and strategic. Indonesia was an area of past and potential American investment, a source of critically needed raw materials (including tin, copra, rubber, and sugar), and a strategically located military and naval installation in the Pacific. As with Britain, the speed of the Japanese surrender and our inadequate intelligence sources found us totally unprepared to enunciate and execute a policy in Indonesia for the protection of American interests and aspirations. The need for on-the-spot information and analysis was critical, if such a policy were to be formulated.

For the first six months following the reoccupation, disorder in Batavia was rampant. With British, Dutch, and Indonesian forces quartered near or in the city, skirmishes were frequent. The civil administration of the capital was partly handled by the military, under British-Dutch aegis, and partly by the Republic, which ran the electric, trolley, and telephone systems and maintained a large governmental staff in the city. Living conditions for the civilian population were bad; food was scarce, and where available, unwholesome.

The Consul General

The first American representative to arrive on the scene was the Consul General. He was 60 years old; he had served as Consul and Consul General in the Indies for 12 years before the war. Much of his life, his feelings, his values, and recollections, were inextricably bound up with the prewar pattern of colonial existence. His attitude toward the plight of the Dutch was naturally one of sympathy. Years of tropical service had taken their toll on him. Those who had known him before the war found him slowed down, his speech affected by a slight stutter. For these reasons, there had been considerable controversy within the Department of State at the time of his reassignment to Batavia in mid-1945. Some felt that his age and prejudices made his reassignment to an area of political unrest and uncertainty extremely unwise, and that a younger man was preferable. Others felt that his long experience and familiarity with the area and many of its key figures were such primary assets as to outweigh any other liabilities. Within the Department itself, jurisdiction over Indonesia was shared by the Division of Southeast Asian Affairs and the Division of Northern European Affairs. The former represented the "anti" faction, while the latter supported his appointment.

The Consul General's first month in Batavia was marked by severe personal hardship. The living conditions and diet treated him harshly and enervated him acutely. He was, moreover, severely overworked. With no staff whatsoever, and only the barest equipment, he prepared cables and reports to the Department of State alone: drafting, typing, coding, and logging messages, personally taking them to the telegraph office, and repeating the reverse process on all incoming messages. The burden would have been difficult for a much younger man to bear.

Quite naturally, the Consul General addressed strong pleas to the Department for staff assistance. His most immediate need was met in the middle of December, with the arrival of a code clerk from Washington. The strain eased somewhat, but at the same time the pressure of work was increasing. Negotiations between the Dutch, the Indonesians,

and the British were beginning, and political and economic conditions were becoming more and more uncertain as disorder spread from Surabaya, to Batavia, to Bandung, and to other British-held bridgeheads in the Republic. The Department's need and requests for political information increased. Besides the political negotiations, Departmental inquiries stressed the status and condition of American property, the availability of raw material stockpiles, and the outlook for new production Concentrating on political matters, the Consul General was unable to address himself to these economic questions, and reiterated his pleas for additional staff. To meet these urgent pleas, the writer was appointed vice-consul in December 1945, and assigned to Batavia for economic analysis and reporting. A word about my own background, training and indoctrination in the Department should be included, insofar as they are germane to the problem of decision which the case presents.

The Vice-Consul

My academic training had been in economics, supplemented during 1943-1944 by an intensive program of work at Stanford in the Far Eastern Area and in the Malay and Dutch languages, in connection with the Army Specialized Training Program. My qualifications for the assignment thus were directly related to this training. After completing the course of study at Stanford, I had gone into the Office of Strategic Services, serving one year in Europe. I received my discharge in November 1945, and, apprised of the need in Indonesia through OSS and State Department friends, I was appointed to the Foreign Service Auxillary in December. Most of my ten-week indoctrination period at the State Department was spent going over material in the Division of Southeast Asian Affairs. There I learned of the earlier controversy over the Consul General's appointment to Batavia. My own hearsay-sympathies, inchoate as they were, tended to gravitate toward the Division's own stand on the matter. Moreover, my study of the prewar pattern of colonialism in Indonesia left me with marked sympathy for the nationalist cause.

At the end of February 1946, I arrived in Batavia to begin work. My initial meeting with the Consul General was cordial and friendly, though filled with innumerable admonitions about "caution," "danger," and "the need to move slowly." By this time, the prewar building of the Consulate General had been reoccupied, but aside from one typewriter and the Consul General's old teak desk, there was no office equipment, no stationery, not even chairs for the Chinese clerks to sit on! The Consul General informed me that all the office supplies were still down at the harbor of Tandjong Prior (where they had arrived three months

ago), and requested that I undertake as my first assignment to locate the supplies and transport them to the office, so that the Consulate could begin operation. Rummaging around disordered godowns for about two weeks, I located most of the 75 crates which had been dispatched to Batavia. By the end of March the office was ready to handle routine Consular business, and on April 1st we opened our doors officially.

My second assignment, inevitably, was to see and talk to the scores of visitors who swormed into the Consulate asking for information concerning visas, relatives in the United States, and others just wishing to discuss their problem; and to answer some of the correspondence which had accumulated in Consular files, mainly from American firms wishing to explore trade opportunities even before the shooting had ceased!

Economic Reporting

With this backlog out of the way, I began my first economic reporting during May. In my economic work, I was responsible to the Consul General, who had to countersign all reports, airgrams, or cables I might draft to the Department. However, part of my indoctrination period in the Department had been spent talking to the International Resources Division and the Economic Development Division, so that I was reasonably acquainted with the type of information in which the Department was primarily interested. The decision as to subjects for reports, therefore, rested largely with me. The procedure evolved for me to discuss briefly with the Consul General a prospective project. He would make a few comments, indicate a few Dutch authorities who might help me; thereafter, the responsibility for finding, accumulating, analyzing, and interpreting the data was mine, until I presented the finished report to him for countersignature.

Initially, this procedure worked without incident. My first report dealt with agricultural prospects in the outer islands of Celebes, Moluccas, and the Lesser Sundas. These areas were already under Dutch control. The Consul General enthusiastically endorsed the subject. I proceeded to make contact with the Netherlands authorities concerned. My relations with them were friendly, and they not only gave me all their meager documentary material, but carefully answered even the most elementary questions which I addressed to them (I say "elementary," because my knowledge of tropical economy was spotty). The report was completed at the end of June. The Consul General commended me, and the Department added its approval several weeks later.

My second report proceeded a long the same lines and with similar results. It dealt with the thorium content of Bangka tin ores, and while I came in contact with different Dutch personnel, their solicitousness and helpfulness duplicated that shown me in my first official contact with the Dutch.

A slight snag was struck in my next project. In response to a specific request from the international Resources people, I wanted to investigate the copra situation: the availability of stockpiles, and the condition of the coconut palms. In my preliminary discussion with the Consul General, I inquired about the need for consulting the Republican authorities in preparing the report, since a sizable part of the copra area was in Southern Sumatra, in Republican territory. His reaction was one of mild disturbance, and brought a strong restatement of the views he had expressed to me on my arrival: the need for "caution," the "ticklish political situation which you must take my word for," and the "need for waiting and moving slowly."

I took this as a clear negation of my inquiry, and therefore confined myself to talks with the Dutch Director of Economic Affairs and his staff. At the end of my report, I made a note to the effect that "it had been impossible for political reasons to consult the Republican authorities." I did this with a sense of personal discomfiture. The political implications of an inquiry concerning copra seemed to me tenuous. Moreover, I knew that through the Consul General our government was already in touch with the Republic, and my own informal acquaintance with Indonesian officials had given me a high regard for their discretion. I felt that the report clearly suffered from the exclusion of this possible source of information, and I handed it in with a feeling of dissatisfaction. The Consul General, however, read it closely and again responded enthusiastically.

Without going into details, I may add that my next project, dealing with the rubber situation, followed almost the identical pattern of the copra incident. Here again, extensive rubber areas were in Republican territory which were important to the completeness of the report. My suggestion of the need for consulting Republican authorities was, however, discounted and ruled out by the Consul General.

From my own point of view, the following was the situation when the problem of decision arose. I was, on the one hand, eminently gratified with the cordial relations built up between the Consul General and myself. Yet, I was acutely aware of the fact that the cordiality had a fragile base. The Consul General was explicitly sensitive to the great difference in our ages and perhaps implicitly to the difference in status

between a career Foreign Service Officer like himself and a Foreign Service Auxiliary Officer. I had no ties with him of age or career or general attitudes that would serve to cushion any disagreement between us over an issue like contact with Indonesian officials. The possibility of a cooling in our relations was ever present, and I could not face such a cooling without considerable uneasiness. In a distant field post, friendly relations between superior and subordinate assume an even greater psychological significance than they do at home. Furthermore, the Consul General was chief of the post, and his recommendation would, of course, be important to my future in the Foreign Service. Finally, I might rationalize that any shortcomings in reporting from the field were, formally at least, his responsibility, and not mine.

On the other hand, I had a persistent feeling that the Department required full reporting from both sides to make competent policy decisions in Indonesia; that competent and complete performance of my work required building sound contacts on the Republican as well as the Netherlands side. While I had learned to feel a certain admiration for the perseverance of the Dutch, and an appreciation of the cooperation they had shown me, my ideological sympathies for the Indonesian case had been reinforced by my experiences in the field.

