

TENTH REPORT
of the
MICHIGAN STATE UNIVERSITY ADVISORY GROUP
in Public Administration
to the Government of Vietnam

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This Report has been prepared and submitted
in compliance with Article III C
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with the Government of the Republic of Vietnam

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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	4
Consulting Activities	7
POLICE ADMINISTRATION DIVISION	
General	10
The Civil Guard	11
Police and Security Services	11
Municipal Police	12
Traffic Engineering	13
Police Communications	13
Research and Training	14
Participants	16
A Look Ahead	16
PUBLIC ADMINISTRATION DIVISION	
General	18
Academic Instruction Activities	19
Research Activities	20
In-Service Training Activities	23
A Look Ahead	25
ADMINISTRATIVE SERVICES DIVISION	28
EAST LANSING SUPPORT	29
The Participant Program in East Lansing	30
The Coordinator's Office	32
APPENDIX A	
Organization of MSUG	34
APPENDIX B	
Summary of Operating Expenditures (Counterpart) for Six-Month Period, July 1-December 31, 1959	35
APPENDIX C	
Reports and Documents	36

INTRODUCTION

The present report is the first under the three-year contract which went into effect on July 1, 1959. The three-year contract itself represents a departure from the previous practice of two-year contracts. The present contract envisages a gradual reduction of activities and personnel, looking to a possible phase-out in 1962. During the past six months this plan has been put into operation. In the process of carrying out activities, the Group has attempted to finish up projects begun in earlier report periods and to carry on more recent activities with a view to completing them within the three-year contract period.

In the police administration area, efforts have been directed toward the transfer of the Civil Guard advisory functions to USOM and to the establishment of working relations with the new Public Safety Division of USOM. In police training, the advisory group has shifted its emphasis from a broad instructional role to the giving of advice on curriculum and course content. During the past six months, significant progress was made in the National Identification Card program, in the construction of buildings important to the police program, and in the conducting of field trips for the purpose of obtaining information important to the municipal police, Surete, and communications programs.

In the public administration area, various important developments occurred in connection with the National Institute of Administration. These involved, inter alia, construction plans for the new campus, important curriculum changes, English-language instruction, new publications, and a successful seminar for civil servants. In addition, healthy changes of emphasis occurred in the fields of research and administrative case studies. Also, the NIA assumed responsibility for the position of NIA librarian, a small but auspicious beginning for its assumption of greater personnel responsibilities in the future. Public administration consultants in the budget, personnel, and tax areas were able to report signs of awakening interest and progress, in spite of the existence of certain difficulties.

During the present period, several organizational changes were made in the Group. Before the departure of the participant director in November, the function of advising participants was decentralized. Technicians were made

responsible for advising present and prospective participants and keeping in touch with returned participants. The "housekeeping" functions connected with the participant program were assigned to the Administrative Services Division. This reorganization has been reflected in the organization of this Semiannual Report. In place of a section on the participant program, the various organizational units have included commentary on their share of the participant program. Another reorganization is reflected in the format of this report, namely, the removal of the consultants from the Public Administration Division. The consultants in budget, personnel, and taxation, who are housed in the same building as the Chief Advisor, now report directly to him. This reorganization will permit the Chief of the Public Administration Division to concentrate more clearly upon the activities of the National Institute of Administration. As time goes on, public administration activities will be concerned with the NIA to an increasing degree.

Looking ahead, a continuation of the planned phase down seems likely. There is no intention to be rigid about this plan. The Group will attempt to be alert to emerging needs. In particular, the Group will be alert to the coordination of activities with USOM in order that needed functions are not left without advice from American technical assistance specialists. Where new activities arise, however, the major criterion that will be employed is whether the special competence of a university group is called for.

A large number of personnel shifts and internal shifts of responsibilities occurred during the report period. There were a total of sixteen departures and eight arrivals, excluding three individuals who were involved in home leave. Dr. John Dorsey, Chief of the Public Administration Division from mid-1957 onward, was succeeded in July by Dr. Lloyd D. Musolf. Howard Hoyt, head of the Police Administration Division since the Group began in 1955, was succeeded by Jack Ryan in July, and he in turn was replaced by Ralph Turner in November. In December, Chief Advisor Ralph H. Smuckler departed, and he was succeeded by Lloyd D. Musolf. Until such time as a new Public Administration Division Chief might arrive, Leonard Maynard was appointed Acting Chief. Despite the disruptive influences caused by personnel changes and organizational shifts, the pace of work of the Group did not suffer. Aided by staff members on the scene, newcomers took their places rapidly and toward the end of the report period were beginning to make significant contributions to the work of MSUG.

There were also important personnel changes at USOM. Mr. Kalman I. Dienes, the new Chief of the Public Administration Division, and Mr. Frank L. Walton, Chief of the newly-established Public Safety Division, arrived to take over their duties.

During the past six months, the usual quota of visitors toured the project. In the course of a round-the-world tour of Michigan State University projects, Dean Alfred L. Seelye of the College of Business and Public Service, and Dean Glen L. Taggart, Dean of International Programs, made a one-week inspection of the local project. Dr. Wesley Fishel, a former Chief Advisor, spent six weeks in Vietnam as a consultant on a variety of project affairs. Other visitors included:

Dr. Guy Pauker	Stanford University	July 1-4
Dr. William Siffin	Chief Advisor, Indiana University Group in Bangkok	Sep. 16-22
Dr. Choop Karnjanaprakarn	Institute of Public Administration, Thammasat University, Bangkok	Sep. 16-22
Dr. Carlos Ramos	Institute of Public Administration, Manila	Sep. 22-24
Mr. Walter Mode	Chief Advisor, Indiana University Group in Indonesia	Nov. 23-25
Dr. Edwin Bock	Inter-University Case Program	Nov. 25-27
Dr. William des Pres	Head, Economics Department, Williams College	Dec. 1-4
Father Emmanuel Jacques	Advisor to Vietnamese Students, University of Chicago	Dec. 4

During the report period, the Group benefited from two worthwhile lectures. The first, by Mr. Arthur Gardiner, Director of USOM, was on the subject of programs, problems, and prospects of United States aid in Vietnam. The second, by Mr. George Case of STANVAC, dealt with the petroleum industry

in Vietnam. Staff members and their families also made several trips of an educational nature. They visited a rubber plantation and a textile plant in Saigon that represents the first effort at mixed company operation. Ten staff members also went on a two-day tour of highlands resettlement centers. President Diem of Vietnam held a breakfast for five departing MSUG staff members and another breakfast for Dr. Smuckler and Dr. Musolf in connection with the departure of the former.

Consulting Activities

Three vital governmental areas--budget, tax, and personnel--are the focal points for the activities of the three consultants now attached to the Chief Advisor's office. During the past six months, there has been important and, in the main, encouraging developments in each area.

As explained in the previous report, the emphasis in budget consulting now falls on the more technically advanced and complex projects. Such projects are currently the concern of advanced budget systems throughout the world. Because of the complexity and intricacies, however, assurance of smooth progress is less certain than in the more routine and basic procedures dealt with in the earlier period.

During the past six months, four budget projects previously begun were continued at various levels of intensity, and one new one was launched. All basic planning, structuring, form design, procedures, and a written explanation of the system were completed on the project to establish program budgeting in the General Directorate of Public Works. The first phase of implementation is scheduled to begin in January 1960. Secondly, programs have been identified and defined, systems and procedures proposed, and a manual explaining methods of cost accounting for various expenditures has been produced to permit the installation of program budgeting in the General Directorate of Budget and Foreign Aid. Thirdly, steady progress has been made on the project to draft new financial laws and regulations. Approximately 130 articles have been revised and completed. Finally, the project to classify the receipts and expenditures of autonomous governmental agencies and to define systems and procedures to bring the operations of these agencies within the national budget largely remained inactive during this period because of higher priorities on the time of the

budget staff. A new project, to establish a highway construction equipment pool and to operate such a pool as a revolving fund agency, was begun in the Fall. Representatives of the General Directorate of Budget and of Capitol Engineering (advisors to the Department of Public Works) are also working on the project.

During the next report period, there are plans to follow up the work done on the budget and accounting procedures of the General Directorate of Public Works with the establishment of cost accounting for highway construction projects in the Public Works districts. If the work load permits, a project to improve provincial and local budget procedures may be begun during the next report period.

In the tax area, the consultant has continued his comprehensive analysis of tax policy and administration with recommendations for reform. Following up on the publication of the income tax report in the first half of 1959, reports on property taxes and on the patente (business license) tax were completed during the present report period. By the end of 1959, research for a fourth report, on the system of indirect taxes, had been initiated. As they are completed in final form, all tax reports are translated into Vietnamese and forwarded to the General Directorate of Taxation.

Although a necessary prerequisite for tax progress, these research reports do not by themselves represent substantive progress in tax reform, of course. To resolve the twin problems of inadequate taxes and inadequate tax administration will require a sharp awareness of the importance of tax reform on the part of the Government of Vietnam as well as the allocation of appreciably more resources for tax administration. A beginning has been made by the request of the General Directorate of Taxation for three tax advisors in the income tax field and by the formulation of a plan to send tax participants to the United States for study.

Work on the civil service project was at a standstill while the specialist assigned to this project was on home leave. Although the consultant returned in August, it was not until October that the General Directorate of the Civil Service began to develop its plans for civil service reform. A high-level participant from the Fonction Publique, who had spent a number of months in the United States, was assigned as liaison for the project. By the end of the reporting

period, a proposal for reorganization of the Fonction Publique was under consideration. Simultaneously, a long range study was begun of all civil service statutes with a view to drafting legislation which will contain some basic changes in the system.

Also started during this period was a personnel survey questionnaire. Further development of the questionnaire is needed, as well as methods for tabulating the information to be obtained on IBM equipment. When the survey is completed, it should be of considerable value in the drafting of civil service reform measures.

The reorganization of the General Directorate of the Treasury, a project on which the budget and personnel advisors have worked in the past, has seen no activity during the present report period. MSUG has submitted further comments on the Treasury's comments on the draft report to the Secretary of State for Finance. At the end of the report period, a reaction to this step was being awaited.

The next six months will hopefully see considerable progress in a reorganization and improvement of the procedures and methods in the civil service agency. The personnel survey probably will be completed, although the information may not have been tabulated by the end of the next report period. Progress is anticipated on draft legislation for a new civil service law. During the next report period also, two employees of the General Directorate of the Civil Service will depart for the United States for participant training.

POLICE ADMINISTRATION DIVISION

General

The period July - December 1959 has witnessed significant changes in the Police Administration Division program. The most important development was the transfer of the Civil Guard advisory function to the newly created USOM Public Safety Division, which was established in July 1959. As a result of this transfer, MSUG is no longer working with the Civil Guard of Vietnam, but is continuing to render whatever assistance is called for by USOM/PSD. Also, as a result of this transfer of function, the personnel roster of the MSUG Police Administration Division has been reduced to seven as of December 1959. It is anticipated that the staff will number seven or eight during most of 1960.

A second factor in the evolution which the Police Administration Division is undergoing is a regrouping of assignments. In view of the relatively small present staff, it is felt that the former table of organization is no longer necessary. The staff is working in a closely knit, semi-formal manner similar to that followed by the initial group in 1955-56. Nevertheless, the division of work among the Surete, Municipal Police, training, communications, and participant programs remains in effect. A third item to be considered in the activities of the second half of 1959 has to do with plans for the ultimate phase-out and termination of the MSUG police program in 1962. Finally, an important change deserving of mention is the establishment of working relations with the newly created USOM Public Safety Division.

The Police Administration Division is continuing its work in the field of training. Previous Reports describe the planning, establishment, and eventual inauguration of two major training programs for the Police and Security Services, namely, the National Police Academy at Rach Dua and the VBI (Surete) High Command School at Camp des Mares in Saigon. An elaborate discussion of these schools appears superfluous at this time. Let it suffice to say that these schools are in operation and apparently fulfilling their intended need. MSUG has not withdrawn from this program, but its role in the training area is changing. Members of the Group are no longer undertaking an extensive instructional role, but rather, are serving in an advisory capacity on matters of curriculum and course content. Police advisors

are still giving a selected number of lectures in the Saigon VBI High Command School. The advisors are also attending lectures which are being given by Vietnamese instructors and are beginning to scrutinize more carefully the course content of the program. This is being done with the idea of rendering more detailed and specific assistance in the area of course content. In other words, now that the basic structure for these training schools has been established, police advisors are attempting to streamline and "point up" the content of these courses. The summary of police training on page 15 reflects the total training effort of the MSU group to date.