III—THE PROBLEM AND THE ALTERNATIVES

In September 1946, a confidential airgram from the Department was received at the Consulate. It requested an extensive report on "economic plans and policies in Indonesia," with almost no specificity attached to these terms. It concluded with the observation that "if possible, and with the utmost discretion, Dutch, Indonesian, and British sources should be consulted as far as feasible."

This airgram was routed by the Consul General to my desk for action on the day following its arrival. I was, at first, both enthusiastic and elated to receive it. Its importance seemed obivous in view of the prolonged silence by the United States Government as to its policy, in the face of a continued complex political situation. Moreover, it clearly offered scope for originality and analysis, which was a welcome change from the relative tedium of the commodity reporting I had been doing. Further reflection made me feel that effective handling of the airgram required a basic decision. Was I to consult the Indonesian authorities in preparing my report? And if so, was this consultation to be extensive and on a high level, or simply confined to a cursory phone call to the Republic's Ministry of Economic Affairs? The airgram, from one point of view,

clearly carried a mandate for consultation with the Indonesian authorities, and equally clearly the demands of a complete and useful report also pointed in this direction. Yet just as clearly, on the other side, were the qualifications which the airgram had appended to its instruction: "if possible," and "as far as feasible." For either of these reasons, consultation with the Republic could be justifiably neglected, or at least treated in summary fashion. While my own inclination was (as it had been in the copra and rubber reports) to consult the Republic, I was keenly aware that (a) such action would be likely to vitiate my position with the Consul General, and (b) that if there were any mishap in connection with my action (e.g., a "leak" to the press), I could expect to be held fully responsible by the Consul General and the Department.

I think, in retrospect, that I was more or less clearly aware that the three courses were available to me. In the first place, I could approach the Consul General, as I had done on previous, though essentially different, occasions, and ask his opinion of the import of the Department's instruction, and his advice in the matter of whether to consult the Republic. I had, of course, good grounds for assuming that the response would be similar to his advice on the rubber and copra reports. But my own position would clearly be secure if there were any kickback by the Department, both because of the loopholes contained in the instructions, and because of the Consul General's own advice. Moverover, such a decision would clearly protect my relations with my chief.

Secondly, I could take my instructions from the airgram directly, consulting the Dutch and the British only, and relying on the vagueness of the instruction and/or the precarious political situation to explain my failure to consult the Republic, in a concluding paragraph of the report. Then, if the Department specifically desired such consultation, it could so direct in a subsequent instruction. From my own point of view, the advantages of this decision were the security of my position and the effect it would have on my already good relations with the Consul General. It would, in his eyes, clearly mark me as viewing the general situation as he did (a point on which he had expressed some concern more than once), and therefore would raise his opinion and trust of me.

Thirdly, I could consult the Republic directly in line with my own inclinations, and could rely on the implicit mandate of the airgram for justification. This would, of course, endanger my relations with the Consul General, and leave me open to subsequent blame in case of untoward results. It would, however, acquit me of a personal consciousness of responsibility for complete and competent reporting, and for giving the

Republican case at least equal treatment with that accorded the Netherlands. It might be mentioned, parenthetically, that if this were to be my decision, a further decision would have to be made: concerning the extent of my consultation with the Republic. I reached a quick decision on this point, that if I were to adopt this general position, my consultation with the Republic should not be cursory, e.g., confined to a single phone call, but should be as extensive as would appear feasible in the light of the reception I should receive upon approaching the officials concerned.

IV. THE DECISION

Before reaching a final decision, I spoke informally to the chief of the Republic's public relations office, whom I shall call Mr. Subandi. I had known of Subandi before coming to Indonesia, through mutual friends at Stanford, who had held a high opinion of his reliability. This impression was confirmed by me when I met him at numerous social functions in Batavia. I secured from him, without going into details, a guarantee that any inquiries I might direct to any Indonesian government office would be treated with the utmost confidence.

I thereupon decided on the third alternative: to consult the Indonesian Ministry of Economic Affairs directly, and fully (in addition, of course to my consultation with the Dutch and British). The results of the decision were singularly happy. I received a warm welcome from the Indonesians. My talks with the Minister were fruitful, and the Ministry staff supplemented these talks with the first documentary material on economic matters which the United States Government secured from the Republic. My report was drawn up, after several redrafts, in October 1946. The Consul General made several comments which required minor editing and revision, but countersigned it at the end of the month. There was, however, a noticeable cooling in our relations,[2] and prior to countersigning the report he remarked with no little asperity, "you had better watch your step in dealing with these Indonesians in the future." Nevertheless, even this ill-feeling did not seem to be permanent. When, three months later, I received a commendation from the Department for the report, the Consul General's attitude noticeably softened, though our relations were never quite as friendly as they had originally been.

[2]The Consul General had a long-standing custom, dating back to prewar days, of inviting some of his staff, and the top officialdom of Batavia, to his lodgings for mint juleps on Sunday mornings. After handing in my report, I did not receive another invitation to these get-togethers for five weeks!

Student Strike at an Asian University: A Case History[1]

In 1953, the cross currents of the Burmese educational world were running in rough turbulence. As the monsoon rains petered out in late September and the sun emerged from grey hibernation to steam the water-soaked lands of Burma, another kind of cloud began to darken the University of Rangoon campus. The atmosphere became charged with an emotional touchiness of cumulative potentiality; a storm was brewing which would engulf the entire student body and its faculty. In the face of it the five American professors attached to the University under Point IV agreements would be helpless. Before it played itself out, classes would be disrupted, the entire learning program would stumble to a halt, and recovery would be impossible that academic year.

The academic year began inauspiciously at registration time, with student disobedience of University dormitory regulations. Registration had been unusually heavy, and dormitories were inadequate to meet the needs of the expanding student body. In the competition for space, a large number of students had simply pre-empted dormitory beds without leave from University authorities, and occupied them on squatters' rights. Repeated pleas and mild directives from the administration, requesting the squatters to relinquish their quarters and be assigned properly, along

[1]By George Mannello, Jr. Adapted from American Association of University Professors Bulletin, June, 1957, page 249, by permission of the author.

with the rest of the applicants, were ignored. Nevertheless, the authorities were loath to create an incident by taking more forceful action. There dveloped among the students a vogue of contempt for authority which eventually brought disrepute on the whole University and became a subject of severe censure from the newspapers and the general public.

II

During the time when student disobedience was becoming a major subject of discourse, Wally, a Point IV colleague of mine, gave a tea party. His pleasant bungalow was full of college instructors, both Burmese and American, who presented an interesting contrast of colorful longyi skirts and baggy white cotton slacks.

I turned to my neighbor, a Burmese professor of English, and raising the current campus topic, asked, "What's this I read about trouble with students in the dormitory?"

He appeared reluctant to answer. "Ah, Dr. Mannello, it is a difficult situation," he said, and then stopped.

When I saw he was going no further, I attempted to draw him out: "But doesn't the University have the power to make its regulations stick?"

Wally ambled over and declared, "If they tried those stunts at an American college, they'd be kicked out."

"But it's not so simple here," the professor of English explained. "The students are organized and they can make a great deal of trouble."

"What are the students organized for—to make trouble?" I flung back and then, seeing the tightening expression on his face, was immediately sorry. "You see," I continued lamely, "what I mean is, the fact that the students have their own organizations is not bad in itself. We have student organizations in America, and we count them a good thing. Didn't you belong to a student organization when you went to school?"

"Yes," he admitted, "but at that time our country was fighting for independence. It was the organized students right here at the University who led the movement. Yes, I was proud to participate in that struggle. U Nu, himself, was a student then and led the University strike against the British." He stopped, and then added, "But now it is different."

"How so?"

"Now when the students go out on strike they do so against their own people."

I asked, But how does U Nu look upon student lawlessness at the University?"

"Naturally, he deplores it," said a jovial-looking Burmese professor of history, who had caught a corner of our conversation and now sat down with us.

"Yet he does not denounce it too vigorously because of his own past?" I suggested.

"Partly," he said, "but if the students go too far and the government is threatened, he will not hesitate to act. As it is now, nothing important is at stake."

"I wonder," I said. "I am told that it is very difficult for a professor to introduce an innovation into his program without the approval of the students. What are their rights in this matter?"

"It is true," the professor history said. "We cannot do anything new in the classroom if the students are against it. This is not a matter of University policy, but a right the students have arrogated unto themselves. What is one to do." he threw up his hands, "if the whole class is against it?"

"But why do they object? What are their grounds?"

"Ha!" he snorted. "Grounds? They haven't any! Unless you call ignorance, or laziness, or caprice, grounds. Sometimes they object simply because someone else has told them to do so. Ah . . . we Burmese are an undisciplined lot."

"In other words, the only real hold you have over your students is the final examination."

"More or less; that, and of course the instructor's personal magnetism. Last year we did attempt to place some weight on regular class attendance and daily classwork in order to determine the student's final mark. It took us a long time to have this change accepted by the University Senate and the Rector and when, at last, it was approved, the students rejected it. Certain vocal student groups set up such a din that the Rector rescinded the new regulation, which assigned twenty-five percent of the final mark to class work. We went back to a pure examina-

tion system. So you see, not even the Rector is immune from student pressure."

I asked, "But couldn't anything be done to save the new University ruling on final marks? It certainly would be to the students' advantage."