The Civil Guard

As stated previously, MSUG Police Administration Division withdrew from the Civil Guard advisory program. Plans for this move are described in the first Semiannual Report for 1959 and were consummated with the establishment of the USOM Public Safety Division on July 1, 1959. MSUG has turned over all pertinent information relative to the Civil Guard to USOM/PSD and is continuing to cooperate with USOM/PSD in any matters concerning the transfer of responsibility.

Police and Security Services

Many projects planned by MSUG in previous years are beginning to bear fruit at this time. The work in the fingerprint identification bureau is continuing to progress according to previous recommendations. Plans are underway for the enlargement of the Identification Bureau facilities in order to anticipate space requirements which will become very real in 1960 and 1961 as the National Identification Card Program is inaugurated.

The Central Records Bureau building was completed and the ground floor occupied during the month of November 1959. Shelving for records to be stored on the first floor is just about completed and it is anticipated that the building will be fully occupied during January 1960. The completion of this project marks a significant step toward the centralization of police records, one of the initial objectives of the advisory group.

During the period October - December, plans were approved, contracts let, and construction begun on the communications center at Camp des Mares, a new Detention Center, and renovation of the old Detention Center. This latter building will be used to house the scientific crime detection laboratory. All of these projects are being financed from FY-59 counterpart funds.

The National Identification Card Program continues to progress satisfactorily in the pilot stage. Mobile teams have obtained valuable experience in a number of provinces adjoining Saigon and have developed a nucleus of trained people who will implement the program on a national scale when it is inaugurated in 1960. Procurement for equipment as agreed upon by MSUG is about completed and delivery of these supplies is expected in early 1960. One MSUG advisor will be assigned full time to this project to provide the necessary advice and assistance for its implementation on a national scale.

Municipal Police

MSUG has continued its regular liaison and advisory work with the Municipal Police. In addition to working with the police in Saigon, members of MSUG have completed a series of field trips extending from the 17th Parallel to some of the southernmost provinces, contacting both Municipal Police and Surete officers at each principal city.

The Saigon Municipal Police Department continues its in-service training school, and the MSUG Municipal Police advisor continues his regular participation in these schools.

A training class for fingerprint technicians is currently in progress and scheduled for completion in January 1960. Several members of this class will be assigned to Saigon Police Department precinct stations to inaugurate a system of fingerprinting prisoners at the precinct level rather than at headquarters level as was done in the past.

Construction of a communications building at the Saigon Police Department headquarters was begun at the same time as similar construction was started at Surete headquarters.

Traffic Engineering

The MSU traffic consultant left Saigon on home leave in April 1959. The decision not to reemploy a traffic specialist was made after the Government of Vietnam advised that the services of such a consultant were no longer needed. (It should be noted, however, that after this decision had been made, and the traffic consultant had obtained a new position in the states, MSUG was informed that the decision may have been premature and was caused in some manner by delay in communication between the affected governmental bureaus.) As a result of this action, MSUG is no longer providing technical assistance in this area. The Police Administration Division, nevertheless, is continuing to carry out plans and projects instituted by the consultant before his departure. Specifically, this includes making arrangements for the installation of 20 traffic signal control lights which have recently arrived. This work is being coordinated between MSUG, Capitol Engineering, and the Saigon Municipal Department of Public Works.

It should also be stated that MSUG is working with Capitol Engineering, Johnson Drake and Piper, and the Government of Vietnam in the implementation of a Motor Vehicle Code which was originally prepared by the MSUG traffic consultant.

Police Communications

The police communications project has been slowed down considerably due to internal problems between MSUG, USOM and ICA/W concerning the procurement of certain items of equipment which were programmed in FY-58. As a result of these developments, progress toward the completion of the nationwide civil police communications network has been delayed at least six months.

It should be stated, however, that certain equipment which has arrived in Saigon during this report period has been installed. This includes radioteletype communications between Hue-Dalat-Saigon and certain field and mobile radio equipment.

During this reporting period extensive field trips have been made throughout most of the major provinces of Vietnam, and as a result, the initial communications project as published by MSUG has been revised and brought up-to-date.

As mentioned previously, construction work on communications buildings at Saigon Municipal Police headquarters and Surete headquarters is in progress. Construction on two additional communications buildings on the outskirts of Saigon will be started as soon as GVN obtains a clear title to the land on which these buildings will be erected.

An instruction manual for special generators installed in Jeep radio vehicles has been translated and is being printed with Surete printing equipment. This manual will be distributed in the very near future. Translation of a correspondence course in basic radio fundamentals is nearing completion and will also be printed by the Surete. The first series of lessons will be distributed in February 1960 and it is anticipated that the printing project will be completed in May 1960.

Plans are underway to establish a local training program for Police and Security Services technicians in the Department of Public Works Technical College at Phu Tho. It is anticipated that this course will begin early in 1960.

Research and Training

The regrouping of activities within the Police Administration Division has resulted in the abolition of the research and training section; these activities, however, are being carried on by members of the present staff. Work is continuing in the production of Vietnamese sound tracks for selected police training films. Manuals and publications referred to in the first Semiannual Report for 1959 have been distributed. Particular attention is called to the Police Training Manual, which apparently has been well received in view of the number of requests for additional copies.

Projects prepared in previous years relating to record bureau surveys are being presented to the Police and Security Services in a continuing effort to upgrade this activity.

A new project in the training area concerns itself with the establishment of mobile training teams. Several discussions have been held with members of the Surete training division, and it is hoped that the MSUG advisors will be able to make progress during 1960 in the establishment of mobile training teams which will travel to major provinces within the country.

SUMMARY OF POLICE TRAINING

December 1959

	Now in Training	Trained in Past 6 Mos	Total Trained Since 1955
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1. Active MSUG Participation

Audio Visual and Photography Training			135
Command Officers' School (VBI)	60	48	196
Command Officers' School (Municipal)			148
Driver Trainer School (VBI, Municipal, Civil Guard*)			317
English-Language Participant Training (VBI, Municipal)	42		211
Firearms Training (VBI, Municipal, Presidential Guard, Civil Guard*)	56		8061
Instructor Training (VBI, Civil Guard*)			65

2. Advisory MSUG Participation

Fingerprint Training (VBI) ¹			924
National Police Academy ² (VBI, Municipal)	—	280	<u>3143</u>
TOTAL	60	426	13,200

*Civil Guard trained by MSUG up to July 1, 1959

1. MSUG withdrew to advisory role in December 1955, after training nucleus of 20 instructors.
2. MSUG withdrew to advisory role in June 1956.

Participants

During calendar year 1959 several problems were encountered in the participant training program. These problems were aggravated by the serious illness of the retiring participant coordinator which occurred simultaneously with the arrival of the staff member designated to deal with the participant program in the future. In addition, the English language preparation of the current group of participants was inadequate to meet ICA/W requirements, thus necessitating a delay in their departure. For the record, it should be stated that 28 of the 40 participants departed Saigon by December 29, 1959 and the remaining 12 are scheduled to leave by mid-January 1960.

As a result of these experiences two things have been done. First, the entire English language training program has been analyzed and reviewed and recommendations have been made for incorporating certain changes in the 1960 program. Secondly, a detailed flow sheet for the processing of participants has been worked out in cooperation with USOM and it is hoped that, as a result of these efforts, the 1960 participant program will function more smoothly.

A Look Ahead

In view of the probable termination of MSU police activities in 1962, plans for an orderly phase-down will have to be developed carefully. Projects capable of being completed by mid-1962 will have to be identified and progress on them scheduled with a view to closing them out in the best possible shape. Projects which deserve continuance beyond that date should be readied for transfer to USOM Public Safety Division at the appropriate time. It is anticipated that there will be a further reduction in personnel in 1961 and a skeleton staff will remain during the first half of 1962 to conclude the project.

One member of the staff has been assigned to begin preparation of a comprehensive history and documentation of the MSUG Police Administration Division project. It is hoped that this project can be planned in such a way that final chapters may be written during the last six months of the MSU contract in 1962.

As of this writing, the Police Administration Division does not anticipate any major new projects beyond the effort

to establish the mobile training team. Projects currently in progress which will be completed by mid-1962 barring unforeseen delays are: National Identification Card Program, establishment of the Scientific Crime Detection Laboratory, improved centralization of records, expansion of the fingerprint identification bureau. Because of delays encountered in 1959 in the communications network program, it is possible that the USOM Public Safety Division will have to complete this program after mid-1962. In continuing this tentative picture of the future of police activities, discussions with USOM are anticipated about reactivating the traffic safety program and continuing the training program. During the coming year, these and other plans will be discussed with USOM.

PUBLIC ADMINISTRATION DIVISION

General

The theme of the past six months was a continued pursuit of established projects with new vigor, reinforced by an infusion of new personnel bringing fresh points of view to ongoing activities. Increasingly, the National Institute of Administration responded to advice and assistance leading to the progressive improvement of the curriculum, of the quality of the faculty, and of research activities. Although much remains to be accomplished, such improvement may be construed as an encouraging advance.

A new physical plant for the NIA moved appreciably closer to realization during the past six months. Architectural plans were revised and approved and bids for construction were requested and received, preparatory to letting contracts. Ground breaking should take place early in 1960. Progress was made in other NIA activities as well, and these developments are reviewed below under the appropriate headings.

Certain consultative services extended to government agencies were continued as a part of the activities of the division, although three of the consultant personnel were reassigned to the office of the Chief Advisor in December. Recommendations concerning the improvement of records management and use of filing equipment at the Presidency were completed and presented to the Presidency by the end of the year. Future activities in this area will depend on the response of the Presidency to these proposals. In connection with the project on the warehousing, distribution and control of medical supplies by the Health Department, the new records and procedures based on the recommendations of the MSUG consultant were made mandatory and have been in use since mid-July. This reform was preceded by a series of training sessions to familiarize hospital employees with new stock catalogs, requisition forms and requisition procedures. Following the formal installation of the new records and procedures and a brief shakedown period, the accounting operation for medical supplies was moved to the IBM machines of the General Director of the Budget. Machine-run stock cards and initial inventory listings were made for all regular stock items, and, late in the period, the first usage and stock status reports came off the machines. As a result of these reforms a reduction in the time required to fill requisitions has already been noted. A detailed

analysis of warehouse procedures was started during the current period and is expected to result in changes which will further reduce processing time as well as provide similar and more useful records of warehouse operations.

Staff changes over the past six months include the departure, upon conclusion of their tours, of Miss Julie Heyman and Drs. John Montgomery, James Hendry and Gerald Hickey. Dr. Lloyd Woodruff and Leonard Maynard returned from home leave. New arrivals were Drs. Jason Finkle and Frank Child. From mid-July, when he arrived, through November, Dr. Lloyd Musolf served as Chief of the Division. At the close of the reporting period, Leonard Maynard was serving as the interim Division Chief pending the arrival of Dr. Guy Fox.

Academic Instruction Activities

Direct participation in regular teaching at the NIA by MSUG personnel was limited to the contribution of the academic instruction advisor, who offered a course on research methods. The major project engaged in by those enrolled in the course was to conduct a survey study of the NIA student body designed to reveal information on the social and economic background of the students and to gain some insight into their perception of the government service. Results of this study will be available in January 1960. In addition to the research methods course, a special seminar (in English) on public administration for second and third year students was begun by the public administration specialist. Also, the economics advisor began teaching a graduate course in economic theory for civil servants enrolled at the Faculty of Law at the University of Saigon.

Textual materials for classes at the NIA were enriched by several items during the report period. Cases in Vietnamese Administration, a volume developed by the case development seminar under the direction of the former academic instruction advisor, Dr. John D. Montgomery, was published in both Vietnamese and English and put to immediate use. It is being employed as a major textbook in one first-year class and as supplementary reading in three other classes. It is also being used in one class at the University of Saigon. A volume containing translated excepts from John D. Millett's Management in the Public Service was also published and plans for its use are being made.