"Which students?" laughed the History Professor. "Certainly not the students who prefer not to attend class and are good at taking final examinations. And those who feel that they stand to lose with an innovation are always noisier than those who feel that they may gain."

"Hmmm, I see your point. Yet you will admit that it would be to their advantage from the standpoint of learning."

He smiled patiently. "Of course, of course, Dr. Mannello, but the question is, do the students admit it? They do not . . . and we do not wish to increase the number of our revolutions. We have five currently."

III

As the Rangoon University Student Union elections drew near in mid-semester, the student body split towards two powerful foci, the Democratic Student Organization, a Socialist group supported by U Nu's party, and the Progressives, a Communist-dominated group that sought to wrest power away from the incumbent DSO's. The rumor circulated in private conversation that one of the government's leading politicians personally directed the DSO's; it was his way of recruiting deserving personnel for government posts. It also appeared that the Progressives were equally supported by off-campus political movements. Provoked and prodded by these outside ideological forces, the enmity between the two groups was bitter. As election day approached, the schism between the two competing groups deepened. Emotions were pitched as bands of students, yelling slogans and bearing placards, roved the campus. Rival motorcades, old lorries, and jeeps, crammed with students and covered with scrawly, flapping signs in the Burmese script, flew down the streets. At the evening rallies, the night air shook with chorused shouts that rolled out into the darkness.

In this setting, student government could serve no useful purpose. Certainly, the welfare of the University and its students was the last thing in the minds of these warring factions. Control, for whatever influence it might have over the minds of students for the later national struggles, was the dominating motive.

For all of its fanfare and for all the vituperation, election day came with a quiet orderliness. At nine o'clock, as I edged my jeep through the gathering campus crowds on my way to class, nothing extraordinary seemed to be happening. On the way back at noontime, I could see that the temper of the student body was changing, rumbling and growling. The votes began to show a decided trend towards the DSO's, and the Progressives, sensing defeat, took to shouting insults and hurling charges of fraud. Then, in the closing afternoon hours, the ballot box was seized by the Progressives and smashed, and the long expected violence broke. The election was a complete fiasco.

The University did not interfere. It met the issue of student elections by not noticing it; so no further elections were held that year.

IV

The next incident was tailor-made for conflict. It had to do with the mid-year vacation. As the first semester came to a close, a University directive went out, stating that the in-between-terms vacation, usually one month in length, would be shortened to two weeks. It was like pouring kerosene on a smouldering fire. The effect was immediate and universal. Almost every student, regardless of age, sex, and party affiliation, rose up to denounce it. The University administration had accomplished the impossible—it had welded together a broken student body. All parties vied in their intensity in denouncing the decision.

A committee with a high sounding name—Full Month Vacation Implementation Committee—was formed. An ultimatum was delivered: Close down for the full month of October or we call a token strike on September 29. In a counter move, the University decided, at last, to take a strong stand, and issued its own threat: Any student who participates in a strike will be expelled.

Despite this threat of expulsion, the one-day token strike was successful—too successful. The students stayed away from their classes almost one hundred percent.

When I reported for classes the following day, the atmosphere at the Faculty of Education had worsened considerably. Although most Education students were less ardent supporters of the strike than were those in other parts of the University, they felt compelled to acquiesce in the dictates of their more bellicose peers. Caught in the jaws of circumstance, they were most secretive. Small groups would gather furtively in the passageways and in the corners of the library, whispering seriously.

The approach of an instructor would be the embarrassing signal for the students to break up and hurry away.

The strike had unquestionably reached the point where governmental intervention was inevitable. It was no longer a local school tiff that could be resolved by educational authorities. The Prime Minister, acting on the authority of his honorary position as Chancellor of the University, took direct action to deal with the strike leaders. This account appeared in the Rangoon press:

". . . Five students elected by the mass meeting . . . met with U Nu . . . The Education Minister was also present. Chancellor U Nu waited for the students to bring up the subject of the holidays. Then he told them in plain terms that the authorities were determined to uphold their position and that if the students did not give way gracefully, balefruit would knock against balefruit, meaning a clash or a conflict. The student leaders are reported to have expressed the sentiment that they might have been foolish in their past action, but as for the suggestion that they should return to the students and ask them to backtrack, it was out of the quesion, since a decision had already been taken, and they (the leaders) had come with no mandate to do anything else. Said U Nu, I give you till noon tomorrow. At that hour I shall notify the country of what we propose to do."

The strike was on in earnest, the battle lines drawn, the strategy committed. Riding on the crest of a string of successes they had hit upon an issue that appealed to the whole student body, their power was already demonstrated in the one-day token strike, and the Prime Minister, himself, was forced to recognize them—the strike leaders jubilantly pushed their plans to tie up the University.

At the appointed time, the Prime Minister went to the people. In a radio address, he denounced the instigators of the strike, and promised to put an end to lawlessness at the University. He revealed that the University Council's decision to cut down the holiday period had been taken as a result of his own insistence, in order that the standard of university education be improved in Burma. He said that he was surprised to find that actual teaching at the University occupied only 118 days out of a possible 365. It was the fault of the British, U Nu claimed, who framed this educational system because they were not over anxious about the education of Burmans. Consequently, he had requested the Rector to step up the number of teaching days to at least 236. With the country in such need of trained and educated personnel, it could not afford to drag out the educational process with a great many holidays.

Besides, it was a shameful waste of the people's money for the students to study only four months of the year.

The agitation against this decision, which was so patently in favor of the students, could come from only one source—the Communists, U Nu asserted. The Communists, who had been working among all classes of people to create trouble, had found that they were losing support, and that the workers, the peasants, and the traders had become disillusioned with them. They therefore turned to the *phongvis* (Buddhist monks) and the students, among whom they hoped to foment agitation in order to cause unrest and lawless acts. "Judge the actions of the students within the last week for yourselves," was the Prime Minister's appeal. He cited the fact that while the University Council was in session they had kicked at the doors and created a disturbance; that they had manhandled members of a group that was trying to dissuade students from striking; and that when police cars came to the scene, they had stoned the cars, smashing their windscreens. Watch closely this new strategy of the Communists at the University, he warned. The government would do its part to maintain law and order. The Prime Minister ended his radio talk with a final plea for the students to behave properly, and he begged parents and guardians to dissuade their children from allowing themselves to be made the catspaws of the insurgent exploiters.

V

On the first day of the strike, I stopped by at the Faculty of Education, which was outside of the agitation. The building was almost deserted except for a small band of picketing students who had come over from another college. They were camped on the front steps, noisily singing songs, playing Burmese instruments, and dancing. This wasn't a picket line, their behavior mockingly proclaimed, only a roving band of minstrels. Whenever they located a professor attempting to hold class with his handful of students, they would stand beneath the window and loudly play and sing popular Burmese songs, with an especially spirited accompaniment on the long bamboo clappers, creating such a racket that it was impossible to lecture. As I approached the main entrance, they quickly stepped aside to let me in, grinning in the best of humor. I could not resist smiling back.

Inside, a few students sat in the lounge, while most of the instructors sat in the library, reading newspapers and chatting with one another, there being nothing else to do. I sought out the acting head.

"Well?" I asked, "what do we do? Are classes to be held?"

"No, Dr. Mannello," he said, "the dean said that the students could use this week to practice for the variety show they planned to give at the end of the term."

"I see," I smiled. "There's no strike going on here. The students have been let off for extracurricular activities."

"Yes. However, the dean wishes the teachers to report every day at the regular time. We are not sure when classes will be resumed. End-term examinations will be given next week in any case."

I said, "Tell me, how do the students at the Faculty of Education feel about this strike? Some of them sitting in the lounge look pretty forlorn."

"I do not think that many of our students really support it. We do not have many radical students in this school. I am sorry that you are here to witness this trouble. Last year it was not like this."

I asked "What about Communists? Are many Communists at the University, as the Prime Minister says?"

But this question pushed my inquiry too far, and when he answered with an I don't-know and then remained politely silent, I knew that it was time to talk of other things.

As I left the building, the musical picketers again gave way in friendly fashion, and I drove my jeep home via the main avenue of the University estate. Thousands of young men were standing around on the lawns and sitting on the steps, their collarless white shirts glaring in the sunlight. Here and there a dancing troupe entertained, or a roving student orchestra filled the air with raucous Burmese music. Caravans of cars careened down the highways, 50 to 60 vehicles in length, piled high with students chanting slogans, singing, and catcalling in gay derision. A holiday spirit pervaded the atmosphere, and this was truly the students' day.

But as I drove through the main gate of the University, I noticed certain ominous signs. Several fire engines, brilliantly red, were parked just outside; a number of police radio cars stood ready with their motors running; and a platoon of wide-brimmed, blue-coated policemen was forming at the entrance, armed with clubs.

VI

Early the next morning, the sound of roaring motors invaded our home, and running out to the highway to investigate, we saw a long line of

military vehicles pull up next to the University grounds. Military police, fully armed with rifles and bayonets, leaped out and formed at the main entrance. Some of the iron gates had been secured during the night by the strikers, who had bound them with heavy chains and locks. The police smashed through, using their trucks as battering rams.

All morning I stayed at home, catching sounds of the tumult, and when I could no longer restrain my curiosity, I jumped into my jeep and called to my wife that I was going down the road to see what was happening. When I arrived at the scene, the complexion of the strike had completely changed. The holiday spirit was gone. The main gate was seething with activity, as squad after squad of military police organized to invade the University grounds. The first department and a platoon of city police had already moved in, and were battling with the strikers, who had barricaded the student hostels. Frantic students, their faces full of apprehension, scattered in all directions. Shouts came from the inner campus grounds, but this shouting was not the good-humored slogans of the day before. They were the frightening roars of an infuriated mob.

I drove to a side gate, somewhat removed from this activity, but possessing the advantage of a wide road down which I could look into the heart of the rioting some one hundred yards distant, and I parked the jeep on a slight rise with motor running. Just as I parked, one of the fire engines in the midst of the fray, which I could see indistinctly, burst into flames, and the smoke rose straight up into the still morning air. A mighty cheer broke from the students around it. Then several pistol shots cracked out from one of the hostels, the first bullets to be fired. A few minutes later a military truck came grinding down the highway, carrying about twenty-five armed policemen, who were hastily fixing bayonets on their rifles. The truck swerved sharply through the gate where I was parked, roared down to the center of the rioting, and skidded to a stop. The police jumped out, immediately deployed as skirmishers, and began firing their rifles. The strikers ran for cover like quail, and for a moment all was quiet on the campus. The police were dead serious now, and the officers sent squad after squad in with fixed bayonets, moving relentlessly upon the strikers. Firing continued in a desultory fashion.

As I rode back to the house, much saddened by this useless strife, I passed bands of young strikers escaping from the University estate, jumping over walls and crawling through gates. Some of them attempted a bravado, aggressively grinning at the onlookers and cracking jokes

among themselves. It was no longer anything to laugh about; therefore one must laugh. When I returned to the house, my wife and the children were standing on the highway watching the activity from this distance. I told them what I had witnessed and expressed the opinion that the worst part was now over.

VII

The University strike was broken. The government, and the University administration under the prodding of the government, dealt with the student agitators with firmness and dispatch. Fortunately, only a few strikers were injured seriously and no one was killed, since the police had been ordered to fire above the heads of the rioters. Most of the leaders were jailed, the barricades were torn down, and the dormitories were searched. On the plea of personal safety, more than two thousand students applied for special leave to go home until it was no longer dangerous to attend classes, and the University granted it, thereby dissociating large numbers of students from the strike. A remnant of last ditch fighters paraded through downtown Rangoon with banners demanding the release of the imprisoned students, bolstering their forces with secondary school youths and even primary school children, who scarcely knew the words they were mouthing. The cosmopolitan citizens of Rangoon were hardly curious as they marched by.

The Prime Minister addressed a statement to the nation. Since they had broken the law, he said, many students and their leaders had been arrested. He drew attention to the fact that Burma was a democracy, and if anyone felt aggrieved as a result of executive action taken by the government, the newspapers were there to criticize and condemn. Furthermore, recourse could be had to the courts of law, whose function it was to right any wrongs committed. Addressing the jailed students, U Nu declared: "If you consider any arrests to be unfair, you may take your case to the Supreme Court and I promise, on behalf of the government, to provide you with the services of at least three leading counsels whom you may nominate. The government will also pay all expenses connected with the litigation." Thus the Prime Minister, ex-school teacher, lectured his people on the ways of democracy.

The Rector also made a statement. The University council had met, he said, and had adopted severe rules regarding disciplinary action against unruly students. They were:

1. No student will be readmitted to the University unless he signs

a statement, countersigned by his parents, to the effect that he will henceforth obey all University rules and regulations.

2. All students absent during the strike who did not apply for a leave of absence must submit to a questioning by University authorities.
3. All known leaders of the strike will be expelled from the University.
4. Other strikers will be dealt with in accordance with the seriousness of their involvement. Scholarships and stipends will be discontinued for this group.

VIII

"Well," I said, sitting on top of a desk down at Point IV Headquarters with my colleagues, "we can thank God that this strike hasn't taken an anti-American turn."

Wally said, "Yeh, but there's plenty of Communists in it. Did you hear what was found when they raided the student hostels the other night?"

"No, what?"

"A bunch of Communist papers propaganda pamphlets, letters, secret orders from the Communist party, diaries. One of the University dormitories was the secret headquarters of the whole Communist movement in Southern Burma."

To this question I found no answer.

The strike gasped in its death throes for a few more spasmodic days. A vestigial band of diehards moved around the halls begging, in spite of the Prime Minister's offer, for donations for legal fees to secure the release of the arrested ones. Attendance slowly increased as returning students crept back into their classrooms. There was no happiness during these convalescent days, and I felt a great compassion for these confused young people who stole in and out of their classes with expressions of guilt on their faces. They were rejected by their country and their Prime Minister, and worse, there was not the comfort of knowing that, no matter what the outcome, one had fought the good fight for right principles and high goals.

A Class Criticizes the Case Method[1]

Prof. Bailey of the Harvard Business School describes a "rebellion" by 100 students in "Section E" at Harvard against the use of the case method, and shows how the instructor used the occasion to improve the class' adjustment to this new learning experience.

The following memorandum was condensed from some 10 to 12 pages of notes set down by me immediately after the close of the class session. The purpose of the memorandum was to report as literally, yet as briefly as possible, the principal ideas and feelings that had been expressed. The memorandum as here printed was shown later to nearly a score of those who became the active leaders of the hundred men who composed Section E, and they were asked to add whatever they felt had been omitted from this record of the session, or to strike out what was unimportant or misinterpreted in order to give the account the greatest

[1]By Joseph C. Bailey Reprinted by permission from Kenneth Andrews, *Method of Teaching Human Relations and Administration*, copyright 1951, by the President and Fellows of Harvard College.

accuracy. Agreement was general that the reporting followed the themes of the discussion very closely; the only uncertainty expressed was whether the intensity of feeling on the part of the group or of most of its members was underscored sufficiently so that a reader might sense it.

Readers familiar with the case method of discussion do not need to be reminded that the apparent crisis exhibited in the memorandum is only one phase of a continuing process—the process of learning. Teachers learn to expect confusion, frustration, and hostility on the part of students when they are required to begin at last their own problem solving. Once they do begin it, usually after some incipient rebellion of the sort shown here, then a teacher is free, finally, to work with his students and to learn with them as an integrated team working together on common problems.

After experiencing the emotion, as facing the hard, intellectual fact that they are really on their own, students bit by bit relinquish their long conditioning toward a teacher as a person who has the authoritative answer for the problems presented by a case (which is, after all, a report on someone else's real-life problems). Bit by bit, in the slowly reassuring solidarity of other student weanings, case students move on to other phases in the process of learning and come to relish the challenge of doing the work themselves; come to regard the teacher as one who is able and willing to help them work out their answers, not give them answers which don't exist; and at last to take pride in their self-sufficiency and in what they have proved to themselves they are able to do. At this point they are free of a need for a teacher—as they should be—but there seems to be no way of gaining such freedom except by personally experiencing the struggle to attain it.

MEMORANDUM

On Wednesday, October 27, 1948, Section E in Administrative Practices, shortly after class began at 2:10 p.m., chose to launch an inquiry into the function or responsibility of their teacher, Bailey, to their class, Section E. As the inquiry was in full tide at 3:30 p.m., the bulk of the class, as well as I, elected to continue until 4:30 p.m., at which time substantially all the issues raised and feelings expressed seemed to have been sufficiently ventilated. Adjournment was by common consent.

The views expressed most frequently, when clarified, follow hereafter in summary form. Once these views were clarified and accepted by the student speaker or speakers, I then raised the unexpressed inference. The usual reaction was for a few students to fall silent, perhaps to think. A larger number would, almost as a reflex, embrace the inference raised.

The clear majority would mill about until a new issue was found and use it to return to their chief interest, my responsibility to them.

The view expressed (by students)	*The inference unexpressed* (except by me)
1. Many students waste time in class with irrelevant or repetitious or mistaken contributions.	You (the teacher) ought to stop it.
2. The class may leave a case with many points of importance undetected and undiscussed.	You should point them out to us.
3. Class discussion often ends with our conclusions confused, scattered, unassorted.	You should put them together for us.
4. We often may be reasoning wrongly and arriving at erroneous estimates.	You should put us right.
5. We may be too inexperienced personally or without the learning needed to appraise the merits of the judgments we offer.	You should supply our short-comings from your superior knowledge.
6. Your acquaintance with the pertinent literature is wider and sounder than ours.	You should tell us what to read and what each reading is worth.
7. Many students tend to express "feelings" about these cases, feelings we don't share, don't care to listen to, and often find annoying.	You should stop them by pointing out that they are merely expressing personal feelings which most of us find tiresome.

In the periods of discussion that followed *after* the inference had been raised for them by me, the issue at hand was abandoned, usually after I had raised the further questions below:

1. If I tell a student (nicely, of course) that he is wasting class time and he tells me that *he* doesn't think so, what should I do next?

2. If I think the class has missed many points in the case that I consider interesting, should I say so when they think they are finished and ask them to begin again? Or, if I tell them what I think they missed, will they come to rely upon me to do this, and do they wish to so rely? Then upon whom will they rely for points missed in the day's problems following graduation from these ivied walls in June 1950?

3. If discussion often leaves cases scattered about in bits and pieces, conclusions uncertain and interpretations contradictory, who should put them together?