Preliminary work has been completed for the initiation of book translations under the Public Law 480 program. The NIA has established a committee to contract with USIS for the actual translations and editing of these books. The program was delayed because the release of funds was not made by Washington until mid-December 1959.

Two candidates were accepted for NIA-MSUG sponsorship for participant grants to study toward a Ph.D. in the United States. These participants should leave for the United States early next year and upon their return to Vietnam, they will be engaged as faculty members of the Institute. In addition, an NIA faculty member was selected as a grantee for a six-month study tour in the United States.

Following up the progress noted in the previous report, the NIA Council of Administration formally approved the new curriculum for introduction during the academic year that begins in August 1960. The curriculum, based upon the recommendations of an NIA-MSUG Committee, gives increased emphasis to basic social science courses and to a broader gauged approach to public administration.

The downward trend in enrollment at the NIA appears to have been checked, in part by the device of beginning the academic year in the fall, rather than in February. A total of 300 applications were made for the first-year class that began its work this fall. From this increased total it was possible for the NIA to select 74 competent students. Coupled with the 47 students who had begun their studies in February 1959, a total first-year enrollment of 121 is thus a reality.

Research Activities

It is pertinent to report that a number of factors militate against successful NIA research. Not the least of these is the lack of experience and lack of orientation toward empirical research. Also, the structure and policies of the NIA contain built-in disincentives to research activities. Finally, the place of the NIA in the governmental organization is such that at times necessary cooperation of governmental agencies is difficult to obtain.

Notwithstanding these deterrents to research, three research projects were at least initiated during the report

period by individual faculty members of the NIA under the stimulation and counsel of MSUG: a study of the structure and functions of the banking system, a study of Vietnamese exchange control and its relationship to economic development, and a study of the urbanization of Saigon. In addition, the NIA research division announced a plan for large scale group research. This study, involving the collection of data on the background, wages and living standards, and organization of the Saigon labor force, is projected to occupy the majority of the research staff for the next two or three years.

The inauguration of the NIA research projects named above represents the first fruits of an altered emphasis in this area. For the past two and one-half years, MSUG advisors have largely concentrated on accomplishing works of research that would serve as illustrations of an empirical approach to research. With the imminent publication of the three monographs on a Vietnamese village, this phase is now ending. Over the months covered by this report, the primary role of MSUG advisors has gradually been shifting to one of stimulating research by NIA faculty members. Admittedly, the factors militating against substantial NIA research activity at this time are great. If, however, the NIA is to become an institution capable of rendering skillful research assistance to Vietnam, the effort will have to be made. Encouraging factors are the improved rapport between individual faculty members of the NIA and their MSUG counterparts, and the prospect that the Ph.D. participants now in the United States will bring added strength to the NIA upon their return.

The basic character of the case development seminar has changed during this report period. Whereas previously all cases were undertaken by outside personnel, the NIA faculty now is assuming responsibility for writing the bulk of the cases, usually in collaboration with MSUG advisors. It is felt that a continuation of the case program is justified on the following grounds: 1) it provides cases for classroom use at the NIA; 2) it is a source of empirical research which is greatly needed in Vietnam; 3) it encourages NIA faculty members to engage in research focused on the actual functioning of governmental institutions and it induces them to abandon the traditional legalistic-theoretical method which has been a hindrance to research in public administration in Vietnam. It also provides a means of encouraging the NIA faculty to observe administrative and governmental problems in the outlying districts beyond Saigon.

The case study program received the strong endorsement of Mr. Edwin Bock, the Director of the Comparative Administration Section of the Inter-University Case program in the United States, when he visited NIA and MSUG for three days.

A case advisory committee, consisting of three NIA faculty members and three MSU advisors, has been established to provide advice and guidance for the future of the case program. This committee will assume increasing responsibility for the case program in coming months. The members of the advisory group were invited to attend a Southeast Asia Conference on administrative case studies held in Manila in early December. Only the failure to achieve Government of Vietnam authorization for the trip prevented attendance; the academic instruction advisor, who directs the case study program, did attend the conference, however. He is keeping the NIA fully informed on developments emerging from the conference.

With the cooperation of the Bibliotheque Generale, a bibliography listing all publications in the fields of the social sciences originating in Vietnam between 1947 and 1959 was prepared. This bibliography is now completed and available for distribution.

Following the completion of her tour, a decision was made not to replace the library advisor. Limited consulting responsibilities in connection with the Library were assigned to the economics advisor. A former participant who had returned from a year's study in the United States was appointed acting librarian, pending the return as librarian of another MSU participant from her library studies in the Philippines. These changes are a major step forward in the assumption by the NIA of greater responsibility for library operation. It is also encouraging to note that the NIA has agreed to move its collection of government documents to the same quonset in which the EROPA documents collection is housed. During the past six months, the Library grew to 11,600 volumes.

Informal discussions have been held with the Board of Directors of the Center for Vietnamese Studies, and MSUG advisors are informally assisting the research division of this organization in a consultative capacity. (The center is an unofficial, non-profit organization engaging in a wide variety of activities including publication of low cost popular educational pamphlets and the conduct of survey type

research designed to gain information on the attributes and attitudes of various segments of the population.)

Intended for circulation abroad, six articles from the NIA journal, Administrative Research, were translated into English. They are being edited and should appear in print during the next report period.

In-Service Training Activities

In the field of In-Service Training, the most notable event was the NIA sponsorship of a series of six conferences of training directors from various government agencies. While the preparation for the conferences was in close concert with the MSUG advisor, he remained deliberately absent from the conferences in order to avoid inhibiting open and full discussion. During the conferences, the progress and problems of the training movement were discussed and recommendations were agreed upon for inclusion in a report to be submitted to the Presidency. Among these recommendations were the establishment of a cadre for training officers, the establishment of a training unit in each government agency and the recognition of training as a major management responsibility. An additional result of the conferences was the request from a number of agencies for a series of NIA-sponsored seminars on administrative subjects. One such seminar, on organization and methods, has been prepared by MSUG personnel and has been scheduled to begin in February 1960. Another seminar, on administrative correspondence, was begun in December by a staff member of the IST Division of the NIA.