4. If you seem to me to be reasoning wrongly, should I merely say so? Or, should I then go on to reason correctly for you? What should I do if my reasoning fails to convince certain students, inform them they are wrong or, in the end, assure the others that my view is right?

5. If I have reason to believe you may attach more importance to what I say than my views merit stripped of the authority of the professorial chair, how am I to govern myself in case you remember my opinions after graduation, act upon them, and discover them not to be reliable in your situation? (a) Will you blame me for the consequences? (b) Will you blame yourselves for listening to me? (c) Will you blame yourselves for asking me to tell you?
6. If I am to put reading before you that may prove helpful, how should I do it? On a conventional reading list? (Widespread dissent.) I have already recommended five references I think applicable. How many men have looked at so much as one out of five? (Eighteen hands showed.) Do you wish me to reward these eighteen and penalize the rest?
7. If there is one lesson this section seems to agree on it is that you have learned from all the cases we are now reviewing that workers, and even executives, have feelings; that they want those feelings recognized and respected; that they wish to be treated as people of some value to the group with which they are working. Now, do you wish me to tell a student expressing feelings that seem important to him that he is wasting our time and we wish him to stop?

Additional issues raised are set forth below, not because they claimed less student interest, but rather because they were clarified by one or two students in place of one or two dozen. Thus, these were dealt with, as it were, in the interstices between the longer, louder discussions proceeding simultaneously on the more confusing issues.

The view expressed plus that implied	*The response which returned the problem for the students' further reflection*
1. You possess "knowledge" invaluable to us. You probably have "the right answer" to every one of these cases. If you didn't, you wouldn't be up there on that platform. We've paid our money and are entitled to every grain of wisdom you possess, especially and specifically "the right answers" to our problems.	Will students gain as much from whatever experience I may possess if I strive to convey it in the form of questions as if I put it into the form of statements, lectures, or answers?
2. We're entitled to know what the faculty thinks about these problems and cases. You represent the faculty. It's your obligation to give us their opinions.	What would this section think if it could oversee and overhear the faculty occupying the students' seats in this room, discussing one of their cases, expressing as much diversity of view, disagreeing as much over meanings, and arriving at incompatible interpretations of the meanings discovered? Would that reassure them?

As the session wore on toward its close certain students ventured expressions of faith that they were going to learn something, Dean David forewarned them of confusion coming, but thereafter, illumination; second-year men told them it would clear up one of these days; a reasonable number of students did seem to graduate annually; etc. Some men went further. One said he left the classroom with only questions in his mind, but that he liked that. Another confessed that he "felt scared." For sixteen years he had been told answers. He had big notebooks full of them, and bigger textbooks still fuller, and the teachers ready to supply anything he couldn't find. The case method was wholly unfamiliar and he didn't know what to hang on to. (Only fifteen men, it developed, had ever had even one case course before.) Though scared, he liked it and wanted to go on trying to puzzle out his own answers.

Judging from the tones of such comments that the vigor, not to say the rigor, of their inquisition was slackening, I concluded the session with the reminder that they, as executives and managers, would often find themselves in my shoes, a teacher and trainer to their subordinates. How did they propose to go about that task? Would they choose to "tell" their students the "right answers"? Or what?

At the following session of the class I began with the remark that we had explored, or started to explore, some very far-reaching questions. I felt that we had given them a good start, possibly as much as we were able to give just now. They would find, I thought, that some of the issues raised would develop in their minds in chain-reaction fashion. In any case, let's wait and see. Meanwhile I would put on the board a couple of my own overnight recapitulations.

Function or responsibility of the student	*Function or responsibility of the teacher*

The class had raised the first. I had raised the second, because the first could not be determined without inquiring closely into the second. Roughly speaking, there also appeared to be at least two types of educational endeavor distinguishable as follows:

Classroom Evaluation

TYPE OF SCHOOL:	
A. Liberal Arts colleges: graduate and undergraduate	B. Professional schools: law, medicine, business, etc.
OBJECTIVES:	
"Knowledge," learning, scholarship, etc.	Ways of solving selected kinds of problems. Useful ways of thinking
TECHNIQUES:	
Lectures: teacher talks; student listens, takes notes, reads, etc.	Class discussion: teacher listens; student talks, pits his way of solving problems against classmates; teacher asks questions

TOOLS:	
Textbook, libraries, research--individual work	Cases: Analysis and diagnosis thereof, in study groups, in classroom, clinic, or laboratory
PRODUCT:	
Scholars, teachers, research workers, etc.	Doctors, lawyers, administrators, *et al.*: those who must prepare to accept responsibility for actions and decisions involving other people
EVALUATION OF PRODUCT:	
Breadth and depth of "knowledge," learning, scholarship. Output of research inquiries. Training of younger scholars.	Skills, or the quality of performance, required to reach successful judgments and initiate successful action in problems involving other persons

I observed that most of the class seemed busy copying the equation and its accompanying classification while I was putting it on the board. We began, however, discussion of the next case as soon as I had finished writing.

The Teacher[1]

IN WHICH SOCRATES EXPLAINS THE CASE METHOD OF TEACHING PUBLIC ADMINISTRATION, AND ALMOST BECOMES AN ADMINISTRATOR HIMSELF THEREBY

Nearly forty years ago the case approach to administrative behavior was introduced into the American classroom. Its principal characteristic was the careful examination of a single administrative decision or action, whether important or minor, and its principal value was in giving the students who used it a sense of participating in an actual administrative operation. The method was new, but its roots stretched twenty-five hundred years, to Socrates and his successors Plato and Aristotle.

Here is how Socrates might have introduced the method to his Athenian friends if he had happened to think it necessary to supplement the education of philosopher-kings with a little practical work in public administration:

SOCRATES: That was indeed an eloquent speech of Protagoras; yet I am not sure just what I have learned from him today.

GLAUCON, A STUDENT: You are not easily satisfied, Socrates. Is not Protagoras our most famous teacher of administration? Has he not written the most useful formulas for the organization of men? And are not his principles the most acclaimed of all the teachings of our learned men?

SOCRATES: That is true, and I may be at fault for not knowing how to master his principles and put them to good use.

GLAUCON: You would be the last man I should accuse of stupidity, Socrates.

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[1]By John D. Montgomery. This essay first appeared in the *Journal of Administrative Research*, published for the Association of Administrative Studies by the National Institute of Administration, Vol. II, No. I, Jan. 1958. It appeared in the *Public Administration Review* Vol. XVIII, No. 2, Spring, 1958.

SOCRATES: So indeed I am.

GLAUCON: But what could be simpler than his advice regarding "span of control," or the "scalar principle;" or his teachings about the division between "line" and "staff"?

SOCRATES: Simplicity is indeed a virtue.

GLAUCON: I know what you are going to say, Socrates, and I will anticipate: that the truth is a greater virtue than simplicity.

SOCRATES: Will you then go further and tell me how we can learn the truth about the public administration?

GLAUCON: I have heard you too often not to have an answer to this question: you learn it by observing the works of good and bad administrators, and by deriving general principles which can withstand the criticism of thoughtful men.

SOCRATES: You have learned my simple wisdom very well.

GLAUCON: Now you are taunting me, Socrates. Do you not agree that Protagoras' principles are reasonable as well as simple?

SOCRATES: They are impressive when he teaches them.

GLAUCON: Your words are words of praise, but in your mouth they have a critical sound.

SOCRATES: Then I must speak further, so that you will not think me jealous of Protagoras, or that I do not prize his wisdom and eloquence. For I know that his lecture was a model of organization and presentation, and that what he has said is commonly thought about the sciences and arts of administration. And yet, as you have suggested, I am dissatisfied. For what have we learned from Protagoras? How will you prove these principles? Which of his students shall we rate the highest?

GLAUCON: These are many questions, Socrates, but I shall try to answer them honestly. First, we have learned the rules of administration. Second, we shall prove them as we apply them in our public careers. Third, we must finally rate highest the man who has achieved the greatest success as an administrator; and in the meantime we shall acclaim those students who have best learned the rules of administration.

SOCRATES: And how shall we be assured that those of his hearers who have learned the rules can best apply them? I see that this question displeases you; so let me ask another. How do we know that the rules themselves are wise?

GLAUCON: But this is administration itself: the rules agreed upon by wise men and preserved by the traditions of scholarship and inquiry. These rules are the alphabet of the language of administration.

SOCRATES: And does knowledge of the alphabet make a great poet?

GLAUCON: No, but there are no poets who are ignorant of the alphabet.

SOCRATES: Is this knowledge a part of poetry, or does it rather enable the poet to communicate his works to those who cannot hear him speak?

GLAUCON: We are straying, Socrates. Surely you are not proposing that an administrator should not trouble to learn the rules of administration.

SOCRATES: That is true. Just as the teachers of the alphabet are useful in society, so are those who explain to us the rules of administration. Yet the poet does not think of the alphabet at all as he works. Is not the administrator as well too busy to worry about the precepts of Protagoras? But I see you do not need to answer this question, for here comes Iphicrates, who has spent his life in the service of the state, and who can therefore answer these troublesome questions better than either you or I. Iphicrates, can you stop and talk with us a few minutes?

IPHICRATES: I will gladly talk, and still more gladly listen; but as I am nearly late for my next appointment, I must ask you to walk along with me while we converse.