Approximately 75 training directors signed up for the conferences. Attendance at each one, however, was about 40, the remaining participants relying upon the written reports which were issued. The final conference was a resumé of the previous sessions and was opened to other government officials. Approximately 200 attended.

In general, the conferences were well received by the participants and their respective agencies. The suggestion was made that such a program be an annual affair. In addition, initial negotiations were opened for similar conferences for provincial training officers.

The establishment of regional training centers moved ahead, albeit slowly. Construction was completed on the center located in Tan An, Long An Province, which is now in

full operation. Although the Department of Interior has selected the locations for the other planned centers, details on provincial responsibilities have not yet been agreed upon. Significantly, however, the Department of Interior has issued a general policy and program guide obliging each province to carry on systematic and necessary training. Several provinces have requested and received advice and assistance from the NIA In-Service Training Division which is becoming recognized as a useful source of aid.

As in the past, advice and assistance were rendered, upon request, to government agencies in Saigon. This assistance included guidance in planning a training course, furnishing material and equipment and showing training films. A training course in library science was also given to approximately 50 civil servants from various agencies in response to a number of requests.

Considerable activity occurred in the participant program for training specialists. MSUG's audio-visual employee was transferred to the NIA and sent to the United States for one year for further training in audio-visual techniques and equipment. Another participant who was sent to the United States for a one-year tour of study and observation will, upon return, be the director of the major training school for community development agents of the Civic Action Commissariat. Five candidates for the Basic Training Officers course in Manila have been selected and are now undertaking English language training in preparation. They are tentatively scheduled to leave in April 1960. A three-week observation tour of executive development activities in Australia by two government officials was also completed. One of these officials is a recent addition to the In-Service Training Division, NIA.

The In-Service Training Newsletter continued publication at the rate of 6,000 copies per month, except for a special enlarged edition of 10,000 containing the proceedings of the Training Directors' Conferences. An article from the Newsletter was also reprinted in English in a counterpart publication in the Philippine Islands.

Translations of training material abated somewhat. However, a publication by one of the MSUG in-service training specialists entitled Scientific Management was translated and reproduced. The preparation of a series of filmstrips with accompanying narration on records was conceived and begun

during this reporting period. These film strips, which will be 12 in number, will cover various aspects of supervision and will be reproduced in quantity for distribution throughout the government.

Seven department typewriting training courses were completed and nine were started during the period. Forty department courses have now been completed, four are in process, and plans have been made for forty-one future courses. Department Courses have brought training to 828 government typists. An increase in the number of requests from the provinces for typewriting instructional materials was noted during the period.

Decisions were reached by the Typewriting Instructor's Group, which meets once a month, relative to a format for typing a copy of an original letter and a format for the typing of a transmittal slip. Instructional materials based on these decisions were prepared for addition to the Training Course for Government Typists, and these materials are beginning to be distributed to government typists by the instructors.

The following studies for the standardized typewriter project were completed and the data processed: interviews with typewriter company representatives; survey of typewriters in the central government; language frequency studies of accent marks and the letters A, D, U, and Ø. On the basis of developed criteria and the status and language studies, a recommended standard keyboard was determined. In process is a study to determine the appropriate vertical spacing required to avoid overprinting by accent marks. Processing the data from the status study gave startling evidence of the need for achieving a standardized typewriter in Vietnam. Among 2,182 typewriters surveyed, 449 different keyboards were found. One of the typewriter conversion tools developed in Turkey was received on loan from the Turkish Ministry of Education. With permission from Turkey, this tool was copied by a local machine shop.

A Look Ahead

In the forthcoming half-year, the Public Administration Division will continue to concentrate its efforts toward the improvement of the NIA. The quality of the faculty will receive special attention. In addition, two Ph.D. candidates,

already selected and in process, will be sent to the United States to study. Recruitment of additional Ph.D. candidates will be undertaken. One faculty member will be sent to the United States for special study. Close and continuous liaison on individual bases will continue, particularly in connection with research activities.

The research field will see a number of developments. A joint NIA-MSUG study project on water rates in Saigon will be undertaken. Assuming the permission and cooperation of the Government of Vietnam is obtained, an MSUG study of the economic effects of exchange control should get underway. Following up on initial contacts already made, efforts will be made to interest the research service of the Department of Interior in collaborating with the NIA on research activities directed toward the improvement of local administration. The three village studies should be completed, translated and published in both Vietnamese and English. Publication in both languages is also slated for a study of the Saigon work force completed earlier. Publication of this study has been delayed by editorial conflicts over the choice of Vietnamese terms for certain English technical words. The survey study of the NIA student body, designed to reveal information on the socio-economic backgrounds of the students and to gain insight into their perception of government service is expected to be completed. Several case studies will be initiated by NIA faculty members and upon their completion will be incorporated in a monograph entitled The Vietnamese Government at Work.

Special attention will be devoted to improving procedures for book selection and purchase by the library and to obtain and improve control over circulation without inhibiting the free use of books.

Such limited teaching activities as have been described for the past six months will be continued. In addition, an economics seminar, conducted in English, will be offered to first year students. Efforts to obtain wider classroom use of case materials and the case study method of instruction will continue; these efforts will include contacting the University of Hué.

There is every reason to expect that ground breaking for the construction of the new plant for the NIA will take place in the next few months. Construction will proceed simultaneously on three buildings.

In the field of In-Service training a number of participants will be sent to the Institute of Public Administration in Manila to participate in a basic training officers course. In addition a brief observation tour of training activities in the Philippines and Japan is planned for selected government officials. The organization and methods seminar which was prepared during this semiannual period will be held and, if the demand justifies it, the seminar will be repeated. The ground breaking should begin for five regional training centers. Approximately six film strips with accompanying recorded narrative on different aspects of supervision will be completed and available for use. The In-Service Training Newsletter will continue as in the past, except that the editorial committee will take special steps to improve the content. A report on a recommended Vietnamese standardized typewriter should be completed. Continued assistance will be given to department typing courses.