SOCRATES: This is still better, Iphicrates, for we can in this way learn your principles of administration while you are at work.

IPHICRATES: I have no principles except to be on time.

GLAUCON: Is this the only advice you can give to me in preparing myself for the public service?

IPHICRATES: The only way to prepare for the public service is to work for the state. I myself have served that master since I was conscripted into the army many years ago, and there is no teacher—not even Socrates—who can equal experience as a source of wisdom and knowledge.

SOCRATES: Least of all, Socrates, I should have said: and Socrates would be the last to deny the pre-eminence of experience as a teacher of men. But not all men can have the richness of experience that you have enjoyed, Iphicrates; and fewer still can learn as much from it. Shall we not work to the end that Glaucon and others may learn from your experience, and from your ability to convert each experience into knowledge?

GLAUCON: Socrates is in danger of contradicting himself now, for he is asking you, Iphicrates, to develop principles of knowledge that I may learn; but a few moments ago he told me that principles were of little practical use to an administrator.

IPHICRATES: I cannot formulate general principles, in any case, for I am a practical man rather than a follower of theories of government.

SOCRATES: Before I allow myself to become inconsistent, I must ask another question.

IPHICRATES: You will learn, Glaucon, that Socrates never contradicts himself, for he never commits himself to anything, but only asks questions so that those who answer may be guilty of contradiction rather than he.

SOCRATES: It is true that I am more interested in asking questions than in hearing answers readily given; and yet I have committed myself today by saying that I do not think the teaching of rules and principles of administration is a sufficient means of training men for the public service. Do you agree, Iphicrates?

IPHICRATES: I do. And yet I confess myself discomfited by Glaucon's question, and yours, Socrates. Must all men wait until experience has ripened them into good administrators? Must the state suffer the errors of its apprentices while men are adding to their own private wisdom at the public expense?

SOCRATES: Is that how you learned your art, Iphicrates?

IPHICRATES: Indeed it is, Socrates, for no one made more mistakes than I in those early years when I first had charge of the work of other men of even less experience.

SOCRATES: Did you learn from errors only, or did your wise decisions also furnish the basis for further action? Cannot men learn from their successes as well as their failures?

IPHICRATES: I think adversity is the better teacher.

SOCRATES: You are saying, are you not, that one can surely learn from experience only those things which he should not do, and must use his imagination to find some other solution if he is to avoid similar mistakes in the future? If this is so, then how is anything well administered except by accident? Must all administrators proceed solely by using their imagination to avoid the errors of the past? Is there no virtue in the past which can be brought into the present and the future?

IPHICRATES: I cannot think this is right, Socrates; but I have no time to answer you further, for we are already at my office door, and I see that I am just in time for my appointment.

GLAUCON: I am not satisfied with our progress, Socrates.

SOCRATES: Nor am I. Iphicrates, before you go you must answer one more question.

IPHICRATES: Please make it a practical one, then, Socrates, for my mind does not work by abstractions and fine distinctions.

SOCRATES: It is this: do you think that if Glaucon went with you and observed your day's work he could learn how you have proceeded in finding the solution to the problems of this day? For I know that each day at your office you are compelled to resolve questions of some public importance.

IPHICRATES: I confess that I do not see how my own processes of making decisions can instruct another.

SOCRATES: Can he not learn from your present wisdom how you avoid the mistakes of your own past? In this instance I shall suggest that Glaucon talk not with you alone, but with others with whom you will work in resolving today's question and with those whom it will affect and those who have an interest in its outcome. When he has learned from all these sources what your problem really means, perhaps he (and I, if he will tell me all he has learned) can know as much about the problem as you do.

IPHICRATES: More, I should think, because I cannot take the time to see everybody who will be affected by the decision I must make today. In fact, in this case I doubt if even he can consult all the interested parties, for I am working on the interpretation of a tax law, and every citizen in Athens will be affected by what I decide.

SOCRATES: In that case, can we not invite Cepalus and Polemarcus to look into this matter as well, so that we may have as much information about it as possible?

IPHICRATES: But I do not see how this can be of any practical use, for by the time you have finished your study the decision will already have been made. My decision cannot wait until you have organized your question-and-answer parties into an "interview schedule" and finally written up a case history of this question.

SOCRATES: That is true; but if we have learned what you know now, and can find out what else can be known today, can we not also determine

how adequate the information was upon which you had to act? And can we not speculate upon the additional or alternative means that could have been employed in reaching a wise decision? Can we not thus see how the rules or common sense of administration can be applied in similar future cases?

IPHICRATES: You are going, then, to attempt to recreate the circumstances of this day's decision so that it may be better understood by others and by myself?

SOCRATES: If you have no objection.

IPHICRATES: But even if you succeed in reproducing the immediacy of one of my experiences today, how will this help Glaucon become a successful administrator? Would it not be wiser to assign him as my assistant, not only to observe, but also to assist me in my administrative operations, and thus gain practical experience as an administrator?

SOCRATES: What kinds of practical work experience would you assign to Glaucon? He has already had instruction in the law and in administrative organization, and has some understanding of the economy of the artisans' shop and of the market place. I can testify to his love of learning and his readiness to absorb the wisdom of his teachers. Does he qualify for service as a professional assistant? And if he does, how will this improve his administrative skill?

IPHICRATES: He can handle my routine affairs and learn how the working of my office is organized so as to reduce the need for constant personal attention to mechanical details. This should be helpful to any administrator, for one of his most important problems is to free himself from details so that he can devote his attention to policies.

GLAUCON: I agree that this kind of experience would be helpful, but would repeated participation in mechanical administrative operations help me develop an understanding of the more important problems of administrative judgment? I need to know the work of clerks and messengers, but how will this knowledge teach me the subtleties of supervision and leadership? For I am beginning to agree with Socrates, and with you, Iphicrates, that knowledge of principles and rules will not be sufficient.

IPHICRATES: I am already late for my appointment. But before I go, let me propose a compromise: if you will put Glaucon at my disposal for several weeks so that he may gain the necessary administrative background of my work, at the end of that time I will explain the tax decision I am about to make and give him an opportunity to explore the reasons for it thoroughly. What do you say, Socrates?

SOCRATES: It is for Glaucon to agree, for it is his time that we are about to commit, and his career, and those of his fellow students, that we hope to advance.

GLAUCON: Of course I agree. I shall return in an hour to learn my new duties if you will be ready for me.

SOCRATES: And now that we are in the market place, let us seek out Cepalus and Polemarcus, and inquire if they would be interested in our proposal.

Cepalus, will you join with Glaucon and me in testing some of the administrative principles we heard Protagoras describe so eloquently this morning?

CEPALUS: Good day, Socrates, and you, Glaucon. I do not understand your purpose. Does the obvious need testing?

SOCRATES: The commonplaces should be examined first of all, since we depend so much on them. And should not this be true especially of the affairs of state, which are so unpredictable, and are yet the most important of men's concerns? We have been discussing the training of public administrators, and have agreed that the application of general principles is as important as the principles themselves, yet is often neglected in the discourses on the subject. Iphicrates has just told us that experience is the only way of learning how the general should be applied to the specific, and Glaucon and he have agreed to examine intensively the background of a single important decision he is to make today, so that we can learn from his experience how other similar decisions can best be reached.

CEPALUS: This seems a promising venture, but I do not see how I can help.

GLAUCON: *Socrates thinks that while I study Iphicrates' point of view in* this case, you can be learning about the same decision from others who participate in it or are interested in its outcome.

SOCRATES: That is what I propose, if you are willing, Cepalus. And when you and others have finished your studies, we shall gather together to prepare a single history of the case, with all the relevant facts introduced, so that those who come after us may also benefit from our efforts.

CEPALUS: This seems very accommodating to you, but will not Protagoras and the other lecturers be forced to abandon their labors if the case method proves a successful means of teaching the art of administration?

SOCRATES: Say rather that their work will become the more effective, for experience enriches theory and the exposition of principles; it does not displace it.

GLAUCON: Does not even Iphicrates, who says that he has learned by experience alone, hope himself to gain still more knowledge from our efforts? For through them he can test the adequacy of his own information system.

CEPALUS: This language of yours is more suited to the analyses of a technician or an efficiency expert than to the modest dimensions of our case inquiry. Are we, then, to undertake administrative measurements, to plot efficiency scales, and to trace processes and flows on charts and graphs?

SOCRATES: Certainly we shall use all methods of analysis that are appropriate to our inquiry. For our work is still too humble to scorn the offerings of those who have designed exact measurements of administrative performance. Our task is to press more deeply into the process of administration than the general principles can reach, and to do this we shall need the resources and the experiences of all the students of government.

GLAUCON: Well, good day to you again, Iphicrates, and how is that you are with us again so soon after your appointment?

IPHICRATES: I finished early, and came to inquire whether Socrates has really tricked you all—and himself, too—into joining in this case study. For you know, this will be the first time that Socrates will have trapped himself into doing something instead of just talking about it.

SOCRATES: That is so, my dear Iphicrates. But I have this one consolation: that if we do our work well, there will be more talking done about it than you or I could do in a lifetime. And my work, and that of others to follow, will be simply to raise questions and to guide those who would answer, by posing further questions. So you see, Socrates will win after all, for his questions will help others find answers.