On the Health Department project, the coming six-month period should see the completion of the studies of warehouse procedures and installation of appropriate procedural changes. Future plans also include the development of inventory controls and stock accounting records for hospitals.

ADMINISTRATIVE SERVICES DIVISION

Administrative support activities during the period ending December 31, 1959 included maintenance and repair of both residences and offices, packing and transportation arrangements for various staff members returning to the States, transportation for participants, and the usual administrative support activities. Expenditures during this period totalled only VN\$10,817,841.01, an indication that the economy drive listed as a necessity in the last semiannual report largely succeeded.

It was anticipated that during the period, MSUG would be able to begin integrating its administrative support with the NIA, especially in the area of equipment. This integration, however, has not yet begun. Another area in which progress has been slower than originally expected is that of reducing the Vietnamese staff. It is expected that during the next six months substantial reductions will be effected.

As of December 31, 1959, the American and Vietnamese staff numbered as follows:

25	American staff (and 45 dependents)
113	Locally hired regular staff (plus 2 part-time)
<u>2</u>	Locally hired contract staff (plus 3 part-time)

140

EAST LANSING SUPPORT

During the past six months the Coordinator's Office continued its established role in maintaining contacts with university academic departments and administrative personnel concerned with Michigan State University advisory Group (MSUG) activity. Close working relationships were maintained between the Coordinator's Office and MSUG in Saigon, with other overseas programs at the University, with International Cooperation Administration-Washington (ICA/W), and other public and private agencies in the United States.

In August, Mr. Stanley K. Sheinbaum, Coordinator, went on a leave of absence and was replaced by Dr. Stanley T. Gabis who supervised the Coordinator's Office during most of the period covered by this report. Professor James B. Hendry of the Department of Economics, who recently returned to campus after completing a two-year tour in Saigon, joined the Coordinator's Office on a half-time basis as research associate and student advisor. Dr. Hendry is completing a village and urban work-force study on the basis of research conducted while in Vietnam. Also, Professors John T. Dorsey and Robert G. Scigliano, both of the Department of Political Science and recent returnees from service on the staff of MSUG, are associated with the Coordinator's Office on the basis of 1/3 time in order to complete research begun in Vietnam. Dr. Dorsey is working on a general study of the administrative system of Vietnam, and Dr. Scigliano is concerned with electoral processes.

Recruitment and processing of overseas staff remained a continuing function of the Coordinator's Office. Professor Guy Fox of the Michigan State University (MSU) Department of Political Science was recruited as Chief of the Public Administration Division, MSUG. Mr. Robert Hanes, of the MSU Auditor's Office, accepted the position of Finance Officer, MSUG. Miss Patricia Peach was recruited for secretarial duties.

In October, Deans Alfred L. Seelye and Glen L. Taggart, College of Business and Public Service and International Programs respectively, departed for the Far East on an inspection tour which included a review of the activities of MSUG in Saigon. Also, Professor David Cole of Vanderbilt University and Professor Ruben Austin of MSU were recruited as consultants. Professor Cole will spend approximately three

months in Saigon studying problems of tax administration, and Professor Austin will conduct a study of the feasibility of developing a business administration program in Vietnam and, if so, whether it is feasible to develop it at the NIA.

During October, the Vietnam Project was visited by Mr. Kalman Dienes, newly appointed Chief of the Public Administration Division, USOM (United States Operations Mission) Vietnam. Mr. Dienes held a number of meetings with officials on campus directly involved with International Programs and the Vietnam Project.

During November, Mr. Wolf Ladejinsky, Advisor to the President of Vietnam, arrived on campus. Mr. Ladejinsky consulted with campus personnel involved in overseas projects and conducted several seminars devoted to problems of economic and administrative reform in Vietnam.

Last spring a reference library was established to service the needs of participants. This resource has been strengthened with special emphasis on collecting fugitive materials pertaining to public administration and economic development in Asia. At the request of the Institute of Pacific Relations, this office prepared a supplement to the bibliography covering recent articles, books, special studies and documents bearing upon Vietnam.

The Participant Program in East Lansing

The participant program is an important part of the support function. During the period covered by this report there has been a marked reduction in the number of new participants; the main emphasis has been on the field training portion of the program.

Participants arriving during the last six months included:

Mr. Huynh Xuan Tho, Directorate General of Taxation for the Government of Vietnam (GVN),

Mr. Le Quang Huynh, Administrative Assistant to the Directorate General of Taxation,

Mr. Le Ba Do, Audio-Visual Specialist, NIA,

Lt, Do Thanh Liem, Chief, Radio Communications.

Mr. Tho has been engaged in an extensive tour of Federal, state and local public jurisdictions in an intensive study of various aspects of tax administration. He also visited Canada and Puerto Rico and attended the Canadian National Tax Association Conference. Mr. Huynh took course work in the general area of taxation on campus and is doing field work. Lt. Liem has completed a six-month tour of radio communications operations in the United States and Puerto Rico and has recently returned to Vietnam. Mr. Do recently began a ten-month audio-visual course in residence at Indiana University.

Of the remaining participants, two in the field of hotel management have completed specialized training in various aspects of hotel management including a short course at Cornell University and one at the American Culinary Institute.

Mr. Pham Quang Pham, Deputy Chief, Foreign Department, National Bank of Vietnam, completed eight months of in-service training at the First National Bank in New York City, attended the International Monetary Fund meetings, and also was introduced to the operations of the Federal Reserve Bank in New York and the Bank of Tokyo.

Of the short-term public administration participants, four completed a course in organization and management at the American University and visited several government agencies and private firms to observe their techniques. One is presently attending the ICA-sponsored program in Applied Administrative Management at American University. Field training arrangements were made for personnel from the Directorate General of the Budget as requested by ICA/W and USOM. This group included four participants.

During the report period, the Ph.D. participants continued to make progress in their respective universities. Mr. Tran Ngoc Phat transferred from MSU to Harvard University in September to continue his studies in public administration. Mr. Nguyen Duy Xuan completed his preliminary examinations for the Ph.D. near the end of the report period, and he will return to Vietnam in early 1960 to complete his dissertation. After consultation between the NIA and MSU, Mr. Buu Dich was reclassified as a candidate for the Master of Arts degree.