We are reliably informed that this conversation never took place, and that this project was never undertaken in ancient Athens. But similar occurrences in Saigon during the last quarter of 1957 can now be reported; and if any of my readers would like to learn how the resulting project is faring today, they are invited to call at the National Institute of Administration and ask a few Socratic questions.

APPENDIX

SUGGESTED QUESTIONS FOR CLASSROOM USE

Intervention of a District Chief: The Construction of Dap So Dam

1. Why did the district chief decide not to tell Mr. Huan about the change in wood for the pilings?
2. Why did the district chief decide to notify Mr. Huan about the change in the location of the dam? Why did he fail to tell him that he had discussed this matter with the province chief?
3. Should Mr. Huan's representative have told him about the change in pilings?
4. Should the province chief have consulted Mr. Huan before approving the district chief's plan? What influenced him to give his consent? Was he taking full responsibility for the construction in doing so?
5. Assuming that Mr. Huan noticed the substitution of pilings, should he have commented on it during his tours of inspection?
6. Discuss the use of local committees in resolving technical problems. What could the district chief have done if he had disagreed with the committee's suggestions? What would have been the committee's probable reaction if its suggestions had been rejected?
7. Discuss the desirability and administrative consequences of each of the three alternatives indicated by the District Chief. Were there others? Discuss his reasons for rejecting the first alternative.

The Decision to Introduce Mechanical Accounting to the National Budget

1. Discuss the advantages of "sudden change" as proposed by Mr. Thai and the "gradual change" as proposed by his assistants.
2. What were the necessary preconditions to the "sudden change" approach followed by Mr. Thai?
3. What measures are necessary to prepare the way for such a change? Could the "gradual change" approach have been carried out technically?
4. Discuss and evaluate the criticisms of the new system.
5. In what way could the concentration of the accounting function in a single agency be said to give it too much power?
6. What uses could be made of the four accounting classification devices in use in the new Vietnamese budget?
7. How can mechanical accounting contribute to better management in government operations?
8. What problems of standardization in coding, accounting practices, and budget theory are revealed by the conflict between departments and the General Directorate of Budget and Foreign Aid?

The Monkey Baby Story

1. What interests did the government have in the controversy? Should the Press-Directorate have taken action?
2. Are there any evidences to support Mrs. But Tra's argument that she was being discriminated against?
3. How valid were the criticisms of the other newspapers against *Saigon Moi* for publishing the story?
4. Did *Saigon Moi* violate either press regulations or professional ethics in publishing the story?
5. What punitive elements were present in the sanctions voted by the Disciplinary Committee? Were they adequate?
6. Should the committee have required Mrs. But Tra to produce evidence supporting the story?

New Leadership at the Vietnam Press

1. What evidences are there that the agency was in a state of disorganization?
2. Should N.T. have taken action against X and Z earlier?
3. What evidences of poor communications between the management and staff members are presented in the case?
4. What evidences did N.T. have for believing that deliberate sabotage was involved in the errors made in the first days of his administration?
5. Could methods short of dismissal have been equally successful in changing the atmosphere at the Vietnam Press?
6. How adequately did the changes introduced by N.T. touch the administrative weaknesses in the agency?
7. Would allowing individual reporters and editors to work free of "mechanical" controls produce better quality and variety of reporting, as Mr. Z argued?
8. Discuss the comment on page 28 that "It seems to be a tradition in Vietnam to have a turnover in personnel every time there is a change in administration." Was Mr. N.T. guilty of following this practice?
9. Discuss the appropriateness of (a) the anonymous letter (page 33): (b) the memorandum to employees (page 34); (c) the resolution taken by personnel (page 34).

Reorganizing the Fishing Cooperative on Phu Quoc Island

1. How did the purposes and organization of the original fishing cooperative relate to the social structure of Phu Quoc Island?
2. Discuss the real or possible conflicts of interest among the *ham ho*, the fishermen, and the Government of Vietnam. How were they reflected in the acts of the original cooperative and the reorganization plan?
3. Why did the original cooperative fail? How did the proposed remedies deal with the original problem? What were the prospects of success?
4. Would the new cooperative work to the disadvantage of the fishermen? The *ham ho*? Would it increase the fishermen's independence of the *ham ho*? Would it restrict their economic freedom in other respects?
5. Why did the original cooperative fail to recover the outstanding loans? What were the possible means for collecting them in the future?
6. Would the cooperative tend to increase production? What advantages to the nation may be expected from the cooperative?
7. Discuss the human relations problem involved in dealing with the *ham ho* elements of the managing board.
8. Discuss the relative advantages of the "self-governing" versus the "government-controlled" cooperative.

Activating the Nuoc Mam Producers' Cooperative on Phu Quoc Island

1. How could a cooperative assist in problems of (a) quality control, (b) transportation, and (c) sales and prices? What did the cooperative actually propose in each of these fields?
2. What do the expenditures and other activities of the cooperative reveal about its conception of its principal functions?
3. Contrast the viewpoints of the government and the cooperative members concerning the proper role of the cooperative.
4. How could the misunderstanding arising out of the memorandum of August 14 have been avoided?
5. What are the advantages and disadvantages of Mr. Tich's first two suggestions (page 46) (a) for the nuoc mam industry?, (b) in terms of the general economics of distribution in other fields?

Administrative Planning for the Cai San Resettlement Project

1. Discuss the problem of interministerial coordination. Compare it with the alternative of creating a special administrative unit locally with full power to carry out the project.
2. What were the results of the newspaper announcement about the Cai San project? Could the decision to move the refugees to Cai San have been delayed?
3. Discuss the payment of workers and the consequences of delays. Assuming that the administrative regulations governing the disbursement of funds could not have been revised, what alternative devices could have been used to relieve the annoyance of the workers?
4. Discuss the adequacy of the administrative arrangements for carrying out the project during Mr. D.'s absence.
5. Discuss the part played by Mr. T. in the canal digging problem? Could Mr. D. have set aside Mr. T.'s plan in January 1956? Should he have countermanded Mr. T.'s orders and overruled Mr. T.'s decision after he came back from France in March 1956?
6. What would have happened if Presidential Administrative Order No. 906 TTP/KH had been issued a few weeks later?

The Cai San Tractor Loans

1. Compare the per capita cost of settling refugees in Cai San with those for the program as a whole. What considerations other than financial served to justify the Cai San project?
2. Contrast the financial controls and procedures used in this case with those followed in the Vinh Xuong elementary school case.
3. Discuss the allocation of money within the Cai San project, distinguishing between capital outlays and working funds. To what extent were the outlays chargeable to refugee relief?
4. Discuss the efforts at building community responsibility on Canal D. What was Father Do's role? Should he have adopted other means of enlisting cooperation from the refugees?
5. Discuss the integration decision from the point of view of (a) the government; (b) other refugees; (c) the older local inhabitants.
6. Discuss the reported attitude of the refugees during the development phases.
7. Discuss NACO's decision to extend 800 piasters per hectar instead of the usual sum of 700 piasters.
8. Discuss NACO's decision to administer part of the funds by means of its own local representative, Mr. Van.

Competition at the Cai Rang Cooperative Rice Mill

1. What changes occurred in principal objectives and outlook for the cooperative between 1953 and 1958? Did the cooperative in 1958 serve the same purposes as when it was founded?
2. Compare the alternative advantages enjoyed by independent merchants and the cooperative, respectively, in the purchase, processing, and storage of rice and the extension of credit. What special problems confronted (a) private merchants, and (b) the cooperative?
3. What devices could the cooperative management use to improve its relations with the membership?
4. Did NACO have enough information upon which to make its decision, assuming that the case presents all that was available? What other government agencies were concerned in the Cai-Rang Cooperative, and to what extent?

5. What effect would it have on the cooperative if the price of paddy rice was fixed at the market level?
6. Should the cooperative management have attempted to recover the original loans? If so, how?
7. Did the NACO loan offer a basis for anticipating an improvement in the cooperative's future operations?

The Employee Suggestion Plan at *STANVAC*

1. What human relations problems were posed by Suggestion 0618? Did the management recognize them?
2. How valid were Mr. Strasburger's reasons for recommending an award for Suggestion 0618?
3. What human relations problems were posed by Suggestion 0501? How did the procedures set up in the Suggestion Plan affect the outcome of this suggestion?
4. Assuming that Mr. Strasburger's original reaction to Suggestion 0618 was right and the Review and Award Committee was wrong, should Mr. Strasburger have overruled the committee and granted the award?
5. How did Mr. Strasburger's reaction to Suggestion 0501 affect the outcome of the suggestion?
6. How would you contrast the circumstances surrounding the suggestion plan in 1958 with those surrounding the 1952 plan?
7. What does the employees' participation in the suggestion plan reveal about their attitudes towards the company management?
8. Could the suggestion plan system be further improved by removing it from the context of "savings" or otherwise changing it?
9. What is the general effect of a suggestion plan on (a) executive development and responsibility; (b) supervisor-employee relationships; (c) the public relations of the company; (d) the merit promotion system; (e) employee morale; (f) union-management relationships?
10. What elements in employer-employee relations are necessary before a suggestion plan can be operated successfully?

Land and Boundary Questions at Tan Mai Village

1. What were the principles laid down by the Comigal in the choice of resettlement centers? Were they adequate? Did Fr. Hy follow them?
2. What assumption were made in each of the recommendations presented to the district chief by the Provincial Representative of the Comigal in his note of Aug. 14, 1957?
3. Discuss the reasons given by each party for its position on the land rental contract.
4. If Mr. Thu's son-in-law had escaped arrest for impersonating a lieutenant, would the rental problem have been settled? What does this suggest about the role of the government in this case?
5. How were the land problem and the boundary problem related to each other?
6. What were the reasons given by Tan Hiep and Bui Tieng for their respective positions about the integration of the communities? How adequate were they?
7. Discuss the roles played respectively by Fr. Hy and Mr. Ho Van The in the conflict.
8. Why did Bui Chu and Phan Thanh Gian pay their taxes to Tan Mai? Why had no effort been made to correct this practice?
9. What would be the probable consequences of the continued independence of Tan Mai? Of integration with Tam Hiep? How would either solution affect the problem of Bui Chu and Phan Thanh Gian?

10. Contrast the "legal" and the "human" problems posed by the integration controversy.
11. Was the Central Government consistent in maintaining its neutral position in these questions?

The Commissar and the Law: Deviations from the Civil Service Regulations

1. Discuss the circumstances used to justify setting aside normal civil service regulations in recruiting for the Agricultural Development Directorate. Was Mr. Than's criticism of the resolution of this problem valid?
2. Discuss the devices used for selecting Comigal personnel for retention on the GCLD staff. Was the principle of seniority justified? How valid were the "tests" used in re-engaging temporary and contractual personnel?
3. What is the reason for the limitation on field trip per diem payments under the civil service regulations? When should it be suspended?
4. Under what circumstances should the educational basis for classifying civil servants be set aside?
5. "Rigidity is a vice if carried to extremes" (page 101). Discuss when "flexibility" is also a vice.

Technician's Dilemma: The Kenaf Fiber Case

1. Why did Mr. Trinh feel so strongly about the introduction of kenaf?
2. Discuss the psychological and administrative obstacles he had to overcome in introducing the kenaf program. What other approaches could he have taken in resolving these problems?
3. Discuss the reasons why kenaf was not introduced earlier as part of the original land development program.
4. Discuss the validity of the early criticisms of the kenaf program. Was it good psychology for Mr. Trinh to enlist the support of a foreign expert in his campaign?
5. What would have been the result if Mr. Trinh had left the decision entirely to the Commissar?
6. Discuss the devices used to enlist the cooperation of the farmers in the centers.

10,000 Dike Builderss Community Project at Ha Lien

1. Distinguish between the concept of "community project" and that of forced labor.
2. Discuss the economic and other advantages and disadvantages of the community project approach as against using contractual labor.
3. What purposes were served by conducting the pilot projects in advance of "D-Day"? Why was it necessary for Mr. Huan and the others to join in the work?
4. What provisions could have been made for maintaining and repairing the dike?
5. In what sense was the Ha Lien dike of benefit to the entire community? Why was it necessary to conduct a publicity campaign to secure local cooperation?
6. Discuss the "logistical" problems of planning the work so that it could be accomplished in a single day.
7. Evaluate the criticisms against the dike project. Were they avoidable? Would they have justified abandoning the project?

Planning the Municipal Market at Dalat

1. What groups in the city were concerned in the building of the market and what role did each play in reaching the decision?
2. What are the respective interests of the city of Dalat and the Central Government in the municipal development program for Dalat? How is this reflected in the financing of the market project?
3. What economic and social considerations lay behind the decision to build the municipal market?
4. What administrative procedures were followed in drawing up the plans for the city market? Discuss the participation by the city council in this decision.
5. How does the building of the market coincide with other aspects of the city development plan (tourism, the universities, movement of the population, and economic development, for example)?
6. Discuss the trends and growth prospects in Dalat. What were the roles of the successive mayors and of the city council in the city's development? Why was the market plan postponed in 1956 and a more ambitious plan adopted in 1958?

The Classroom-Laboratory Controversy

1. "The quibble over the provisions of Project 30-65-153, 1957 was a mere question of semantics. Anyone who took the trouble to learn the meaning of the word *laboratory* in Vietnamese and English could have avoided the entire controversy." Discuss this interpretation of the case.
2. How did accidents of personal background influence the outcome of this case? How were Mr. King's and Mr. Dien's positions affected by their academic and governmental backgrounds?
3. How did the working relationship between Mr. Dien and Mr. King affect the outcome of this case? How did each justify his viewpoint?
4. How would the prestige of the Department of Education have been involved in making the alterations suggested by Mr. King?
5. Will the new project statement obviate problems of this sort in the future?

The Elementary School in Vinh Xuong

1. Prepare a timetable of principal events regarding the school construction program as it relates to Khanh Hoa.
2. Draw a flow chart indicating the processes of fund allocations, commitments, and releases.
3. Distinguish between the "line" and "staff" functions in this case.
4. What different theories of governmental relationships are involved in the original agreement and the amendment? Explain the USOM and Vietnamese positions on the 50 percent aid-to-all-provinces provision of the original agreement.
5. Discuss the delays in making funds available. Is Mr. Dien's list of reasons complete? How could the funding operations have been speeded up?
6. How was the "half and half" basis for financing elementary school building followed in Vinh-Xuong? Describe the contributions of each element. Discuss the communities' response to the proposed building.
7. Discuss the implications and possible results of the plan to provide funds for school buildings without guaranteeing funds for teachers' salaries in the future.
8. Explain the policy of withholding funds until completion of the project. Discuss the deputy province chief's response to this policy.
9. Discuss the alleged shifts in policy concerning the school building program and its effects on the provincial administration.

Developing In-Service Training Programs in Long and Ba Xuyen

1. How are the in-service training programs of the two provinces calculated to overcome the professional disabilities bequeathed to the Vietnamese civil service by the colonial period?
2. Discuss the differences in organization and content in the two provincial programs. What rationale can you give for beginning training with provincial civil servants instead of village committees, and vice versa?
3. What role did Central Government play in the development and conduct of these two programs?
4. Discuss the problem of morale among the trainees. How was it resolved in the two provinces?
5. What were the strengths and weaknesses of the training programs of each province, both in substance and teaching methods.
6. Discuss the policy of promoting employees who do well during a training course.
7. Why was it considered necessary to have a period of "popularization" of in-service training before organizing a program?
8. Discuss the teaching methods used in the two provincial courses.
9. How adequate was Professor Dong's investigation of the program in the two provinces?

Exporting Fish from the Mau Cooperatives

1. Discuss the role of the government in establishing the cooperative. Were the original fears of Mr. H.V.D. justified?
2. What was the influence of the government in regard to the success or failure of the cooperative during its first year of operation?
3. Discuss the marketing problems faced by the cooperative. Were the contracts with Singuanhuat Fishing Industries of Singapore adequate? What influence did government manipulation of the exchange rate have in 1959?
4. Was the Directorate of Fisheries justified in awarding the contract for 1959 to the Asian Produce Agencies? Who had the responsibility of verifying the reliability of the Asian Produce Agencies? Was the interministerial committee justified in nullifying the contract?
5. What should Mr. O.T. and his colleagues have learned from this first venture in competitive bidding?

Resettling the Highland Tribes at Binh Tuy Province

1. What were the implications of the decision to settle the Highlanders into land development centers in La Nga?
2. Would the use of interpreters solve the problems of communication between the province chief and the Highlanders?
3. Discuss the use of the seers by the province chief as a means of luring the Highlanders to the lowlands.
4. Compare the two alternative approaches used in resettling the Highlanders (i.e., bringing in entire families or inviting only the young men to be followed later by their families).
5. Evaluate the process of education and training of the Highlanders which were outlined by the province chief in farming, trades, and health activities.
6. What is the importance of papers of ownership for the possessions of the Highlanders? What effect would payment for road construction work have upon the Highlanders?
7. Discuss the implications of destroying the tribal customs of the Binh Tuy mountaineers.

Indonesian Assignment

1. Was it proper for the Vice Consul to consult with the Indonesians in spite of the Consul General's anticipated opposition to such action?
2. What personal factors strengthened the Vice Consul's decision to follow his own inclinations in the case?
3. Would the Vice Consul's decision have been different if he had been a member of a large staff of technicians serving under similar circumstances?
4. What factors induced the State Department in Washington to grant such a large measure of discretion to the field office in Batavia?
5. What factors were responsible for the Consul General's attitude toward consulting with the Indonesians?
6. What form of discipline (if any) was appropriate for the Consul General to impose upon the Vice Consul to prevent further insubordination?

Student Strike at an Asian University

1. What differences in American, Vietnamese, and Burmese approaches to education are illustrated in this case?
2. Was the University administration aware of the problem of student unrest? What had been done about it? Was it adequate?
3. How does the student body reflect political tensions in Burma? What are the implications of such political activity on a college campus for the development of a national democracy?
4. How could the policy of installing new attendance regulations have been introduced by the University without arousing student friction?
5. What is the significance of U Nu's reference to Communist agitation and responsibility for the strike? What effect did his radio address have?
6. Why did the Dean decide to suspend classes in order to permit the students "to practice for a variety show"?
7. Why did the University use force to resolve the strike?
8. How did U Nu's final action and that of the University Council provide a "lesson in the ways of democracy"?