Arrangements were made for field visits to police departments in various parts of the United States for the eight police participants.

Professional conferences attended by participants included the Political Science Association, Public Personnel Association and the American Economic Association in addition to those mentioned above.

As of December 31, 1959 there were 16 MSUG participants in the United States and one in the Philippines:

1	NIA (Audio-Visual)
1	Organization and Methods
1	Hotel Management
3	Master's Degree Candidates
7	Doctoral Candidates
1	Police Administration
2	Taxation
<hr/> <u>16</u>	

1 Library Science in Philippines

Twenty-one participants completed their program during the last six months:

5	Police Administration
4	Police Lab
1	Police Communications
2	Library Science
2	Hotel Management
1	NIA
1	Banking
1	Budget
3	Organization and Methods
1	Personnel Administration
<hr/> <u>21</u>	

Nine new participants departed from Vietnam in December for the United States. They are all in the field of Police Administration.

The Coordinator's Office

The MSU Board-appointed staff of the Coordinator's Office consisted of the following personnel as of December 31, 1959:

Stanley T. Gabis, Acting Coordinator
James B. Hendry, Research Associate and Student
 Advisor 1/2 time
John T. Dorsey, Research Associate 1/3 time
Robert G. Scigliano, Research Associate 1/3 time
Elsie Cunningham, Participant Director
Lawrence Baril, Police Administration Specialist
 1/2 time
Doris DeKoning, Assistant to the Coordinator
Alice Preville, Secretary to the Coordinator
Nona Pettigrew, Library Clerk
Nancy Maddalozzo, Secretary to the Participant
 Director

APPENDIX A

ORGANIZATION OF MICHIGAN STATE UNIVERSITY GROUP
(MSU Board-Appointed American Staff)

Lloyd D. Musolf, Chief Advisor

Marvin Murphy, Budget Consultant
Dale Rose, Personnel Consultant
Milton Taylor, Tax Consultant
Donna McKeen, Secretary
Patricia Peach, Secretary

<u>PUBLIC ADMINISTRATION DIVISION</u>	<u>ADMINISTRATIVE SERVICES DIVISION</u>	<u>POLICE ADMINISTRATION DIVISION</u>
Leonard Maynard, Acting Chief	John Griffin, Chief	Ralph Turner, Chief
Denzel Carmichael, Office Management and Training	Donald Aschom, Finance	Melvin Handville, Training
Frank Child, Economics	Robert McKeen, General Services	Jerome Hemmye, Communications
Jason Finkle, Academic Instruction Adminis- tration	Ruby Fox, Secretary	Paul Shields, Training
George Melanson, In- Service Training		Charles Sloane, Municipal Police
Charles Myers, Organization and Methods		Victor Strecher, Participants
Lloyd Woodruff, Public Administration		Helen Riggs, Secretary
Jane Ericson, Secretary		

APPENDIX B

SUMMARY OF OPERATING EXPENDITURES (COUNTERPART)
FOR SIX-MONTH PERIOD, JULY 1-DECEMBER 31, 1959

<u>Accounts</u>	<u>Expenditures</u>	
	<u>Vietnamese Piasters</u>	<u>U. S. Dollars</u>
<u>Personnel Services</u>		
Non-American	4,386,802.00	126,130.02
Overtime	427,658.00	12,296.09
Terminal Leave	96,848.00	2,784.59
<u>Travel</u>		
Local Operational	197,248.80	5,671.33
Overseas Operational	366,858.45	10,547.97
<u>Transportation of Things</u>		
Personal Property	61,597.40	1,771.06
<u>Communications</u>		
Local Telephone	64,419.50	1,852.20
Cable Charges	55,151.44	1,585.72
Other	4,345.00	124.93
<u>Rents and Utilities</u>		
Office Rents	750,000.00	21,564.12
Utilities	1,091,861.03	31,393.36
Rents Residential	999,220.40	28,729.74
<u>Printing and Reproduction</u>		
Public Administration	527,217.50	15,158.64
Police Administration	348,652.50	10,024.51
<u>Contractual Services</u>		
Representation	51,604.50	1,483.74
Motor Repair & Maintenance	77,795.06	2,236.78
Residential Repairs	138,139.00	3,971.79
Office Repairs	86,068.00	2,474.64
Translation & Research	221,276.00	6,362.16
Others	300,668.00	8,644.85
<u>Supplies and Materials</u>		
Office Supplies	136,550.17	3,926.11
Motor Fuels & Lubricants	44,255.00	1,272.43
Residential Supplies & Materials	209,558.26	6,025.25
<u>Equipment</u>		
Office Furnishings	29,532.00	849.11
Office Machines	75,500.00	2,170.79
Residential Furniture & Fixtures	26,782.00	770.04
Library Equipment including books	42,233.00	1,214.28
TOTAL	10,817,841.01	311,036.25

APPENDIX C

Reports and Documents

July 1 - December 31, 1959

Other MSUG and NIA publications included in previous semiannual reports.

Hendry, James. The Study of a Vietnamese Rural Community - Economic Activity. Published by MSUG and NIA. (English; mimeographed.)

In-Service Training Newsletter. Six issues. Published by NIA. (Vietnamese; mimeographed.)

Montgomery, John D., and the NIA Case Development Seminar. Cases in Vietnamese Administration. Published by MSUG and NIA. (Vietnamese and English; printed.)

Melanson, George. Scientific Management. Published by MSUG and NIA. (Vietnamese and English; mimeographed.)

Millett, John D. Management in the Public Service. Published by MSUG and NIA. (Excerpts translated into Vietnamese; printed.)

Snyder, Wayne W. Statistical Methods (revised). Published by MSUG and NIA. (Vietnamese and English; printed.)

Supplement to the Government Organization Manual. Published by MSUG and NIA. (Vietnamese; printed.)

Taylor, Milton C. The Taxation of Real Property in Viet-Nam. Published by MSUG. (Vietnamese and English; mimeographed.)

Taylor, Milton C. The Patente (Business License Tax) in Vietnam. Published by MSUG. (Preliminary English language version; mimeographed.)